

TOWN OF SEYMOUR, CONNECTICUT

FINANCIAL STATEMENTS

JUNE 30, 2013

TOWN OF SEYMOUR, CONNECTICUT

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Independent Auditors' Report

To the Board of Finance
Town of Seymour, 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 Seymour, Connecticut, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Town of Seymour, Connecticut'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.

Auditors' 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 of 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 auditors' 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 auditors consider 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 Seymour, 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 on pages 4 through 16, 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, which 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 Seymour, Connecticut's basic financial statements. The combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules 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 combining and individual nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2013 on our consideration of the Town of Seymour, 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 Seymour, Connecticut's internal control over financial reporting and compliance.

Blum, Shapiro & Company, P.C.

West Hartford, Connecticut
December 18, 2013

Town of Seymour, Connecticut
Management Discussion and Analysis
For the Year Ended June 30, 2013

Unaudited

The management's discussion and analysis of the Town of Seymour, Connecticut's (the Town) financial performance provides an overall review of the Town's financial activities for the year ended June 30, 2013. The intent of this discussion and analysis is to look at the Town's financial performance as a whole: readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the Town's financial performance.

Financial Highlights

Key financial highlights for 2013 are as follows:

- The total net position of the Town increased \$3,868,001. Net position of governmental activities increased \$3,926,117 or 7.23% over 2012 and net position of business-type activities decreased \$58,116 or 0.66% over 2012.
- General revenues accounted for \$40,309,229 of total governmental activities revenue. Program specific revenues accounted for \$21,370,254 or 35% of total governmental activities revenue.
- The Town had \$57,753,366 in expenses related to governmental activities: \$21,370,254 of these expenses was offset by program specific charges for services, grants or contributions. The remaining expenses of the governmental activities of \$36,383,112 were offset by general revenues (mainly by property taxes, unrestricted grants and entitlements) of \$40,309,229.
- The general fund had revenues of \$55,528,100 in 2013. This represents an increase of \$1,305,212 from 2012 revenues. The expenditures of the General Fund, which totaled \$54,186,926 in 2013, increased \$1,396,171 from 2012.
- Net position for the business-type activities, which are made up of the Sewer Enterprise Fund, decreased in 2013 by \$58,116. This decrease in net position was due primarily to a decrease in assets from depreciation.
- In the General Fund, actual revenues came in \$976,714 higher than the final budget and actual expenditures were \$207,254 lower than the final budget. The revenues were higher than budget due to FEMA reimbursement of \$190,596, positive tax collection of \$327,542 and other unanticipated grants of \$339,474. Expenditures were below budget due to management's consistent budget monitoring and expenditure controls.

Using this Annual Financial Report

This annual report consists of a series of financial statements and notes to these statements. These statements are organized so the reader can understand the Town as a financial whole, and entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The statement of net position and statement of activities provide information about the activities of the Town as a whole, presenting both an aggregate view of the Town's finances and a longer-term view of those finances, fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the Town's most significant funds with all other non-major funds presented in total in one column.

Reporting the Town as a Whole

Statement of Net position and the Statement of Activities

While this document contains a large number of funds used by the Town to provide programs and activities, the view of the Town as a whole looks at all financial transactions and informs the user how the Town financially performed during 2013. The statement of net position and the statement of activities answer these questions. These statements include all assets, liabilities, revenues and expenses using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the Town's net position and changes in those assets. This change in net position is important because it tells the reader that, for the Town as a whole, the financial position of the Town has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Nonfinancial factors include the Town's property tax base, current property tax laws in Connecticut restricting revenue growth, facility conditions, required community programs and other.

In the statement of net position and the statement of activities, the Town is divided into two distinct kinds of activities:

- 1) Governmental activities – Most of the Town's programs and services are reported here including public safety, education, street maintenance, capital improvements and general administration. These services are funded primarily by property taxes and intergovernmental revenues including federal and state grants and other shared revenues.
- 2) Business-type activities – These services are provided on a charge for goods or services basis to recover all or a significant portion of the expenses of the goods or services provided. The Town's Sewer enterprise operations are reported here.

The Town's statement of net position and statement of activities can be found on pages 17-18 of this report.

Reporting the Town's Most Significant Funds

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, like other state and local governments, 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.

Fund financial reports provide detailed information about the Town's major funds. The Town uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the Town's most significant funds. The analysis of the Town's major governmental and proprietary funds begins on page 19.

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 government's near-term financing requirements.

Because the focus of the government funds is narrower than that of 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, the readers may better understand the long-term impact of the government'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 a multitude of individual governmental funds. The Town has segregated these funds into major funds and non-major funds. The Town's major governmental funds are the General Fund, the Middle School Fund and the Chatfield LoPresti Fund. Information for major funds is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures and changes in fund balances. Data from the other governmental funds are combined into a single, aggregated presentation. The basic governmental fund financial statements can be found on pages 19-23 of this report.

Proprietary Funds

The Town maintains one proprietary fund. 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 sewer operations. The Town's enterprise fund is considered a major fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the Town's various functions. The basic proprietary fund financial statements can be found on pages 24-26 of this report.

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 statement 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. Agency funds and pension trust funds are the Town's

only fiduciary funds types. The basic fiduciary fund financial statements can be found on page 27-28 of this report.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages 29-51 of this report.

Government-Wide Financial Analysis

The table below provides a summary of the Town’s net position for 2013 and 2012.

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Current and other assets	\$ 17,692,412	\$ 19,633,205	\$ 1,149,123	\$ 953,793	\$ 18,841,535	\$ 20,586,998
Capital assets	99,296,914	95,425,552	7,781,738	8,306,782	107,078,652	103,732,334
Total assets	<u>116,989,326</u>	<u>115,058,757</u>	<u>8,930,861</u>	<u>9,260,575</u>	<u>125,920,187</u>	<u>124,319,332</u>
Current liabilities	14,204,847	14,944,214	271,596	271,598	14,476,443	15,215,812
Noncurrent liabilities	44,554,594	45,810,775		271,596	44,554,594	46,082,371
Total liabilities	<u>58,759,441</u>	<u>60,754,989</u>	<u>271,596</u>	<u>543,194</u>	<u>59,031,037</u>	<u>61,298,183</u>
Net investment in capital assets	55,775,355	52,434,673	7,510,142	7,763,588	63,285,497	60,198,261
Restricted	1,000	1,000			1,000	1,000
Unrestricted	<u>2,453,530</u>	<u>1,868,095</u>	<u>1,149,123</u>	<u>953,793</u>	<u>3,602,653</u>	<u>2,821,888</u>
Total Net Position	<u>\$ 58,229,885</u>	<u>\$ 54,303,768</u>	<u>\$ 8,659,265</u>	<u>\$ 8,717,381</u>	<u>\$ 66,889,150</u>	<u>\$ 63,021,149</u>

Over time, net position can serve as a useful indicator of a government’s financial position. At June 30, 2013, the Town assets exceeded liabilities by \$66,889,150. At year-end, net position was \$58,229,885 and \$8,659,265 for the governmental activities and the business-type activities, respectively.

Capital assets reported on the government-wide statements represent the largest portion of the Town’s net position. At year-end capital assets represented 85% of total assets. Capital assets include land, land improvements, buildings and improvements, equipment, vehicles and infrastructure. Capital assets, net of related debt to acquire the assets at June 30, 2013, were \$55,775,355 and \$7,510,142 in the governmental activities and business-type activities, respectively. These capital assets are used to provide services to citizens and are not available for future spending. Although the Town’s investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

As of June 30, 2013, the Town is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental business-type activities.

A portion of the Town's net position, \$1,000 represents resources that are subject to external restriction on how they may be used. In the governmental activities, the remaining balance of unrestricted net position of \$2,453,530 may be used to meet the government's ongoing obligations to citizens and creditors.

The table below shows the changes in net position for the fiscal year 2013 and 2012.

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Revenues:						
Program revenues:						
Charges for services	\$ 1,922,742	\$ 1,824,230	\$ 1,545,668	\$ 1,631,837	\$ 3,468,410	\$ 3,456,067
Operating grants and contributions	19,259,974	31,885,437			19,259,974	31,885,437
Capital grants and contributions	187,538	117,907			187,538	117,907
General revenues:						
Property taxes	39,600,518	38,587,563			39,600,518	38,587,563
Grants and contributions not restricted to specific programs	935,210	955,620			935,210	955,620
Investment income	53,475	19,450	56	952	53,531	20,402
Miscellaneous revenue						
Transfers in	(279,974)	(712,408)	279,974	712,408		
Total revenues	<u>61,679,483</u>	<u>72,677,799</u>	<u>1,825,698</u>	<u>2,345,197</u>	<u>63,505,181</u>	<u>75,022,996</u>
Expenses:						
General government	3,496,359	3,212,595			3,496,359	3,212,595
Public safety	7,418,542	7,149,115			7,418,542	7,149,115
Public works	4,100,306	4,837,758			4,100,306	4,837,758
Recreation and culture	2,638,434	2,428,925			2,638,434	2,428,925
Sanitation	1,253,537	1,254,771			1,253,537	1,254,771
Board of education	37,366,413	38,517,530			37,366,413	38,517,530
Interest on long-term debt	1,479,775	1,453,677			1,479,775	1,453,677
Water			1,883,814	1,975,932	1,883,814	1,975,932
Total expenses	<u>57,753,366</u>	<u>58,854,371</u>	<u>1,883,814</u>	<u>1,975,932</u>	<u>59,637,180</u>	<u>60,830,303</u>
Change in net position	3,926,117	13,823,428	(58,116)	369,265	3,868,001	14,192,693
Net Position - July 1	<u>54,303,768</u>	<u>40,480,340</u>	<u>8,717,381</u>	<u>8,348,116</u>	<u>63,021,149</u>	<u>48,828,456</u>
Net Position - June 30	<u>\$ 58,229,885</u>	<u>\$ 54,303,768</u>	<u>\$ 8,659,265</u>	<u>\$ 8,717,381</u>	<u>\$ 66,889,150</u>	<u>\$ 63,021,149</u>

Governmental Activities

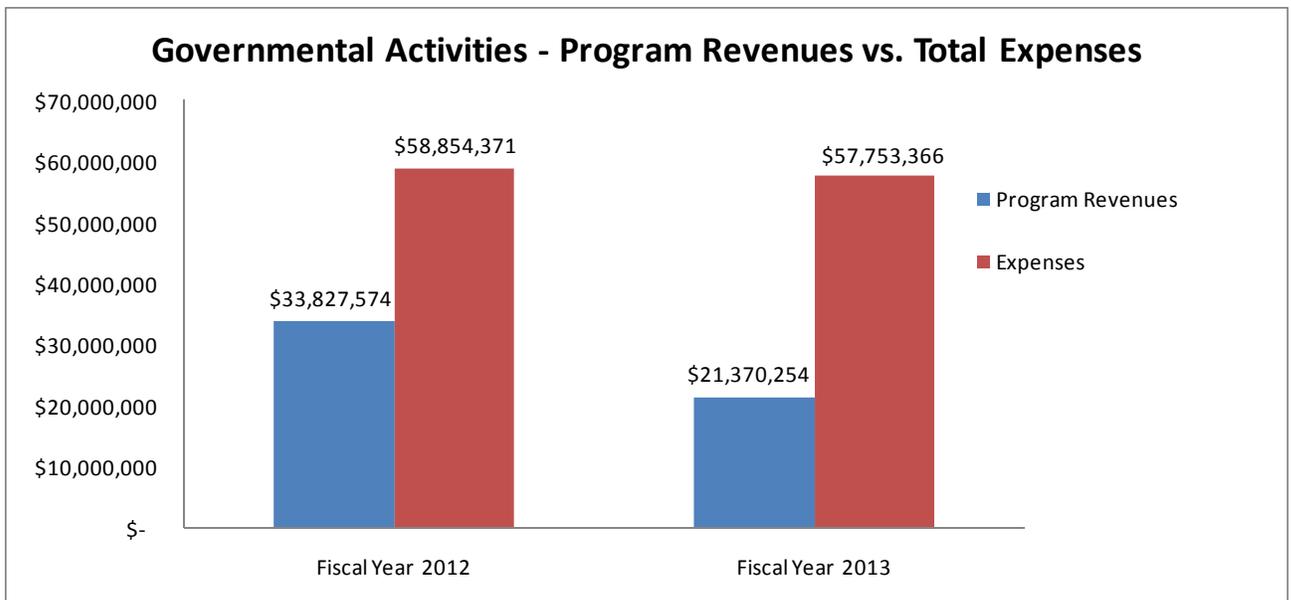
Governmental activities net position increased \$3,926,117 in 2013. The increase was due to increase in assets and a decrease in long term liabilities.

Education accounted for \$37,366,413 of the total expenses of the Town. These expenses were partially funded by \$32,079,605 in state and federal grants.

The state and federal government contributed to the Town a total of \$19,259,974 in operating grants and contributions.

General revenues totaled \$40,309,229 and amount to 65% of total governmental revenues. These revenues primarily consist of property and income tax revenue of \$39,600,518. The other primary source of general revenues is grants and contributions not restricted to specific programs, making up \$935,210.

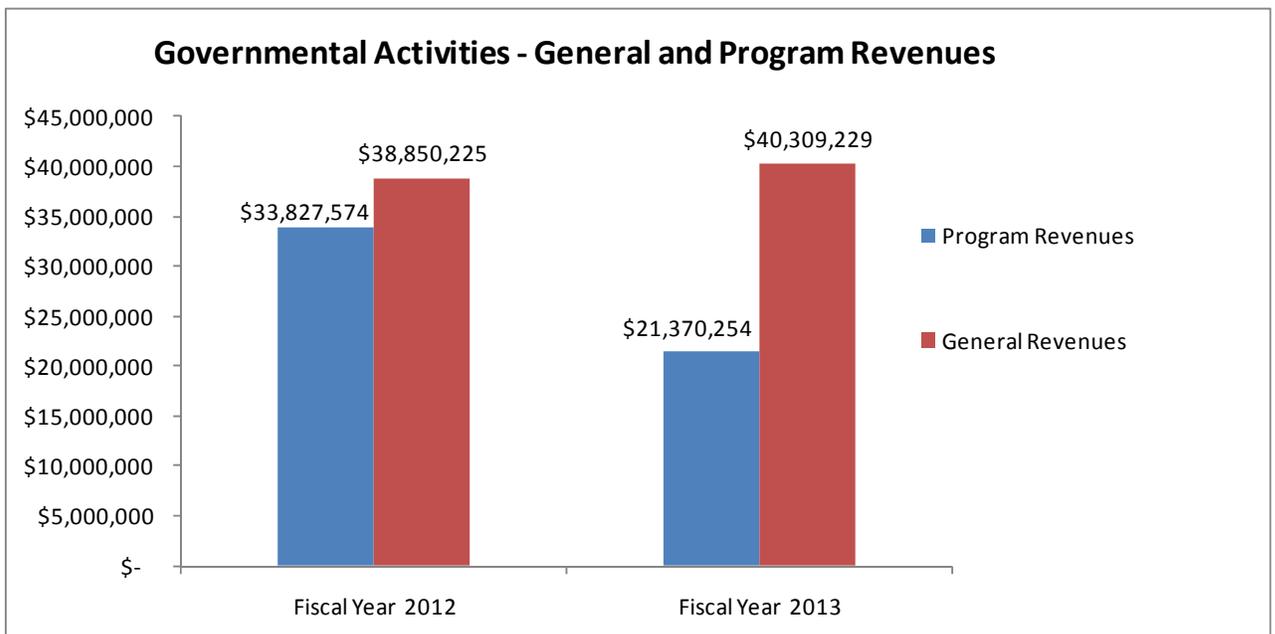
The statement of activities shows the cost of program services and charges for services and grants offsetting those services. The following table show, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted state grants and entitlements to support its governmental activities.



Governmental Activities

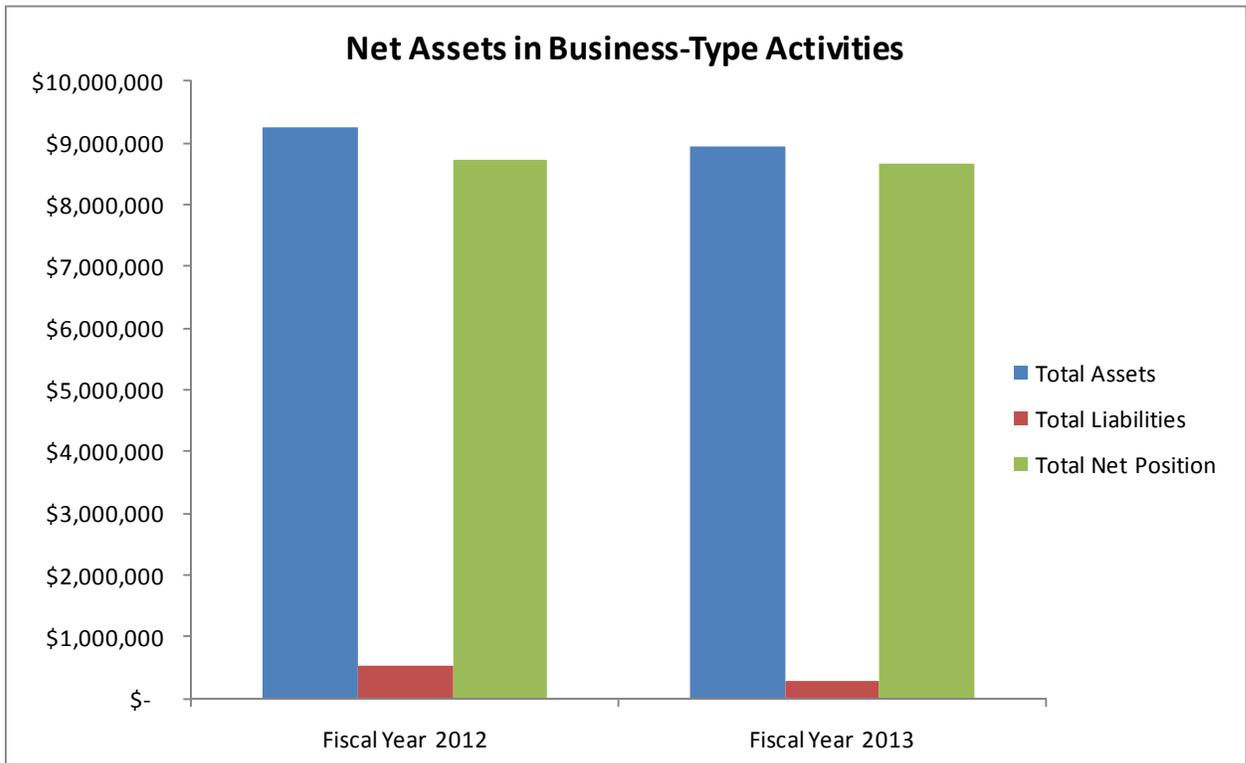
	2013	2012	2013	2012
	Total Cost of Services	Total Cost of Services	Net Cost of Services	Net Cost of Services
Program Expenses:				
General government	\$ 3,496,359	\$ 3,212,595	\$ 2,245,073	\$ 2,200,314
Public safety	7,418,542	7,149,115	7,327,803	7,094,728
Public works	4,100,306	4,837,758	3,261,851	3,378,821
Recreation and culture	2,638,434	2,428,925	2,614,923	2,425,245
Sanitation	1,253,537	1,254,771	1,235,095	1,233,412
Education	37,366,413	38,517,530	18,218,592	7,240,600
Interest on long-term debt	<u>1,479,775</u>	<u>1,453,677</u>	<u>1,479,775</u>	<u>1,453,677</u>
Total Expenses	<u>\$ 57,753,366</u>	<u>\$ 58,854,371</u>	<u>\$ 36,383,112</u>	<u>\$ 25,026,797</u>

The dependence upon general revenues for governmental activities is apparent, with 53% of expenses supported through taxes and other general revenues.



Business-Type Activities

Business-Type activities include the Town's Sewer enterprise. This program had program revenues of \$1,545,668 general revenues of \$56 and expenses of \$1,886,814 for the fiscal year 2013. The graph below shows the business-type activities assets, liabilities and net position at year-end 2013 and 2012.



Financial Analysis of the Government's Funds

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

Governmental Funds

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

The Town's governmental funds (as presented on the balance sheet on page 18) reported a combined fund balance of \$1,973,910 which is \$385,962 less than last year's total of \$(2,359,872). The schedule below indicates the fund balances and the total change in fund balances as of June 30, 2013 for all major and non-major governmental funds.

	Fund Balances June 30, 2013	Fund Balances June 30, 2012	Increase (Decrease)
General Fund	\$ 5,343,919	\$ 4,412,030	\$ 931,889
Middle School	172,656	(1,715,948)	1,888,604
Other Governmental Funds	<u>(3,542,665)</u>	<u>(336,210)</u>	<u>(3,206,455)</u>
Total	<u>\$ 1,973,910</u>	<u>\$ 2,359,872</u>	<u>\$ (385,962)</u>

General Fund

The table that follows assists in illustrating the revenues of the General Fund.

	2013 Amount	2012 Amount	Percentage Change
Revenues:			
Property taxes	\$ 39,416,217	\$ 38,214,375	3.14%
Interest and lien fees	403,948	257,818	56.68%
Intergovernmental	14,495,662	14,272,163	1.57%
Investment income	10,248	41,456	-75.28%
Permits, fees and other	1,158,045	1,404,214	-17.53%
Other revenues	<u>43,980</u>	<u>32,862</u>	33.83%
Total	<u>\$ 55,528,100</u>	<u>\$ 54,222,888</u>	2.41%

Tax revenue represents 71% of all General Fund revenue. Tax revenue increased by 3.14% over prior year. The increase in intergovernmental revenue is due to the additional one time grants and FEMA reimbursement. Other revenues decreased significantly, 17%, due to slow economy. Investment revenues continue to decrease due to lower interest rate earnings.

The table that follows assists in illustrating the expenditures of the General Fund.

	<u>2013</u> <u>Amount</u>	<u>2012</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
Expenditures:			
General government	\$ 2,806,242	\$ 2,716,531	3.30%
Public safety	6,701,942	6,438,930	4.08%
Public works	3,257,668	2,876,926	13.23%
Sanitation	1,249,305	1,248,505	0.06%
Sundry	2,458,313	2,407,132	2.13%
Board of education	33,091,150	32,887,244	0.62%
Debt service	4,413,998	4,215,487	4.71%
Capital outlay	<u>208,308</u>	<u> </u>	100.00%
Total	<u>\$ 54,186,926</u>	<u>\$ 52,790,755</u>	2.64%

All expenditures remained comparable to 2012 overall. The Public Safety Department increased due to hurricane Sandy and the February Blizzard. Both hurricane Sandy and the February Blizzard were partially offset by FEMA reimbursements. Other department increases were attributed to contractual agreements.

Proprietary Funds

The Town's proprietary funds provide the same type of information found in the government-wide financial statements for business-type activities, except in more detail. The only difference between the amounts reported as business-type activities and the amounts reported in the proprietary fund statements are inter-fund eliminations between proprietary funds and internal balances due to governmental activities for internal service activities. The only inter-fund activity, reported in the government-wide statements, are those between business-type activities and governmental activities (reported as internal balances and transfers) whereas inter-fund amounts between various enterprise funds are reported in the proprietary funds statements.

Capital Assets and Debt Administration

Capital Assets

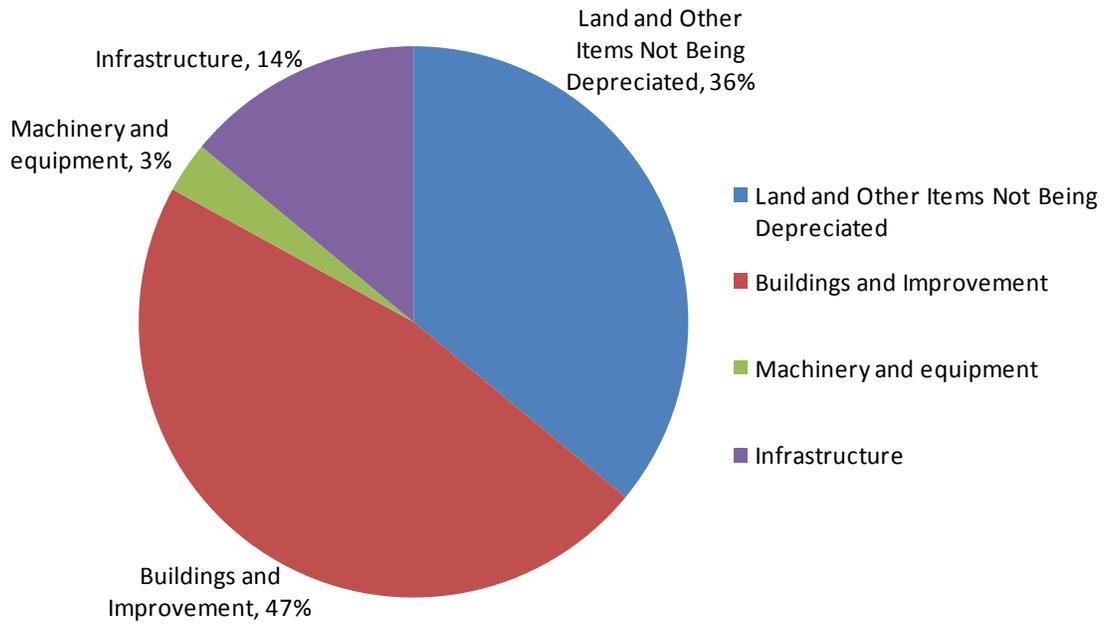
At the end of fiscal year 2013, the Town had \$99,296,914 (net of accumulated depreciation) invested in land, buildings and improvements, improvements other than buildings, equipment, vehicles, infrastructure and construction in progress. The following table shows fiscal year 2013 balances compared to fiscal year 2012 balances.

Capital Assets at June 30, 2013 and 2012 (Net of Depreciation)

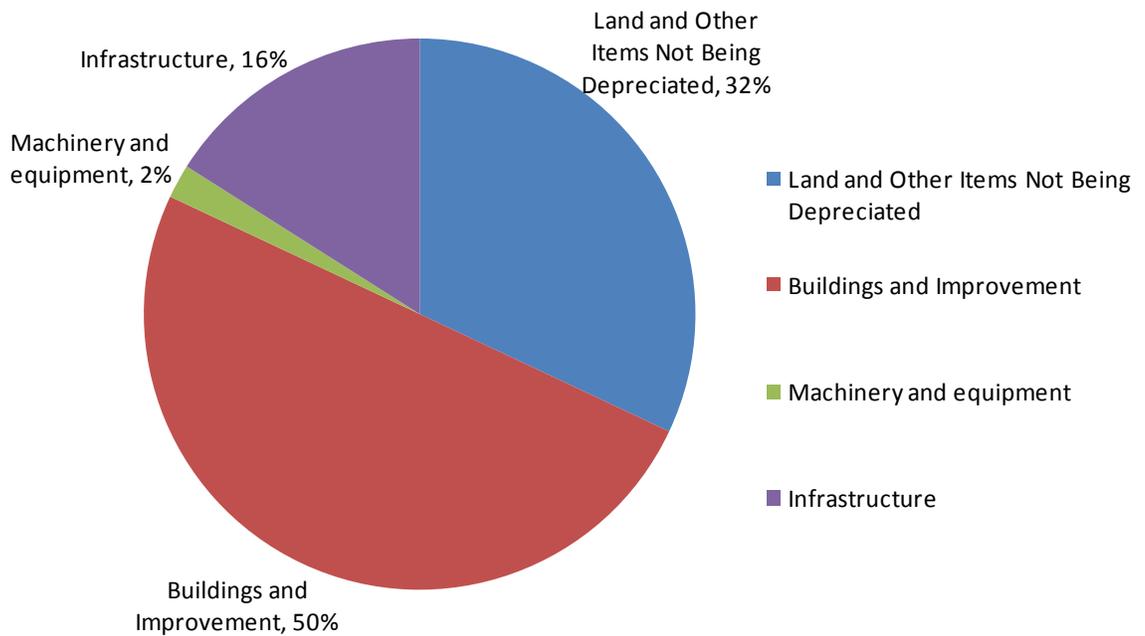
	Governmental Activities	
	2013	2012
Land and other items not being depreciated	\$ 35,765,319	\$ 30,472,855
Buildings and improvements	46,612,207	47,851,628
Machinery and equipment	2,544,386	1,972,533
Infrastructure	<u>14,375,002</u>	<u>15,128,536</u>
Total	<u>\$ 99,296,914</u>	<u>\$ 95,425,552</u>

The Town's largest capital asset category is buildings which includes all the Town's buildings. The net book value of the Town's infrastructure (cost less accumulated depreciation) represents approximately 14% of the Town's total governmental capital assets.

Capital Assets-Governmental Activities 2013



Capital Assets-Governmental Activities 2012



Debt Administration

The Town had the following long-term obligations outstanding at June 30, 2013 and 2012. General obligation debt has decreased and will continue to decrease since old debt is being paid and new debt is minimal.

	Governmental Activities	
	2013	2012
Retirement liability	\$ 360,472	\$ 582,130
Bonds, capital leases and contracts	37,453,475	40,407,616
OPEB	6,959,242	5,581,918
Compensated absences	3,008,040	3,215,957
Total	<u>\$ 47,781,229</u>	<u>\$ 49,787,621</u>

Contacting the Town's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information contact the Finance Director at 1 First Street, Seymour, Connecticut 06483.

TOWN OF SEYMOUR, CONNECTICUT
STATEMENT OF NET POSITION
JUNE 30, 2013

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Assets:			
Cash	\$ 9,971,525	\$ 507,865	\$ 10,479,390
Property taxes receivable, net	1,974,217		1,974,217
Intergovernmental receivable	910,932		910,932
Accounts and other receivables, net	4,677,801	641,276	5,319,077
Inventories	14,015		14,015
Internal balances	18	(18)	-
Deferred charges	143,904		143,904
Capital assets, nondepreciable	35,765,319		35,765,319
Capital assets, net of accumulated depreciation	63,531,595	7,781,738	71,313,333
Total assets	<u>116,989,326</u>	<u>8,930,861</u>	<u>125,920,187</u>
Liabilities:			
Accounts payable	2,360,322		2,360,322
Accrued liabilities	583,724		583,724
Accrued interest payable	573,574		573,574
Unearned revenue	90,592		90,592
Bond anticipation notes payable	6,220,000		6,220,000
Noncurrent liabilities, due within one year	4,376,635	271,596	4,648,231
Noncurrent liabilities, due in more than one year	44,554,594		44,554,594
Total liabilities	<u>58,759,441</u>	<u>271,596</u>	<u>59,031,037</u>
Net Position:			
Net investment in capital assets	55,775,355	7,510,142	63,285,497
Restricted	1,000		1,000
Unrestricted	2,453,530	1,149,123	3,602,653
Total Net Position	<u>\$ 58,229,885</u>	<u>\$ 8,659,265</u>	<u>\$ 66,889,150</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF SEYMOUR, CONNECTICUT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013**

Functions/Programs	Expenses	Program Revenues			Net Revenues (Expenses) and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
General government	\$ 3,496,359	\$ 712,525	\$ 538,761	\$	\$ (2,245,073)	\$	\$ (2,245,073)
Public safety	7,418,542	69,383	21,356		(7,327,803)		(7,327,803)
Public works	4,100,306	480,613	170,304	187,538	(3,261,851)		(3,261,851)
Recreation and culture	2,638,434	23,511			(2,614,923)		(2,614,923)
Sanitation	1,253,537	18,442			(1,235,095)		(1,235,095)
Board of education	37,366,413	618,268	18,529,553		(18,218,592)		(18,218,592)
Interest on long-term debt	1,479,775				(1,479,775)		(1,479,775)
Total governmental activities	<u>57,753,366</u>	<u>1,922,742</u>	<u>19,259,974</u>	<u>187,538</u>	<u>(36,383,112)</u>	<u>-</u>	<u>(36,383,112)</u>
Business-Type Activities:							
Sewer Fund	<u>1,883,814</u>	<u>1,545,668</u>				<u>(338,146)</u>	<u>(338,146)</u>
Total Primary Government	<u>\$ 59,637,180</u>	<u>\$ 3,468,410</u>	<u>\$ 19,259,974</u>	<u>\$ 187,538</u>	<u>(36,383,112)</u>	<u>(338,146)</u>	<u>(36,721,258)</u>
General revenues:							
Property taxes, interest and lien fees					39,600,518		39,600,518
Grants and contributions not restricted to specific programs					935,210		935,210
Unrestricted investment earnings					53,475	56	53,531
Transfers					(279,974)	279,974	-
Total general revenues and transfers					<u>40,309,229</u>	<u>280,030</u>	<u>40,589,259</u>
Change in net position					3,926,117	(58,116)	3,868,001
Net Position at Beginning of Year					<u>54,303,768</u>	<u>8,717,381</u>	<u>63,021,149</u>
Net Position at End of Year					<u>\$ 58,229,885</u>	<u>\$ 8,659,265</u>	<u>\$ 66,889,150</u>

The accompanying notes are an integral part of the financial statements

TOWN OF SEYMOUR, CONNECTICUT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2013

	<u>General</u>	<u>Middle School</u>	<u>Chatfield LoPresti</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash	\$ 7,770,227	\$ 245,827	\$ 1,056,089	\$ 899,382	\$ 9,971,525
Receivables, net:					
Property taxes	1,566,657				1,566,657
Intergovernmental	445,844	389,983		75,105	910,932
Accounts and other	4,469,502			2,113	4,471,615
Due from other funds	153,171	346,573	89,619	75,018	664,381
Inventories				14,015	14,015
Total Assets	<u>\$ 14,405,401</u>	<u>\$ 982,383</u>	<u>\$ 1,145,708</u>	<u>\$ 1,065,633</u>	<u>\$ 17,599,125</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts and other payables	\$ 2,260,352	\$ 6,601	\$ 28,632	\$ 64,737	\$ 2,360,322
Due to other funds	511,192			153,171	664,363
Deferred revenue	5,706,214			90,592	5,796,806
Bond anticipation notes payable		803,126	3,483,200	1,933,674	6,220,000
Other liabilities	583,724				583,724
Total liabilities	<u>9,061,482</u>	<u>809,727</u>	<u>3,511,832</u>	<u>2,242,174</u>	<u>15,625,215</u>
Fund balances:					
Nonspendable				15,015	15,015
Restricted		172,656		502,889	675,545
Committed				337,804	337,804
Assigned	951,965				951,965
Unassigned	4,391,954		(2,366,124)	(2,032,249)	(6,419)
Total fund balances	<u>5,343,919</u>	<u>172,656</u>	<u>(2,366,124)</u>	<u>(1,176,541)</u>	<u>1,973,910</u>
Total Liabilities and Fund Balances	<u>\$ 14,405,401</u>	<u>\$ 982,383</u>	<u>\$ 1,145,708</u>	<u>\$ 1,065,633</u>	<u>\$ 17,599,125</u>

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TOWN OF SEYMOUR, CONNECTICUT
BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2013

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

Amounts reported for governmental activities in the statement of net position (Exhibit I) are different from the governmental fund balance sheet. The details of this difference are as follows:

Total fund balances (Exhibit III)		\$ 1,973,910
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Governmental capital assets	\$ 143,081,762		
Less accumulated depreciation	<u>(43,784,848)</u>		
			99,296,914

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

Property tax and sewer assessment - interest and lien accrual		1,043,656
Property tax and sewer use assessments - accrual basis change		5,706,214
Allowance for doubtful accounts on interest and liens		(429,910)
Bond issue costs		143,904

Some liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:

Bonds and sewer notes payable		(36,355,000)
Notes payable		(1,150,000)
Compensated absences		(3,008,040)
Accrued interest payable		(573,574)
Early retirement incentives		(360,472)
Capital lease		(164,689)
Other post employment obligation		(6,959,242)
Deferred amounts in refunding		433,250
Bond premium		<u>(1,367,036)</u>

Net Position of Governmental Activities (Exhibit I)		\$ <u>58,229,885</u>
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The accompanying notes are an integral part of the financial statements

TOWN OF SEYMOUR, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	<u>General</u>	<u>Middle School</u>	<u>Chatfield LoPresti</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:					
Property taxes	\$ 39,416,217	\$	\$	\$	\$ 39,416,217
Interest and lien fees	403,948				403,948
Intergovernmental	14,495,662	736,556	2,466,209	2,625,503	20,323,930
Investment income	10,248	34,303	3,710		48,261
Permits, fees and other	1,158,045			12,036	1,170,081
Other revenues	43,980		67,380	935,252	1,046,612
Total revenues	<u>55,528,100</u>	<u>770,859</u>	<u>2,537,299</u>	<u>3,572,791</u>	<u>62,409,049</u>
Expenditures:					
Current:					
General government	2,806,242			580,003	3,386,245
Public safety	6,701,942			49,003	6,750,945
Public works	3,257,668			123,402	3,381,070
Sanitation	1,249,305				1,249,305
Sundry	2,458,313			180,121	2,638,434
Board of education	33,091,150			2,615,292	35,706,442
Debt service	4,413,998	105,255	134,785	21,995	4,676,033
Capital outlay	208,308		5,091,937	784,626	6,084,871
Total expenditures	<u>54,186,926</u>	<u>105,255</u>	<u>5,226,722</u>	<u>4,354,442</u>	<u>63,873,345</u>
Excess (Deficiency) of Revenues over Expenditures	<u>1,341,174</u>	<u>665,604</u>	<u>(2,689,423)</u>	<u>(781,651)</u>	<u>(1,464,296)</u>
Other Financing Sources (Uses):					
Issuance of note payable		1,150,000			1,150,000
Capital lease issuance	208,308				208,308
Transfers in		73,000	89,619	175,000	337,619
Transfers out	(617,593)				(617,593)
Net other financing sources (uses)	<u>(409,285)</u>	<u>1,223,000</u>	<u>89,619</u>	<u>175,000</u>	<u>1,078,334</u>
Net Change in Fund Balances	931,889	1,888,604	(2,599,804)	(606,651)	(385,962)
Fund Balances at Beginning of Year	<u>4,412,030</u>	<u>(1,715,948)</u>	<u>233,680</u>	<u>(569,890)</u>	<u>2,359,872</u>
Fund Balances at End of Year	<u>\$ 5,343,919</u>	<u>\$ 172,656</u>	<u>\$ (2,366,124)</u>	<u>\$ (1,176,541)</u>	<u>\$ 1,973,910</u>

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**TOWN OF SEYMOUR, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2013**

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

Amounts reported for governmental activities in the statement of activities (Exhibit II) are different due to:

Net change in fund balances - total governmental funds (Exhibit IV)	\$	(385,962)
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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		6,395,998
Depreciation expense		(2,524,636)

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

Taxes receivable - accrual basis change		(462,540)
Decrease in property tax interest and lien revenue		(23,299)
Decrease in property tax, sewer use interest and liens allowance for doubtful accounts		36,357

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 issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The details of these differences in the treatment of long-term debt and related items are as follows:

Bank notes issued		(1,150,000)
Payments on bonds		2,990,000
Change in accrued interest		53,424
Amortization of bond premium, deferred amount in refunding, and bond issue costs		109,213
Capital lease issuance		(208,308)
Capital lease payments		43,619

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:

Change in other post employment obligation		(1,377,324)
Compensated absences		207,917
Early retirement incentives		221,658
		221,658

Change in Net Position of Governmental Activities (Exhibit II)	\$	3,926,117
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The accompanying notes are an integral part of the financial statements

TOWN OF SEYMOUR, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2013

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:				
Property taxes	\$ 39,088,675	\$ 39,088,675	\$ 39,416,217	\$ 327,542
Interest and lien fees	290,000	290,000	403,948	113,948
Intergovernmental	10,820,521	10,820,521	11,417,469	596,948
Investment income	65,000	65,000	10,248	(54,752)
Permits, fees and other	1,173,997	1,173,997	1,158,045	(15,952)
Other	35,000	35,000	43,980	8,980
Total revenues	51,473,193	51,473,193	52,449,907	976,714
Expenditures:				
Current:				
General government	2,795,930	2,943,007	2,873,820	69,187
Public safety	6,703,412	6,758,194	6,720,881	37,313
Public works	2,837,478	3,308,792	3,291,767	17,025
Sanitation	1,273,927	1,258,927	1,253,493	5,434
Sundry	2,584,125	2,544,504	2,466,514	77,990
Education	30,398,026	30,398,026	30,397,721	305
Debt service	4,437,321	4,413,998	4,413,998	-
Total expenditures	51,030,219	51,625,448	51,418,194	207,254
Excess (Deficiency) of Revenues over Expenditures	442,974	(152,255)	1,031,713	1,183,968
Other Financing Sources (Uses):				
Unassigned fund balance	85,000	769,848		(769,848)
Transfers out	(527,974)	(617,593)	(617,593)	-
Net other financing uses	(442,974)	152,255	(617,593)	(769,848)
Excess of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	\$ -	\$ -	414,120	\$ 414,120
Fund Balance at Beginning of Year			3,977,834	
Fund Balance at End of Year			\$ 4,391,954	

The accompanying notes are an integral part of the financial statements

TOWN OF SEYMOUR, CONNECTICUT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2013

		Business-Type Activities Enterprise Funds
		<u>Sewer Fund</u>
Assets:		
Current assets:		
Cash	\$	507,865
Accounts receivable, net		641,276
Total current assets		<u>1,149,141</u>
Noncurrent assets:		
Capital assets, net of accumulated depreciation:		
Plant and pumping station		<u>7,781,738</u>
Total assets		<u>8,930,879</u>
Liabilities:		
Current liabilities:		
Due to other funds		18
Bonds, notes and loans payable		<u>271,596</u>
Total liabilities		<u>271,614</u>
Net Position:		
Net investment in capital assets		7,510,142
Unrestricted		<u>1,149,123</u>
Total Net Position	\$	<u><u>8,659,265</u></u>

The accompanying notes are an integral part of the financial statements

TOWN OF SEYMOUR, CONNECTICUT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	Business-Type Activities Enterprise Funds Sewer Fund
Operating Revenues:	
Charges for services	\$ <u>1,545,668</u>
Operating Expenses:	
Administration and operation	1,351,202
Depreciation	<u>532,612</u>
Total operating expenses	<u>1,883,814</u>
Operating Loss	<u>(338,146)</u>
Nonoperating Revenue:	
Investment income	<u>56</u>
Loss Before Transfers	(338,090)
Transfers In	<u>279,974</u>
Change in Net Position	(58,116)
Net Position at Beginning of Year	<u>8,717,381</u>
Net Position at End of Year	\$ <u><u>8,659,265</u></u>

The accompanying notes are an integral part of the financial statements

**TOWN OF SEYMOUR, CONNECTICUT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Business-Type Activities Enterprise Funds Sewer Fund</u>
Cash Flows from Operating Activities:	
Receipts from customers	\$ 1,428,497
Payments to suppliers	(1,402,457)
Net cash provided by operating activities	<u>26,040</u>
Cash Flows from Noncapital Financing Activities:	
Transfers in	279,974
Principal payments on bonds	(271,598)
Net cash provided by noncapital financing activities	<u>8,376</u>
Cash Flows from Noncapital Financing Activities:	
Purchase of capital assets	<u>(7,568)</u>
Cash Flows from Investing Activities:	
Investment income	<u>56</u>
Net Increase in Cash	26,904
Cash at Beginning of Year	<u>480,961</u>
Cash at End of Year	<u>\$ 507,865</u>
Reconciliation of Operating Loss to Net Cash Provided by Operating Activities:	
Operating loss	\$ (338,146)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation expense	532,612
Increase in accounts receivable	(117,171)
Decrease in due to other funds	<u>(51,255)</u>
Net Cash Provided by Operating Activities	<u>\$ 26,040</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF SEYMOUR, CONNECTICUT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2013**

	<u>Private Purpose Trust Funds</u>	<u>Agency Funds</u>
Assets:		
Cash	\$ 7,084	\$ 136,293
Investments	<u>1,418,926</u>	
Total assets	<u>1,426,010</u>	<u>136,293</u>
Liabilities:		
Due to beneficiaries		<u>136,293</u>
Net Position	<u><u>\$ 1,426,010</u></u>	<u><u>\$ -</u></u>

The accompanying notes are an integral part of the financial statements

**TOWN OF SEYMOUR, CONNECTICUT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Private Purpose Trust Funds</u>
Additions:	
Investment gain	\$ 143,625
Interest and dividends	9,575
Donations	2,065
Net additions	<u>155,265</u>
Deductions:	
Education	64,150
General government	16,140
Total deductions	<u>80,290</u>
Change in Net Position	74,975
Net Position at Beginning of Year	<u>1,351,035</u>
Net Position at End of Year	<u>\$ 1,426,010</u>

The accompanying notes are an integral part of the financial statements

TOWN OF SEYMOUR, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Town of Seymour, Connecticut (the Town) was incorporated in 1850. It operates under a Town Meeting form of government. The Town has an executive seven-member Board of Selectmen. The Town provides a full range of services including public safety (police and fire), public works, health and social services, recreation and cultural services, sanitation, education and general administrative services to its residents.

Accounting principles generally accepted in the United States of America require that the reporting entity include 1) the primary government, 2) organizations for which the primary government is financially accountable, and 3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. No entities met the above criteria for inclusion in the financial statements.

B. Basis of Presentation

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

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 Town's primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

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

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, however, have no measurement focus.

Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Property taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. In determining when to recognize intergovernmental revenues (grants and entitlements), the legal and contractual requirements of the individual programs are used as guidance. Revenues are recognized when the eligibility requirements have been met. All other revenue items are considered to be measurable and available only when cash is received by the Town.

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.

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 *Middle School Fund* accounts for financial resources to be used for capital expenditures, improvements and/or equipment related to the Town's middle school.

The *Chatfield LoPresti Fund* accounts for financial resources to be used for capital expenditures, improvements and/or equipment related to this school.

The Town reports the following major proprietary fund:

The *Sewer Fund* accounts for the operations of the Town's sanitary sewer system.

Additionally, the Town reports the following fund types:

The *Private Purpose Trust Funds* are used to account for resources legally held in trust for the benefit of individuals, private organizations or other governments.

The *Agency Funds* account for monies from various self-funding school activity programs.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the enterprise funds and various other functions of the government. 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 delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary fund is charges to customers for services. Operating expenses for the enterprise fund includes the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed. Unrestricted resources are used in the following order: committed, assigned then unassigned.

C. Cash Equivalents

For purposes of reporting cash flows, all savings, checking, money market accounts and certificates of deposit with an original maturity of less than 90 days are considered to be cash equivalents. The Town does not have any cash equivalents in the current year.

D. Investments

Investments are stated at fair value.

E. Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of donated commodities are stated at fair market value. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

F. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

G. Capital Assets

Capital assets, which include property, plant and 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 and enterprise fund financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$5,000 with an estimated useful life in excess of one year. 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 lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Land and construction in progress are not depreciated. Property, plant and equipment, and infrastructure assets of the Town are depreciated using the straight-line method over the following estimated useful lives.

<u>Assets</u>	<u>Years</u>
Land improvements	20
Buildings	25-50
Building improvements	25-50
Infrastructure	10-65
Machinery and equipment	5-20
Vehicles	8

H. Compensated Absences

Compensated absences of the Town consist of vacation and sick leave to the extent that payment to the employee for these absences is attributable to services already rendered and are not contingent on a specific event that is outside the control of the Town and the employee. Town employees are granted vacation and sick leave in varying amounts. In the event of termination, an employee is reimbursed for accumulated vacation and sick leave at various rates. Vacation and severance pay expenses to be paid in future periods are accrued when incurred in the government-wide financial statements. The total liability for vacation and sick leave payments has been calculated using pay rates in effect at the balance sheet date, and reduced to the maximum payment allowed by labor contract and/or statute, plus applicable additional salary related payments. A liability for these amounts is reported in governmental funds only for amounts expected to be paid with available resources, for example, as a result of employee resignations or retirements.

I. Long-Term Obligations

In the government-wide and proprietary 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, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

J. Net OPEB Obligation

The net OPEB obligation represents the cumulative difference between the annual OPEB cost and the Town's contributions to the plan. These amounts are calculated on an actuarial basis and are recorded as noncurrent liabilities, accordingly, in the government-wide financial statements.

K. Equity

Equity in the government-wide financial statements is defined as "net position" and is classified in the following categories:

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

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

Unrestricted Net Position - This component consists of net position that does not meet the definition of “restricted” or “net investment in capital assets.”

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

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

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

Committed Fund Balance - This represents amounts constrained for a specific purpose by a government using its highest level of decision-making authority (Board of Selectman). The Board of Selectman, through passage of a resolution, can commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the passage of another resolution) to remove or revise the limitation.

Assigned Fund Balance - For all governmental funds other than the General Fund, this represents any remaining positive amounts not classified as nonspendable, restricted or committed. For the General Fund, this includes amounts constrained for the intent to be used for a specific purpose by the Board of Selectmen or department heads that have been given the authority to assign amounts by the Town Charter.

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

The Town has a no minimum fund balance policy.

L. Property Taxes

Property taxes are assessed as of October 1, levied on the following July 1 and are due in two installments, July 1 and January 1. Supplemental motor vehicle taxes are due in full January 1. Taxes are overdue on August 1 and February 1. Interest at the rate of 1.5% per month accrues on all overdue taxes. Assessments for real and personal property, excluding motor vehicles, are computed at 70% of appraised market value. Liens are filed by the last day of the fiscal year.

Property tax revenues are recognized when they become available. Available means due or past due and receivable within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. The Town defines the current period to mean within 60 days after year-end. Property taxes receivable not expected to be collected during the available period are reflected in deferred revenue in the fund financial statements. The entire receivable is recorded as revenue in the government-wide financial statements. Property taxes collected prior to June 30 that are applicable to the subsequent years’ assessment are reflected as advance tax collections in both the fund financial statements and the government-wide financial statements. An allowance based on historical collection experience is provided for uncollectible taxes.

M. Accounting Estimates

The preparation of 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 and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

The Town follows these procedures in establishing budgetary data reflected in the financial statements:

- All boards seeking appropriations file their budgetary requests with the Town Clerk, no later than February 1st of each year, who then forwards a copy to the Board of Finance. If requests are not filed, the Board of Finance may make its own best estimate of the needed appropriations.
- The Board of Finance files with the Town Clerk, no later than April 1st of each year, such appropriations as it recommends in the form of a proposed budget and proposed tax mill rate.
- If the budget is not approved by the Town Meeting by June 15th, then revenues, debt service and legal obligations last submitted by the Board of Finance shall be considered as the adopted budget for the following fiscal year.
- The Town Meeting process continues on all other items until approved.
- The Board of Finance is responsible for management and monitoring of the budget.
- The Board of Education may transfer unexpended balances from one account to another within its total line appropriation. Other boards may transfer amounts between accounts in their budgets with Board of Finance approval, provided the total line appropriation is not exceeded.
- Boards seeking supplemental appropriations or transfers that exceed the total line appropriation established by the Board of Finance and approved by the Town Meeting action must make written requests to the Board of Selectmen for approval. The Board of Selectmen forwards such requests with its recommendations to the Board of Finance for action, provided that the current request, when considered by itself or when added to supplemental appropriations previously approved during the current fiscal year for the board, does not exceed \$50,000. The Board of Finance may make a supplementary appropriation to the requesting board of an amount not exceeding \$50,000 without the approval of a Town Meeting.
- When the Town maintains a Reserve Fund for capital and nonrecurring expenditures in accordance with its Charter and/or Connecticut General Statutes, payments into and appropriations from the Reserve Fund shall be made only upon recommendations of the Board of Selectmen, Board of Finance and Town Meeting action regardless of the amount involved.

- The Board of Finance shall pass onto a special Town Meeting for fiscal action supplemental appropriations exceeding \$50,000 and supplemental appropriations of less than \$50,000 if, when added to supplemental appropriations previously approved in the current fiscal year, exceed \$50,000.
- Encumbrances are recognized as a valid and proper charge against budget appropriation in the year in which the purchase order, contract or other commitment is issued and, accordingly, encumbrances outstanding at year-end are reflected in budgetary reports as expenditures of the current year.
- Unencumbered appropriations generally lapse at year-end.
- For budgetary purposes, the Town treats encumbrances as expenditures.
- Additional appropriations of \$684,848 were made during fiscal year ended June 30, 2013.

As explained above, the Town's budgetary fund structure accounts for certain transactions differently from that utilized in reporting in conformity with GAAP. A reconciliation of revenues, expenditures and fund balance of the General Fund between the accounting treatment required by GAAP and budgetary requirements is as follows:

	Revenues and Other Financing Sources	Expenditures and Other Financing Uses	Fund Balance
Balance, budgetary basis	\$ 52,449,907	\$ 52,035,787	\$ 4,391,954
Encumbrances outstanding at June 30, 2012, liquidated during the year ended June 30, 2013		434,196	
Encumbrances outstanding at June 30, 2013, charged to budgetary expenditures during the year ended June 30, 2013		(951,965)	951,965
Capital lease issuances	208,308	208,308	
State teachers' retirement on-behalf payment	<u>3,078,193</u>	<u>3,078,193</u>	
Balance, GAAP Basis	<u>\$ 55,736,408</u>	<u>\$ 54,804,519</u>	<u>\$ 5,343,919</u>

B. Deficit Fund Equity

For the year ended June 30, 2013, the following funds had deficit balances:

Major Funds:	
Chatfield LoPresti	\$ 2,366,124
Nonmajor Governmental Funds:	
Skate Park	2,954
Dog Fund	12,441
Strand Theater	94,343
Capital Projects	1,322,043
High School Expansion	600,468

These amounts will be funded through bonds, contributions and future revenues.

3. DETAILED NOTES ON ALL FUNDS

A. Cash and Investments

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

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

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

Deposits

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

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$10,545,764 of the Town's bank balance of \$11,557,307 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 9,441,188
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name	<u>1,104,576</u>
	<u>\$ 10,545,764</u>

Investments

As of June 30, 2013, the Town had the following investments:

<u>Investment Type</u>	<u>Credit Rating</u>	<u>Fair Value</u>	<u>Investment Maturities (Years)</u>		
			<u>Less Than 1</u>	<u>1 - 10</u>	<u>More than 10</u>
Mutual Funds	N/A	<u>\$ 1,418,926</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

N/A - Not Available

Investment Custodial Credit Risk - Custodial credit risk is the risk that, in the event of the failure of the counterparty (the institution that pledges collateral or repurchase agreement securities to the Town or that sells investments to or buys them for the Town), the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town does not have a policy for custodial credit risk. At June 30, 2013, the Town did not have any uninsured and unregistered securities held by the counterparty or by its trust department or agent that were not in the Town's name.

Credit Risk - Investments - 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.

Concentration of Credit Risk - The Town places no limit on the amount invested in any one issuer. No more than 5% of the Town's investments were invested in any one issuer in which credit risk was applicable.

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.

B. Receivables

Receivables by type at year-end for the Town's government-wide financial statements, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Middle School</u>	<u>Nonmajor Governmental Funds</u>	<u>Sewer</u>	<u>Total</u>
Receivables:					
Taxes	\$ 1,710,997	\$	\$	\$	\$ 1,710,997
Accounts and other	4,469,502		2,113	701,276	5,172,891
Intergovernmental	445,844	389,983	75,105		910,932
Gross receivables	<u>6,626,343</u>	<u>389,983</u>	<u>77,218</u>	<u>701,276</u>	<u>7,794,820</u>
Less allowance for collection losses	<u>144,340</u>			<u>60,000</u>	<u>204,340</u>
Net Total Receivables	<u>\$ 6,482,003</u>	<u>\$ 389,983</u>	<u>\$ 77,218</u>	<u>\$ 641,276</u>	<u>\$ 7,590,480</u>

Governmental funds report deferred revenue in connection with receivables that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

	<u>Unavailable</u>	<u>Unearned</u>
General Fund:		
Delinquent property taxes receivable	\$ 1,304,787	\$
Sewer assessments receivable	4,401,427	
Nonmajor Governmental Fund:		
Various education grants		90,592
	<u>\$ 5,706,214</u>	<u>\$ 90,592</u>

C. Fund Balance

The components of fund balance for the governmental funds at June 30, 2013 are as follows:

	<u>General Fund</u>	<u>Middle School</u>	<u>Chatfield LoPresti</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Fund balances:					
Nonspendable:					
Endowment	\$	\$	\$	\$ 1,000	\$ 1,000
Inventory				14,015	14,015
Restricted for:					
Grants				389,053	389,053
Bonds		172,656			172,656
User fees				113,836	113,836
Committed to:					
Public works				44,637	44,637
Public safety				71,613	71,613
Education				79,330	79,330
Library				142,224	142,224
Assigned to:					
General government - encumbrances	116,470				116,470
Public works - encumbrances	53,231				53,231
Public safety - encumbrances	218,346				218,346
Sundry - encumbrances	24,637				24,637
Sanitation - encumbrances	29,502				29,502
Education - encumbrances	509,779				509,779
Unassigned	<u>4,391,954</u>		<u>(2,366,124)</u>	<u>(2,032,249)</u>	<u>(6,419)</u>
Total Fund Balances	<u>\$ 5,343,919</u>	<u>\$ 172,656</u>	<u>\$ (2,366,124)</u>	<u>\$ (1,176,541)</u>	<u>\$ 1,973,910</u>

Significant encumbrances at June 30, 2013 are contained in the above table in the assigned category of the General Fund.

D. Capital Assets

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 3,152,873	\$ 40,000	\$ -	\$ 3,192,873
Construction in progress	27,319,982	5,252,464	-	32,572,446
Total capital assets not being depreciated	<u>30,472,855</u>	<u>5,292,464</u>	<u>-</u>	<u>35,765,319</u>
Capital assets being depreciated:				
Buildings and improvements	65,023,720	19,831	-	65,043,551
Machinery and equipment	3,836,351	177,463	-	4,013,814
Vehicles	4,850,566	906,240	-	5,756,806
Infrastructure	32,502,272	-	-	32,502,272
Total capital assets being depreciated	<u>106,212,909</u>	<u>1,103,534</u>	<u>-</u>	<u>107,316,443</u>
Less accumulated depreciation for:				
Buildings and improvements	17,172,092	1,259,252	-	18,431,344
Machinery and equipment	2,823,052	211,162	-	3,034,214
Vehicles	3,891,332	300,688	-	4,192,020
Infrastructure	17,373,736	753,534	-	18,127,270
Total accumulated depreciation	<u>41,260,212</u>	<u>2,524,636</u>	<u>-</u>	<u>43,784,848</u>
Total capital assets being depreciated, net	<u>64,952,697</u>	<u>(1,421,102)</u>	<u>-</u>	<u>63,531,595</u>
Governmental Activities Capital Assets, Net	<u>\$ 95,425,552</u>	<u>\$ 3,871,362</u>	<u>\$ -</u>	<u>\$ 99,296,914</u>
Business-type activities:				
Capital assets being depreciated:				
Buildings and improvements	\$ 9,458,649	\$ -	\$ -	\$ 9,458,649
Land improvements	222,630	-	-	222,630
Machinery and equipment	9,778,020	7,568	-	9,785,588
Licensed vehicles	479,847	-	-	479,847
Total capital assets being depreciated	<u>19,939,146</u>	<u>7,568</u>	<u>-</u>	<u>19,946,714</u>
Less accumulated depreciation for:				
Buildings and improvements	4,217,420	193,379	-	4,410,799
Land improvements	222,630	-	-	222,630
Machinery and equipment	6,881,037	336,604	-	7,217,641
Licensed vehicles	311,277	2,629	-	313,906
Total accumulated depreciation	<u>11,632,364</u>	<u>532,612</u>	<u>-</u>	<u>12,164,976</u>
Business-Type Activities Capital Assets, Net	<u>\$ 8,306,782</u>	<u>\$ (525,044)</u>	<u>\$ -</u>	<u>\$ 7,781,738</u>

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

Governmental Activities:	
General government	\$ 12,877
Public works	872,766
Public safety	455,989
Sundry	47,559
Education	<u>1,135,445</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 2,524,636</u>
Business-Type Activities	
Sewer Operating	<u>\$ 532,612</u>

Construction Commitments

The government has an active construction project as of June 30, 2013. The project includes renovations and additions at the Chatfield LoPresti School. At year-end, the government’s commitments with contractors are as follows:

<u>Project</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Chatfield LoPresti project	\$ <u>32,439,831</u>	\$ <u>60,169</u>

The commitments are being financed with bond anticipation notes and state and federal grants.

E. Interfund Receivables, Payables and Transfers

Interfund loans were generally used to transfer monies as a result of issuing bonds. The composition of interfund balances as of June 30, 2013 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor Funds	\$ <u>153,171</u>
Middle School Fund	General Fund	<u>346,573</u>
Chatfield LoPresti Fund	General Fund	<u>89,619</u>
Nonmajor Funds	General Fund	75,000
	Sewer Fund	18
		<u>75,018</u>
Total		<u>\$ 664,381</u>

All balances are expected to be repaid within a year.

A summary of interfund transfers is presented below:

	Transfers in				
	<u>Middle School</u>	<u>Chatfield LoPresti</u>	<u>Sewer</u>	<u>Nonmajor Governmental</u>	<u>Total</u>
Transfers out:					
General Fund	\$ 73,000	\$ 89,619	\$ 279,974	\$ 175,000	\$ 617,593

Interfund transfers are generally used to supplement revenues of other funds.

F. Long-Term Debt

Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2013 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds payable	\$ 39,345,000	\$	\$ 2,990,000	\$ 36,355,000	\$ 3,350,000
Premiums	1,542,551		175,515	1,367,036	
Less: Deferred amount in refunding	(479,935)		46,685	(433,250)	
Total bonds payable	<u>40,407,616</u>	-	<u>3,212,200</u>	<u>37,288,786</u>	<u>3,350,000</u>
Notes payable		1,150,000		1,150,000	210,000
Capital leases		208,308	43,619	164,689	39,480
Compensated absences	3,215,957	353,273	561,190	3,008,040	501,169
OPEB	5,581,918	1,377,324		6,959,242	
Retirement obligations	<u>582,130</u>	<u>198,392</u>	<u>420,050</u>	<u>360,472</u>	<u>275,986</u>
Total Governmental Activities	<u>\$ 49,787,621</u>	<u>\$ 3,287,297</u>	<u>\$ 4,237,059</u>	<u>\$ 48,931,229</u>	<u>\$ 4,376,635</u>

For the governmental activities, compensated absences are generally liquidated by the General Fund.

General Obligation Bonds

The Town issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities.

General obligation bonds are direct obligations of the Town for which full faith and credit are pledged and are payable from taxes levied on all taxable properties located within the Town. General obligation bonds currently outstanding are as follows:

<u>Description</u>	<u>Date of Issue</u>	<u>Maturity</u>	<u>Interest Rate (%)</u>	<u>Amount of Original Issue</u>	<u>Annual Principal</u>	<u>Balance Outstanding June 30, 2013</u>
Refunding Bonds issued 2004B	2004	2019	3.0%-5.0%	\$ 9,915,000	\$ 45,000-1,150,000	\$ 7,900,000
Refunding Bonds issued 2010B	2010	2025	2.0%-5.0%	11,360,000	110,000-945,000	11,360,000
Refunding Bonds issued 2011A	2011	2017	2.4%-4.45%	3,215,000	500,000-720,000	2,580,000
School Bonds issued 2011	2011	2033	2.0%-4.0%	5,995,000	220,000-325,000	5,995,000
Public and School Improvement	2007	2032	4.0%-4.375%	3,660,000	195,000-335,000	2,820,000
School Bonds issued 2010	2010	2026	2.0%-4.0%	6,000,000	300,000	<u>5,700,000</u>
Total Outstanding						<u>\$ 36,355,000</u>

Annual debt service requirements to maturity for general obligation bonds are as follows:

	<u>Governmental Activities</u>		<u>Sewer Notes</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2014	\$ 3,350,000	\$ 1,340,480	\$ 271,596	\$ 2,941
2015	3,585,000	1,225,010		
2016	3,610,000	1,103,370		
2017	3,630,000	974,982		
2018	2,910,000	848,178		
2019-2023	11,265,000	2,680,321		
2024-2028	5,230,000	1,013,983		
2029-2033	<u>2,775,000</u>	<u>266,531</u>		
Total	<u>\$ 36,355,000</u>	<u>\$ 9,452,855</u>	<u>\$ 271,596</u>	<u>\$ 2,941</u>

Statutory Debt Limitation

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

<u>Category</u>	<u>Debt Limitation</u>	<u>Indebtedness</u>	<u>Balance</u>
General purpose	\$ 89,213,472	\$ 5,429,466	\$ 83,784,006
Schools	178,426,944	70,376,153	108,050,791
Sewers	148,689,120	4,796,986	143,892,134
Urban renewal	128,863,904		128,863,904
Pension deficit	118,951,296		118,951,296

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, or \$277,553,024. All long-term debt obligations are retired through General Fund appropriations. The indebtedness reflected above includes bonds and notes outstanding in addition to the amounts of bonds authorized and unissued against which bond anticipation notes are issued and outstanding.

Notes Payable

On May 1, 2013 the Town entered into an \$850,000 tax exempt serial note and a \$300,000 taxable serial note with Webster Bank with interest rates of 1.75% and 2.15%, respectively. Annual debt service requirements to maturity for these notes are as follows:

	Notes Payable	
	Principal	Interest
2014	\$ 210,000	\$ 21,622
2015	210,000	17,490
2016	205,000	13,393
2017	105,000	9,315
2018	105,000	7,452
2019-2021	<u>315,000</u>	<u>11,187</u>
Total	<u>\$ 1,150,000</u>	<u>\$ 80,459</u>

Bond Anticipation Notes

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

Bond anticipation note transactions for the year ended June 30, 2013 were as follows:

Outstanding July 1, 2012	\$ 6,715,000
New borrowings	7,520,000
Repayments	<u>(8,015,000)</u>
Outstanding June 30, 2013	<u>\$ 6,220,000</u>

The bond anticipation notes bearing a net interest cost of 1.50% were issued on November 15, 2012 and mature on August 1, 2013.

Authorized but Unissued Bonds

The total of authorized but unissued bonds at June 30, 2013 is \$36,606,009. In most cases, interim financing is obtained through bond anticipation notes or other short-term borrowings until the issuance of long-term debt.

Capital Leases

The Town has entered into lease agreements as lessee for financing the acquisition of fire trucks, public works equipment and data processing equipment. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

The assets acquired through capital leases are as follows:

	<u>Governmental Activities</u>
Asset:	
Equipment	\$ 570,086
Less: Accumulated depreciation	<u>403,440</u>
Total	<u><u>\$ 166,646</u></u>

The future minimum lease obligation and the net present value of minimum lease payments as of June 30, 2013 were as follows:

<u>Capital Lease Future Payments Year Ending June 30,</u>	<u>Amount</u>
2014	\$ 44,100
2015	44,100
2016	44,100
2017	44,100
Less portion representing interest	<u>(11,711)</u>
Total Future Principal Payments	<u><u>\$ 164,689</u></u>

Early Retirement Incentive Plan

The Board of Education offers an early retirement incentive plan at least once within a three-year contract period for certified staff (teachers and administrators). The range of compensation is from \$2,700 to \$14,025 per year, per person, for 5 years and is offered to certified staff who have been employed by the Board of Education for at least 12 years.

At June 30, 2013, 21 individuals are receiving benefits under this plan through 2018. A liability of \$360,472 is accrued in the government-wide statement of net position.

4. EMPLOYEE RETIREMENT PLANS

A. Municipal Employees' Retirement System

Plan Description

The Town participates in the Municipal Employees' Retirement System (MERS). MERS is a cost-sharing, multiple employer public employee retirement system (PERS) defined benefit plan established by the State of Connecticut and administered by the State Retirement Commission to provide retirement and disability benefits, annual cost-of-living adjustments and death benefits to the employees and beneficiaries of participating municipalities. Chapter 113 Part II of the General Statutes of Connecticut, which can be amended by legislative action, establishes PERS benefits, member contribution rates and other plan provisions. MERS is considered to be a part of the State of Connecticut's financial reporting entity and is included in the State's financial report as a pension trust fund. MERS issues a financial report that may be obtained by writing to the State of Connecticut, Office of the State Comptroller, Municipal Employees' Retirement Fund, 55 Elm Street, Hartford, CT 06106.

Contributions Required and Contributions Made

Each participating municipality is required by State Statute to pay an actuarially determined percentage of covered payroll to provide for benefits based on current service. The current rate is 11.79% of covered payroll. The Statute also requires each municipality to pay an annual amount for benefits based on service prior to the unit's date of participation. This amount is a level dollar amortization (including interest and principal) over varying time periods depending on the unit's date of participation and other factors. The Town contributions for the years ended June 30, 2013, 2012 and 2011 were \$934,891, \$793,857 and \$650,626, respectively.

B. Teachers' Retirement

Teachers participate in a contributory defined benefit plan established under Chapter 167a of the Connecticut General Statutes and administered by the Connecticut State Teachers' Retirement Board. Full-time certified teachers are vested in the system after ten years of service in this state.

All certified teachers are eligible to participate in the plan and are required to contribute 7.25% of their annual earnings. The Board of Education does not contribute to the plan. Prior to July 1, 1989, teachers were vested in their contributions up to 5% of their earnings prior to five years of service. After five years of service, teachers were fully vested in their own contributions. After ten years of service, teachers are fully vested and entitled to a monthly pension benefit that is payable at the age of 60. The State of Connecticut contributes amounts based on the actuarial reserve basis described in C.G.S. Sections 10-1831 and 10-1832. The State's contribution to the plan on behalf of the Town for the fiscal year ended June 30, 2013 was \$3,078,193 and is recognized in the governmental funds GAAP-basis statement of revenues, expenditures and changes in fund balance. For the year ended June 30, 2013, teachers of the Town contributed \$1,064,087 to the plan, and covered payroll for the year was \$14,677,064.

Effective July 1, 1989, 1% of the mandatory 7% contribution is placed into a fund from which retirees' health insurance premiums will be paid. This 1% contribution is no longer credited to the member's individual account and does not vest.

5. OTHER POSTEMPLOYMENT BENEFITS

Plan Description

The Town administers a medical benefit plan (MBP). The MBP is a single-employer defined benefit healthcare plan. The MPB provides medical benefits to eligible retirees and their spouses. All employees of the Town are eligible to participate in the plan. Benefit provisions are established through negotiations between the Town and the various unions representing the employees.

At July 1, 2011, plan membership consisted of the following:

	Medical Benefit Plan
Retired members	122
Spouses of retired members	55
Active plan members	242
Total Participants	419

Funding Policy

The contribution requirements of plan members and the Town are also negotiated with the various unions representing the employees. The Town contributes 100% of premiums for the following groups:

- Board of Education Custodians (retirees and spouse), post age 65, for Medicare supplement only.
- Board of Education Secretaries (retiree), pre age 65, who retire from Seymour Public Schools with at least 30 years of service.
- Board of Education Secretaries (retiree and spouse), post age 65, who retire from Seymour Public Schools with at least 30 years of service, Medicare supplement only.
- Police (retiree and spouse) pre and post age 65.
- Town Administrators (retiree), pre age 65, if retirement with at least 10 years of service.
- Town Administrators (retiree and spouse), post age 65.
- Town Hall (retiree), pre age 65, if retirement at age 55 with at least 10 years of service.
- Town Hall (retiree and spouse), post age 65.
- Public Works (retiree and spouse), pre age 65, hired prior to July 1, 1994.
- Public Works (retiree and spouse), post age 65.
- Life insurance for Town Administrators, Police, Public Works and Town Hall.

Retired plan members and beneficiaries currently receiving benefits that are not fully paid by the Town are required to contribute specified amounts (based on averages) monthly towards the cost of health insurance premiums as follows:

Town Employees

Town retirees (pre 65) receiving medical coverage under the plan contribute \$843/month for employee and \$976/month for the spouse. Retirees (post 65) receiving medical coverage under the plan contribute \$394/month for each the employee and the spouse. Retirees receiving dental coverage under the plan contribute \$36/month for employee and \$56/month for the spouse.

Board of Education Employees

Board of Education retirees (pre 65) receiving medical coverage under the plan contribute \$765/month for employee and \$864/month for the spouse. Retirees (post 65) receiving medical coverage under the plan contribute \$142/month for each the employee and the spouse. Retirees receiving dental coverage under the plan contribute \$31/month for employee and \$50/month for the spouse.

For the year ended June 30, 2013, plan members contributed \$888,806 for their share of premium payments. The Town is required to contribute the balance of the current premium cost and may contribute an additional amount as determined by the Town in order to prefund benefits.

Employer contributions to the plan of \$1,560,298 were made in accordance with actuarially determined requirements. Of this amount, \$888,806 represents premium payments, \$671,492 represents implicit rate subsidy and \$-0- was contributed to prefund benefits.

Annual OPEB Cost and Net OPEB Obligations

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

	Medical Benefit Plan
Annual required contribution (ARC)	\$ 2,937,622
Interest on net OPEB obligation	223,277
Adjustment to annual required contribution	<u>(223,277)</u>
Annual OPEB cost	2,937,622
Contributions made	<u>1,560,298</u>
Increase in net OPEB obligation	1,377,324
Net OPEB obligation - beginning of year	<u>5,581,918</u>
Net OPEB Obligation - End of Year	<u><u>\$ 6,959,242</u></u>

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation three year trend information is presented below.

<u>Fiscal Year Ending</u>	<u>Annual OPEB Cost (AOC)</u>	<u>Actual Contribution</u>	<u>Percentage of AOC Contributed</u>	<u>Net OPEB Obligation</u>
6/30/2011	\$ 2,691,541	\$ 1,249,000	46.40%	\$ 4,081,871
6/30/2012	2,857,047	1,357,000	47.50%	5,581,918
6/30/2013	2,937,622	1,560,298	53.11%	6,959,242

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

	<u>Medical Benefit Plan</u>
Actuarial valuation date	7/1/2011
Actuarial cost method	Projected Unit Credit
Amortization method	Level Dollar Closed
Remaining amortization period	30 years
Asset valuation method	N/A
Actuarial assumptions:	
Investment rate of return	4.00%
Healthcare inflation rate:	
Initial	5.70%
Ultimate	4.40%

Funding Status and Funding Progress

<u>Schedule of Funding Progress</u>						
<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) Entry Age (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a % of Covered Payroll ((b-a)/c)</u>
7/1/2007	\$ -	\$ 39,949,000	\$ 39,949,000	0%	N/A	N/A
7/1/2009	-	38,401,000	38,401,000	0%	N/A	N/A
7/1/2011	-	42,954,575	42,954,575	0%	N/A	N/A

Schedule of Employer Contributions

<u>Fiscal Year Ending</u>	<u>Annual Required Contribution</u>	<u>Actual Contribution</u>	<u>Percentage Contributed</u>
6/30/2011	\$ 2,684,000	\$ 1,249,000	46.54%
6/30/2012	2,851,000	1,357,000	47.60%
6/30/2013	2,937,622	1,560,298	53.11%

6. OTHER INFORMATION

A. Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; error and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks did not exceed commercial insurance coverage during the three years ended June 30, 2013.

The Town maintains stop loss insurance on workers' compensation claims. The Town's maximum exposure for the year ended June 30, 2013 was \$450,000 in the aggregate and per incident. The Town estimates a liability for workers' compensation claims payable and for claims incurred but not reported. As of June 30, 2013, this amount was \$596,627.

B. Commitments

The Town's Water Pollution Control Authority (WPCA) has contracted with an outside firm to operate its water treatment plant. The contract, which expires June 30, 2014, calls for an annual operating cost plus adjustments for the consumer price index and new dwellings added to the system. At June 30, 2013, the base contract commitment is approximately \$1,168,330 per year.

C. Contingent Liabilities

There are various suits and claims pending against the Town. The Town is vigorously opposing all claims. In the opinion of Town management, in consultation with the Town Attorney, none of the lawsuits, individually or in the aggregate, are believed to be likely to result in judgment or judgments that could materially affect the Town's financial position.

The Town has received state and federal grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for any expenditure disallowed under terms of the grant. Based on prior experience, Town management believes such disallowances, if any, will not be material.

The Town may be subject to rebate penalties to the federal government relating to various bond and note issues. The Town expects such amounts, if any, to be immaterial.

D. Subsequent Events

On August 1, 2013, the Town issued the following:

- \$3,460,000 general obligation bonds with interest rates ranging from 2.0%-4.0%.
- \$2,785,000 general obligation bond anticipation notes with an interest rate of 2.0%, maturing on July 31, 2014.

**TOWN OF SEYMOUR, CONNECTICUT
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES -
BUDGET AND ACTUAL - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues:				
Property taxes	\$ 39,088,675	\$ 39,088,675	\$ 39,416,217	\$ 327,542
Interest and lien fees	290,000	290,000	403,948	113,948
Intergovernmental:				
Education:				
Education transportation	111,616	111,616	111,952	336
Education cost sharing	10,004,094	10,004,094	10,070,636	66,542
Total Education	<u>10,115,710</u>	<u>10,115,710</u>	<u>10,182,588</u>	<u>66,878</u>
Other:				
State Provided Highway	149,246	149,246	148,739	(507)
Property Tax Loss	60,680	60,680	91,721	31,041
FEMA Revenue			190,596	190,596
Enterprise Zone Program	50,000	50,000	28,923	(21,077)
Mashantucket Pequot Fund	68,778	68,778	76,536	7,758
Boat Tax	3,200	3,200		(3,200)
HEART Program	158,000	158,000	133,610	(24,390)
State Distribution of a Telephone Tax	77,000	77,000	33,742	(43,258)
Local Capital Projects	117,907	117,907	115,000	(2,907)
Veterans Exemption	18,000	18,000	20,677	2,677
Disabled Exemption	2,000	2,000	2,740	740
Manufacturers Exemption			392,597	392,597
Total Other	<u>704,811</u>	<u>704,811</u>	<u>1,234,881</u>	<u>530,070</u>
Total Intergovernmental	<u>10,820,521</u>	<u>10,820,521</u>	<u>11,417,469</u>	<u>596,948</u>

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**TOWN OF SEYMOUR, CONNECTICUT
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES -
BUDGET AND ACTUAL - BUDGETARY BASIS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Permits, Fees and Other:				
Parking Stickers	\$ 3,000	\$ 3,000	\$ 3,080	\$ 80
Valley Health District Rent	17,497	17,497	18,442	945
Pistol Permits	5,000	5,000	13,170	8,170
Parking Fines	5,000	5,000	6,575	1,575
Ordinance Fines	1,000	1,000	792	(208)
Judicial Fines			3,727	3,727
Police Reports	2,000	2,000	601	(1,399)
Building Inspector	130,000	130,000	120,910	(9,090)
Miscellaneous	56,030	56,030	8,839	(47,191)
Real Estate Conveyance Tax	110,000	110,000	110,547	547
Dog Licenses	320	320	841	521
Dog Warden Receipts	2,000	2,000	3,750	1,750
Seymour Recreation Department	75,500	75,500	89,170	13,670
Inland Wetlands	350	350	1,700	1,350
Commercial Transfer Station	45,000	45,000	35,905	(9,095)
Residential Transfer Station	15,000	15,000	12,569	(2,431)
Town Clerk	120,000	120,000	134,779	14,779
Zoning Board of Appeals	1,000	1,000	933	(67)
Fire Marshal Permits	3,300	3,300	1,269	(2,031)
Planning and Zoning	7,000	7,000	12,356	5,356
Sewer Assessments	365,000	365,000	347,982	(17,018)
Oxford Sewer Payments	75,000	75,000	75,000	-
Water Assessments	135,000	135,000	155,108	20,108
Total Permits, Fees and Other	<u>1,173,997</u>	<u>1,173,997</u>	<u>1,158,045</u>	<u>(15,952)</u>
Interest and Dividends:				
Interest General Fund	10,000	10,000	3,426	(6,574)
Water Assessment Interest	55,000	55,000	6,822	(48,178)
Total Interest and Dividends	<u>65,000</u>	<u>65,000</u>	<u>10,248</u>	<u>(54,752)</u>
Other:				
Sale of Surplus Property			2,198	2,198
Police Administration Fees	35,000	35,000	41,782	6,782
Total Other	<u>35,000</u>	<u>35,000</u>	<u>43,980</u>	<u>8,980</u>
Total revenues	<u>51,473,193</u>	<u>51,473,193</u>	<u>52,449,907</u>	<u>976,714</u>
Other Financing Sources:				
Undesignated Fund Balance	<u>85,000</u>	<u>769,848</u>		<u>(769,848)</u>
Total Revenues and Other Financing Sources	<u>\$ 51,558,193</u>	<u>\$ 52,243,041</u>	<u>\$ 52,449,907</u>	<u>\$ 206,866</u>

**TOWN OF SEYMOUR, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -
BUDGET AND ACTUAL - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
General Government:				
Selectmen's Office	\$ 332,661	\$ 340,612	\$ 333,485	\$ 7,127
Probate Court	13,000	13,000	12,247	753
Registrar of Voters	87,603	87,603	82,621	4,982
Board of Finance	47,014	47,014	46,781	233
Assessors Office	295,870	297,916	296,348	1,568
Town Treasurer	5,598	5,598	2,998	2,600
Town Counsel	220,000	280,000	279,867	133
Town Clerk	293,621	295,533	269,503	26,030
Tax Collector	222,885	224,792	218,367	6,425
Town Buildings and Computers	525,924	577,300	572,288	5,012
Planning and Zoning	22,819	22,819	21,753	1,066
Board of Zoning Appeals	1,292	1,292	500	792
Economic Development Commission	80,290	80,290	78,937	1,353
Printing and Legal Ads	16,000	16,000	15,960	40
Town Meetings and Public Hearings	4,200	4,200	3,024	1,176
Finance Department	462,069	482,930	473,033	9,897
Office of Compliance	76,319	76,319	76,319	-
Senior Citizens Tax Freeze	50,000	50,000	50,000	-
Town Planner	38,765	39,789	39,789	-
Total General Government	<u>2,795,930</u>	<u>2,943,007</u>	<u>2,873,820</u>	<u>69,187</u>
Public Safety:				
Fire Department	402,475	402,475	400,238	2,237
Police Department	5,408,326	5,448,326	5,418,581	29,745
Dog Warden	43,207	43,207	42,088	1,119
Communications Commission	189,479	202,530	200,699	1,831
Fire Marshal	528,994	530,725	529,036	1,689
Ambulance	130,931	130,931	130,239	692
Total Public Safety	<u>6,703,412</u>	<u>6,758,194</u>	<u>6,720,881</u>	<u>37,313</u>
Public Works:				
Highway Wages/Maintenance	2,324,785	2,730,799	2,720,748	10,051
Street Lighting	165,000	165,000	162,163	2,837
Town Engineer	73,300	114,300	114,294	6
Highway Materials	165,000	189,300	189,109	191
Parks	109,393	109,393	105,453	3,940
Total Public Works	<u>2,837,478</u>	<u>3,308,792</u>	<u>3,291,767</u>	<u>17,025</u>

(Continued on next page)

**TOWN OF SEYMOUR, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -
BUDGET AND ACTUAL - BUDGETARY BASIS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Sanitation:				
Collection of Refuse Sanitation	\$ 1,048,396	\$ 1,033,396	\$ 1,030,795	\$ 2,601
Valley Health Department	133,149	133,149	130,316	2,833
Total Sanitation	<u>92,382</u>	<u>92,382</u>	<u>92,382</u>	<u>-</u>
	<u>1,273,927</u>	<u>1,258,927</u>	<u>1,253,493</u>	<u>5,434</u>
Sundry:				
Library	533,596	535,425	527,456	7,969
Recreation Commission	19,750	19,750	19,750	-
Town Health Contributions	12,608	12,608	12,608	-
Town Contributions	25,275	25,275	25,161	114
Town Miscellaneous	199,583	22,535	15,593	6,942
Recreation Programs	232,957	234,415	192,589	41,826
Culture and Arts Commission	38,276	38,276	35,307	2,969
Valley Regional Planning	10,173	10,173	10,173	-
Services to the Elderly	161,378	165,465	148,864	16,601
Town Insurance Program	1,324,090	1,374,090	1,373,883	207
Inland Wetlands	13,439	13,439	12,077	1,362
Lake Authority	13,000	13,000	13,000	-
FEMA		80,053	80,053	-
Total Sundry	<u>2,584,125</u>	<u>2,544,504</u>	<u>2,466,514</u>	<u>77,990</u>
Debt Service	<u>4,437,321</u>	<u>4,413,998</u>	<u>4,413,998</u>	<u>-</u>
Education	<u>30,398,026</u>	<u>30,398,026</u>	<u>30,397,721</u>	<u>305</u>
Transfers Out	<u>527,974</u>	<u>617,593</u>	<u>617,593</u>	<u>-</u>
Total Expenditures and Other Financing Uses	<u>\$ 51,558,193</u>	<u>\$ 52,243,041</u>	<u>\$ 52,035,787</u>	<u>\$ 207,254</u>

**TOWN OF SEYMOUR, CONNECTICUT
GENERAL FUND
REPORT OF TAX COLLECTOR
FOR THE YEAR ENDED JUNE 30, 2013**

Grand List Year	Uncollected Taxes July 1, 2012	Current Year	Lawful Corrections		Transfers to Suspense	Adjusted Amount Collectible	Collections			Uncollected Taxes June 30, 2013
			Additions	Deductions			Taxes	Interest and Lien Fees	Total	
1996	\$ 31,000	\$	\$	\$ 31,000	\$	\$ -	\$	\$	\$	\$ -
1997	20,924					20,924	124	353	477	20,800
1998	10,771				1,414	9,357				9,357
1999	17,127				2,764	14,363				14,363
2000	37,473				6,736	30,737	280	672	952	30,457
2001	28,904				5,252	23,652				23,652
2002	29,841				4,696	25,145	85	35	120	25,060
2003	32,436				5,471	26,965	20	29	49	26,945
2004	43,681				4,079	39,602	744	893	1,637	38,858
2005	45,899		77		6,171	39,805	5,417	6,444	11,861	34,388
2006	62,004		408	75	2,552	59,785	9,689	7,782	17,471	50,096
2007	93,432		77	242	3,781	89,486	34,124	26,361	60,485	55,362
2008	253,795			55,707	4,117	193,971	97,979	42,212	140,191	95,992
2009	327,558		227	1,054	2,204	324,527	169,776	74,943	244,719	154,751
2010	832,269		275	82,420	1,046	749,078	381,414	91,775	473,189	367,664
Total Prior Years	1,867,114	-	1,064	170,498	50,283	1,647,397	699,652	251,499	951,151	947,745
2011		39,441,905	48,696	163,269		39,327,332	38,543,280	156,478	38,699,758	784,052
Sub total	1,867,114	39,441,905	49,760	333,767	50,283	40,974,729	39,242,932	407,977	39,650,909	1,731,797
Less: Angram	51,924			31,000		20,924	124	353	477	20,800
Total	\$ 1,815,190	\$ 39,441,905	\$ 49,760	\$ 302,767	\$ 50,283	\$ 40,953,805	\$ 39,242,808	\$ 407,624	\$ 39,650,432	\$ 1,710,997

* Operation of law.

**TOWN OF SEYMOUR, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2013**

Special Revenue Funds

	<u>LOCIP</u>	<u>Open Space</u>	<u>EDC Grants</u>	<u>Skate Park</u>	<u>HUD Cities Grant Fund</u>	<u>Dog Fund</u>	<u>Library Fund</u>	<u>Federal Grants Receivable ARRA</u>
ASSETS								
Cash	\$ 55,046	\$ 44,637	\$ 56,378	\$ 8,420	\$ 123,686	\$ 3	\$ 142,224	\$
Receivables:								
Accounts and other								
Due from other governments								
Due from other funds	169,712			9,784				
Inventory								
Total Assets	<u>\$ 224,758</u>	<u>\$ 44,637</u>	<u>\$ 56,378</u>	<u>\$ 18,204</u>	<u>\$ 123,686</u>	<u>\$ 3</u>	<u>\$ 142,224</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts and other payables/due to State	\$	\$	\$	\$	\$	\$ 7,124	\$	\$
Due to other funds			33,347	21,158		5,320		
Bond anticipation notes								
Deferred revenue								
Total liabilities	<u>-</u>	<u>-</u>	<u>33,347</u>	<u>21,158</u>	<u>-</u>	<u>12,444</u>	<u>-</u>	<u>-</u>
Fund Balances:								
Nonspendable								
Restricted	224,758		23,031		123,686			
Committed		44,637					142,224	
Unassigned				(2,954)		(12,441)		
Total fund balances	<u>224,758</u>	<u>44,637</u>	<u>23,031</u>	<u>(2,954)</u>	<u>123,686</u>	<u>(12,441)</u>	<u>142,224</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 224,758</u>	<u>\$ 44,637</u>	<u>\$ 56,378</u>	<u>\$ 18,204</u>	<u>\$ 123,686</u>	<u>\$ 3</u>	<u>\$ 142,224</u>	<u>\$ -</u>

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**TOWN OF SEYMOUR, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2013**

Special Revenue Funds

	Education Grants Fund	School Lunch Fund	Police Seizure Fund	Grants and Donations Fund	Strand Theater Fund	Community Policing Fund	Small Cities Fund
ASSETS							
Cash	\$ 112,707	\$ 41,124	\$ 14,517	\$ 195,998	\$ 1,910	\$ 71,613	\$ 3,061
Receivables:							
Accounts and other		2,113					
Due from other governments	2,282	72,823					
Due from other funds				23,658			
Inventory		14,015					
Total Assets	<u>\$ 114,989</u>	<u>\$ 130,075</u>	<u>\$ 14,517</u>	<u>\$ 219,656</u>	<u>\$ 1,910</u>	<u>\$ 71,613</u>	<u>\$ 3,061</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts and other payables/due to State	\$ 24,397	\$ 15,556	\$	\$ 1,342	\$ 423	\$	\$
Due to other funds		21,174		104,478	95,830		
Bond anticipation notes							
Deferred revenue	90,592						
Total liabilities	<u>114,989</u>	<u>36,730</u>	<u>-</u>	<u>105,820</u>	<u>96,253</u>	<u>-</u>	<u>-</u>
Fund Balances:							
Nonspendable		14,015					
Restricted			14,517	113,836			3,061
Committed		79,330				71,613	
Unassigned					(94,343)		
Total fund balances	<u>-</u>	<u>93,345</u>	<u>14,517</u>	<u>113,836</u>	<u>(94,343)</u>	<u>71,613</u>	<u>3,061</u>
Total Liabilities and Fund Balances	<u>\$ 114,989</u>	<u>\$ 130,075</u>	<u>\$ 14,517</u>	<u>\$ 219,656</u>	<u>\$ 1,910</u>	<u>\$ 71,613</u>	<u>\$ 3,061</u>

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**TOWN OF SEYMOUR, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2013**

	Capital Projects		Permanent Fund		Total
	Capital Projects	High School Expansion	Charles Pine Fund	Eliminations	Nonmajor Governmental Funds
ASSETS					
Cash	\$ 17,470	\$ 9,588	\$ 1,000	\$	\$ 899,382
Receivables:					
Accounts and other					2,113
Due from other governments					75,105
Due from other funds				(128,136)	75,018
Inventory					14,015
Total Assets	\$ 17,470	\$ 9,588	\$ 1,000	\$ (128,136)	\$ 1,065,633
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts and other payables/due to State	\$ 10,921	\$ 4,974	\$	\$	\$ 64,737
Due to other funds				(128,136)	153,171
Bond anticipation notes	1,328,592	605,082			1,933,674
Deferred revenue					90,592
Total liabilities	1,339,513	610,056	-	(128,136)	2,242,174
Fund Balances:					
Nonspendable			1,000		15,015
Restricted					502,889
Committed					337,804
Unassigned	(1,322,043)	(600,468)			(2,032,249)
Total fund balances	(1,322,043)	(600,468)	1,000	-	(1,176,541)
Total Liabilities and Fund Balances	\$ 17,470	\$ 9,588	\$ 1,000	\$ (128,136)	\$ 1,065,633

**TOWN OF SEYMOUR, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2013**

Special Revenue Funds

	<u>LOCIP</u>	<u>Open Space</u>	<u>EDC Grants</u>	<u>Skate Park</u>	<u>HUD Cities Grant Fund</u>	<u>Dog Fund</u>	<u>Library Fund</u>	<u>Federal Grants Receivable ARRA</u>	<u>Education Grants Fund</u>	<u>School Lunch Fund</u>
Revenues:										
Intergovernmental	\$ 72,538	\$ 1,187	\$	\$	\$	\$	\$	\$ 22,122	\$ 1,550,676	\$ 405,539
Investment income										61
Other	92,057	2,374	24	6,401		27,000	111,336			612,454
Total revenues	<u>164,595</u>	<u>3,561</u>	<u>24</u>	<u>6,401</u>	<u>-</u>	<u>27,000</u>	<u>111,336</u>	<u>22,122</u>	<u>1,550,676</u>	<u>1,018,054</u>
Expenditures:										
Current:										
General government		3,744			108					
Public safety						39,275				
Public works	73,724		49,678							
Sundry							113,843			
Education									1,550,676	1,064,616
Debt service										
Capital outlay				16,957				22,122		
Total expenditures	<u>73,724</u>	<u>3,744</u>	<u>49,678</u>	<u>16,957</u>	<u>108</u>	<u>39,275</u>	<u>113,843</u>	<u>22,122</u>	<u>1,550,676</u>	<u>1,064,616</u>
Excess (Deficiency) of Revenues over Expenditures	<u>90,871</u>	<u>(183)</u>	<u>(49,654)</u>	<u>(10,556)</u>	<u>(108)</u>	<u>(12,275)</u>	<u>(2,507)</u>	<u>-</u>	<u>-</u>	<u>(46,562)</u>
Other Financing Uses:										
Transfers in	<u>75,000</u>									
Net Change in Fund Balances	165,871	(183)	(49,654)	(10,556)	(108)	(12,275)	(2,507)	-	-	(46,562)
Fund Balances at Beginning of Year	<u>58,887</u>	<u>44,820</u>	<u>72,685</u>	<u>7,602</u>	<u>123,794</u>	<u>(166)</u>	<u>144,731</u>	<u>-</u>	<u>-</u>	<u>139,907</u>
Fund Balances at End of Year	<u>\$ 224,758</u>	<u>\$ 44,637</u>	<u>\$ 23,031</u>	<u>\$ (2,954)</u>	<u>\$ 123,686</u>	<u>\$ (12,441)</u>	<u>\$ 142,224</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 93,345</u>

(Continued on next page)

**TOWN OF SEYMOUR, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2013**

	Special Revenue Funds					Capital Projects		Permanent Fund	Total Nonmajor Governmental Funds
	Police Seizure Fund	Grants and Donations Fund	Strand Theater Fund	Community Policing Fund	Small Cities Fund	Capital Projects	High School Expansion	Charles Pine Fund	
Revenues:									
Intergovernmental	\$	\$ 103,670	\$ 14,656	\$ 21,356	\$ 433,759	\$	\$	\$	\$ 2,625,503
Investment income	8			105		1,535	10,327		12,036
Other		44,448	33,344				5,814		935,252
Total revenues	<u>8</u>	<u>148,118</u>	<u>48,000</u>	<u>21,461</u>	<u>433,759</u>	<u>1,535</u>	<u>16,141</u>	<u>-</u>	<u>3,572,791</u>
Expenditures:									
Current:									
General government		90,649			476,499	9,003			580,003
Public safety	6,333			3,395					49,003
Public works									123,402
Sundry			66,278						180,121
Education									2,615,292
Debt service							21,995		21,995
Capital outlay						745,547			784,626
Total expenditures	<u>6,333</u>	<u>90,649</u>	<u>66,278</u>	<u>3,395</u>	<u>476,499</u>	<u>754,550</u>	<u>21,995</u>	<u>-</u>	<u>4,354,442</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(6,325)</u>	<u>57,469</u>	<u>(18,278)</u>	<u>18,066</u>	<u>(42,740)</u>	<u>(753,015)</u>	<u>(5,854)</u>	<u>-</u>	<u>(781,651)</u>
Other Financing Uses:									
Transfers in							100,000		175,000
Net Change in Fund Balances	(6,325)	57,469	(18,278)	18,066	(42,740)	(753,015)	94,146	-	(606,651)
Fund Balances at Beginning of Year	20,842	56,367	(76,065)	53,547	45,801	(569,028)	(694,614)	1,000	(569,890)
Fund Balances at End of Year	<u>\$ 14,517</u>	<u>\$ 113,836</u>	<u>\$ (94,343)</u>	<u>\$ 71,613</u>	<u>\$ 3,061</u>	<u>\$ (1,322,043)</u>	<u>\$ (600,468)</u>	<u>\$ 1,000</u>	<u>\$ (1,176,541)</u>

TOWN OF SEYMOUR, CONNECTICUT
COMBINING STATEMENT OF NET POSITION - PRIVATE PURPOSE TRUST FUNDS
JUNE 30, 2013

	Private Purpose Trust Funds				
	Harold K. Beach Fund	Charles B. Wooster Fund	Richard R. Pearson Memorial Fund	Library Special Book Fund	Total
Assets:					
Cash	\$ 5,454	\$	\$ 930	\$ 700	\$ 7,084
Investments	5,454	1,418,926	930	700	1,418,926
Total assets	5,454	1,418,926	930	700	1,426,010
Net Position Held in Trust	\$ 5,454	\$ 1,418,926	\$ 930	\$ 700	\$ 1,426,010

**TOWN OF SEYMOUR, CONNECTICUT
COMBINING STATEMENT OF CHANGES IN NET POSITION -
PRIVATE PURPOSE TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2013**

	Private Purpose Trust Funds				Total
	Harold K. Beach Fund	Charles B. Wooster Fund	Richard R. Pearson Memorial Fund	Library Special Book Fund	
Additions:					
Investment gain	\$	\$ 143,625	\$	\$	\$ 143,625
Interest and dividends		9,575			9,575
Donations			2,065		2,065
Net additions	<u>-</u>	<u>153,200</u>	<u>2,065</u>	<u>-</u>	<u>155,265</u>
Deductions:					
Education		64,150			64,150
General government	98	13,893	2,075	74	16,140
Total deductions	<u>98</u>	<u>78,043</u>	<u>2,075</u>	<u>74</u>	<u>80,290</u>
Change in Net Position	(98)	75,157	(10)	(74)	74,975
Net Position - Beginning of Year	<u>5,552</u>	<u>1,343,769</u>	<u>940</u>	<u>774</u>	<u>1,351,035</u>
Net Position - End of Year	<u>\$ 5,454</u>	<u>\$ 1,418,926</u>	<u>\$ 930</u>	<u>\$ 700</u>	<u>\$ 1,426,010</u>

**TOWN OF SEYMOUR, CONNECTICUT
STATEMENT OF CHANGES IN
FIDUCIARY ASSETS AND LIABILITIES -
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Balance, July 1, 2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance, June 30, 2013</u>
Student Activities Fund				
Assets:				
Cash	\$ <u>150,522</u>	\$ <u>371,453</u>	\$ <u>385,682</u>	\$ <u>136,293</u>
Total assets	\$ <u><u>150,522</u></u>	\$ <u><u>371,453</u></u>	\$ <u><u>385,682</u></u>	\$ <u><u>136,293</u></u>
Liabilities:				
Due to others	\$ <u>150,522</u>	\$ <u>371,453</u>	\$ <u>385,682</u>	\$ <u>136,293</u>
Total liabilities	\$ <u><u>150,522</u></u>	\$ <u><u>371,453</u></u>	\$ <u><u>385,682</u></u>	\$ <u><u>136,293</u></u>

TOWN OF SEYMOUR, CONNECTICUT
SCHEDULE OF DEBT LIMITATION
JUNE 30, 2013

Total Tax Collections (Including Interest and Lien Fees) for the Year Ended June 30, 2012	\$ 39,650,432
Reimbursement for Revenue Loss: Tax relief for elderly	<u>-</u>
Base for Debt Limitation Computation	<u>\$ 39,650,432</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	\$ 89,213,472	\$	\$	\$	\$
4 1/2 times base		178,426,944			
3 3/4 times base			148,689,120		
3 1/4 times base				128,863,904	
3 times base					<u>118,951,296</u>
Total debt limitation	<u>89,213,472</u>	<u>178,426,944</u>	<u>148,689,120</u>	<u>128,863,904</u>	<u>118,951,296</u>
Indebtedness:					
Bond anticipation notes		6,220,000			
Bonds authorized but unissued	259,589	36,194,442	151,978		
Town bonds and notes payable	<u>5,169,877</u>	<u>27,961,711</u>	<u>4,645,008</u>		
Net Indebtedness (1) (2)	<u>5,429,466</u>	<u>70,376,153</u>	<u>4,796,986</u>	<u>-</u>	<u>-</u>
Debt Limitation in Excess of Indebtedness	<u>\$ 83,784,006</u>	<u>\$ 108,050,791</u>	<u>\$ 143,892,134</u>	<u>\$ 128,863,904</u>	<u>\$ 118,951,296</u>

(1) The total of the above net indebtedness amounts to: \$ 80,602,605

In no event shall total indebtedness exceed seven times the base for debt limitation computation: \$ 277,553,024

(2) There is no overlapping debt.