

Town of Simsbury Connecticut



Comprehensive Annual Financial Report

For The Fiscal Year Ended

June 30, 2012

TOWN OF SIMSBURY, CONNECTICUT
COMPREHENSIVE ANNUAL FINANCIAL
REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Department of Finance
Mary Ann Harris
Director of Finance

Introductory Section

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 COMPREHENSIVE ANNUAL FINANCIAL REPORT
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Town of Simsbury

933 HOPMEADOW STREET

P.O. BOX 495

SIMSBURY, CONNECTICUT 06070

December 20, 2012

To the Board of Selectmen, Board of Education, Board of Finance and the citizens of the Town of Simsbury:

Connecticut State Statutes require that all municipal entities publish within six months of the close of the fiscal year a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with auditing standards accepted in the United States of America by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the Town of Simsbury, Connecticut for the fiscal year ended June 30, 2012.

This report consists of management's representations concerning the finances of the Town of Simsbury, Connecticut. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the Town of Simsbury has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the Town's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefit, the Town's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Town's financial statements have been audited by Blum, Shapiro & Company, P.C., a firm of licensed certified public accountants. The goal of the independent audit was to provide a reasonable assurance that the financial statements of the Town of Simsbury for the fiscal year ended June 30, 2012, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the Town of Simsbury financial statements for the fiscal year ended June 30, 2012, are fairly

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presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the Town was part of broader, federal and state mandated "Single Audits" designed to meet the special needs of federal and state grantor agencies. The standards governing the Federal and State Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal and state awards. These reports are available in the Town of Simsbury's separately issued Single Audit Reports.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The Town of Simsbury's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

The Town of Simsbury was incorporated as Connecticut's twenty-first Town in May 1670. It has a land area of approximately 34.5 square miles and a population of approximately 23,234. Centrally located in the heart of the New York - Boston corridor, Simsbury is a most attractive and diverse suburban community. As a part of the beautiful Farmington Valley, Simsbury offers an unmatched quality of life with a traditional New England town atmosphere in a setting of rolling hills, the picturesque Farmington River and well-manicured properties. Simsbury is conveniently located 20 minutes northwest of Hartford and 20 minutes southwest of Bradley International Airport.

The Town of Simsbury operates under a Charter revised as of November 7, 2006. The form of government is Board of Selectman – Town Meeting. There are five Selectmen (2-year term) and a full time paid First Selectman (2-year term). There is also an eight-member Board of Education (4-year term) and a six member Board of Finance (6-year term). The First Selectman functions as the Town's Chief Elected and Administrative Official. The legislative authority of the government is vested in the Board of Selectmen and the Town Meeting. The Charter requires an automatic referendum for the annual budget and for expenditures in excess of 2% of the annual budget.

The Town of Simsbury provides a full range of services, including police protection; the construction and maintenance of street, and other infrastructure; and recreational activities and cultural events; and a public school system which is as one of the finest in the state and national level for excellence. Certain sanitation services are provided by a legally separate Water Pollution Control Authority, which functions, in essence as a department of the Town of Simsbury and therefore its operations have been included as an integral part of the Town of Simsbury's financial statements.

Annual Budget Process

The budget serves as the foundation of the Town of Simsbury's financial planning and control. The proposed budget is presented at the Annual Town Meeting held on the first Tuesday in May, is subject to an automatic referendum by all qualified voters of the Town and shall be held from 14 to 21 days following the conclusion of the Town Meeting. Should the referendum fail to adopt the budget, the Board of Finance, in cooperation with the First Selectman, shall revise the annual budget, or that portion thereof, which has been rejected at the referendum, and present it at a subsequent Town Meeting and referendum for acceptance. If the budget remains unaccepted at the second referendum, the budget adopted for the then current fiscal year becomes the temporary budget on a month-to-month basis until a new budget is adopted.

Local Economy

The Town has a diverse local economy with retail, insurance, and manufacturing. It is host to several national corporations, a world class skating center and an outdoor performing arts center. The Hartford Insurance company maintains an alternate data center and offices in Simsbury as well as the headquarters of its Corporate Life Insurance Business Line. Dyno Nobel/Ensign Bickford Industries with its related companies owns substantial real estate in the town on which it has developed high quality residential structures and over 235,000 square feet of Class A office and research space. The largest taxpayers account for 7.24% of the town's grand list.

The Town's current unemployment rate is 6.6% compared to the state average of 8.6% and the national average of 7.9%.

Long-Term Financial Planning

The Town has a five year Capital Improvement Plan which totals approximately \$47.5 million of which is estimated that \$36.8 million will be funded through debt and the remainder from grants and fund balance.

Relevant Financial Policies

The Town of Simsbury written financial policies are as follows:

- Debt Policy
- Capital and Non-Recurring Fund Policy Statement
- Investment Policy
- Pension Investment Policy and Investment Objectives
- Other Post Employment Benefit (OPEB) Trust Investment Policy
- GASB 34 – Capital Asset Policy

The Town's debt policy establishes as a long term objective that debt retirement expenses (interest and principal) be at a rate of not more than 5 – 7% of the total annual budget. For the year ended June 30, 2012, the annual debt retirement expense percentage in relation to the total annual budget was 7%, and therefore in compliance with the Town's debt policy.

Major Initiatives

The Special Town meeting and subsequent referendum approved the following projects:

At the May 1, 2012 Special Town Meeting the voters approved the following projects and sent two projects to referendum:

- \$185,000 was approved and appropriated from the General Fund for the replacement of the Dispatch Radio Console and equipment in the police department.
- \$74,000 was approved and appropriated from the General Fund for Emergency Generator Improvements to complete a study and upgrade existing equipment.
- \$358,000 was approved and appropriated to upgrade the West Street intersection and sidewalk near the high school, to replace sidewalks on Owens Brook and for Greenway Improvements. Funding for this project is estimated to be \$20,000 from state grants for the West Street intersection and sidewalk improvements with the remainder through the issuance of bonds.
- \$1,047,300 was approved and appropriated from the Sewer Use Fund for the design and reconstruction of the Wolcott Street Pump Station.

The following projects were sent to the May 15, 2012, Referendum:

- \$2,050,000 was approved and appropriated for the land purchase of parcel II from Ethel Walker School to expand open space. The town has received an open space grant estimated at \$691,666 to cover a portion of the costs with remainder to be funded through issuance of bonds.
- \$1,800,000 was approved and appropriated for the Board of Education District Network Infrastructure to upgrade the school systems software and hardware. This project is to be funded through issuance of bonds. This project is scheduled to be completed by Spring 2014.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town for its comprehensive annual financial report for fiscal year ended June 30, 2011. This was the fifteenth consecutive year that we have received this prestigious award. In order to be awarded a Certificate of Achievement, the Town must publish an easily readable and efficiently organized comprehensive annual financial report. The report published satisfied both generally accepted accounting principles and applicable legal requirements.

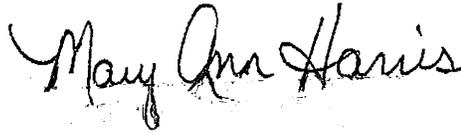
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report meets the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for a certificate.

The preparation of this report on a timely basis was made possible by the dedicated service of the entire staff of the Finance Department. In addition, the accounting firm of Blum, Shapiro & Company, P.C., made substantial contributions in the development of this document. Due credit also should be given to the First Selectman, Board of Selectmen, Board of Education and the Board of Finance for their cooperation, assistance and support throughout the year in matters pertaining to the financial affairs of the Town.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Mary A. Glassman". The signature is fluid and cursive, with a long horizontal stroke at the end.

Mary A. Glassman
First Selectman

A handwritten signature in dark ink, appearing to read "Mary Ann Harris". The signature is cursive and clearly legible.

Mary Ann Harris
Director of Finance/Treasurer

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Town of Simsbury
Connecticut

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Christopher P. Moivell

President

Jeffrey R. Emer

Executive Director

Town of Simsbury Organizational Chart

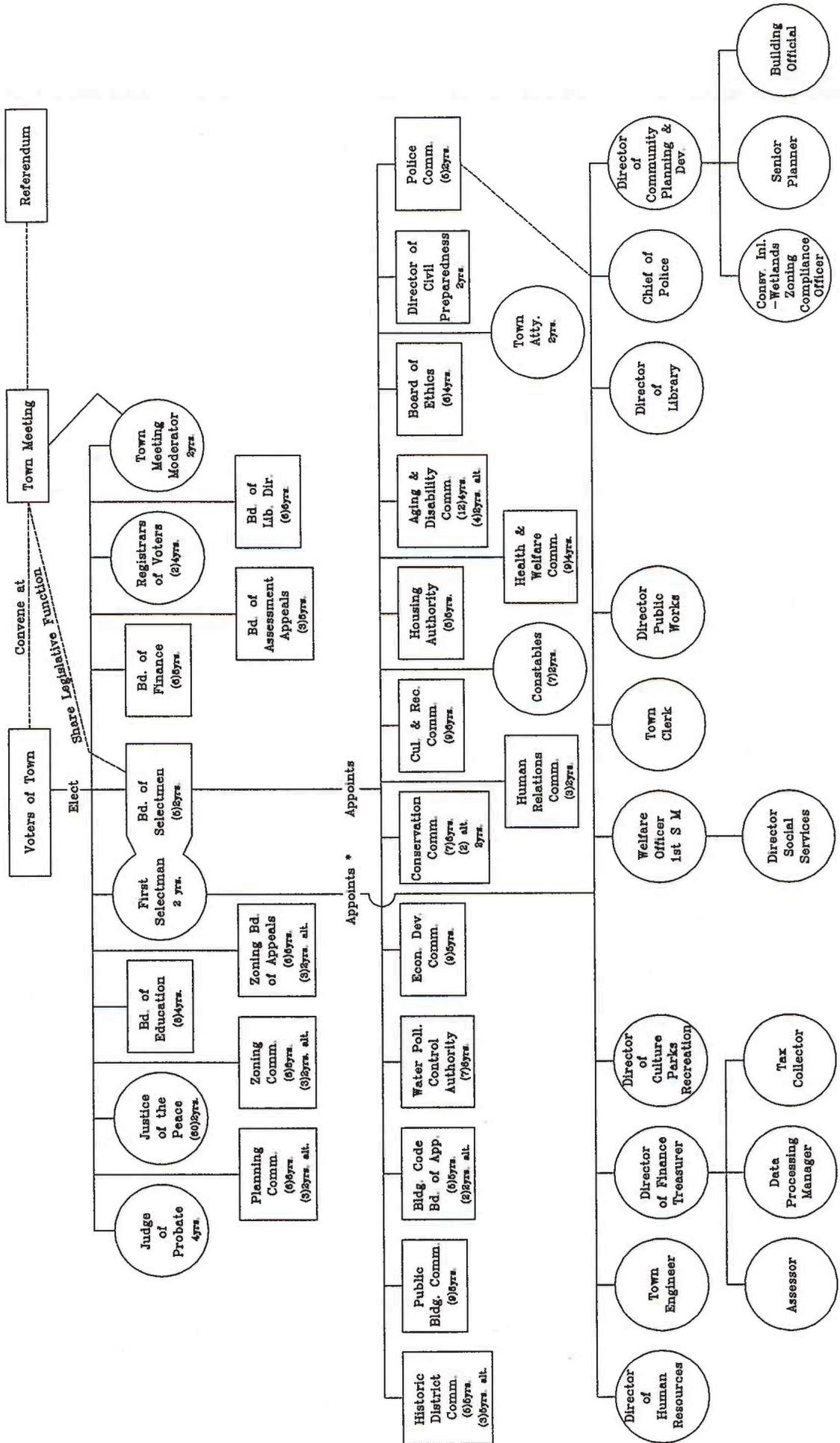
Legend

□ Groups functioning as boards, commissions or departments

○ Individuals functioning as separate officers

* With the approval of Board of Selectmen

() Indicates number of members on a board or commission, followed by term of office



PRINCIPAL OFFICIALS

BOARD OF SELECTMEN

Mary A. Glassman First Selectman
John K. Hampton, Deputy 1st Selectman
Lisa L. Heavner
Sean Askham
Nancy Haase
Moria Kunkel Wertheimer

BOARD OF EDUCATION

Lydia A. Tedone, Chairman
Chris M. Kelly, Vice Chairman
R. Michael Goman
Michael Wade
Tara Donohue Willerup
Susan Salina
Todd Burrick
Tom Doran

BOARD OF FINANCE

Paul W. Henault, Chairman
Peter K. Askham
Barbara Petitjean
Kevin A. North
Nicholas B. Mason
Jeffrey Blumenthal

APPOINTED OFFICIALS

Diane Ullman, Superintendent
Burke LaClair, School Business Manager
Mary Ann Harris, Director of Finance/Treasurer
Carolyn Keily, Town Clerk
Colleen O'Connor, Tax Collector
David Gardner, Assessor
Kevin J. Kowalski, Director of Civil Preparedness
Micheline Lecours-Beck, Social Service Director
Gerard Toner, Director of Culture, Parks & Recreation
Hiram Peck, Director of Planning
Howard Beach, Conservation Officer
Henry Miga, Building Official
Richard Sawitzke, Town Engineer
Updike, Kelley & Spellacy, Town Attorney

Financial Section



Accounting | Tax | Business Consulting

Independent Auditors' Report

To the Board of Finance
Town of Simsbury, Connecticut

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Simsbury, Connecticut, as of and for the year ended June 30, 2012, which collectively comprise the Town of Simsbury, Connecticut's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town of Simsbury, Connecticut's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Simsbury, Connecticut, as of June 30, 2012 and the respective changes in financial position and cash flows, where applicable, thereof, and the respective budgetary comparison for the general fund and sewer use fund for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2012 on our consideration of the Town of Simsbury, Connecticut's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 13, and the schedule of funding progress - Pension Trust Funds and OPEB Trust Funds on pages 61 and 62 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who consider it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Simsbury, Connecticut's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The combining and individual nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we do not express an opinion or provide any assurance on them.

Blum, Shapiro & Company, P.C.

December 20, 2012

**TOWN OF SIMSBURY, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2012**

The management of the Town of Simsbury, Connecticut (the Town) offers readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2012. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

Financial Highlights

- On a government-wide basis, the assets of the Town exceeded its liabilities at the close of the most recent fiscal year by \$122,092,216 for the Governmental Activities.
- On a government-wide basis, the government's total net assets increased by \$6,071,791 for the Governmental Activities.
- As of the close of the current fiscal year, the Town's Governmental Funds reported combined ending fund balances of \$19,694,317 an increase of \$5,168,542 in comparison with the prior year. Of this total amount, \$39,195 is nonspendable (inventory), \$1,377,984 use is restricted by governmental grants, \$8,280,015 is committed by Simsbury Board of Finance (Budget-Making Authority), \$5,840,142, is assigned and \$4,156,981 is unassigned. The \$4,156,981 unassigned fund balance is available for spending at the Town's discretion.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$9,696,310 or 10.49% of total General Fund expenditures.

Overview of the Financial Statements

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

Government-Wide Financial Statements

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

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

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

The government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the Town include general government, planning and development, public safety, facility management, culture and recreation, health and welfare and insurances, education, special projects and interest on long-term debt.

The government-wide financial statements can be found on pages 14 and 15 of this report.

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.

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 Governmental Funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for Governmental Funds with similar information presented for Governmental Activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the 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 17 individual funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Sewer Use Fund, Sewer Assessment Fund and the Capital Project Fund, all of which are considered to be major funds.

Data from the other 13 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The Town adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages *16 to 20* of this report.

Proprietary Funds - The Town maintains a Self-Insurance Fund to account for the self-insurance program for health insurance coverage for the Town and Board of Education employees.

The basic proprietary fund financial statements can be found on pages *21 to 23* of this report.

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

The basic fiduciary fund financial statements can be found on pages *24 to 25* of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 26 to 60 of this report.

Required Supplementary Information

This report contains certain supplementary information concerning the Town's progress in funding its obligation to provide pension benefits and other post employment benefits to its employees.

Other Information

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes to the financial statements. Combining and individual fund statements and schedules can be found on pages 63-83 of this report.

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position and an important determinant of its ability to finance services in the future. In the case of the Town, assets exceeded liabilities by \$\$122,092,216 at the close of the most recent fiscal year.

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

NET ASSETS - GOVERNMENTAL ACTIVITIES

	Governmental Activities	
	2012	2011
Current assets	\$ 29,978,101	\$ 34,387,038
Capital assets, net of accumulated depreciation	138,456,088	133,879,300
Noncurrent assets	6,036,653	752,316
Total Assets	174,470,842	169,018,654
Current liabilities	12,171,389	12,687,497
Noncurrent liabilities	40,207,237	45,993,904
Total Liabilities	52,378,626	58,681,401
Net Assets:		
Invested in capital assets, net of debt	93,769,918	85,759,693
Unrestricted	28,322,298	24,577,560
Total Net Assets	\$ 122,092,216	\$ 110,337,253

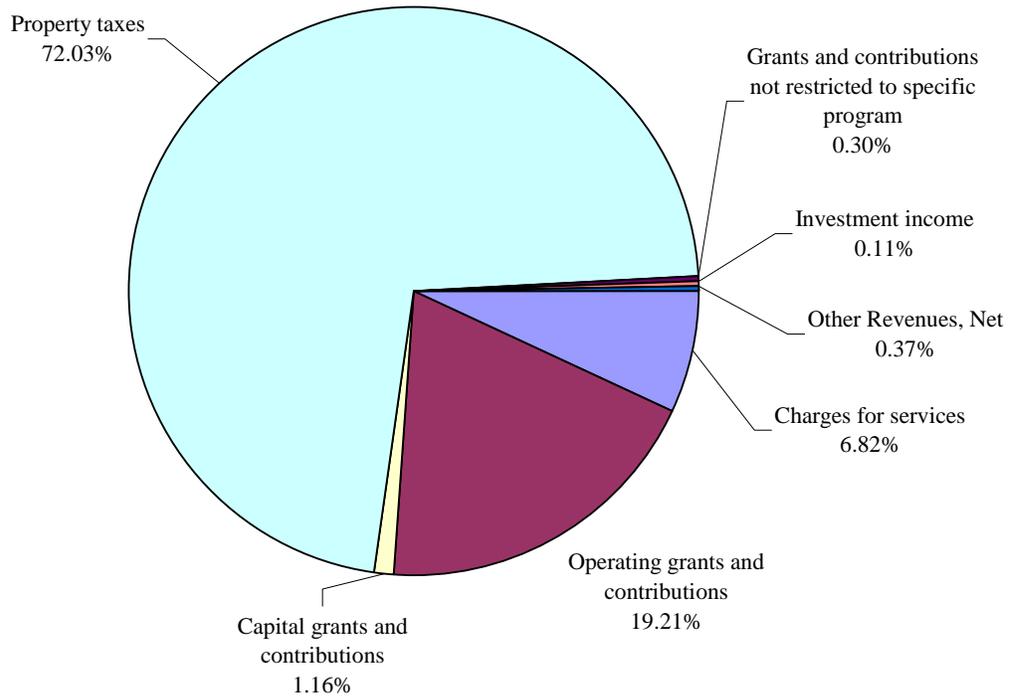
The government's net assets increased by \$6,071,791 or 3.71% during the current fiscal year from \$116,020,425 at June 30, 2011 to \$122,092,216 at June 30, 2012. Unrestricted net assets, the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements, is \$28,322,298 at the end of this year compared to \$24,577,560, as restated, at the end of the prior year for an increase of \$3,744,738.

CHANGES IN NET ASSETS - GOVERNMENTAL ACTIVITIES

	Governmental Activities	
	<u>2012</u>	<u>2011</u>
Revenues:		
Program revenues:		
Charges for services	\$ 7,616,581	\$ 7,708,158
Operating grants and contributions	21,463,981	15,337,100
Capital grants and contributions	1,299,995	1,355,357
General revenues:		
Property taxes	80,468,335	79,637,302
Grants and contributions not restricted to specific purpose	332,042	491,076
Unrestricted investment earnings	120,712	215,881
Other general revenues, net	409,960	399,329
Total revenues	<u>111,711,606</u>	<u>105,144,203</u>
Program expenses:		
General government	6,305,823	2,497,684
Planning and development	1,079,098	1,793,475
Public safety	5,891,335	6,339,007
Facility management	8,719,270	8,687,612
Culture and recreation	5,309,507	8,306,430
Health and welfare	846,075	857,664
Education	76,276,064	71,194,609
Interest on long-term debt	1,212,643	1,514,343
Total expenses	<u>105,639,815</u>	<u>101,190,824</u>
Change in net assets	6,071,791	3,953,379
Net Assets - July 1	<u>116,020,425</u>	<u>112,067,046</u>
Net Assets - June 30	<u>\$ 122,092,216</u>	<u>\$ 116,020,425</u>

Total revenues were \$111,711,606 and \$105,144,203, respectively, for the years ended June 30, 2012 and June 30, 2011. Total cost of all programs and services were \$105,639,815, and \$101,190,824, respectively, for the years ended June 30, 2012 and June 30, 2011. Net assets increased by \$6,071,791 and \$3,953,379 for the years ended June 30, 2012 and June 30, 2011, respectively.

Revenue by Source - Governmental Activities



Governmental Activities

Major revenue factors during the year include:

- Property taxes collected increased by \$831,033 or 1.04%. The property tax budget increase was \$1,127,206 or 1.42% and the revenue budget decrease (excluding property taxes) was \$53,304 to cover an expenditure budget increase of \$1,023,902 or 1.19%. The revenue budget decrease of \$53,304 was primarily driven by a decrease in intergovernmental revenue.
- Charges for goods and services decreased by \$91,577 or 1.2%. Illustrated below is a comparison between 2012 and 2011:

	<u>2012</u>		<u>2011</u>		<u>Variance</u>
General government	\$ 805,502	\$	958,295	\$	(152,793)
Planning and development	171,782		131,545		40,237
Public safety	279,202		321,284		(42,082)
Facility management	3,091,335		2,938,812		152,523
Culture and recreation	1,771,554		1,783,573		(12,019)
Health and welfare	19,691		16,366		3,325
Education	1,477,515		1,558,283		(80,768)
Total	\$ 7,616,581	\$	7,708,158	\$	(91,577)

- Operating Grants and contributions increased \$6,126,881. The increase is due to the town receiving a Federal Forestry Grant and Federal Emergency Management funds. Illustrated below is a comparison between 2012 and 2011:

	<u>2012</u>	<u>2011</u>	<u>Variance</u>
General government	\$ 120,009	\$ 21,500	\$ 98,509
Planning and development	2,116,232	-	2,116,232
Public safety	29,856	98,309	(68,453)
Facility management	3,016,919	769,341	2,247,578
Culture and recreation	189,748	47,358	142,390
Health and welfare	189,658	229,442	(39,784)
Education	<u>15,801,559</u>	<u>14,171,150</u>	<u>1,630,409</u>
Total	<u>\$ 21,463,981</u>	<u>\$ 15,337,100</u>	<u>\$ 6,126,881</u>

- Capital grants and contributions decreased by \$55,362 or 4.26%. FY2011 were for one time grants received in that fiscal year. Illustrated below is a breakdown comparison between 2012 and 2011:

	<u>2012</u>	<u>2011</u>	<u>Variance</u>
General government	\$ -	\$ -	\$ -
Planning and development	-	-	-
Facility management	341,709	330,514	11,195
Culture and recreation	-	1,024,843	(1,024,843)
Health and welfare	-	-	-
Education	<u>958,286</u>	<u>-</u>	<u>958,286</u>
Total	<u>\$ 1,299,995</u>	<u>\$ 1,355,357</u>	<u>\$ (55,362)</u>

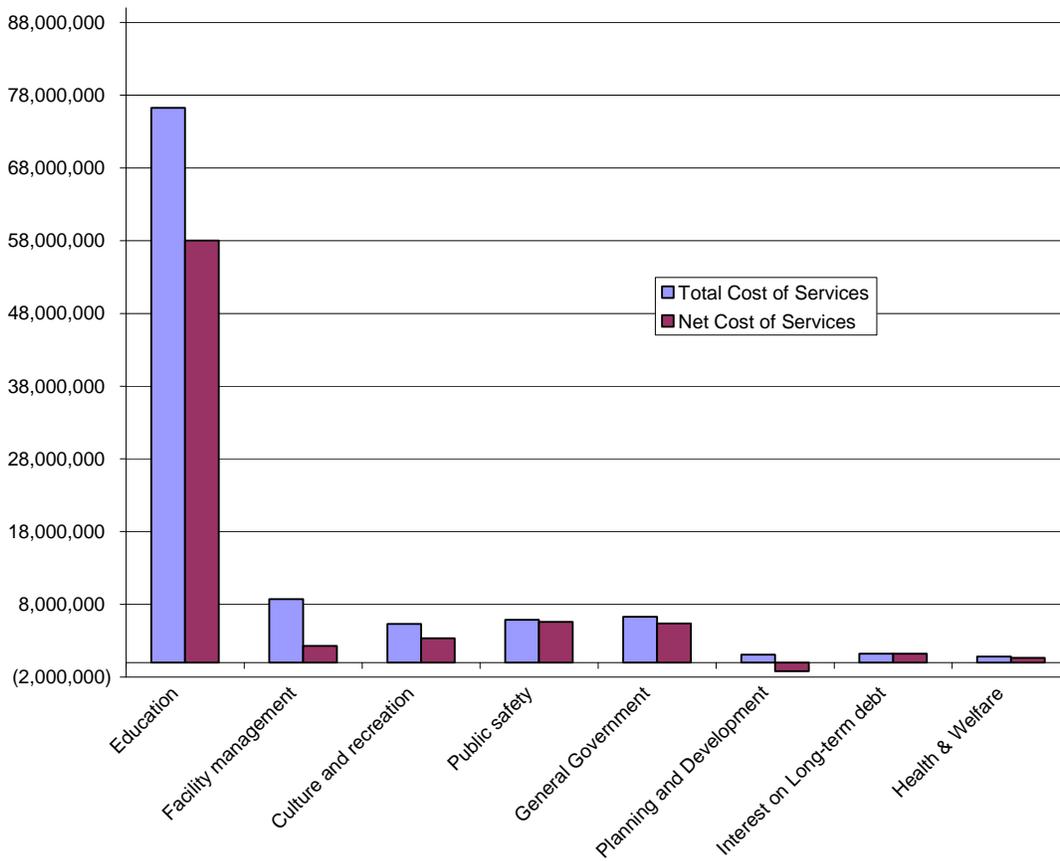
- Grants not restricted to specific programs decreased by \$159,034 or 32.38%.
- Unrestricted investment earnings decreased by \$95,169 or 44.08%

The following table present the cost of each of the Town’s programs as well as each program’s net cost (total cost less revenues generated by the activities). The net cost shows the financial burden that was placed on the Town’s taxpayers by each of these functions.

GOVERNMENTAL ACTIVITIES
For the Year Ended June 30, 2012

	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
Education	\$ 76,276,064	\$ 58,038,704
Facility management	8,719,270	2,269,307
Culture and recreation	5,309,507	3,348,205
Public safety	5,891,335	5,582,277
General Government	6,305,823	5,380,312
Planning and Development	1,079,098	(1,208,916)
Interest on Long-term debt	1,212,643	1,216,643
Health & Welfare	846,075	636,726
Totals	\$ <u>105,639,815</u>	\$ <u>75,263,258</u>

Expenses and Program Revenue - Governmental Activities



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 a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Town's Governmental Funds reported combined ending fund balances of \$19,694,317 an increase of \$5,168,542 in comparison with the prior year. Of this total amount, \$39,195 is nonspendable (inventory), \$1,377,984 use is restricted by governmental grants, \$8,280,015 is committed by Simsbury Board of Finance (Budget-Making Authority), \$5,840,142, is assigned and \$4,156,981 is unassigned. The \$4,156,981 unassigned fund balance is available for spending at the Town's discretion.

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, the unassigned fund balance was \$9,696,310, while total fund balance was \$10,596,508. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Of this total fund balance \$121,950 is restricted by governmental grants, \$267,341 is committed by Simsbury Board of Finance (Budget-Making Authority), \$510,907 is assigned, with the balance being unassigned in the amount of \$9,696,310. Unassigned fund balance represents 10.97 % of the total General Fund expenditures, while total fund balance represents 11.99 % of that same amount.

The fund balance of the Town's General Fund increased by \$339,882 during the current fiscal year and the unassigned fund balance increased by \$119,106.

The Sewer Use Fund has a fund balance of \$5,433,283 at the end of the year, a decrease of \$126,336 from the prior year. A portion of the fund balance is to be used to help pay the future debt service on the Waste Water Treatment Plant \$26.8 million renovation and expansion capital project. This project was funded 100% by the State of Connecticut Clean Water Fund 2% Loan and Grant program. This project is completed and payments begin on the 20-year, 2% loan program starting monthly beginning September 2008. The loan will be repaid by future sewer user charges.

The Sewer Assessment Fund has a fund balance of \$1,274,452 at the end of the year, an increase of \$112,428 from the prior year.

The Capital Project Fund has a negative fund balance of \$1,089,512 at the end of the year. This is due to a timing issue, the town will be issuing General Obligation bonds for projects authorized.

- In August, 2011 the Town of Simsbury issued General Obligation Bonds-Refunding Bonds in the amount of \$5,000,000 to advance refund a portion of the General Obligation Bond issue of 2003 with a favorable interest of 2%.

Other non major governmental funds have a total fund balance of \$3,479,586 an increase of \$201,457 from the prior year as illustrated.

<u>NonMajor Governmental Funds</u>	<u>2012</u>	<u>2011</u>	<u>Variance</u>
Residential Rental Properties	\$ 102,108	\$ 82,568	\$ 19,540
Animal Control Fund	(5,523)	23,049	(28,572)
Simsbury Farms Fund	(36,194)	60,180	(96,374)
General Government Program Fund	172,282	147,072	25,210
Public Safety Program Fund	326,249	302,072	24,177
Planning & Development Program Fund	381,810	324,721	57,089
Facilities Management Program Fund	668,765	656,116	12,649
Health & Welfare Program Fund	203,334	183,896	19,438
Culture & Recreation Program Fund	225,626	99,335	126,291
Board of Education Program Fund	528,926	444,923	84,003
Cafeteria	298,144	341,647	(43,503)
Capital and Nonrecurring Expenditures Fund	<u>614,059</u>	<u>612,550</u>	<u>1,509</u>
Total	\$ <u>3,479,586</u>	\$ <u>3,278,129</u>	\$ <u>201,457</u>

General Fund Budgetary Highlights

The original general fund budget including other financing sources and uses (\$87,252,303) was increased by \$2,397,400 to the final budget of approximately \$89.65 million. The bulk of this increase was due to an October Nor'easter that downed trees and power lines making roadways impassable, with additional modest amounts appropriated to supplement public safety and facility management.

Actual revenues were more than budgetary amounts by \$1,217,975, and expenditures were less than budgetary amounts by \$467,895. Most revenue types had favorable results; property taxes, intergovernmental revenue, investment income, other local revenues and other financing sources. Charges for goods and services, licenses and permits, and rental property were lower than anticipated by \$237,147 less than budgeted.

Budgetary savings occurred in all departments with Fringe benefit savings of \$175,231 and a savings in debt service of \$59,870 due to an advance refunding of town bonds in August, 2011.

Overall revenues over expenditures on the budgetary basis were \$500,055.

Capital Asset and Debt Administration

Capital Assets - The Town's investment in capital assets (net of accumulated depreciation) for its governmental activities as of June 30, 2012 amounted to \$138,456,088. This investment in capital assets included land, buildings and system improvements, machinery and equipment, park facilities, roads, highways, and bridges. The total net change in the Town's investment in capital assets for the current fiscal year was \$4,576,788 which was comprised of an increase of \$12,177,409 for new additions, decrease of \$ 5,184,950 for depreciation and \$413,175 disposal of assets not fully depreciated.

CAPITAL ASSETS (net of depreciation) June 30, 2012

<u>Governmental Activities</u>	
Infrastructure	\$ 16,083,489
Land and buildings	96,660,914
Vehicles and equipment	3,742,541
Construction work in progress	<u>21,969,144</u>
Total Capital Assets	\$ <u>138,456,088</u>

Long-term Debt - At the end of the current fiscal year, the Town had total bonded debt outstanding of \$45,386,539 of which \$5,879,012 is due within one year. All of the debt is backed by the full faith and credit of the Town.

OUTSTANDING DEBT June 30, 2012

	<u>Governmental Activities</u>
General obligation bonds	\$ 28,670,000
Loan payable – Clean Water Fund	16,617,830
Loan payable – State of CT	<u>98,709</u>
Total	\$ <u>45,386,539</u>

The Town's total debt decreased during the current fiscal year by \$5,744,619. This decrease was comprised of a new debt issued in the amount of \$5,000,000 and debt payments of \$9,755,000 on general obligation bonds, \$922,823 on Clean Water Fund loan, \$7,488 on State of CT loan. In March 2011, the town issued general obligation bonds in the amount of \$5,000,000 for the balance on the Gertsen Land Purchase \$370,000, Paving Management Project \$2,400,000, Triangle Land Purchase \$1,660,000, Network Infrastructure \$450,000 and the Squadron Line Generator \$120,000.

The Town has an "Aaa" rating from Moody's for general obligation debt.

State statutes limit the amount of general obligation debt a governmental entity may issue to 7.0 times its total prior years' tax collections. The current debt limitation for the Town is \$564,044,593 which is significantly more than the Town's outstanding general obligation debt.

Additional information on the Town's long-term debt can be found in Note 3E on pages 43 to 46 of this report.

Economic Factors and Next Year’s Budgets and Rates

The Town’s elected Board of Finance considers many factors when setting the fiscal year 2012 budget spending guideline and mill rate. Factors include the economy, which covers the unemployment rate and the increase in the annual social security cola for the elderly. The current unemployment rate for the Town of Simsbury for October, 2012 was 6.6%, which is an increase from the prior year of .5%. This compares to the State’s average unemployment rate of 8.6% and the national average rate of 7.9%. A factor that the Board of Finance uses is the projected grand list growth. Due to the continued downturn in the economy and court settlements the October 1, 2011 grand list remained flat. Illustrated below is a recap of the 2013 General Fund budget property tax increase.

<u>Allocation of Tax Increase</u>	<u>Amount</u>	<u>%</u>
Board of Education	\$ 918,792	1.46
Board of Selectmen	177,687	0.99
Non-Public Schools	4,530	0.86
Debt Retirement	2,493	0.04
Revenue	<u>8,945</u>	<u>0.11</u>
New Additional Property Tax Revenues	<u>1,094,557</u>	<u>1.38</u>
Budgeted FY 11/12 Property Tax Revenues	<u>79,323,653</u>	
Budgeted FY 12/13 Property Tax Revenues	\$ <u>80,418,210</u>	

The actual tax increase on all property was approximately 1.38%. During the current fiscal year, unassigned fund balance in the General Fund increased to \$9,696,310.

Requests for Information

This financial report is designed to provide a general overview of the Town’s finances for all those with an interest in the government’s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Director of Finance/Treasurer for the Town of Simsbury.

Basic Financial Statements

TOWN OF SIMSBURY, CONNECTICUT
STATEMENT OF NET ASSETS
JUNE 30, 2012

	<u>Governmental Activities</u>
Assets:	
Current assets:	
Cash and cash equivalents	\$ 24,325,748
Investments	298,685
Accounts receivable	5,009,443
Loans receivable	305,030
Inventories	39,195
Total current assets	<u>29,978,101</u>
Noncurrent assets:	
Pension and other post employment benefit assets	881,934
Capital assets:	
Nondepreciable	28,295,833
Depreciable, net	110,160,255
Loans receivable	5,079,147
Other noncurrent assets	75,572
Total noncurrent assets	<u>144,492,741</u>
Total assets	<u>174,470,842</u>
Liabilities:	
Current liabilities:	
Accounts payable	3,012,022
Accrued interest payable	363,979
Unearned revenues	347,296
Claims liabilities	1,827,746
Bonds and loans payable	5,879,012
Compensated absences	736,334
Landfill closure	5,000
Total current liabilities	<u>12,171,389</u>
Noncurrent liabilities:	
Bonds and loans payable	39,820,551
Compensated absences	311,686
Landfill closure	75,000
Total noncurrent liabilities	<u>40,207,237</u>
Total liabilities	<u>52,378,626</u>
Net Assets:	
Invested in capital assets, net of related debt	93,769,918
Unrestricted	28,322,298
Total Net Assets	<u>\$ 122,092,216</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF SIMSBURY, CONNECTICUT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012**

			Program Revenues		Net Revenues (Expenses) and Changes in Net Assets
Function/Program Activities	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
General government	\$ 6,305,823	\$ 805,502	\$ 120,009	\$	\$ (5,380,312)
Planning and development	1,079,098	171,782	2,116,232		1,208,916
Public safety	5,891,335	279,202	29,856		(5,582,277)
Facility management	8,719,270	3,091,335	3,016,919	341,709	(2,269,307)
Culture and recreation	5,309,507	1,771,554	189,748		(3,348,205)
Health and welfare	846,075	19,691	189,658		(636,726)
Education	76,276,064	1,477,515	15,801,559	958,286	(58,038,704)
Interest on long-term debt	1,212,643				(1,212,643)
Total Governmental Activities	\$ 105,639,815	\$ 7,616,581	\$ 21,463,981	\$ 1,299,995	(75,259,258)
General Revenues:					
Property taxes, levied for general purposes					80,468,335
Grants and contributions not restricted to specific programs					332,042
Investment earnings					120,712
Other general revenues					409,960
Total general revenues					81,331,049
Change in net assets					6,071,791
Net Assets at Beginning of Year as Restated					116,020,425
Net Assets at End of Year					\$ 122,092,216

**TOWN OF SIMSBURY, CONNECTICUT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2012**

	<u>General Fund</u>	<u>Sewer Use Fund</u>	<u>Sewer Assessment Fund</u>	<u>Capital Project Fund</u>	<u>Storm Relief Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS							
Cash and cash equivalents	\$ 8,037,389	\$ 5,457,922	\$ 1,274,452	\$ -	\$ -	\$ 3,479,982	\$ 18,249,745
Investments						298,685	298,685
Receivables	1,284,236	33,433	441,189		2,668,219	582,366	5,009,443
Due from other funds	4,184,708	23,882				9,985	4,218,575
Inventories						39,195	39,195
Total Assets	<u>\$ 13,506,333</u>	<u>\$ 5,515,237</u>	<u>\$ 1,715,641</u>	<u>\$ -</u>	<u>\$ 2,668,219</u>	<u>\$ 4,410,213</u>	<u>\$ 27,815,643</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 1,728,488	\$ 81,674	\$ -	\$ 61,391	\$ -	\$ 287,990	\$ 2,159,543
Due to other funds				1,028,121	2,668,219	522,235	4,218,575
Deferred revenue	<u>1,181,337</u>	<u>280</u>	<u>441,189</u>	<u>-</u>	<u>-</u>	<u>120,402</u>	<u>1,743,208</u>
Total liabilities	<u>2,909,825</u>	<u>81,954</u>	<u>441,189</u>	<u>1,089,512</u>	<u>2,668,219</u>	<u>930,627</u>	<u>8,121,326</u>
Fund Balances:							
Nonspendable						39,195	39,195
Restricted	121,950					1,256,034	1,377,984
Committed	267,341	1,378,500		4,208,000		2,426,174	8,280,015
Assigned	510,907	4,054,783	1,274,452				5,840,142
Unassigned	<u>9,696,310</u>	<u>-</u>	<u>-</u>	<u>(5,297,512)</u>	<u>-</u>	<u>(241,817)</u>	<u>4,156,981</u>
Total fund balances	<u>10,596,508</u>	<u>5,433,283</u>	<u>1,274,452</u>	<u>(1,089,512)</u>	<u>-</u>	<u>3,479,586</u>	<u>19,694,317</u>
Total Liabilities and Fund Balances	<u>\$ 13,506,333</u>	<u>\$ 5,515,237</u>	<u>\$ 1,715,641</u>	<u>\$ -</u>	<u>\$ 2,668,219</u>	<u>\$ 4,410,213</u>	<u>\$ 27,815,643</u>

(Continued on next page)

**TOWN OF SIMSBURY, CONNECTICUT
BALANCE SHEET
GOVERNMENTAL FUNDS (CONTINUED)
AS OF JUNE 30, 2012**

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

Fund balances - total governmental funds (Exhibit III)	\$	19,694,317
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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	\$ 218,304,129	
Less accumulated depreciation	<u>(79,848,041)</u>	
Net capital assets		138,456,088

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

Pension asset		129,389
Other postemployment benefit asset		752,545
Loans receivable		5,384,177
Property tax receivables greater than 60 days		954,723
Sewer assessments receivable		441,189
Bond issuance costs		75,572

Internal service funds are used by management to charge the costs of risk management to individual funds. The assets and liabilities of the internal service funds are reported with governmental activities in the statement of net assets.

3,395,778

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:

Bonds payable		(28,670,000)
Unamortized bond premium		(569,543)
Deferred amount on refunding		256,519
Clean Water Fund 2% loan		(16,617,830)
Notes payable		(98,709)
Interest payable on bonds		(363,979)
Compensated absences		(1,048,020)
Landfill liability		<u>(80,000)</u>

Net Assets of Governmental Activities (Exhibit I)

\$ 122,092,216

The accompanying notes are an integral part of the financial statements

TOWN OF SIMSBURY, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	<u>General Fund</u>	<u>Sewer Use Fund</u>	<u>Sewer Assessment Fund</u>	<u>Capital Project Fund</u>	<u>Storm Relief Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Fund</u>
Revenues:							
Property taxes	\$ 80,548,378	\$	\$	\$	\$	\$	\$ 80,548,378
Intergovernmental	12,534,007	436,152		958,286	2,668,219	6,440,785	23,037,449
Investment income	109,451	564	141			10,556	120,712
Charges for goods and services	713,234					3,452,667	4,165,901
Licenses and permits	511,233					15,977	527,210
Rental of town-owned property	595						595
Local revenues	409,679						409,679
Assessments	6,940	2,438,914	95,182				2,541,036
Other		298,854	17,105	650		423,075	739,684
Total revenues	<u>94,833,517</u>	<u>3,174,484</u>	<u>112,428</u>	<u>958,936</u>	<u>2,668,219</u>	<u>10,343,060</u>	<u>112,090,644</u>
Expenditures:							
Current:							
General government	1,900,590				3,747,941	25,881	5,674,412
Planning and development	926,791					2,251,011	3,177,802
Public safety	3,923,352					285,056	4,208,408
Facility management	3,568,275	2,035,613				371,744	5,975,632
Culture and recreation	2,291,849					1,873,172	4,165,021
Health and welfare	529,102					173,834	702,936
Fringe benefits and insurances	4,372,802						4,372,802
Education	68,933,265					5,053,509	73,986,774
Capital outlay				6,654,909		1,046,769	7,701,678
Debt service:							
Principal payments	4,940,000	922,823				8,522	5,871,345
Interest and other	1,079,992	342,384		85,785			1,508,161
Total expenditures	<u>92,466,018</u>	<u>3,300,820</u>	<u>-</u>	<u>6,740,694</u>	<u>3,747,941</u>	<u>11,089,498</u>	<u>117,344,971</u>
Excess (Deficiency) of Revenues over Expenditures	<u>2,367,499</u>	<u>(126,336)</u>	<u>112,428</u>	<u>(5,781,758)</u>	<u>(1,079,722)</u>	<u>(746,438)</u>	<u>(5,254,327)</u>
Other Financing Sources (Uses):							
Transfers in					1,079,722	947,895	2,027,617
Transfers out	(2,027,617)						(2,027,617)
Premium on refunding bond issuance				191,969			191,969
Proceeds from refunding bond issuance				5,000,000			5,000,000
Payments to escrow agent				(5,106,184)			(5,106,184)
Total other financing sources (uses)	<u>(2,027,617)</u>	<u>-</u>	<u>-</u>	<u>85,785</u>	<u>1,079,722</u>	<u>947,895</u>	<u>85,785</u>
Net Change in Fund Balances	339,882	(126,336)	112,428	(5,695,973)	-	201,457	(5,168,542)
Fund Balances at Beginning of Year	<u>10,256,626</u>	<u>5,559,619</u>	<u>1,162,024</u>	<u>4,606,461</u>	<u>-</u>	<u>3,278,129</u>	<u>24,862,859</u>
Fund Balances at End of Year	<u>\$ 10,596,508</u>	<u>\$ 5,433,283</u>	<u>\$ 1,274,452</u>	<u>\$ (1,089,512)</u>	<u>\$ -</u>	<u>\$ 3,479,586</u>	<u>\$ 19,694,317</u>

(Continued on next page)

**TOWN OF SIMSBURY, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2012**

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

Net change in fund balances - total governmental funds (Exhibit IV)	\$ (5,168,542)
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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.

Capital outlay	10,174,913
Depreciation expense	(5,184,950)
Loss on disposal of capital assets	(413,175)

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

Property taxes collected after 60 days	188,801
Sewer assessment revenue	(83,514)
Interest income on property taxes	(268,844)
Loans receivable	(298,995)

Change in pension and other post employment benefit assets	129,618
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The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Refunded bonds	(5,000,000)
Premium on bonds issued (net of amortization)	(95,044)
Payment to escrow agent	5,106,184
Bond costs	75,572
Accrued interest	158,720
Principal payments	5,870,311

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.

Amortization of deferred charge on refunding	(34,665)
Change in long-term compensated absences	(107,167)
Other - landfill	5,000

The net profit (loss) of the internal service funds is reported with governmental activities.	<u>1,017,568</u>
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Change in Net Assets of Governmental Activities (Exhibit II)	<u>\$ 6,071,791</u>
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The accompanying notes are an integral part of the financial statements

**TOWN OF SIMSBURY, CONNECTICUT
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) - GENERAL AND MAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2012**

	General Fund				Sewer Use Fund			
	Budget		Actual	Variance with Final Budget Positive (Negative)	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
Revenues:								
Property taxes	\$ 79,623,653	\$ 79,623,653	\$ 80,548,378	\$ 924,725	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	5,954,624	5,954,624	6,117,800	163,176	409,927	409,927	436,152	26,225
Investment income	100,000	100,000	109,451	9,451	9,601	9,601	564	(9,037)
Charges for goods and services	945,976	945,976	713,234	(232,742)	281,375	281,375	298,854	17,479
Rental of town-owned property	5,000	5,000	595	(4,405)	-	-	-	-
Licenses and permits	404,650	404,650	511,233	106,583	-	-	-	-
Local revenue	218,400	218,400	462,647	244,247	-	-	-	-
Assessments	-	-	6,940	6,940	2,633,818	2,633,818	2,438,914	(194,904)
Total revenues	<u>87,252,303</u>	<u>87,252,303</u>	<u>88,470,278</u>	<u>1,217,975</u>	<u>3,334,721</u>	<u>3,334,721</u>	<u>3,174,484</u>	<u>(160,237)</u>
Expenditures:								
Current:								
General government	1,950,239	1,950,239	1,900,590	49,649	-	-	-	-
Planning and development	619,659	619,659	600,797	18,862	-	-	-	-
Public safety	3,955,933	3,955,933	3,917,230	38,703	-	-	-	-
Facility management	3,533,276	3,783,236	3,764,138	19,098	2,318,018	2,318,018	2,103,669	214,349
Culture and recreation	2,043,260	2,076,503	2,064,118	12,385	-	-	-	-
Health and welfare	524,938	529,216	529,102	114	-	-	-	-
Fringe benefits and insurance	4,580,330	4,548,033	4,372,802	175,231	-	-	-	-
Education	62,811,728	62,811,728	62,773,837	37,891	-	-	-	-
Special projects	225,276	56,092	56,092	-	-	-	-	-
Debt service	6,079,862	6,079,862	6,019,992	59,870	1,265,207	1,265,207	1,265,207	-
Total expenditures	<u>86,324,501</u>	<u>86,410,501</u>	<u>85,942,606</u>	<u>467,895</u>	<u>3,583,225</u>	<u>3,583,225</u>	<u>3,368,876</u>	<u>214,349</u>
Excess (Deficiency) of Revenues over Expenditures	<u>927,802</u>	<u>841,802</u>	<u>2,527,672</u>	<u>1,685,870</u>	<u>(248,504)</u>	<u>(248,504)</u>	<u>(194,392)</u>	<u>54,112</u>
Other Financing Sources (Uses):								
Transfers from other funds	10,000	10,000	-	(10,000)	-	-	-	-
Transfers to other funds	(937,802)	(3,249,202)	(2,027,617)	1,221,585	-	-	-	-
Net other financing sources (uses)	<u>(927,802)</u>	<u>(3,239,202)</u>	<u>(2,027,617)</u>	<u>1,211,585</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	<u>\$ -</u>	<u>\$ (2,397,400)</u>	<u>500,055</u>	<u>\$ 2,897,455</u>	<u>\$ (248,504)</u>	<u>\$ (248,504)</u>	<u>(194,392)</u>	<u>\$ 54,112</u>
Fund Balances at Beginning of Year			<u>9,577,204</u>				<u>5,559,619</u>	
Fund Balances at End of Year			<u>\$ 10,077,259</u>				<u>\$ 5,365,227</u>	

The accompanying notes are an integral part of the financial statements

**TOWN OF SIMSBURY, CONNECTICUT
STATEMENT OF NET ASSETS - PROPRIETARY FUNDS
JUNE 30, 2012**

	Governmental Activities <hr style="border: 0.5px solid black;"/> Internal Service Fund <hr style="border: 0.5px solid black;"/>
Assets:	
Current assets:	
Cash and cash equivalents	\$ <u>6,076,003</u>
Liabilities:	
Noncurrent liabilities:	
Accounts payable	852,479
Claim incurred but not reported	<u>1,827,746</u>
Total noncurrent liabilities	<u>2,680,225</u>
Net Assets:	
Unrestricted	\$ <u><u>3,395,778</u></u>

The accompanying notes are an integral part of the financial statements

**TOWN OF SIMSBURY, CONNECTICUT
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN NET ASSETS - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2012**

	Governmental Activities <hr/> Internal Service Fund <hr/>
Operating Revenues:	
Charges for services	\$ 11,741,108
Other operating revenue	230,646
Total operating revenues	<hr/> 11,971,754 <hr/>
Operating Expenses:	
Claims incurred	9,697,711
Administration and stop loss insurance fees	1,256,475
Total operating expenses	<hr/> 10,954,186 <hr/>
Change in Net Assets	1,017,568
Net Assets at Beginning of Year	<hr/> 2,378,210 <hr/>
Net Assets at End of Year	\$ <hr/> <u>3,395,778</u> <hr/>

The accompanying notes are an integral part of the financial statements

**TOWN OF SIMSBURY, CONNECTICUT
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Governmental Activities Internal Service Fund</u>
Cash Flows from Operating Activities:	
Receipts from customers and users	\$ 11,971,754
Payments to employees	<u>(10,637,160)</u>
Net cash provided by operating activities	1,334,594
Cash and Cash Equivalents at Beginning of Year	<u>4,741,409</u>
Cash and Cash Equivalents at End of Year	<u><u>\$ 6,076,003</u></u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating income	\$ <u>1,017,568</u>
Adjustments to reconcile operating income to net cash provided by operating activities:	
Change in assets and liabilities:	
Increase in accounts payable and accrued expenses	62,814
Increase in claims payable	<u>254,212</u>
Net Cash Provided by Operating Activities	<u><u>\$ 1,334,594</u></u>

The accompanying notes are an integral part of the financial statements

TOWN OF SIMSBURY, CONNECTICUT
STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUNDS
JUNE 30, 2012

	Pension Trust Funds	Other Post Employment Benefit Trust Fund	Agency Funds
	<u> </u>	<u> </u>	<u> </u>
Assets:			
Cash and cash equivalents	\$ 235,329	\$ 168,520	\$ 1,153,087
Investments, at fair value:			
Mutual funds	42,705,414	4,849,515	
Accounts receivable	<u>120,000</u>	<u> </u>	<u> </u>
 Total Assets	 <u>43,060,743</u>	 <u>5,018,035</u>	 <u>\$ 1,153,087</u>
Liabilities:			
Due to student groups and others	<u> </u>	<u> </u>	\$ <u>1,153,087</u>
 Total Liabilities	 <u>-</u>	 <u>-</u>	 <u>\$ 1,153,087</u>
Net Assets:			
Held in Trust for Pension Benefits and Other Purposes	 <u>\$ 43,060,743</u>	 <u>\$ 5,018,035</u>	

The accompanying notes are an integral part of the financial statements

TOWN OF SIMSBURY, CONNECTICUT
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS - FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	Pension Trust Funds	Other Post Employment Benefit Trust Fund
	<u> </u>	<u> </u>
Additions:		
Contributions:		
Employer	\$ 2,250,704	\$ 1,705,000
Plan members	418,596	721,361
Total contributions	<u>2,669,300</u>	<u>2,426,361</u>
Investment earnings:		
Net increase in fair value of investments	704,084	115,711
Interest	13	48,416
Total investment gain	<u>704,097</u>	<u>164,127</u>
Less investment expenses:		
Investment management fees		13,604
Net investment gain	<u>704,097</u>	<u>150,523</u>
Total additions	<u>3,373,397</u>	<u>2,576,884</u>
Deductions:		
Benefits	2,847,645	1,811,361
Administrative expense	398,135	
Total deductions	<u>3,245,780</u>	<u>1,811,361</u>
Net Change in Net Assets	127,617	765,523
Net Assets at Beginning of Year	<u>42,933,126</u>	<u>4,252,512</u>
Net Assets at End of Year	<u>\$ 43,060,743</u>	<u>\$ 5,018,035</u>

The accompanying notes are an integral part of the financial statements

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Town of Simsbury, Connecticut (the Town) operates under a charter as revised November 7, 2006. The Town is governed by an elected Board of Selectmen consisting of a first selectman and five other members, an elected eight-member Board of Education, and an elected six-member Board of Finance. The financial statements include all of the funds of the Town that meet the criteria for inclusion as set forth in Statement of Governmental Accounting Standards No. 14 issued by the Governmental Accounting Standards Board (GASB).

Accounting principles generally accepted in the United States of America (GAAP) require that the reporting entity include the primary government and its component units, entities for which the government is considered to be financially accountable, all organizations for which the primary government is financially accountable, and other organizations which by the nature and significance of their relationship with the primary government would cause the financial statements to be incomplete or misleading if excluded. Blended component units, although legally separate entities, are, in substance, part of the government's operations; therefore, data from these units are combined with data of the primary government. Based on these criteria, there are no component units requiring inclusion in these financial statements.

B. Basis of Presentation

The accompanying financial statements have been prepared in conformity with GAAP as applied to government units. The 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 assets and the statement of activities) report information on all of the nonfiduciary activities of the Town. Interfund services provided and used are not eliminated in the process of consolidation. Governmental activities are normally supported by taxes and intergovernmental revenues.

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. Certain indirect costs are allocated as part of the program expense reported for individual functions and activities and are not eliminated in the process of consolidation. Program revenues include 1) charges to

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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 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. 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. Agency funds use the accrual basis of accounting but have no measurement focus since they report only assets and liabilities.

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. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received 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.

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

The Town reports the following major governmental funds:

The *General Fund* is the government'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 *Sewer Use Fund* is the sewer treatment plant primary operating fund. It accounts for all financial resources associated with the operations of the sewer treatment plant. The major sources of revenue for this fund is sewer assessments and use charges.

The *Sewer Assessment Fund* accounts for all financial resources of extending sewers within the Town of Simsbury. The major source of revenue for this fund is sewer assessment charges.

The *Capital Project Fund* accounts for financial resources to be used for capital expenditures or for the acquisition or construction of capital facilities, improvements and/or equipment. Capital projects of greater than one year's duration have been accounted for in the Capital Project Fund. Most of the capital outlays are financed by the issuance of general obligation bonds. Other sources include capital grants, current tax revenues and low-interest state loans.

The *Storm Relief Fund* accounts for all financial resources used for disaster recovery expenditures. The major sources of revenue for this fund are intergovernmental grants.

Additionally, the Town reports the following fund types:

The *Special Revenue Funds* are used to account for proceeds of special revenue sources (except for major capital projects and trust funds) that are legally restricted to expenditures for specific purposes.

The *Internal Service Fund* is used to account for the Town's self-insurance program for accident and health insurance coverage of Town and Board of Education employees.

The *Pension Trust Funds* are used to account for the activities of the Town's defined benefit plans which accumulate resources for pension benefit payments to qualified employees.

The *Other Post Employment Benefit Trust Fund* is used to account for the activities for both Town and Board of Education for other post employment benefits (e.g., health insurance, life insurance) which accumulate resources for other post employment benefit payments to qualified employees.

The *Agency Funds* account for monies held by the Town on behalf of students.

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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 revenue includes 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 Town's proprietary funds are charges to the Town and its employees for medical insurance premiums. Operating expenses for the fund include the cost of claims and administrative expenses. 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.

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.

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."

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

G. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$5,000 and an estimated useful life of more than two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend lives are not capitalized.

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

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

<u>Assets</u>	<u>Years</u>
<u>Infrastructure:</u>	
Roadways	40
Roadways - resurfacing	20
Bridge culvert	30-50
Sanitary sewer interceptors	40-50
Walkway and path	15-30
Dams and storm water control Structure	40-60
Site lighting	20
<u>Land and Buildings:</u>	
Land	-
Buildings	50
Improvements	10-25
Construction in progress	-
<u>Vehicles and Equipment:</u>	
Computer equipment	5
Contractor's equipment	10
Furniture and fixtures	20
Miscellaneous equipment	5-10
Vehicles	3-10

H. Net Pension and Other Post Employment (OPEB) Assets

The net pension asset and net OPEB asset represent the cumulative difference between the annual pension/OPEB cost and the Town's contributions to the plans. This amount is calculated on an actuarial basis and is recorded as a noncurrent asset in the government-wide financial statements.

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

I. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net assets.

J. Compensated Absences and Termination Benefits

Employees are paid by prescribed formula for absence due to vacation or sickness. All vacation and sick pay is accrued when incurred in the government-wide, proprietary and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

K. Equity

Equity in the government-wide financial statements is defined as “net assets” and is classified in the following categories:

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

Restricted Net Assets - Net assets are restricted because they 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. The Town currently has no assets under restriction.

Unrestricted Net Assets - This component consists of net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

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

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

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

Committed Fund Balance - This represents amounts constrained for a specific purpose by a government using its highest level of decision-making authority (Simsbury Board of Finance). The Board of Finance is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year,

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or reverse 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 finance director or the Board of Finance which have been delegated 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.

L. Property Taxes

The Town's property tax is levied each June on the assessed value listed on the prior October 1 Grand List for all taxable property located in the Town. Although taxes are levied in June, the legal right to attach property does not exist until July 1. Real and personal property tax bills in excess of \$100 are due and payable in two installments, on July 1 following the date of the Grand List and on January 1 of the subsequent year. Motor vehicle taxes are payable in one installment on July 1.

Additional property taxes are assessed for motor vehicles registered subsequent to the Grand List date through July 31 and are payable in one installment due January 1.

Taxes not paid within 30 days of the due date are subject to an interest charge of 1.5% per month. The Town files liens against property if taxes that are due July 1 remain unpaid on the following June 30.

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 year's assessment are reflected as advance tax collections in both the fund financial statements and the government-wide financial statements.

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

M. Accounting Estimates

The preparation of financial statements in conformity with GAAP 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

Budgets for the General Fund, Sewer Use Fund, Residential Rental Properties Fund, Animal Control Fund and Simsbury Farms Fund are authorized annually by the Board of Finance. Annual budgets are not adopted for Special Revenue Funds other than the Sewer Use Fund, Residential Rental Properties Fund, Animal Control Fund and Simsbury Farms Fund.

In accordance with the Town Charter, Chapter 9, Sections 901 through 911, the Town uses the following procedures in establishing the budgetary data included in the general-purpose financial statements:

No later than the 15th day of March, the Board of Education shall present its budget for the General Fund to the Board of Finance.

No later than the 22nd day of March, the Board of Selectmen shall present to the Board of Finance a budget for all departments, offices or agencies of the Town except the Board of Education for the General Fund.

After various public hearings, the Board of Finance recommends the budget, as revised, for adoption at the Annual Town Meeting held on the first Tuesday in May. The Annual Town Meeting may reduce the annual budget or any portion thereof by two-thirds (2/3) vote of the voters in attendance, but shall not increase the annual budget or any portion thereof, as approved, or deemed to have been approved by the Board of Finance.

The Annual Town Meeting is then subject to an automatic referendum by all qualified voters of the Town. This referendum shall be held from 14 to 21 days following the conclusion of the Town Meeting. Any motion at a Town Meeting dealing with a referendum matter which reduces the amount of such referendum matter shall require a two-thirds (2/3) vote of those voters in attendance for passage. The Board of Finance, in cooperation with the First Selectman, shall revise the annual budget, or that portion thereof, which has been rejected at the referendum, as the case may be, and present it at a subsequent Town Meeting for discussion and an additional referendum for acceptance. If

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

the budget remains unaccepted after such subsequent meeting and referendum, the budget adopted for the then current fiscal year shall be deemed to be the temporary budget for the forthcoming fiscal year and expenditures may be made on a month-to-month basis in accordance therewith, until such time as the referendum finally adopts a new budget.

Upon request of the Board of Selectmen, during the last six months of the fiscal year, the Board of Finance may, by resolution, transfer any unencumbered appropriation, balance or portion thereof from one department, commission, board or office to another, except for the Board of Education. No transfer shall be made from any appropriation for debt service and other statutory charges.

For management purposes, the Board of Finance is authorized to transfer the legally budgeted amounts between department accounts. In this function, departmental budget accounts serve as the legal level of control for the General Fund. The legal level of budgetary control is at the fund level for the Sewer Use, Residential Rental Properties, Animal Control and Simsbury Farms funds.

All unencumbered appropriations lapse at year-end except for those for capital projects and special revenue funds. Appropriations for these expenditures are continued until completion of applicable projects, which often last more than one fiscal year.

Subject to certain restrictions, additional appropriations may be approved by the Board of Finance upon recommendation of the Board of Selectmen. Summarizations of the amended General Fund budgets approved by the Board of Finance for the “budgetary” general and certain special revenue funds are presented in the required supplementary information. During the year, supplemental budgetary appropriations of \$2,397,400 were made from General Fund unappropriated and unencumbered surplus.

The Town’s budgeting system requires accounting for certain transactions to be on a basis other than GAAP. The major difference between the budgetary and GAAP basis is that encumbrances are recognized as a charge against a budget appropriation in the year in which the purchase order is issued, and, accordingly, encumbrances outstanding at year-end are recorded in budgetary reports as expenditures of the current year, whereas, on a GAAP basis, encumbrances are included in either restricted, committed or assigned fund balance depending on the level of restriction. In addition, the on-behalf payment of the State of Connecticut Teacher’s Retirement System is recorded for GAAP purposes only.

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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 these differences at June 30, 2012 follows:

	<u>Revenue and Other Financing Sources</u>	<u>Expenditures and Other Financing Sources</u>	<u>Fund Balance</u>
General Fund:			
Balance, budgetary basis	\$ 88,470,278	\$ 87,970,223	\$ 10,077,259
Encumbrances outstanding at June 30, 2011, liquidated during the year ended June 30, 2012		590,285	
Encumbrances outstanding at June 30, 2011, cancelled during the year ended June 30, 2012	(52,968)		
Encumbrances outstanding at June 30, 2012, charged to budgetary expenditures during the year ending June 30, 2012		(483,080)	483,080
Encumbrances outstanding at June 30, 2011, still outstanding at June 30, 2012			36,169
State Teachers' Retirement on-behalf payments	<u>6,416,207</u>	<u>6,416,207</u>	<u> </u>
Balance, GAAP Basis	<u>\$ 94,833,517</u>	<u>\$ 94,493,635</u>	<u>\$ 10,596,508</u>
Sewer Use Fund:			
Balance, budgetary basis	\$ 3,174,484	\$ 3,368,876	\$ 5,365,227
Encumbrances outstanding at June 30, 2012, charged to budgetary expenditures during the year ended June 30, 2012	<u> </u>	<u>(68,056)</u>	<u>68,056</u>
Balance, GAAP Basis	<u>\$ 3,174,484</u>	<u>\$ 3,300,820</u>	<u>\$ 5,433,283</u>

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

For the year ended June 30, 2012, the following funds had deficit balances:

Capital Projects Fund	\$	1,089,512
Nonmajor Governmental Funds:		
Animal Control Fund		5,523
Simsbury Farms Fund		36,194

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

3. DETAILED NOTES ON ALL FUNDS

A. CASH, CASH EQUIVALENTS AND INVESTMENTS

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

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

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

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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*, \$12,964,684 of the Town's bank balance of \$13,760,755 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 11,745,821
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name	<u>1,218,863</u>
Total Amount Subject to Custodial Credit Risk	<u><u>\$ 12,964,684</u></u>

Cash Equivalents

At June 30, 2012, the Town's cash equivalents amounted to \$13,621,182. The following table provides a summary of the Town's cash equivalents (excluding U.S. government guaranteed obligations) as rated by nationally recognized statistical rating organizations. The pools all have maturities of less than one year.

	<u>Standard & Poor's</u>	<u>Fitch Ratings</u>
State Short-Term Investment Fund (STIF)	AAAm	
Cutwater Asset Management		
Connecticut CLASS	AAAm	

Investments

As of June 30, 2012, the Town had fair value investments of \$47,853,614 invested in various mutual funds.

Investment Custodial Credit Risk - Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value if its investment or collateral securities that are in the possession of an outside party. Both the State of Connecticut STIF and MBIA Class Investments are 2a-7 like pools.

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Credit Risk - The Town's investment policy limits its investments to those in conformance with State Statutes governing qualified public depositories.

Concentration of Credit Risk - Maturities shall be staggered to avoid undue concentration of funds in a specific maturity. At least 10% of the portfolio shall be invested in overnight instruments or in marketable securities, which can be sold to raise cash in one day's notice.

Interest Rate Risk - The Town's investment policy limits its investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Except for CNR and Risk Management Funds, funds of the Town shall be invested in instruments whose maturities do not exceed 270 days at the time of purchase, unless a temporary extension of maturities is approved by the Board of Finance.

The Pension Trust Funds are also authorized to invest in corporate bonds, domestic common stocks and domestic equity real estate. The investments of this fund are held in Trust by a Trustee Bank, which executes investment transactions under the direction of the Pension Plans' investment manager.

B. Receivables

Receivables at year end for the government's individual major funds and nonmajor funds in the aggregate are as follows:

	<u>General</u>	<u>Sewer Use Fund</u>	<u>Sewer Assessment Fund</u>	<u>Storm Relief Fund</u>	<u>Other Funds</u>	<u>Total</u>
Receivables:						
Accounts	\$ 4,161	\$ 25	\$	\$	\$ 183,860	\$ 188,046
Property taxes	843,599					843,599
Interest receivable	285,743					285,743
Special assessments	28,783	33,408	441,189			503,380
Due from other governments	<u>121,950</u>			<u>2,668,219</u>	<u>518,506</u>	<u>3,308,675</u>
Total Receivables	<u>\$ 1,284,236</u>	<u>\$ 33,433</u>	<u>\$ 441,189</u>	<u>\$ 2,668,219</u>	<u>\$ 702,366</u>	<u>\$ 5,129,443</u>

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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	\$ 668,980	\$
Property taxes collected in advance		226,614
Interest receivable on property taxes	285,743	
Sewer Use Fund:		
Grant		280
Sewer Assessment Fund:		
Sewer Assessment receivable	441,189	
Nonmajor governmental funds:		
Miscellaneous loans		26,565
Various grants		93,837
	<hr/>	<hr/>
Total Deferred/Unearned Revenue for Governmental Funds	\$ <u>1,395,912</u>	\$ <u>347,296</u>

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

C. Capital Assets

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 6,326,689	\$	\$	\$ 6,326,689
Development rights	9,530,000	2,195,000		11,725,000
Construction in progress	8,063,941	4,182,699	2,002,496	10,244,144
Total capital assets not being depreciated	23,920,630	6,377,699	2,002,496	28,295,833
Capital assets being depreciated:				
Buildings and improvements	123,019,771	2,241,744		125,261,515
Land improvements	7,152,700	155,067		7,307,767
Equipment	19,019,292	1,430,327	4,599,653	15,849,966
Infrastructure	39,616,476	1,972,572		41,589,048
Total capital assets being depreciated	188,808,239	5,799,710	4,599,653	190,008,296
Less accumulated depreciation for:				
Buildings and improvements	34,170,205	2,928,126		37,098,331
Land improvements	4,909,510	227,216		5,136,726
Equipment	15,217,725	1,076,178	4,186,478	12,107,425
Infrastructure	24,552,129	953,430		25,505,559
Total accumulated depreciation	78,849,569	5,184,950	4,186,478	79,848,041
Total capital assets being depreciated, net	109,958,670	614,760	413,175	110,160,255
Governmental Activities Capital Assets, Net	\$ 133,879,300	\$ 6,992,459	\$ 2,415,671	\$ 138,456,088

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

Governmental activities:	
General government	\$ 142,160
Education	2,003,950
Planning and development	3,920
Public safety	284,449
Facility management	2,009,988
Culture and recreation	696,625
Health and welfare	43,858
	43,858
Total Depreciation Expense - Governmental Activities	\$ 5,184,950

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Construction Commitments

The government has active construction projects as of June 30, 2012. The following is a summary of capital projects as of June 30, 2012:

<u>Project</u>	<u>Project Authorization</u>	<u>Spent to Date</u>
<u>Sewer Extension Projects:</u>		
Project 2010	\$ 260,000	\$ 61,647
<u>Town Projects:</u>		
Library Expansion 5/06	6,100,000	5,980,422
Gersten Land Purchase 5/08	720,000	721,523
Triangle Land Purchase 5/08	2,750,000	2,104,686
Streetscape 5/08	325,000	325,000
Eno Hall Improvements 5/08	1,000,000	794,950
Water Extensions 5/08	170,000	108,452
Tunxis Pump Station 5/10	670,000	158,952
Paving Management 5/10	2,400,000	2,139,482
Simsbury Farms Renovations	3,061,000	2,508,591
<u>Education Projects:</u>		
Simsbury High School Addition and Alteration 5/02	43,178,567	36,291,468
Tariffville Expansion 5/06	6,200,000	6,114,278
HVAC Boiler Replacement 5/08	700,000	633,174
Tootin Hills Roof Replacement 5/08	1,257,500	1,032,723
Squadron Line Generator Replacement 5/09	150,000	116,846
Latimer Lane Roof Replacement 5/10	1,277,500	1,161,877
District Network Infrastructure 5/10	450,000	317,869
 Total	 \$ <u>70,669,567</u>	 \$ <u>60,571,940</u>

The commitments are being financed with general obligation bonds and State and Federal grants.

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

D. Interfund Receivables, Payables and Transfers

The composition of interfund balances as of June 30, 2012 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Storm Relief Fund	\$ 2,634,352
	Capital Projects	1,028,121
	Nonmajor Proprietary Fund	522,235
		<u>4,184,708</u>
Sewer Use Fund	Storm Relief Fund	23,882
Nonmajor Governmental Funds	Storm Relief Fund	<u>9,985</u>
		<u>\$ 4,218,575</u>

Interfund balances are a result of temporary loans to various funds.

Interfund transfers:

	<u>Storm Relief Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Transfer out:			
General Fund	\$ <u>1,079,722</u>	\$ <u>947,895</u>	\$ <u>2,027,617</u>
Total Transfers In	<u>\$ 1,079,722</u>	<u>\$ 947,895</u>	<u>\$ 2,027,617</u>

Interfund transfers arose from transferring monies to fund operating activities.

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

E. Long-Term Debt

Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2012 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds and loans payable:					
General obligation bonds	\$ 33,425,000	\$ 5,000,000	\$ 9,755,000	\$ 28,670,000	\$ 4,930,000
Premium on bonds issued	474,499	191,969	96,925	569,543	
Deferred amount on refunding		(291,184)	(34,665)	(256,519)	
Loans payable - Clean Water Fund	17,540,653		922,823	16,617,830	941,449
Loan payable - State of Connecticut	106,197		7,488	98,709	7,563
Total bonds and loans payable	51,546,349	4,900,785	10,747,571	45,699,563	5,879,012
Compensated absences	940,853	810,154	702,987	1,048,020	736,334
Landfill closure	85,000		5,000	80,000	5,000
Total Governmental Activities Long-Term Liabilities	<u>\$ 52,572,202</u>	<u>\$ 5,710,939</u>	<u>\$ 11,455,558</u>	<u>\$ 46,827,583</u>	<u>\$ 6,620,346</u>

Compensated absences and other long-term liabilities 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.

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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>Date of Issue</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Annual Principal</u>	<u>Principal Outstanding June 30, 2012</u>
Bonds payable:						
General Bonds	9/1/2003	\$ 23,765,000	1.50-4.25%	1/15/2018	\$ 1,560,000- 1,880,000	\$ 4,550,000
General Bonds	4/1/2005	5,000,000	3.00-3.75%	1/15/2015	350,000- 520,000	1,530,000
General Bonds	3/1/2006	4,880,000	3.63-4.00%	1/15/2016	480,000- 490,000	1,940,000
General Bonds	4/18/2007	9,865,000	3.75-4.00%	1/15/2017	985,000- 990,000	4,925,000
General Bonds	4/8/2008	4,000,000	3.25-4.00%	1/15/2018	400,000	2,400,000
General Bonds	3/17/2010	4,785,000	2.00-3.00%	1/15/2020	480,000	3,825,000
General Bonds	3/16/2011	5,000,000	1.50-3.00%	1/15/2021	500,000	4,500,000
General Bonds	8/4/2011	5,000,000	2.00%	1/15/2018	205,000- 1,630,000	<u>5,000,000</u>
Total Bonds Payable						\$ <u><u>28,670,000</u></u>

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

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 4,930,000	\$ 793,344	\$ 5,723,344
2014	4,925,000	720,019	5,645,019
2015	4,780,000	547,074	5,327,074
2016	3,050,000	378,037	3,428,037
2017	3,995,000	281,737	4,276,737
2018-2022	<u>6,990,000</u>	<u>329,537</u>	<u>7,319,537</u>
	\$ <u><u>28,670,000</u></u>	\$ <u><u>3,049,748</u></u>	\$ <u><u>31,719,748</u></u>

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

General Obligation Bonds - Advance Refunding

On August 16, 2011, the Town issued \$5,000,000 of general obligation refunding bonds with an interest rate of 2%. The proceeds were used to advance refund the outstanding principal amount of \$4,815,000 general obligation bonds, Series 2003, dated September 9, 2003.

The net proceeds of \$5,106,184 (including a premium of \$191,969 and issuance costs of \$85,785 including underwriter's fees) were deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service payment of the refunded bonds. As a result, the Series 2003 General Obligation Bonds are considered defeased and the liability for those bonds has been removed from the statement of net assets. At June 30, 2012, the balance in escrow was \$5,008,580. The refunding will reduce total debt service payments over the next 7 years by approximately \$387,777 and represents an economic gain (difference between present values of the debt service payments on the old and new debt) of \$377,425.

Clean Water Fund Loan

The Town's Waste Water Treatment Plant \$26,840,083 renovation and expansion capital project was funded by the State of Connecticut Clean Water Fund 2% Loan and Grant program. The loan will be repaid by future sewer user charges.

Annual debt service requirements to maturity for the Clean Water Fund loan are as follows:

Year Ending June 30,	Principal	Interest	Total
2013	\$ 941,449	\$ 323,758	\$ 1,265,207
2014	960,452	304,755	1,265,207
2015	979,838	285,369	1,265,207
2016	999,616	265,592	1,265,208
2017	1,019,792	245,415	1,265,207
2018-2022	5,416,155	909,882	6,326,037
2023-2027	5,985,278	340,758	6,326,036
2028	315,250	1,051	316,301
	<u>\$ 16,617,830</u>	<u>\$ 2,676,580</u>	<u>\$ 19,294,410</u>

The Town has a corresponding receivable from participating municipalities for their portion of the Waste Water Treatment Plant renovation and expansion capital project. The total loan receivable at June 30, 2012 was \$5,384,177. Current year principal payments received by the town totaled \$298,995.

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Project Loan

The project loan obligation was issued by the State of Connecticut Department of Housing. The loan proceeds financed the Eno Farmhouse Renovation Project. The original loan balance was \$220,638 on June 10, 1994, with an interest rate of 1%. The obligation will be paid from future taxation.

Project loan obligations payable to the State of Connecticut mature as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 7,563	\$ 959	\$ 8,522
2014	7,639	883	8,522
2015	7,716	806	8,522
2016	7,793	729	8,522
2017	7,872	651	8,523
2018-2022	40,559	2,051	42,610
2023-2027	<u>19,567</u>	<u>253</u>	<u>19,820</u>
	<u>\$ 98,709</u>	<u>\$ 6,332</u>	<u>\$ 105,041</u>

Authorized But Unissued Bonds

The total of authorized but unissued bonds (net of projected grants) at June 30, 2012 is \$14,916,879. In some cases, interim financing is obtained through bond anticipation notes or other short-term borrowings until the issuance of long-term debt.

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

F. Fund Balance

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

	<u>General Fund</u>	<u>Major Special Revenue Funds</u>		<u>Capital Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
		<u>Sewer Use Fund</u>	<u>Sewer Assessment Fund</u>			
Fund balances:						
Nonspendable:						
Inventory	\$	\$	\$	\$	\$ 39,195	\$ 39,195
Restricted for:						
Grants	121,950				625,526	747,476
Facilities management					573,531	573,531
Health and welfare					56,977	56,977
Committed to:						
Sewer use		1,378,500				1,378,500
Education					380,666	380,666
General government					274,390	274,390
Public safety	259,000				315,156	574,156
Recreation	1,665				90,329	91,994
Planning and development					321,586	321,586
Health and welfare					146,357	146,357
Facilities management	6,676				95,234	101,910
Capital projects				4,208,000	802,456	5,010,456
Assigned to:						
Sewer use		4,054,783				4,054,783
Sewer assessment			1,274,452			1,274,452
Capital projects	20,000					20,000
Education	256,779					256,779
Library	466					466
Recreation	19,840					19,840
Facilities management	209,971					209,971
Planning and development	3,851					3,851
Unassigned	<u>9,696,310</u>			<u>(5,297,512)</u>	<u>(241,817)</u>	<u>4,156,981</u>
Total Fund Balances	<u>\$ 10,596,508</u>	<u>\$ 5,433,283</u>	<u>\$ 1,274,452</u>	<u>\$ (1,089,512)</u>	<u>\$ 3,479,586</u>	<u>\$ 19,694,317</u>

Significant encumbrances at June 30, 2012 contained in the above table in both the assigned and committed categories are as follows:

	<u>Assigned</u>	<u>Committed</u>
General Fund	\$ 510,907	\$ 8,341
Sewer Use Fund	68,056	
Nonmajor Funds	<u>11,730</u>	
	<u>\$ 590,693</u>	<u>\$ 8,341</u>

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

4. EMPLOYEE RETIREMENT PLAN

A. Pension Trust Fund

The Town maintains three single-employer defined benefit pension plans for full-time employees: General Government Plan, Police Plan and Board of Education Plan. The plans are considered to be part of the Town's financial reporting entity and are included in the Town's financial reports as Pension Trust Funds. The plans do not issue stand-alone financial reports.

Plan Description

General Government Pension Plan

All full-time employees, except police and Board of Education employees, are eligible to participate in the General Government Pension Plan. The Plan provides retirement benefits as well as death and disability benefits. Annual retirement benefits for normal retirement for plan participants are based on the average monthly compensation during the highest five consecutive years of service out of the last ten years of the participants' active employment. The plan permits early retirement for participants at age 55 with 5 years of credited service. Benefits for early retirement are based on credited service and final average earnings to date of actual retirement reduced by 1/3 of 1% for each month by which the participant's retirement date precedes his normal retirement date. The participants' annual benefit is 2% of final average earnings times credited service for union employees, and 2½% of final average earnings times credited service for unaffiliated employees. State of Connecticut Statutes assign the authority to establish and amend the benefit provisions of the plan to the Town.

Police Pension Plan

All regular full-time employees of the Simsbury Police Department are eligible to participate in the Police Retirement Fund. The Plan provides retirement benefits as well as death benefits under two separate divisions. Division 000 participants are defined as those individuals who entered the plan on or after January 18, 1990, whereas Division 001 participants entered the plan prior to January 18, 1990. Pension benefits for normal retirement under the plan are based on average monthly compensation during the highest five consecutive years out of the last ten years. The participants' annual benefit is 2½% of final average earnings times credited service for Division 000, and 2% of final average earnings times credited service for Division 001. The Plan permits early retirement for participants at the earlier of 5 years early with 10 years of service or 20 years of credited service for Division 000, and at five years early with 10 years of credited service for Division 001. Benefits are based on credited service and final average earnings to date of actual retirement actuarially reduced for each month by which the participant's retirement date precedes his normal retirement date. State of Connecticut Statutes assign the authority to establish and amend the benefit provisions of the plan to the Town.

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Board of Education Pension Plan

All regular full-time employees of the Board of Education, other than individuals covered by the State Teachers Retirement System, are eligible to participate in the Plan. The Plan provides retirement benefits as well as disability benefits. Pension benefits for normal retirement under the Plan are based on the average earnings received in the last three July 1's before retirement for the National Association of Government Employees (NAGE); the average earnings received the last three completed years of employment for the Simsbury Federation of Educational Personnel (SFEP), and the highest average earnings received in any three consecutive July 1's during the last ten years before retirement for unaffiliated employees and the Simsbury School Administrators and Supervisors Association (SSNA). The participants' annual benefit shall be equal to 1½% of final average earnings times credited service through July 1, 1996, plus 2% of final average earnings times credited service after July 1, 1996. The plan permits early retirement for participants eligible five years early with ten years of credited service. Benefits are based on credited service and final average earnings to date and actual retirement reduced by 4% for each year by which the participant's retirement date precedes his normal retirement date. There is no reduction for NAGE employees after age 62 and 29 years of service or for unaffiliated employees after age 62 and 25 years of service. State of Connecticut Statutes assign the authority to establish and amend the benefit provisions of the plan to the Town of Simsbury Board of Education.

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

	General Government Plan	Police Plan	Board of Education Plan
Retirees and beneficiaries currently receiving benefits	75	27	89
Vested terminated employees	50	2	62
Active Employees	104	34	192
Total Participants	229	63	343

Summary of Significant Accounting Policies

Basis of Accounting - Pension plan financial statements are prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenues in the period in which employee services are performed. Benefits and refunds are recognized when due and payable in accordance with the terms of the plans.

Investments are reported at fair value. Investment income is recognized as earned.

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Contributions

General Government Plan

This plan provides for union employee contributions of 2% and unaffiliated employee contributions of 5% of regular earnings. The Town is required by its Charter to contribute amounts necessary to fund the plan. Employer contributions to the plan of \$722,519 were made in accordance with actuarially determined requirements. The contribution represents 100% of the actuarially determined contribution and 11.78% of covered payroll. State of Connecticut Statutes assign the authority to establish and amend the contribution provisions of the plan to the Town.

Administrative costs of the plan are financed through investment earnings.

Police Plan

Plan provisions require employee contributions of 6% of regular earnings for Division 000 and employee contributions of 3% of regular earnings for Division 001. The Town is required by Charter to contribute amounts necessary to fund the plan. Employer contributions to the plan of \$497,614 were made in accordance with actuarially determined requirements. The contribution represents 100% of the actuarially determined contribution and 19.02% of covered payroll. State of Connecticut Statutes assign the authority to establish and amend the contribution provisions of the plan to the Town.

Administrative costs of the plan are financed through investment earnings.

Board of Education Plan

This plan provides for employee contributions of 2% of regular earnings. The Town is required by its Charter to contribute amounts necessary to fund the plan. Employer contributions to the plan of \$1,030,571 were made in accordance with actuarially determined requirements. The contribution represents 100% of the actuarially determined contribution and 11.85% of covered payroll. State of Connecticut Statutes assign the authority to establish and amend the contribution provisions of the plan to the Town of Simsbury Board of Education.

Administrative costs of the plan are financed through investment earnings.

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Annual Pension Cost and Net Pension Obligations

The Town of Simsbury's annual pension cost and net pension obligation to the Town of Simsbury Pension Plans for the year ended June 30, 2012 were as follows:

	<u>General Government Plan</u>	<u>Police Plan</u>	<u>Board of Education Plan</u>	<u>Total</u>
Annual required contribution (ARC)	\$ 722,519	\$ 497,614	\$ 910,571	\$ 2,130,704
Interest on net pension obligation			(720)	(720)
Adjustment to annual required contribution			626	626
	<u>722,519</u>	<u>497,614</u>	<u>910,477</u>	<u>2,130,610</u>
Annual pension cost	722,519	497,614	910,477	2,130,610
Contributions made	<u>722,519</u>	<u>497,614</u>	<u>1,030,571</u>	<u>2,250,704</u>
Increase in net pension asset			(120,094)	(120,094)
Net pension asset, beginning of year	<u>-</u>	<u>-</u>	<u>(9,295)</u>	<u>(9,295)</u>
Net Pension Asset, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (129,389)</u>	<u>\$ (129,389)</u>

The annual required contribution for the current year was determined as part of the July 1, 2010 actuarial valuation using the entry age normal cost method. The actuarial assumptions included (a) a 7.75% investment rate of return and (b) 4% projected salary increases. The assumptions did not include inflation and post-retirement benefit increases. The actuarial value of assets was determined by recognizing market gains or losses over five years. The value is constrained to +/- 20% of the actual market value. The unfunded actuarial accrued liability is being amortized as a level percent of pay over a 25-year closed period beginning July 1, 2010 for all plans.

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Three-Year Trend Information

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Actual Contribution</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation (Asset)</u>
General Government:				
6/30/2010	\$ 586,140	\$ 586,140	100.00%	\$ -
6/30/2011	759,126	759,126	100.00%	-
6/30/2012	722,519	722,519	100.00%	-
Police:				
6/30/2010	\$ 393,136	\$ 393,136	100.00%	\$ -
6/30/2011	505,605	505,605	100.00%	-
6/30/2012	497,614	497,614	100.00%	-
Board of Education:				
6/30/2010	\$ 706,725	\$ 706,849	100.02%	\$ (9,184)
6/30/2011	876,860	876,860	100.00%	(9,295)
6/30/2012	910,571	1,030,571	113.18%	(129,389)

Funding Status and Funding Progress

The funded status of the plans as of their most recent actuarial valuation date is as follows:

<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>
General Government:						
7/1/2011	\$ 16,473,527	\$ 21,036,448	\$ 4,562,921	78.31%	\$ 5,797,979	78.70%
Police:						
7/1/2011	13,214,956	15,870,566	2,655,610	83.27%	2,362,484	112.41%
Board of Education:						
7/1/2011	12792846	18939318	6,146,472	67.55%	7740314	79.41%

The schedules of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, present multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the AALs for benefits.

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Financial statements for each individual pension plan are as follows:

	General Government Pension Fund	Board of Education Pension Fund	Police Pension Fund	Pension Trust Funds
Assets:				
Cash	\$ 85,707	\$ 72,601	\$ 77,021	\$ 235,329
Investments	16,508,074	13,202,629	12,994,711	42,705,414
Receivables	<u>120,000</u>	<u>120,000</u>	<u>120,000</u>	<u>120,000</u>
Total assets	<u>16,593,781</u>	<u>13,395,230</u>	<u>13,071,732</u>	<u>43,060,743</u>
Net Assets Held in Trust for Pension Benefits	<u>\$ 16,593,781</u>	<u>\$ 13,395,230</u>	<u>\$ 13,071,732</u>	<u>\$ 43,060,743</u>
	General Government Pension Fund	Board of Education Pension Fund	Police Pension Fund	Pension Trust Funds
Additions:				
Contributions:				
Employer	\$ 722,519	\$ 1,030,571	\$ 497,614	\$ 2,250,704
Employee	136,120	138,247	144,229	418,596
Total contributions	<u>858,639</u>	<u>1,168,818</u>	<u>641,843</u>	<u>2,669,300</u>
Investment income:				
Interest and dividends	3	7	3	13
Net increase in fair value of investments	<u>291,676</u>	<u>200,408</u>	<u>212,000</u>	<u>704,084</u>
Total investment gain	<u>291,679</u>	<u>200,415</u>	<u>212,003</u>	<u>704,097</u>
Total additions	<u>1,150,318</u>	<u>1,369,233</u>	<u>853,846</u>	<u>3,373,397</u>
Deductions:				
Benefit	1,009,833	862,013	975,799	2,847,645
Administration	<u>146,045</u>	<u>130,544</u>	<u>121,546</u>	<u>398,135</u>
Total deductions	<u>1,155,878</u>	<u>992,557</u>	<u>1,097,345</u>	<u>3,245,780</u>
Net Change in Net Assets	(5,560)	376,676	(243,499)	127,617
Net Assets at Beginning of Year	<u>16,599,341</u>	<u>13,018,554</u>	<u>13,315,231</u>	<u>42,933,126</u>
Net Assets at End of Year	<u>\$ 16,593,781</u>	<u>\$ 13,395,230</u>	<u>\$ 13,071,732</u>	<u>\$ 43,060,743</u>

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

B. Teachers Retirement

All Town of Simsbury teachers participate in the State of Connecticut Teacher's Retirement System, a cost sharing plan with a special funding situation, under Section 10.183 of the General Statutes of the State of Connecticut. This is a multiple employer PERS. A teacher is eligible to receive a normal retirement benefit if he or she has:

- Attained age 60 and has accumulated 20 years of credited service in the public schools of Connecticut, or;
- Attained any age and has accumulated 35 years of credited service, at least 25 years of which are service in the public schools of Connecticut.

The Board of Education withholds 7.25% of all teachers' annual salaries and transmits the funds to the State Teachers' Retirement Board. Teacher payroll subject to retirement amounted to \$31,242,647.

The retirement system for teachers is funded by the State based upon the recommendation of the Teachers' Retirement Board. Such contribution includes amortization of actuarially computed unfunded liability. For the year ended June 30, 2012 the Town has recorded in the General Fund (Exhibit IV) intergovernmental revenue schools and schools expenditures in the amount of \$6,416,207 as payments made by the State of Connecticut on behalf of the Town. The Town does not have any liability for teacher pensions.

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

C. Post Employment Healthcare Plan - Retiree Health Plan

Summary of Significant Accounting Policies

Basis of Accounting - The financial statements of the Retiree Health Plan (RHP) are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Administrative costs of the plan are paid by the Town.

Investments are reported at fair value. Investment income is recognized as earned.

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Plan Description

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

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

At July 1, 2009, plan membership consisted of the following:

	Retiree Health Plan
Retired members	208
Spouses of retired members	66
Active plan members	712
Total Participants	986

Funding Policy

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

Town Employees

Town employees receiving coverage under ConnectiCare contribute between \$449 and \$481 per month for retiree only coverage and between \$898 and \$962 per month for retiree and spouse coverage to age 65. Town employees receiving coverage under CIGNA contribute between \$657 and \$737 per month for retiree only coverage and between \$1,312 and \$1,474 per month for retiree and spouse coverage to age 65. Town employees over age 65 receiving coverage under CIGNA contribute \$205 per month for retiree only coverage and \$410 per month for retiree and spouse coverage.

Board of Education Employees

Board of Education employees receiving coverage under ConnectiCare contribute between \$452 and \$470 per month for retiree only coverage and between \$903 and \$941 per month for retiree and spouse coverage to age 65, and \$357 and \$714 per month, respectively,

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

thereafter. Board of Education employees receiving coverage under CIGNA contribute between \$644 and \$671 per month for retiree only coverage and between \$1,285 and \$1,338 per month for retiree and spouse coverage to age 65, and \$205 and \$410 per month, respectively, thereafter.

For the year ended June 30, 2012, plan members contributed \$721,361 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 \$1,705,000 were made in accordance with actuarially determined requirements. Of this amount, \$653,142 represents premium payments, \$436,858 represents implicit rate subsidy and \$615,000 was contributed to prefund benefits.

Annual OPEB Cost and Net OPEB Obligations

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

	Retiree Medical Program
Annual required contribution (ARC)	\$ 1,705,000
Interest on net OPEB obligation	(55,727)
Adjustment to annual required contribution	<u>46,203</u>
Annual OPEB cost	1,695,476
Contributions made	<u>1,705,000</u>
Increase in net OPEB asset	(9,524)
Net OPEB asset, beginning of year	<u>(743,021)</u>
Net OPEB Asset, End of Year	<u>\$ (752,545)</u>

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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

Fiscal Year Ending	Annual OPEB Cost (AOC)	Actual Contribution	Percentage of AOC Contributed	Net OPEB Obligation (Asset)
6/30/2010	\$ 1,761,276	\$ 1,894,900	107.59%	\$ (452,428)
6/30/2011	1,604,507	1,895,100	118.11%	(743,021)
6/30/2012	1,695,476	1,705,000	100.56%	(752,545)

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as accrual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections for benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2009 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions include a 7.5% investment rate of return, which is the rate of the expected long-term investment returns of plan assets calculated based on the funding policy of the plan at the valuation date. The annual healthcare cost trend rate is 6.8% initially, reduced by decrements to an ultimate rate of 4.1% after 70 years. The general inflation assumption is 2.5% - 3.0%. Projected salary increases were 4%. The actuarial value of assets was determined using market value. The UAAL is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at June 30, 2011 was 30 years.

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Funding Status and Funding Progress

The funded status of the plan as of July 1, 2011, the most recent actuarial valuation date, is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
7/1/2011	\$ 4,253,000	\$ 18,933,000	\$ 14,680,000	22.5%	\$ n/a	n/a

The schedules of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, present multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the AALs for benefits.

5. 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, 2012.

The Town's self-insurance program is used to account for health insurance coverage for Town and Board of Education employees. The Town retains the risk of up to a maximum of \$200,000 per claim. Commercial insurance covers any individual claim in excess of \$200,000. During 2012, total claims expense of \$9,697,711 was incurred, which represent claims processed and an estimate for claims incurred but not reported as of June 30, 2012.

The Fund establishes claims liabilities based on estimates of claims that have been incurred but not reported; accordingly, the Fund recorded an additional liability at June 30, 2012 of \$1,827,746.

Premium payments are reported as interfund services provided and used for the General Fund, and, accordingly, they are treated as operating revenues of the Self-Insurance Fund and operating expenditures of the General Fund.

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

A schedule of changes in the claims liability for the years ended June 30, 2012 and 2011, is presented below:

	<u>Liability July 1,</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Liability June 30,</u>
2010-11	\$ 1,716,483	\$ 8,340,166	\$ 8,483,115	\$ 1,573,534
2011-12	1,573,534	9,697,711	9,443,499	1,827,746

B. Contingent Liabilities

There are various suits and claims pending against the Town, none of which, individually or in the aggregate, is believed by counsel 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.

C. Landfill Postclosure Care Costs

The Simsbury landfill stopped accepting solid waste in 1988. The landfill has been capped and tested by the Department of Environmental Protection prior to October 1, 1993 and, as such, the U.S. EPA adopted regulations 40 CFR, Part 258 (Subtitle D), do not apply. However, the Simsbury landfill is still required to monitor its postclosure functions under an approved plan with the State of Connecticut Department of Environmental Protection.

The landfill closing costs of \$80,000 reported as a liability in the government-wide financial statements represent an estimate of the postclosure costs to be incurred by the Town over the next 17 fiscal years for mandatory ground water testing based on a study conducted by an independent consultant. It is estimated that the Town will incur a \$5,000 annual cost over the next 17 fiscal years. This estimate is subject to changes that may result from inflation, technological changes or regulatory changes.

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

6. PRIOR PERIOD ADJUSTMENT

Management has identified the existence of a long term loan receivable from participating municipalities to partially pay for the future debt service associated with the Town's Clean Water Fund loan. Net assets and accounts receivable as of the beginning of the year have been increased \$5,683,172.

**Required
Supplementary
Information**

TOWN OF SIMSBURY, CONNECTICUT

REQUIRED SUPPLEMENTARY INFORMATION - PENSION TRUST FUNDS

Schedule of Funding Progress

Actuarial Valuation Date	Fiscal Year Ending	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
<i>General Government</i>							
7/1/2006	6/30/2008	\$ 13,790,005	\$ 15,476,716	\$ 1,686,711	89.10%	\$ 5,617,253	30.03%
7/1/2007	6/30/2009	15,097,575	16,521,502	1,423,927	91.38%	5,656,359	25.17%
7/1/2008	6/30/2010	16,241,456	18,510,133	2,268,677	87.74%	6,277,067	36.14%
7/1/2009	6/30/2011	14,497,423	19,472,317	4,974,894	74.45%	6,279,542	79.22%
7/1/2010	6/30/2012	16,036,176	20,364,876	4,328,700	78.74%	6,131,794	70.59%
7/1/2011	6/30/2013	16,473,527	21,036,448	4,562,921	78.31%	5,797,979	78.70%
<i>Police</i>							
7/1/2006	6/30/2008	11,575,650	12,631,567	1,055,917	91.64%	2,453,053	43.05%
7/1/2007	6/30/2009	12,584,503	13,487,926	903,423	93.30%	2,533,739	35.66%
7/1/2008	6/30/2010	13,428,830	14,758,110	1,329,280	90.99%	2,598,719	51.15%
7/1/2009	6/30/2011	12,005,104	15,088,590	3,083,486	79.56%	2,643,805	116.63%
7/1/2010	6/30/2012	13,198,277	15,864,384	2,666,107	83.19%	2,615,838	101.92%
7/1/2011	6/30/2013	13,214,956	15,870,566	2,655,610	83.27%	2,362,484	112.41%
<i>Board of Education</i>							
7/1/2006	6/30/2008	9,326,881	11,476,766	2,149,885	81.27%	6,069,458	35.42%
7/1/2007	6/30/2009	10,352,719	12,226,796	1,874,077	84.67%	6,362,430	29.46%
7/1/2008	6/30/2010	11,395,756	14,693,074	3,297,318	77.56%	6,984,577	47.21%
7/1/2009	6/30/2011	10,561,198	15,949,914	5,388,716	66.21%	7,421,437	72.61%
7/1/2010	6/30/2012	11,958,306	17,185,680	5,227,374	69.58%	7,686,831	68.00%
7/1/2011	6/30/2013	12,792,846	18,939,318	6,146,472	67.55%	7,740,314	79.41%

Schedule of Employer Contributions

Year Ended	General Government		Police		Board of Education	
	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed
6/30/2012	\$ 722,519	100.00%	\$ 497,614	100.00%	\$ 910,571	113.00%
6/30/2011	759,126	100.00%	505,605	100.00%	876,860	100.00%
6/30/2010	586,140	100.00%	393,136	100.00%	706,849	100.00%
6/30/2009	544,651	100.00%	381,438	100.00%	705,973	100.00%
6/30/2008	549,783	100.00%	386,131	100.00%	697,968	100.00%
6/30/2007	499,353	100.00%	380,508	100.00%	619,560	100.00%

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated.

TOWN OF SIMSBURY, CONNECTICUT

REQUIRED SUPPLEMENTARY INFORMATION -
OTHER POST EMPLOYMENT BENEFITS TRUST FUND

Schedule of Funding Progress

Actuarial Valuation Date	Fiscal Year Ending	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
<i>Retiree Medical Program</i>							
7/1/2006	6/30/2008	\$	\$ 24,002,900	\$ 24,002,900	0.00%	n/a	n/a
7/1/2007	6/30/2009	676,400	18,354,200	17,677,800	3.69%	n/a	n/a
7/1/2007	6/30/2010	676,400	18,354,200	17,677,800	3.69%	n/a	n/a
7/1/2009	6/30/2011	1,747,000	17,565,000	15,818,000	9.95%	n/a	n/a
7/1/2009	6/30/2012	1,747,000	17,565,000	15,818,000	9.95%	n/a	n/a
7/1/2011	6/30/2013	4,253,000	18,933,000	14,680,000	22.46%	n/a	n/a

Schedule of Employer Contributions

Year Ended	Annual Required Contribution	Percentage Contributed
6/30/2012	\$ 1,705,000	107.6 %
6/30/2011	1,611,000	118.1
6/30/2010	1,766,300	107.6
6/30/2009	1,670,800	103.3
6/30/2008	2,067,900	106.6
6/30/2007	1,968,000	106.6

n/a - The covered payroll is not available.

**Supplemental, Combining
and Individual Fund
Statements and Schedules**

Major Governmental Funds

General Fund

To account for the general operations of the Town, except those required to be accounted for in another fund.

Sewer Use Fund

To account for sewer user fees and sewer plant operations.

Sewer Assessment Fund

To account for sewer assessments.

Capital Project Fund

The Capital Project Fund is used to account for financial resources used for the acquisition or construction of major capital facilities.

FEMA Fund

The FEMA Fund is used to account for costs related to storm disaster damage.

TOWN OF SIMSBURY, CONNECTICUT

GENERAL FUND

STATEMENT OF REVENUES AND OTHER FINANCING SOURCES -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)FOR THE YEAR ENDED JUNE 30, 2012 WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED JUNE 30, 2011

	2012				Variance with Final Budget Positive (Negative)	2011
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Actual Amounts (Budgetary Basis)		
	Original	Final				
Property Taxes:						
Current year taxes	\$ 79,323,653	\$ 79,323,653	\$ 79,789,690	\$ 466,037	\$ 78,776,305	
Prior year's taxes			450,674	450,674	471,464	
Interest and lien fees	300,000	300,000	308,014	8,014	300,637	
Total property taxes	<u>79,623,653</u>	<u>79,623,653</u>	<u>80,548,378</u>	<u>924,725</u>	<u>79,548,406</u>	
Intergovernmental Revenues:						
State of Connecticut:						
Office of Policy and Management:						
Property tax relief:						
Disabled	1,405	1,405	1,420	15	1,405	
Property tax relief - elderly	65,379	65,379	76,326	10,947	65,379	
Additional veterans	4,217	4,217	4,454	237	4,218	
Manufacturer's inventory				-	62,846	
Boat registration	7,553	7,553		(7,553)	7,553	
Department of Education:						
Education equalization grant	5,367,517	5,367,517	5,464,503	96,986	4,673,009	
Education stabilization - ARRA				-	765,757	
School transportation	67,205	67,205	59,313	(7,892)	78,957	
Adult education	10,731	10,731	11,859	1,128	11,208	
Nonpublic schools - transportation	35,915	35,915	33,184	(2,731)	22,948	
Miscellaneous:						
State-owned property	115,346	115,346	115,393	47	118,923	
Telephone access line grant	80,024	80,024	67,877	(12,147)	69,018	
Solid waste	135,000	135,000	122,750	(12,250)	255,601	
Pequot casino revenue	32,326	32,326	34,982	2,656	31,909	
Services Town of Canton	22,006	22,006	5,718	(16,288)	21,500	
Homeland security grant				-	79,993	
Municipal revenue sharing			91,079	91,079		
Town clerk grant			3,500	3,500		
State Aid - library			1,273	1,273		
Other			5,209	5,209	88,255	
Housing Authority in lieu of taxes	10,000	10,000	18,960	8,960	25,792	
Total intergovernmental revenues	<u>5,954,624</u>	<u>5,954,624</u>	<u>6,117,800</u>	<u>163,176</u>	<u>6,384,271</u>	
Investment income	100,000	100,000	109,451	9,451	142,941	
Charges for Goods and Services:						
Conveyance tax receipts	451,000	451,000	254,904	(196,096)	231,368	
Town clerk recording fees	145,000	145,000	139,818	(5,182)	146,678	
Town clerk farmland preservation fees	5,000	5,000	9,410	4,410	6,796	
Tax collector - fire district supplies, etc.	6,500	6,500	6,500	-	6,500	
Police department - emergency reporting	35,801	35,801	34,987	(814)	34,588	
Elderly/handicapped transportation	6,000	6,000	7,229	1,229	7,574	
Library fines and fees	49,000	49,000	49,767	767	50,910	
War Memorial pool	14,000	14,000	12,462	(1,538)	8,792	
Education - tuition for regular education	91,875	91,875	59,667	(32,208)	139,855	
Education - school rentals	60,000	60,000	83,845	23,845	110,358	
Community gardens	1,800	1,800	2,555	755	2,950	
Registrars revenue			(1,910)	(1,910)	2,177	
World skate	80,000	80,000	54,000	(26,000)	81,000	
Total charges for goods and services	<u>945,976</u>	<u>945,976</u>	<u>713,234</u>	<u>(232,742)</u>	<u>829,546</u>	

(Continued on next page)

TOWN OF SIMSBURY, CONNECTICUT

GENERAL FUND

STATEMENT OF REVENUES AND OTHER FINANCING SOURCES -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)FOR THE YEAR ENDED JUNE 30, 2012 WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED JUNE 30, 2011

	2012				Variance with Final Budget Positive (Negative)	2011
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Actual Amounts (Budgetary Basis)		
	Original	Final				
Rental of Town-Owned Property:						
Eno Memorial Hall	\$ 5,000	\$ 5,000	\$ 595	\$ (4,405)	\$ 2,748	
Licenses and Permits:						
Sporting licenses	450	450	216	(234)	244	
Land use commission	10,000	10,000	14,891	4,891	10,782	
Aquifer protection fees			1,800	1,800		
Engineering department fees	1,000	1,000	531	(469)	931	
Police department fees	3,200	3,200	6,633	3,433	5,895	
Building department fees	390,000	390,000	487,162	97,162	245,007	
Total licenses and permits	<u>404,650</u>	<u>404,650</u>	<u>511,233</u>	<u>106,583</u>	<u>262,859</u>	
Other Local Revenues:						
General Government			10,766	10,766	81,577	
Central administration miscellaneous	150,000	150,000	159,759	9,759	150,257	
Tax department miscellaneous			513	513		
Data processing miscellaneous			404	404		
Legal services miscellaneous			2,613	2,613		
Town clerk miscellaneous	45,000	45,000	63,124	18,124	59,050	
Police department miscellaneous			14,711	14,711	8,536	
Police false alarm fees	10,400	10,400	7,605	(2,795)	16,062	
Building department miscellaneous			120	120	40	
Public works miscellaneous			11,645	11,645		
Social Services			100	100		
Culture and Recreation			1,865	1,865		
Library miscellaneous			332	332		
Library Hartford Foundation grant			-	-	30,672	
Insurance refunds	8,000	8,000	94,102	86,102	175,808	
Board of Education miscellaneous	5,000	5,000	94,988	89,988	7,149	
Total other local revenues	<u>218,400</u>	<u>218,400</u>	<u>462,647</u>	<u>244,247</u>	<u>529,151</u>	
Assessments:						
Water assessments			6,940	6,940	3,031	
Total Revenues	<u>87,252,303</u>	<u>87,252,303</u>	<u>88,470,278</u>	<u>1,217,975</u>	<u>87,702,953</u>	
Other Financing Sources:						
Transfers from other funds:						
Public Safety Program	10,000	10,000		(10,000)		
Capital Project Fund				-	42,679	
Total other financing sources	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>(10,000)</u>	<u>42,679</u>	
Total Revenues and Other Financing Sources	<u>\$ 87,262,303</u>	<u>\$ 87,262,303</u>	<u>\$ 88,470,278</u>	<u>\$ 1,207,975</u>	<u>\$ 87,745,632</u>	

TOWN OF SIMSBURY, CONNECTICUT

GENERAL FUND

STATEMENT OF EXPENDITURES AND OTHER FINANCING USES -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)FOR THE YEAR ENDED JUNE 30, 2012 WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED JUNE 30, 2011

	2012				2011	
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)	Actual Amounts (Budgetary Basis)	
	Original	Final				
General Government:						
Central administration	\$ 467,227	\$ 467,227	\$ 456,515	\$ 10,712	\$ 452,657	
Administration services	59,668	59,668	65,097	(5,429)	59,494	
Board of Finance	8,984	8,984	7,518	1,466	6,075	
Land use commission	31,812	31,812	21,302	10,510	19,529	
Economic development commission	55,218	55,218	55,395	(177)	54,490	
Historic district commission	2,327	2,327	938	1,389	67	
Public building committee	3,441	3,441	1,949	1,492	2,239	
Beautification	4,600	4,600	3,586	1,014	5,135	
Tourism committee	3,150	3,150	5,781	(2,631)	462	
Elections	100,588	100,588	89,962	10,626	110,681	
Finance department	314,172	314,172	336,056	(21,884)	337,772	
Tax collector	160,135	160,135	156,622	3,513	161,188	
Assessors	168,116	168,116	167,643	473	164,803	
Data processing	134,153	134,153	134,203	(50)	130,380	
Auditors	31,975	31,975	33,975	(2,000)	31,975	
Legal	199,048	199,048	152,827	46,221	127,591	
Town clerk	194,685	194,685	198,132	(3,447)	195,158	
Probate court					2,775	
Transportation					7,330	
Miscellaneous	10,940	10,940	13,089	(2,149)	3,112	
Total general government	<u>1,950,239</u>	<u>1,950,239</u>	<u>1,900,590</u>	<u>49,649</u>	<u>1,872,913</u>	
Planning and Development:						
Director of community development	164,430	164,430	158,641	5,789	229,898	
Planning department	142,640	142,640	141,548	1,092	139,119	
Building department	152,754	152,754	141,041	11,713	139,861	
Engineering	159,835	159,835	159,567	268	162,068	
Total planning and development	<u>619,659</u>	<u>619,659</u>	<u>600,797</u>	<u>18,862</u>	<u>670,946</u>	
Public Safety:						
Police	3,949,533	3,949,533	3,910,830	38,703	3,879,015	
Civil preparedness	6,400	6,400	6,400	-	28,026	
Total public safety	<u>3,955,933</u>	<u>3,955,933</u>	<u>3,917,230</u>	<u>38,703</u>	<u>3,907,041</u>	
Facility Management:						
Public Works Administration	182,175	203,623	202,485	1,138	161,914	
Buildings and Grounds	359,063	346,705	345,886	819	837,213	
Town Offices	169,758	275,299	273,942	1,357		
Eno Hall Memorial	81,701	49,586	45,824	3,762		
Miscellaneous Building	13,075	23,262	22,715	547		
Highway - Labor & Equipment	1,469,446	1,444,963	1,438,328	6,635		
Highway - Facilities & Programs	1,082,058	1,263,798	1,261,041	2,757	2,616,790	
Landfill	176,000	176,000	173,917	2,083	187,902	
Total facility management	<u>3,533,276</u>	<u>3,783,236</u>	<u>3,764,138</u>	<u>19,098</u>	<u>3,803,819</u>	

(Continued on next page)

TOWN OF SIMSBURY, CONNECTICUT

GENERAL FUND

STATEMENT OF EXPENDITURES AND OTHER FINANCING USES -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)FOR THE YEAR ENDED JUNE 30, 2012 WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED JUNE 30, 2011

	2012				2011	
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)	Actual Amounts (Budgetary Basis)	
	Original	Final				
Culture and Recreation:						
Recreation - Administration	\$ 50,099	\$ 49,792	\$ 48,660	\$ 1,132	\$ 198,155	
Recreation - Memorial Pool	24,800	25,106	25,106	-		
Parks & Open Space - Maintenance	574,086	607,589	606,804	785	945,325	
Parks & Open Space - Memorial Field	22,608	22,889	21,529	1,360		
Parks & Open Space - Memorial Pool	20,978	20,438	16,779	3,659		
Total culture and recreation	<u>692,571</u>	<u>725,814</u>	<u>718,878</u>	<u>6,936</u>	<u>1,143,480</u>	
Library						
Library - Administration	482,815	481,255	479,861	1,394	1,397,444	
Library - Adult & Young Adult	440,459	435,834	434,678	1,156		
Library - Children Services	300,380	300,380	298,883	1,497		
Library - Building & Grounds	127,035	133,220	131,818	1,402		
Total library	<u>1,350,689</u>	<u>1,350,689</u>	<u>1,345,240</u>	<u>5,449</u>	<u>1,397,444</u>	
Health and Welfare:						
Health department	99,322	99,322	99,322	-	100,364	
Social services administration	174,983	174,402	174,306	96	174,877	
Elderly services outreach	23,810	24,391	24,391	-	141,614	
Senior center	118,453	122,731	122,714	17		
Transportation	108,370	108,370	108,369	1	108,370	
Total health and welfare	<u>524,938</u>	<u>529,216</u>	<u>529,102</u>	<u>114</u>	<u>525,225</u>	
Fringe Benefits and Insurance:						
Social Security	699,978	699,978	635,490	64,488	642,049	
Town general liability insurance	364,032	364,032	334,924	29,108	402,916	
Employee group insurance	2,427,085	2,388,085	2,311,091	76,994	2,479,070	
Unemployment reserve	14,330	21,033	21,033	-	33,109	
Pensions	1,074,905	1,074,905	1,070,264	4,641	1,117,993	
Total fringe benefits and insurance	<u>4,580,330</u>	<u>4,548,033</u>	<u>4,372,802</u>	<u>175,231</u>	<u>4,675,137</u>	
Board of Education	<u>62,287,520</u>	<u>62,287,520</u>	<u>62,262,535</u>	<u>24,985</u>	<u>61,820,467</u>	
Non-Public Schools Budget:						
Non-public schools	<u>524,208</u>	<u>524,208</u>	<u>511,302</u>	<u>12,906</u>	<u>-</u>	
Special Projects:						
Unnegotiated salary and benefits	<u>225,276</u>	<u>56,092</u>		<u>56,092</u>	<u>-</u>	
Debt Service:						
Principal	4,940,000	4,940,000	4,940,000	-	4,840,000	
Interest	1,139,862	1,139,862	1,079,992	59,870	1,212,606	
Total debt service	<u>6,079,862</u>	<u>6,079,862</u>	<u>6,019,992</u>	<u>59,870</u>	<u>6,052,606</u>	
Other Financing Uses:						
Transfers to other funds	<u>937,802</u>	<u>3,249,202</u>	<u>2,027,617</u>	<u>1,221,585</u>	<u>978,914</u>	
Total Expenditures and Other Financing Uses	<u>\$ 87,262,303</u>	<u>\$ 89,659,703</u>	<u>\$ 87,970,223</u>	<u>\$ 1,689,480</u>	<u>\$ 86,847,992</u>	

**TOWN OF SIMSBURY, CONNECTICUT
GENERAL FUND
SCHEDULE OF BOARD OF EDUCATION EXPENDITURES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Original Appropriation</u>	<u>Amended Appropriation</u>	<u>Actual Expenditures and Encumbrances</u>	<u>Variance Favorable (Unfavorable)</u>
General control	\$ 1,870,031	\$ 1,870,031	\$ 1,827,626	\$ 42,405
Instruction	37,925,437	37,925,437	37,852,518	72,919
Health education	604,012	604,012	611,108	(7,096)
Transportation	2,322,609	2,322,609	2,299,314	23,295
Operation of school plant	4,994,923	4,994,923	4,941,796	53,127
Maintenance of schools	876,584	876,584	889,479	(12,895)
Fixed charges	11,749,337	11,749,337	11,864,137	(114,800)
Food services	6,890	6,890	7,938	(1,048)
Student activities	487,281	487,281	476,103	11,178
Community service	34,000	34,000	34,000	-
Additional equipment	376,416	376,416	366,885	9,531
Tuition to other schools	1,040,000	1,040,000	1,079,296	(39,296)
Nonpublic schools	<u>524,208</u>	<u>524,208</u>	<u>523,637</u>	<u>571</u>
Subtotal	62,811,728	62,811,728	62,773,837	37,891
Transfers to CNR	<u>509,800</u>	<u>509,800</u>	<u>509,800</u>	<u>-</u>
Total Expenditures	<u>\$ 63,321,528</u>	<u>\$ 63,321,528</u>	<u>\$ 63,283,637</u>	<u>\$ 37,891</u>

**TOWN OF SIMSBURY, CONNECTICUT
CAPITAL PROJECT FUND
SCHEDULE OF EXPENDITURES COMPARED WITH APPROPRIATIONS
FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Appropriations</u>			<u>Expenditures</u>			<u>Uncommitted</u>
	<u>Balance June 30, 2011</u>	<u>Current Year</u>	<u>Balance June 30, 2012</u>	<u>Balance June 30, 2011</u>	<u>Current Year</u>	<u>Balance June 30, 2012</u>	<u>Balance June 30, 2012</u>
Sewer extension projects:							
Project 2008	\$ 260,000		\$ 260,000	\$ 260,000		\$ 260,000	\$ -
Project 2010	260,000		260,000	24,351	37,296	61,647	198,353
Town projects:							
Library Expansion Design Services 3/05	6,100,000		6,100,000	5,917,823	62,599	5,980,422	119,578
Gertsen Land Purchase 5/08	720,000		720,000	721,523		721,523	(1,523)
Triangle Land Purchase 5/08	2,750,000		2,750,000	1,604,686	500,000	2,104,686	645,314
Streetscape 10/167 5/08	325,000		325,000	113,963	211,037	325,000	-
Eno Hall Improvements 5/08	1,000,000		1,000,000	628,544	166,406	794,950	205,050
Water Extensions 5/08	170,000		170,000	98,452	10,000	108,452	61,548
Tunxis Pump Station 5/10	670,000		670,000	22,723	136,229	158,952	511,048
Paving Management 5/10	2,400,000		2,400,000	825,872	1,313,610	2,139,482	260,518
Simsbury Farms Renovations		3,061,000	3,061,000		2,512,532	2,512,532	548,468
Education projects:							
Simsbury High School Addition & Alteration 5/02	43,178,567		43,178,567	36,212,791	7,530	36,220,321	6,958,246
Computer technology improv 5/06	450,000		450,000	440,336		440,336	9,664
Tariffville expansion project 5/06	6,200,000		6,200,000	6,100,213	14,065	6,114,278	85,722
HVAC Boiler replacement 5/08	700,000		700,000	105,607	527,567	633,174	66,826
Tootin Hills roof replacement	1,257,500		1,257,500	1,032,723		1,032,723	224,777
Squadron Line generator 5/09	150,000		150,000	116,846		116,846	33,154
Latimer Lane roof replacement 5/10	1,277,500		1,277,500	29,401	1,132,476	1,161,877	115,623
District Network Infrastructure 5/10	450,000		450,000	294,307	23,562	317,869	132,131
Totals	<u>\$ 68,318,567</u>	<u>\$ 3,061,000</u>	<u>\$ 71,379,567</u>	<u>\$ 54,550,161</u>	<u>\$ 6,654,909</u>	<u>\$ 61,205,070</u>	<u>\$ 10,174,497</u>

Nonmajor Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for proceeds of several revenue sources that are legally restricted to expenditures for specific purposes. The Town's special revenue funds are:

Residential Rental Properties - to account for rental revenues and the maintenance and capital expenditures in maintaining the Town owned residential properties.

Animal Control Fund - to account for the licensing of dogs and expenses of the Town's animal control warden.

Simsbury Farms Fund - to account for user revenues associated with the Simsbury Farms Recreation Facility and the associated expenditures.

General Government Program Fund - includes the following programs:

- **Preservation of Historic Documents** - to account for, in the Town Clerk's office, additional revenues collected, grant revenues received and expenditures to preserve land records pursuant to Public Act No. 00-146.
- **LOCIP** - to account for document fees collected by Town Clerk's office to be used for expenditures that qualify under the State Local Capital Improvement (LOCIP) grants.
- **Preserve America** - to account for funds received from Federal Preserve America Program, State of Connecticut, Commission on Culture & Tourism and Simsbury Main Street Partnership. Expenditures will be made to pay for program activities associated with Preserve America Marketing Grant.
- **Ellsworth Fund** - to be used for the beautification of the main streets of the Town of Simsbury, particularly Hopmeadow Street and/or expenses relating to the Planning Commission.

Public Safety Program Fund - includes the following programs:

- **Narcotics Task Force** - to account for state grants for narcotic enforcement.
- **Police Dare Program** - to account for state grants for narcotic education.
- **Local Law Enforcement Block Grant** - to account for local law enforcement block grant from the State of Connecticut Office of Policy and Management and the United States Department of Justice. Expenditures are for public safety equipment not otherwise budgeted for in the public safety operating budget.
- **Police Vehicles** - to account for revenues associated with the sale of police vehicles and funding from the General Fund budget to be used for the purchase of new police vehicles.

- **Police Special Duty** - to account for revenues and expenditures for police officers special duty for outside organizations.
- **DUI Enforcement** - to account for revenues and expenditures for DUI check points funded by a DUI enforcement grant passed through the Connecticut Department of Transportation.

Planning & Development Program Fund - includes the following programs:

- **Community Development Block Grant** - to account for loan repayments for small cities grants relating to improvements to residential and commercial properties.
- **Greenway Project** - to account for federal grants and town funds in the conversion of old rail trails to bike trails.
- **Simsbury Meadow Bandshell** - to account for concert revenues and operating expenditures for running the bandshell at the Simsbury Meadow Park.
- **Small Cities Community Development Block Grant** - to account for small cities grant for capital improvements to the Owen Murphy senior housing.
- **Plan of Conservation & Development** - to account for revenue and expenditures related to a grant received for design and implementation of Low Impact Development storm water measures.
- **Town Center** - to account for outside donations for the “Town Center Design Guidelines”.

Facilities Management Program Fund - includes the following programs:

- **Town Aid Fund** - to account for state town aid road grants and related expenses to town roads.
- **Eno Memorial Hall** - to account for the revenue from the settlement of the Kenessat painting and the expenditures for capital improvements and maintenance for the Eno Memorial Hall building.
- **Antoinette Eno Wood** - to account for the distribution of Trust’s interest income to the Town and expenses related in maintaining Eno Memorial Hall. Interest income is earned on assets with a fair value of \$555,915 as of June 30, 2010. The assets are held in a separate trust and are not in the Town’s name.
- **Horace Belden Income** - to account for the distribution of Trust’s interest income to the Town and expenses related in maintaining town roads. Interest income is earned on assets with a fair value of \$1,097,356 as of June 30, 2010. The assets are held in a separate trust and are not in the Town’s name.
- **Pease Cemetery Trust** - to maintain the Pease and Shaw cemetery lots.
- **Hazard Mitigation** - to account for grants received from the Federal Emergency Management Administration for maintenance and reconstruction to alleviate storm drainage and flooding.

Health & Welfare Program Fund - includes the following programs:

- **Social Workers Contingency** - to account for donations and gifts and associated expenses related for the well being of town citizens in need of assistance.
- **Expanded Dial-A-Ride** - to account for grant and expenditures related to an expanded dial-a-ride service to the elderly and disabled residents of program.
- **Senior Center** - to account for donations and expenses related to senior center programs.
- **Youth Services** - to account for grant and expenditures related to youth services.
- **Julia Darling Income** - to account for the distribution of Trust's interest income to the Town and expenses related to the well being of Town citizens in need of assistance. Interest income is earned on assets with a fair value of \$485,294 as of June 30, 2010. The assets are held in a separate trust and are not in the Town's name.
- **Kate Southwell Income** - to account for the distribution of Trust's interest income to the Town and expenses related to the well being of Town citizens, excluding citizens of Tariffville, in need of assistance. Interest income is earned on assets with a fair value of \$264,428 as of June 30, 2010. The assets are held in a separate trust and are not in the Town's name.
- **Mary Schneider Memorial** - to account for donations to the Town and expenses related to the well being of Town citizens in need of assistance.

Culture & Recreation Program Fund - includes the following program:

- **Library** - to account for donations, memorial gifts and miscellaneous grants and expenses related to the operations of the library.
- **Dog Park** - to account for donations and expenses related to the operations of the dog park.

Board of Education Program Fund - includes the following programs:

- **Board of Education Program Fund** - to account for Board of Education programs that will be fully paid by the participants in these programs (e.g., Camp Jewell and Camp Becket).
- **Scholarship** - to account for donations, gifts and distribution of trust income for scholarships for post-secondary school education and training.

Cafeteria - to account for the operation of all cafeterias for the public school system.

State and Federal Education Grants - to account for specially financed education programs under grants received from the Federal Government and the State of Connecticut.

Capital Project Funds

Capital and Nonrecurring Expenditures Fund - to account for equipment purchases and other nonrecurring capital expenditures.

TOWN OF SIMSBURY, CONNECTICUT

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2012

	Special Revenue Funds						
	Residential Rental Properties	Animal Control	Simsbury Farms Fund	General Government Program Fund	Public Safety Program Fund	Planning & Development Program Fund	Facilities Management Program Fund
ASSETS							
Cash and cash equivalents	\$ 102,689	\$	\$	\$ 174,371	\$ 376,396	\$ 366,561	\$ 684,985
Investments							
Receivables:							
Accounts					16,850	40,280	
Due from other governments					11,093	60,224	
Due from other funds							
Inventories							
Total Assets	<u>\$ 102,689</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 174,371</u>	<u>\$ 404,339</u>	<u>\$ 467,065</u>	<u>\$ 684,985</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 581	\$ 90	\$ 17,555	\$ 2,089	\$ 78,090	\$ 58,690	\$ 16,220
Due to other funds		5,433	18,639				
Deferred revenue					-	26,565	
Total liabilities	<u>581</u>	<u>5,523</u>	<u>36,194</u>	<u>2,089</u>	<u>78,090</u>	<u>85,255</u>	<u>16,220</u>
Fund balances:							
Nonspendable							
Restricted					11,093	60,224	573,531
Committed	102,108		11,703	172,282	315,156	321,586	95,234
Unassigned		(5,523)	(47,897)				
Total fund balances	<u>102,108</u>	<u>(5,523)</u>	<u>(36,194)</u>	<u>172,282</u>	<u>326,249</u>	<u>381,810</u>	<u>668,765</u>
Total Liabilities and Fund Balances	<u>\$ 102,689</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 174,371</u>	<u>\$ 404,339</u>	<u>\$ 467,065</u>	<u>\$ 684,985</u>

(Continued on next page)

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

JUNE 30, 2012

	<u>Special Revenue Funds</u>				<u>Capital Project Funds</u>		<u>Total Nonmajor Governmental Funds</u>
	<u>Health & Welfare Program Fund</u>	<u>Culture & Recreation Program Fund</u>	<u>Board of Education Program Fund</u>	<u>Cafeteria</u>	<u>State and Federal Education Grants</u>	<u>Capital and Nonrecurring Expenditures Fund</u>	
ASSETS							
Cash and cash equivalents	\$ 193,115	\$ 79,005	\$ 93,569	\$ 251,247	\$ 461,247	\$ 696,797	\$ 3,479,982
Investments			298,685				298,685
Receivables:							
Accounts			6,730				63,860
Due from other governments	12,396	147,000	228,491	28,608	30,694		518,506
Due from other funds				9,985			9,985
Inventories				39,195			39,195
Total Assets	<u>\$ 205,511</u>	<u>\$ 226,005</u>	<u>\$ 627,475</u>	<u>\$ 329,035</u>	<u>\$ 491,941</u>	<u>\$ 696,797</u>	<u>\$ 4,410,213</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 2,177	\$ 379	\$ 238	\$ 10,656	\$ 18,487	\$ 82,738	\$ 287,990
Due to other funds			98,311	20,235	379,617		522,235
Deferred revenue					93,837		120,402
Total liabilities	<u>2,177</u>	<u>379</u>	<u>98,549</u>	<u>30,891</u>	<u>491,941</u>	<u>82,738</u>	<u>930,627</u>
Fund balances:							
Nonspendable				39,195			39,195
Restricted	56,977	147,000	378,601	28,608			1,256,034
Committed	146,357	78,626	150,325	230,341		802,456	2,426,174
Unassigned						(188,397)	(241,817)
Total fund balances	<u>203,334</u>	<u>225,626</u>	<u>528,926</u>	<u>298,144</u>	<u>-</u>	<u>614,059</u>	<u>3,479,586</u>
Total Liabilities and Fund Balances	<u>\$ 205,511</u>	<u>\$ 226,005</u>	<u>\$ 627,475</u>	<u>\$ 329,035</u>	<u>\$ 491,941</u>	<u>\$ 696,797</u>	<u>\$ 4,410,213</u>

**TOWN OF SIMSBURY, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2012**

		Special Revenue Funds						
		Residential Rental Properties	Animal Control	Simsbury Farms Fund	General Government Program Fund	Public Safety Program Fund	Planning & Development Program Fund	Facilities Management Program Fund
Revenues:								
	Intergovernmental	\$	\$	\$	\$ 19,712	\$ 24,647	\$ 2,044,517	\$ 241,134
	Charges for goods and services	67,906		1,719,372	27,282	207,195	163,942	
	Licenses and permits		15,977					
	Investment income				4			6
	Other						75,141	103,409
	Total revenues	<u>67,906</u>	<u>15,977</u>	<u>1,719,372</u>	<u>46,998</u>	<u>231,842</u>	<u>2,283,600</u>	<u>344,549</u>
Expenditures								
	Current operating:							
	General government				25,881			
	Planning and development						2,251,011	
	Public safety		87,981			197,075		
	Facility management	39,844						331,900
	Culture and recreation			1,812,853				
	Health and welfare							
	Education							
	Capital outlay					78,090		
	Debt service	8,522						
	Total expenditures	<u>48,366</u>	<u>87,981</u>	<u>1,812,853</u>	<u>25,881</u>	<u>275,165</u>	<u>2,251,011</u>	<u>331,900</u>
	Excess (Deficiency) of Revenues over Expenditures	<u>19,540</u>	<u>(72,004)</u>	<u>(93,481)</u>	<u>21,117</u>	<u>(43,323)</u>	<u>32,589</u>	<u>12,649</u>
	Other Financing Sources (Uses):							
	Transfers in		43,432	14,500	4,093	67,500	24,500	
	Transfers out			(17,393)				
	Total other financing sources (uses)	<u>-</u>	<u>43,432</u>	<u>(2,893)</u>	<u>4,093</u>	<u>67,500</u>	<u>24,500</u>	<u>-</u>
	Net Change in Fund Balances	19,540	(28,572)	(96,374)	25,210	24,177	57,089	12,649
	Fund Balances at Beginning of Year	<u>82,568</u>	<u>23,049</u>	<u>60,180</u>	<u>147,072</u>	<u>302,072</u>	<u>324,721</u>	<u>656,116</u>
	Fund Balances at End of Year	<u>\$ 102,108</u>	<u>\$ (5,523)</u>	<u>\$ (36,194)</u>	<u>\$ 172,282</u>	<u>\$ 326,249</u>	<u>\$ 381,810</u>	<u>\$ 668,765</u>

(Continued on next page)

**TOWN OF SIMSBURY, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2012**

	Special Revenue Funds				Capital Project Fund		Interfund Elimination	Total Nonmajor Governmental Funds
	Health & Welfare Program Fund	Culture & Recreation Program Fund	Board of Education Program Fund	Cafeteria	State and Federal Education Grants	Capital and Nonrecurring Expenditures Fund		
Revenues:								
Intergovernmental	\$ 42,230	\$ 164,982		\$ 238,936	\$ 3,505,702	\$ 158,925		\$ 6,440,785
Charges for goods and services			310,733	956,237				3,452,667
Licenses and permits								15,977
Investment income			9,493	1,053				10,556
Other	151,042	21,628	71,855					423,075
Total revenues	<u>193,272</u>	<u>186,610</u>	<u>392,081</u>	<u>1,196,226</u>	<u>3,505,702</u>	<u>158,925</u>	<u>-</u>	<u>10,343,060</u>
Expenditures								
Current operating:								
General government								25,881
Planning and development								2,251,011
Public safety								285,056
Facility management								371,744
Culture and recreation		60,319						1,873,172
Health and welfare	173,834							173,834
Education			308,078	1,239,729	3,505,702			5,053,509
Capital outlay						968,679		1,046,769
Debt service								8,522
Total expenditures	<u>173,834</u>	<u>60,319</u>	<u>308,078</u>	<u>1,239,729</u>	<u>3,505,702</u>	<u>968,679</u>	<u>-</u>	<u>11,089,498</u>
Excess (Deficiency) of Revenues over Expenditures	<u>19,438</u>	<u>126,291</u>	<u>84,003</u>	<u>(43,503)</u>	<u>-</u>	<u>(809,754)</u>	<u>-</u>	<u>(746,438)</u>
Other Financing Sources (Uses):								
Transfers in						811,263	(17,393)	947,895
Transfers out							17,393	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>811,263</u>	<u>-</u>	<u>947,895</u>
Net Change in Fund Balances	19,438	126,291	84,003	(43,503)	-	1,509	-	201,457
Fund Balances at Beginning of Year	<u>183,896</u>	<u>99,335</u>	<u>444,923</u>	<u>341,647</u>	<u>-</u>	<u>612,550</u>	<u>-</u>	<u>3,278,129</u>
Fund Balances at End of Year	<u>\$ 203,334</u>	<u>\$ 225,626</u>	<u>\$ 528,926</u>	<u>\$ 298,144</u>	<u>\$ -</u>	<u>\$ 614,059</u>	<u>\$ -</u>	<u>\$ 3,479,586</u>

TOWN OF SIMSBURY, CONNECTICUT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

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	Residential Rental Properties				Animal Control				Simsbury Farms Fund			
	Budget		Actual	Variance with Final Budget Positive (Negative)	Budget		Actual	Variance with Final Budget Positive (Negative)	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final			Original	Final		
Revenues:												
Charges for goods and services	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Rental of town-owned property	33,897	33,897	67,904	-					1,801,755	1,809,058	1,687,043	(122,015)
Local revenue				34,007	17,686	17,868	15,977	(1,891)	34,000	34,000	32,329	(1,671)
Total revenues	<u>33,897</u>	<u>33,897</u>	<u>67,904</u>	<u>34,007</u>	<u>17,686</u>	<u>17,868</u>	<u>15,977</u>	<u>(1,891)</u>	<u>1,835,755</u>	<u>1,843,058</u>	<u>1,719,372</u>	<u>(123,686)</u>
Expenditures:												
Current:												
Public safety					76,354	94,132	87,981	6,151				-
Facility management	25,375	39,829	39,842	(13)				-				-
Culture and recreation				-				-	1,818,362	1,825,665	1,824,583	1,082
Debt service	8,522	8,522	8,522	-				-				-
Total expenditures	<u>33,897</u>	<u>48,351</u>	<u>48,364</u>	<u>(13)</u>	<u>76,354</u>	<u>94,132</u>	<u>87,981</u>	<u>6,151</u>	<u>1,818,362</u>	<u>1,825,665</u>	<u>1,824,583</u>	<u>1,082</u>
Excess (Deficiency) of Revenues over Expenditures	-	(14,454)	19,540	33,994	(58,668)	(76,264)	(72,004)	4,260	17,393	17,393	(105,211)	(122,604)
Other Financing Sources (Uses):												
Transfers from other funds				-	43,432	43,432	43,432	-			14,500	(14,500)
Transfers to other funds				-				-	(17,393)	(17,393)	(17,393)	-
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>43,432</u>	<u>43,432</u>	<u>43,432</u>	<u>-</u>	<u>(17,393)</u>	<u>(17,393)</u>	<u>(2,893)</u>	<u>(14,500)</u>
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	<u>\$ -</u>	<u>\$ (14,454)</u>	<u>19,540</u>	<u>\$ 33,994</u>	<u>\$ (15,236)</u>	<u>\$ (32,832)</u>	<u>(28,572)</u>	<u>\$ 4,260</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(108,104)</u>	<u>\$ (137,104)</u>
Fund Balances at Beginning of Year			82,568				23,049				60,180	
Fund Balances at End of Year			<u>\$ 102,108</u>				<u>\$ (5,523)</u>				<u>\$ (47,924)</u>	

TOWN OF SIMSBURY, CONNECTICUT

SCHEDULE OF EXPENDITURES COMPARED WITH APPROPRIATIONS -
CAPITAL AND NONRECURRING EXPENDITURES FUND

FOR THE YEAR ENDED JUNE 30, 2012

	Appropriations			Expenditures			Designated for Specific Projects June 30, 2012
	Balance July 1, 2011	Current Year	Balance June 30, 2012	Balance July 1, 2011	Current Year	Balance June 30, 2012	
Revaluation	\$ 541,500	\$	\$ 541,500	\$ 194,413	\$ 155,348	\$ 349,761	\$ 191,739
Highway - Connect to Sanitary Sewer	105,000		105,000	64,439	24,549	88,988	16,012
Engineering -Design Services	35,000		35,000	16,290	9,710	26,000	9,000
Eno Memorial Hall-Consultant	35,000		35,000	6,567	9,487	16,054	18,946
Buses	240,000		240,000	219,201	20,799	240,000	-
Tourism Signs		10,000	10,000			-	10,000
Engineering Sidewalk Improvements		100,000	100,000			-	100,000
Building & Maintenance - Trucks		38,000	38,000		38,000	38,000	
Highway Dept. - Trucks		45,000	45,000		44,749	44,749	251
Roadside Mower		130,000	130,000		99,988	99,988	30,012
Highway Dept. - Road Improvements		161,441	161,441		161,441	161,441	
Simsbury Farms Improvements	30,000		30,000	26,268	2,116	28,384	1,616
74 Simsbury Farms Golf Complex Improvements	30,000		30,000	28,327		28,327	1,673
Simsbury Farms Vehicles		13,000	13,000		12,900	12,900	100
Simsbury Farms Technology and Program Equipment		29,000	29,000		28,729	28,729	271
BOE Interior Building Renovations	68,000		68,000	7,490	38,465	45,955	22,045
BOE Plumbing Modifications	80,000		80,000	29,992	31,687	61,679	18,321
Buses	80,000		80,000	20,799	59,201	80,000	
BOE Equipment Instruction/Non-Instruction	40,000		40,000	1,363	8,126	9,489	30,511
BOE Ceiling/Flooring Replacement	70,000		70,000	14,657		14,657	55,343
BOE Interior Building Renovations		121,000	121,000		3,699	3,699	117,301
BOE Heating Modifications		50,000	50,000			-	50,000
Vehicles		52,000	52,000		49,685	49,685	2,315
Buses		170,000	170,000		170,000	170,000	-
BOE Equipment Instruction/Non-Instruction		32,000	32,000			-	32,000
BOE Ceiling/Flooring Replacement		95,000	95,000			-	95,000
Totals	\$ 1,354,500	\$ 1,046,441	\$ 2,400,941	\$ 629,806	\$ 968,679	\$ 1,598,485	\$ 802,456

Internal Service Funds

PPO - This fund is used to account for premiums and claims relating to the self-insurance health coverage for those Town and Board of Education current employees who elected to receive health coverage under the CIGNA PPO or Point of Access Plans. For Town employees, that can include medical/prescription and/or dental coverage. For Board of Education employees, that includes just medical/prescription coverage.

Dental - This fund is used to account for premiums and claims relating to the self-insurance dental coverage for current Board of Education employees only who have elected to receive dental coverage under the MetLife Plan.

HMO - This fund is used to account for premiums and claims relating to the self-insurance health coverage for those Town and Board of Education current employees who elected to receive health coverage under the ConnectiCare HMO or Point of Access Plans. For Town employees, that can include medical/prescription and/or dental coverage. For Board of Education employees, that includes just medical/prescription coverage.

TOWN OF SIMSBURY, CONNECTICUT
COMBINING STATEMENT OF NET ASSETS - PROPRIETARY FUNDS
JUNE 30, 2012

	Governmental Activities			Total
	Internal Service Funds			
	PPO	Dental	HMO	
Assets:				
Current assets:				
Cash and cash equivalents	\$ 2,360,999	\$ 695,936	\$ 3,019,068	\$ 6,076,003
Liabilities:				
Noncurrent liabilities:				
Accounts payable	264,199	60,903	527,377	852,479
Claim incurred but not reported	860,714	71,865	895,167	1,827,746
Total noncurrent liabilities	<u>1,124,913</u>	<u>132,768</u>	<u>1,422,544</u>	<u>2,680,225</u>
Net Assets:				
Unrestricted	<u>\$ 1,236,086</u>	<u>\$ 563,168</u>	<u>\$ 1,596,524</u>	<u>\$ 3,395,778</u>

TOWN OF SIMSBURY, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN NET ASSETS - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	Governmental Activities			
	Internal Service Funds			
	PPO	Dental	HMO	Total
Operating Revenues:				
Charges for services	\$ 4,534,748	\$ 779,007	\$ 6,427,353	\$ 11,741,108
Other operating revenue	222,166		8,480	230,646
Total operating revenues	<u>4,756,914</u>	<u>779,007</u>	<u>6,435,833</u>	<u>11,971,754</u>
Operating Expenses:				
Claims incurred	4,012,124	715,218	4,970,369	9,697,711
Administration and stop loss insurance fees	539,411	36,796	680,268	1,256,475
Total operating expenses	<u>4,551,535</u>	<u>752,014</u>	<u>5,650,637</u>	<u>10,954,186</u>
Change in Net Assets	205,379	26,993	785,196	1,017,568
Net Assets at Beginning of Year	<u>1,030,707</u>	<u>536,175</u>	<u>811,328</u>	<u>2,378,210</u>
Net Assets at End of Year	<u>\$ 1,236,086</u>	<u>\$ 563,168</u>	<u>\$ 1,596,524</u>	<u>\$ 3,395,778</u>

TOWN OF SIMSBURY, CONNECTICUT
COMBINING STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	Governmental Activities			
	Internal Service Funds			
	PPO	Dental	HMO	Total
Cash Flows from Operating Activities:				
Receipts from customers and users	\$ 4,756,914	\$ 779,007	\$ 6,435,833	\$ 11,971,754
Payments to employees	(4,536,908)	(719,353)	(5,380,899)	(10,637,160)
Net cash provided by operating activities	220,006	59,654	1,054,934	1,334,594
Cash and Cash Equivalents at at Beginning of Year	2,140,993	636,282	1,964,134	4,741,409
77 Cash and Cash Equivalents at End of Year	<u>\$ 2,360,999</u>	<u>\$ 695,936</u>	<u>\$ 3,019,068</u>	<u>\$ 6,076,003</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:				
Operating income	\$ 205,379	\$ 26,993	\$ 785,196	\$ 1,017,568
Adjustments to reconcile operating income to net cash provided by operating activities:				
Change in assets and liabilities:				
Increase (decrease) in accounts payable and accrued expenses	(164,941)	24,548	203,207	62,814
Increase (decrease) in claims payable	179,568	8,113	66,531	254,212
Total adjustments	14,627	32,661	269,738	317,026
Net Cash Provided by Operating Activities	<u>\$ 220,006</u>	<u>\$ 59,654</u>	<u>\$ 1,054,934</u>	<u>\$ 1,334,594</u>

Fiduciary Funds

Fiduciary Fund types are used to account for assets held by the Town in a trustee capacity or as an agent for individuals, private organizations or others. The Town's Fiduciary Funds are as follows:

Agency Fund:

- **School Activity** - to account for the various student activities and clubs.
- **Flex Spending Account** - allows employees to use payroll deductions to fund an individual flex spending account for dependent care or medical expenses. Reimbursements are paid from the account by a third party administrator in accordance with IRS regulations.

**TOWN OF SIMSBURY, CONNECTICUT
AGENCY FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Balance June 30, 2011</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2012</u>
School Activity Fund				
Assets:				
Cash and short-term investments	\$ 982,044	\$ 5,288,500	\$ 5,155,804	\$ 1,114,740
Liabilities:				
Due to student groups	\$ 982,044	\$ 5,288,500	\$ 5,155,804	\$ 1,114,740
Flex Spending Fund				
Assets:				
Cash and short-term investments	\$ 41,224	\$ 192,758	\$ 195,635	\$ 38,347
Liabilities:				
Due to employees	\$ 41,224	\$ 192,758	\$ 195,635	\$ 38,347
Total				
Assets:				
Cash and short-term investments	\$ 1,023,268	\$ 5,481,258	\$ 5,351,439	\$ 1,153,087
Liabilities:				
Due to student groups and others	\$ 1,023,268	\$ 5,481,258	\$ 5,351,439	\$ 1,153,087

Other Schedules

**TOWN OF SIMSBURY, CONNECTICUT
SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING
FOR THE YEAR ENDED JUNE 30, 2012**

Grand List Year	Balance July 1, 2011	Current Levy	Lawful Corrections		Transfers to Suspense	Adjusted Taxes	Collections	Interest	Liens	Other Fees	Balance June 30, 2012
			Additions	Deductions							
2010	\$	\$ 79,864,282	\$ 673,170	\$ 322,906	\$	\$ 80,214,546	\$ 79,747,515	\$ 155,978	\$ 3,015	\$ 18,578	\$ 467,031
2009	491,524		5,881	42,695	22,273	432,437	292,390	65,212	1,325	7,620	140,047
2008	189,096		4,307	5,013	4,213	184,177	110,872	39,299	413	1,943	73,305
2007	77,472		3,017	2,386	2,140	75,963	27,290	12,948	129	716	48,673
2006	44,903		839		1,349	44,393	6,188	5,443	15	303	38,205
2005	39,318		1,245	5,801	154	34,608	3,133	4,492		80	31,475
2004	19,420		211	52	162	19,417	3,926	817	24	63	15,491
2003	9,283		195	58		9,420	137			5	9,283
2002	3,038		3,041	721		5,358	2,320	3,712		469	3,038
2001	1,987		1,695	359		3,323	1,336	2,179		149	1,987
2000	1,991		335	219		2,107	116	259			1,991
1999	8,449		1,933	1,421		8,961	512	1,270		5	8,449
1998	1,618		2,349	2,133		1,834	216	472		35	1,618
1997	1,524		2,824	1,083		3,265	1,741	4,456	156	431	1,524
1996	1,481		1,393	896		1,978	497	1,670			1,481
1995	1,428				1,427	1					1
	\$ 892,532	\$ 79,864,282	\$ 702,435	\$ 385,743	\$ 31,718	\$ 81,041,788	\$ 80,198,189	\$ 298,207	\$ 5,077	\$ 30,397	\$ 843,599

TOWN OF SIMSBURY, CONNECTICUT

SCHEDULE OF CHANGES IN SEWER USER CHARGES RECEIVABLE

FOR THE YEAR ENDED JUNE 30, 2012

Grand List Year	Balance July 1, 2011	Current Year Charges	Adjustments	Collections	Balance June 30, 2012
2011	\$	\$ 2,044,501	\$ 394,625	\$ 2,413,246	\$ 25,880
2010	7,168			4,928	2,240
2009	1,178			218	960
2008	640				640
2007	620				620
2006	580				580
2005	400				400
2004	400				400
2003	400				400
2002	340				340
2001	280				280
2000	236				236
1999	216				216
1998	216				216
Totals	\$ <u>12,674</u>	\$ <u>2,044,501</u>	\$ <u>394,625</u>	\$ <u>2,418,392</u>	\$ <u>33,408</u>

**TOWN OF SIMSBURY, CONNECTICUT
SCHEDULE OF CHANGES IN SEWER ASSESSMENT RECEIVABLE
FOR THE YEAR ENDED JUNE 30, 2012**

Phases	Balance July 1, 2011	Additions	Principal	Interest	Lien Fees	Balance June 30, 2012
I	\$ 4,117	\$	\$ 1,033	\$ 216	\$ 24	\$ 3,084
II	140,016		30,307	6,105	48	109,709
III	155,014		31,570	3,839		123,444
IV	-	11,668	1,167			10,501
V	49,473		17,933	2,405		31,540
VI	2,938			50		2,938
VII	398					398
VIII	5,613					5,613
O	95,214		6,826	2,452		88,388
X	71,920		6,346	1,967		65,574
	<u>\$ 524,703</u>	<u>\$ 11,668</u>	<u>\$ 95,182</u>	<u>\$ 17,034</u>	<u>\$ 72</u>	<u>\$ 441,189</u>

**TOWN OF SIMSBURY, CONNECTICUT
 SCHEDULE OF CHANGES IN WATER ASSESSMENT RECEIVABLE
 FOR THE YEAR ENDED JUNE 30, 2012**

<u>Balance</u> <u>July 1, 2011</u>	<u>Additions</u>	<u>Principal</u>	<u>Interest</u>	<u>Lien Fees</u>	<u>Balance</u> <u>June 30, 2012</u>
\$ 39,626	\$ -	\$ -	-	\$ -	\$ 39,626

**TOWN OF SIMSBURY, CONNECTICUT
SCHEDULE OF DEBT LIMITATION
FOR THE YEAR ENDED JUNE 30, 2012**

Revenue from taxation for the year ended June 30, 2012:

Taxes	\$ 80,198,189
Interest and lien fees	303,284
Total	<u>80,501,473</u>

Reimbursed for:

Tax relief for elderly	<u>76,326</u>
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Base	<u>\$ 80,577,799</u>
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	<u>General Purpose</u>	<u>Schools</u>	<u>Sewers</u>	<u>Urban Renewal</u>
Debt limitation:				
2-1/4 times base	\$ 181,300,048	\$	\$	\$
4-1/2 times base		362,600,096		
3-3/4 times base			302,166,746	
3-1/4 times base				261,877,847
Total debt limitation	<u>181,300,048</u>	<u>362,600,096</u>	<u>302,166,746</u>	<u>261,877,847</u>
Indebtedness:				
Bonds and loans payable	11,953,709	16,815,000	16,617,830	
Bonds authorized and unissued	<u>3,131,000</u>	<u>8,293,817</u>	<u>16,617,830</u>	<u>-</u>
Total indebtedness	<u>15,084,709</u>	<u>25,108,817</u>	<u>16,617,830</u>	<u>-</u>
Debt Limitation in Excess of Outstanding and Authorized Debt	<u>\$ 166,215,339</u>	<u>\$ 337,491,279</u>	<u>\$ 285,548,916</u>	<u>\$ 261,877,847</u>
Total capacity of borrowing (7 times base)		\$ 564,044,593		
Total present indebtedness		<u>56,811,356</u>		
Margin for Additional Borrowing		<u>\$ 507,233,237</u>		

Statistical Section

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

Contents	Page
Financial Trends	86-89
These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.	
Revenue Capacity	8: -; 3
These schedules contain information to help the reader assess the Town's most significant local revenue source, property taxes	
Debt Capacity	; 4-95
These schedules present information to help the reader assess the affordability of the Town's current level of outstanding debt and the Town's ability to issue additional debt in the future.	
Demographic and Economic Information	96-97
These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place.	
Operating Information	98-9:
These schedules contain service and infrastructure data to help the reader understand how the information in the Town's financial report relates to the services the Town provides and the activities it performs.	

TOWN OF SIMSBURY, CONNECTICUT

NET ASSETS BY COMPONENT

LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

	FISCAL YEAR									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental Activities:										
Invested in capital assets, net of related debt	\$ 44,611,089	\$ 36,873,960	\$ 48,885,116	\$ 61,353,651	\$ 57,160,740	\$ 71,428,484	\$ 79,465,301	\$ 83,683,437	\$ 85,759,693	\$ 93,769,918
Unrestricted	<u>10,758,599</u>	<u>23,152,722</u>	<u>19,559,268</u>	<u>17,816,187</u>	<u>27,075,037</u>	<u>18,748,699</u>	<u>20,119,401</u>	<u>22,700,437</u>	<u>24,577,560</u>	<u>28,322,298</u>
Total Governmental Activities Net Assets	<u>\$ 55,369,688</u>	<u>\$ 60,026,682</u>	<u>\$ 68,444,384</u>	<u>\$ 79,169,838</u>	<u>\$ 84,235,777</u>	<u>\$ 90,177,183</u>	<u>\$ 99,584,702</u>	<u>\$ 106,383,874</u>	<u>\$ 110,337,253</u>	<u>\$ 122,092,216</u>

TOWN OF SIMSBURY, CONNECTICUT

CHANGES IN NET ASSETS

LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

	FISCAL YEAR									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Expenses:										
Governmental activities:										
General government	\$ 2,855,845	\$ 2,980,798	\$ 2,864,389	\$ 2,607,616	\$ 3,227,615	\$ 3,292,873	\$ 3,062,056	\$ 2,842,450	\$ 2,497,684	\$ 6,305,823
Planning and development	1,205,289	1,670,365	1,345,269	1,144,974	1,185,140	1,384,238	1,843,702	1,552,148	1,793,475	1,079,098
Public safety	4,357,948	4,713,105	5,139,769	5,210,279	6,628,916	6,057,274	6,046,297	6,191,312	6,339,007	5,891,335
Facility management	5,987,721	5,537,947	5,613,885	6,353,281	6,998,785	7,755,390	8,081,543	8,254,369	8,687,612	8,719,270
Culture and recreation	3,964,109	4,088,281	4,379,125	4,410,376	4,600,392	4,911,460	5,018,286	5,163,162	8,306,430	5,309,507
Health and welfare	571,903	625,983	655,206	670,742	731,067	756,733	868,396	887,619	857,664	846,075
Board of Education	52,150,131	53,683,639	57,874,235	60,816,027	63,948,341	86,929,937	68,363,256	72,654,089	71,194,609	76,276,064
Debit service interest	598,453	1,171,846	1,205,222	1,218,918	1,240,906	1,944,234	1,722,911	1,525,754	1,514,343	1,212,643
Total Governmental Activities Expenses	<u>71,691,399</u>	<u>74,471,964</u>	<u>79,077,100</u>	<u>82,432,213</u>	<u>88,561,162</u>	<u>113,032,139</u>	<u>95,006,447</u>	<u>99,070,903</u>	<u>101,190,824</u>	<u>105,639,815</u>
Program Revenues:										
Governmental activities:										
Charges for services:										
General government	871,518	1,079,044	933,527	890,119	970,739	1,525,815	688,041	809,490	958,295	805,502
Planning and development	324,938	398,793	415,615	432,093	368,307	436,580	369,448	421,092	131,545	171,782
Public safety	298,584	254,578	229,646	296,751	416,669	300,355	264,779	366,510	321,284	279,202
Facility management	1,760,609	2,528,563	2,094,212	2,550,256	3,313,968	3,344,116	3,566,041	3,317,857	2,938,812	3,091,335
Culture and recreation	1,567,022	1,626,810	2,265,570	1,832,410	1,764,394	1,944,369	2,033,644	2,062,964	1,783,573	1,771,554
Health and welfare	145,821	83,598	113,115	115,407	129,673	101,749	182,981	172,778	16,366	19,691
Board of Education	2,891,360	2,813,032	3,156,380	5,166,869	5,186,062	23,489,202	5,835,826	1,536,343	1,558,283	1,477,515
Operating grants and contributions:										
General government			7,000		23,981	76,087	747,425	300,352	21,500	120,009
Planning and development	273,206	445,874	230,019	88,177	15,610	84,894	259,341	79,055		2,116,232
Public safety	66,608	55,641	28,432	2,083	45,456	25,604	1,621	128,765	98,309	29,856
Facility management	137,294	130,252	443,244	245,200	532,835	193,037	1,439,409	694,959	769,341	3,016,919
Culture and recreation	2,189		4,225			10,000			47,358	189,748
Health and welfare	14,000	14,000	14,000	14,000	47,054	53,304	53,504	50,367	229,442	189,658
Board of Education	3,562,309	3,760,393	4,345,513	5,004,949	5,989,693	8,147,441	8,413,878	14,331,851	14,171,150	15,801,559
Capital grants and contributions:										
General government								287,080		
Planning and development							1,120,342	1,027,750		
Facility management			1,470,939	3,046,142	1,736,988	251,285		414,127		
Culture and recreation			355,537	144,463		250,000	289,664	280,797	330,514	341,709
Health and welfare								40,000	1,024,843	
Board of Education	571,075	1,909,575	4,209,285	2,106,224	54,675	98,958	1,169,220	626,844		958,286
Total Governmental Activities Revenues	<u>12,486,533</u>	<u>15,100,153</u>	<u>20,312,034</u>	<u>21,939,368</u>	<u>20,596,104</u>	<u>40,332,796</u>	<u>26,435,164</u>	<u>26,948,981</u>	<u>24,400,615</u>	<u>30,380,557</u>
Total Governmental Activities Net Expense	<u>(59,204,866)</u>	<u>(59,371,811)</u>	<u>(58,765,066)</u>	<u>(60,492,845)</u>	<u>(67,965,058)</u>	<u>(72,699,343)</u>	<u>(68,571,283)</u>	<u>(72,121,922)</u>	<u>(76,790,209)</u>	<u>(75,259,258)</u>
General Revenues and Other										
Changes in Net Assets:										
Governmental activities:										
Property taxes	59,548,645	63,252,078	66,077,888	69,586,237	72,439,691	75,343,007	77,301,151	78,380,041	79,637,302	80,468,335
Grants and contributions not restricted to specific programs	569,144	452,645	453,215	417,229	446,703	411,508	396,487	396,805	491,076	332,042
Unrestricted investment earnings	336,285	324,082	651,665	1,214,833	1,769,925	1,260,912	281,164	144,248	215,881	120,712
Other general revenues, net									399,329	409,960
Total Primary Government	<u>60,454,074</u>	<u>64,028,805</u>	<u>67,182,768</u>	<u>71,218,299</u>	<u>74,656,319</u>	<u>77,015,427</u>	<u>77,978,802</u>	<u>78,921,094</u>	<u>80,743,588</u>	<u>81,331,049</u>
Change in Net Assets:										
Total Governmental Activities	\$ <u>1,249,208</u>	\$ <u>4,656,994</u>	\$ <u>8,417,702</u>	\$ <u>10,725,454</u>	\$ <u>6,691,261</u>	\$ <u>4,316,084</u>	\$ <u>9,407,519</u>	\$ <u>6,799,172</u>	\$ <u>3,953,379</u>	\$ <u>6,071,791</u>

TOWN OF SIMSBURY, CONNECTICUT
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

	FISCAL YEAR									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Fund:										
Restricted	\$	\$	\$	\$ 157,873	\$	\$ 65,000	\$ 248,601	\$ 161,737	\$ 3,765	\$ 121,950
Committed		165,000		1,547				290,000	324,311	267,341
Assigned	337,901	67,198	82,574	223,626	455,901	534,507	215,567	120,965	351,346	510,907
Unassigned	<u>5,808,871</u>	<u>6,399,870</u>	<u>8,007,752</u>	<u>8,887,767</u>	<u>7,605,026</u>	<u>7,644,660</u>	<u>8,000,965</u>	<u>8,679,564</u>	<u>9,577,204</u>	<u>9,696,310</u>
Total General Fund	<u>\$ 6,146,772</u>	<u>\$ 6,632,068</u>	<u>\$ 8,090,326</u>	<u>\$ 9,270,813</u>	<u>\$ 8,060,927</u>	<u>\$ 8,244,167</u>	<u>\$ 8,465,133</u>	<u>\$ 9,252,266</u>	<u>\$ 10,256,626</u>	<u>\$ 10,596,508</u>
All other governmental funds:										
Nonspendable	\$ 33,153	\$ 29,901	\$ 35,581	\$ 33,144	\$ 33,787	\$ 39,161	\$ 31,522	\$ 42,047	\$ 34,420	\$ 39,195
Restricted	381,737	428,561	493,877	479,451	583,280	622,116	841,806	998,223	1,009,517	1,256,034
Committed						65,000	248,601		2,234,192	8,012,674
Assigned	5,248,678	15,090,937	11,089,057	8,077,137	18,458,888	11,890,418	8,791,641	10,238,407	11,328,104	5,329,235
Unassigned	<u>(2,075,922)</u>						<u>(175,476)</u>			<u>(5,539,329)</u>
Total All Other Governmental Funds	<u>\$ 3,587,646</u>	<u>\$ 15,549,399</u>	<u>\$ 11,618,515</u>	<u>\$ 8,589,732</u>	<u>\$ 19,075,955</u>	<u>\$ 12,616,695</u>	<u>\$ 9,738,094</u>	<u>\$ 11,278,677</u>	<u>\$ 14,606,233</u>	<u>\$ 9,097,809</u>

TOWN OF SIMSBURY, CONNECTICUT
REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - GOVERNMENTAL FUNDS

LAST TEN YEARS
(Accrual Basis of Accounting)

	FISCAL YEAR									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues:										
Property taxes	\$ 59,642,400	\$ 63,395,587	\$ 66,306,205	\$ 69,323,250	\$ 72,405,901	\$ 75,062,589	\$ 77,284,675	\$ 78,212,280	\$ 79,548,406	\$ 80,548,378
Intergovernmental	7,012,082	8,596,764	13,410,876	14,839,566	12,127,573	31,385,988	18,695,408	18,417,973	15,798,207	23,037,449
Investment income	336,286	324,081	651,665	1,214,832	1,769,928	1,260,912	281,164	119,737	215,881	120,712
Charges for goods and services	3,470,058	3,741,358	3,713,825	4,078,414	3,998,603	4,100,337	3,854,100	4,458,581	4,345,779	4,165,901
Licenses and permits	402,960	536,831	534,015	464,673	400,740	468,128	363,346	425,563	279,740	527,210
Rental of town owned property	9,163	8,119	10,335	10,023	11,242	7,832	3,816	4,161	2,748	595
Local revenues	307,534	150,729	101,324	201,967	374,484	946,858	365,735	355,767	447,574	409,679
Assessments	1,441,505	1,818,860	1,770,048	1,741,301	2,515,975	2,644,249	2,722,367	2,606,135	2,588,450	2,541,036
Other	688,370	735,794	1,504,615	1,462,690	1,041,555	1,311,395	787,707	803,687	759,832	739,684
Total revenues	<u>73,310,358</u>	<u>79,308,123</u>	<u>88,002,908</u>	<u>93,336,716</u>	<u>94,646,001</u>	<u>117,188,288</u>	<u>104,358,318</u>	<u>105,403,884</u>	<u>103,986,617</u>	<u>112,090,644</u>
Expenditures:										
Current:										
General government	2,245,797	2,302,429	2,222,381	1,861,949	2,426,435	2,448,471	2,239,167	2,003,567	1,913,540	5,674,412
Planning and development	968,935	1,417,243	1,092,928	920,001	899,308	1,015,444	1,517,056	1,213,872	807,450	3,177,802
Public safety	3,261,931	3,428,991	3,613,566	3,658,607	3,938,574	4,068,623	4,177,971	4,162,967	4,156,758	4,208,408
Facility management	4,264,091	3,817,083	3,790,198	4,521,499	4,970,704	5,122,093	5,408,842	5,543,118	5,893,233	5,975,632
Culture and recreation	3,242,568	3,317,728	3,497,648	3,618,128	3,666,929	3,852,304	4,005,692	3,959,615	4,177,239	4,165,021
Health and welfare	500,717	548,502	561,158	571,064	618,704	634,133	749,436	756,353	721,978	702,936
Fringe benefits and insurance	2,681,696	3,076,788	3,160,935	3,539,933	4,652,868	4,344,674	4,399,255	4,351,456	4,675,137	4,372,802
Education	50,190,959	52,489,681	55,187,980	59,869,388	63,353,338	84,812,623	68,976,132	71,467,509	71,649,955	73,986,774
Special projects	85,948	131,000	28,559	21,000	172,910	176,813	306,883	15,000		
Capital outlay	4,635,212	15,396,026	21,684,838	27,251,989	9,471,548	16,039,531	6,941,175	6,835,862	3,375,755	7,701,678
Debit service:										
Principal	2,291,845	4,176,913	3,906,982	4,307,053	4,122,123	4,472,195	6,527,597	5,709,008	5,753,087	5,871,345
Interest	644,788	856,841	1,259,750	1,223,826	1,257,069	1,805,498	1,950,348	1,678,746	1,573,248	1,508,161
Total expenditures	<u>75,014,487</u>	<u>90,959,225</u>	<u>100,006,923</u>	<u>111,364,437</u>	<u>99,550,510</u>	<u>128,792,402</u>	<u>107,199,554</u>	<u>107,697,073</u>	<u>104,697,380</u>	<u>117,344,971</u>
Deficiency of Revenues over Expenditures	<u>(1,704,129)</u>	<u>(11,651,102)</u>	<u>(12,004,015)</u>	<u>(18,027,721)</u>	<u>(4,904,509)</u>	<u>(11,604,114)</u>	<u>(2,841,236)</u>	<u>(2,293,189)</u>	<u>(710,763)</u>	<u>(5,254,327)</u>
Other Financing Sources:										
Proceeds from capital lease										
Proceeds from sales of bonds		24,098,152	5,025,331	4,955,122	10,046,304	4,090,780		4,869,506	5,000,000	5,191,969
Payments to escrow agents										(5,106,184)
Proceeds from loans			4,506,057	11,066,430	4,292,415	1,172,314			42,679	-
Total other financing sources	<u>-</u>	<u>24,098,152</u>	<u>9,531,388</u>	<u>16,021,552</u>	<u>14,338,719</u>	<u>5,263,094</u>	<u>-</u>	<u>4,869,506</u>	<u>5,042,679</u>	<u>85,785</u>
Net Change in Fund Balances	(1,704,129)	12,447,050	(2,472,627)	(2,006,169)	9,434,210	(6,341,020)	(2,841,236)	2,576,317	4,331,916	(5,168,542)
Fund Balance at Beginning of Year	<u>13,488,563</u>	<u>11,784,434</u>	<u>24,231,484</u>	<u>21,758,857</u>	<u>19,752,688</u>	<u>27,136,882</u>	<u>20,795,862</u>	<u>17,954,626</u>	<u>20,530,943</u>	<u>24,862,859</u>
Fund Balance at End of Year	<u>\$ 11,784,434</u>	<u>\$ 24,231,484</u>	<u>\$ 21,758,857</u>	<u>\$ 19,752,688</u>	<u>\$ 29,186,898</u>	<u>\$ 20,795,862</u>	<u>\$ 17,954,626</u>	<u>\$ 20,530,943</u>	<u>\$ 24,862,859</u>	<u>\$ 19,694,317</u>
Debt Service as a Percentage to Noncapital Expenditures	4.17%	6.66%	6.60%	6.58%	5.97%	5.57%	8.46%	7.32%	7.26%	6.89%

TOWN OF SIMSBURY, CONNECTICUT
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS
(in thousands of dollars)

Fiscal Year	Real Property		All Land	Motor Vehicles	Personal Property	Tax Exempt Real Property Excluded	Total Taxable Assessed Value	Mill Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property								
2003	\$ 1,092,195	\$ 156,700	\$ 3,834	\$ 160,071	\$ 95,802	\$ 142,332	\$ 1,508,602	39.10	\$ 2,978,069	50.7 %
2004	1,442,409	214,967	5,694	162,215	97,653	202,615	1,922,938	32.60	3,006,733	64.0
2005	1,451,226	211,294	11,382	155,606	94,500	202,483	1,924,008	34.00	3,346,110	57.5
2006	1,464,321	209,663	7,610	165,612	101,640	199,885	1,948,846	35.20	3,687,323	52.9
2007	1,482,901	214,439	12,675	173,801	113,840	203,574	1,997,656	35.90	3,991,723	50.0
2008	1,502,769	214,362	16,638	172,758	115,896	222,290	2,022,423	36.90	3,961,196	51.1
2009	1,991,069	295,774	16,918	176,222	117,587	276,266	2,597,570	29.60	3,971,248	65.4
2010	1,999,922	296,264	24,478	165,121	111,801	280,231	2,597,586	30.10	3,674,499	70.7
2011	2,006,469	298,680	23,539	166,125	104,650	286,585	2,599,462	30.55	3,717,024	69.9
2012	2,009,423	300,156	21,457	171,793	96,697	298,661	2,599,526	30.86	3,617,413	71.9

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Source: Town of Simsbury Assessor and State of Connecticut, Office of Policy and Management

Note: Except for the fiscal year ending June 30, 2004, the estimated actual taxable is the Equalized Net Grand List as determined by the State of Connecticut, Office of Policy and Management. Properties in town are reassessed every five years per state statute. The last completed revaluation was for the fiscal year ending June 30, 2004. The estimated actual taxable value for that year is all net real estate assessments divided by 63.1% plus use value real estate assessments divided by 70% plus motor vehicles and personal property divided by 70%.

TOWN OF SIMSBURY, CONNECTICUT

PRINCIPAL TAXPAYERS

CURRENT YEAR AND NINE YEARS AGO

	2012			2003		
	Taxable Assessed Value	Rank	Percentage of Gross Taxable Assessed Grand List	Taxable Assessed Value	Rank	Percentage of Gross Taxable Assessed Grand List
Hartford Life and Accident Ins. Company	\$ 56,386,128	1	2.19 %	\$ 27,035,600	2	1.80 %
E and A/I and I and G Commons LP	32,375,000	2	1.26			
Executive Risk Indemnity Inc.	19,986,020	3	0.77	13,692,340	5	
Connecticut Light & Power	17,259,620	4	0.67	18,186,340	3	1.21
Simsbury Hopmeadow Street LLC	16,486,050	6	0.64			
Woodgreen Simsbury LLC	10,372,640	5	0.40			
Hoffman, Phyllis W Trustee	9,784,490	7	0.38			
Simsbury Commons North E&A LLC	9,625,000	8	0.37			
Hoffman Enterprises Limited Partnership	8,088,710	9	0.31			
Harco Property Services Inc	6,468,020	10	0.25			
Simsbury Assoc. Limited Partnership				34,390,710	1	2.29
Ensign-Bickford Realty Corporation				13,783,500	4	0.92
Avon Simsbury Mall Associates LP				12,344,030	6	0.82
Ensign-Bickford Company				7,015,987	7	0.47
Federal Insurance Company				5,429,860	8	0.36
Canal Place LLC				4,319,600	9	0.29
Talcott Hotel Limited Partnership				3,694,620	10	0.25
	<u>\$ 186,831,678</u>		<u>7.24 %</u>	<u>\$ 139,892,587</u>		<u>8.41 %</u>

Source: Town Assessor's office

TOWN OF SIMSBURY, CONNECTICUT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

(In Thousands)

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2003	\$ 54,635	\$ 54,192	99.19 %	\$ 441	\$ 54,633	100.00 %
2004	59,500	59,014	99.18	484	59,498	100.00
2005	62,867	62,438	99.32	426	62,864	100.00
2006	65,824	65,439	99.42	376	65,815	99.99
2007	69,119	68,671	99.35	423	69,095	99.97
2008	72,151	71,633	99.28	467	72,100	99.93
2009	75,006	74,473	99.29	475	74,947	99.92
2010	76,960	76,505	99.41	277	76,782	99.77
2011	79,341	77,567	97.76	329	77,896	98.18
2012	80,215	80,094	99.85		80,094	99.85

Source: Town Tax Collector office and Finance office

TOWN OF SIMSBURY, CONNECTICUT
RATIO OF NET GENERAL BONDED DEBT TO
ASSESSED VALUE AND NET GENERAL BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS

Fiscal Year	General Bonded Debt						Percentage of Actual Taxable Value of Property (1)	Percentage of Personal Income (2)	Per Capita
	General Obligation Bonds			State of CT	Clean	Total			
	General Purpose	Schools	Sewers	Project Loan	Water Fund Loan	Primary Government			
2003	\$ 3,519,440	\$ 7,789,860	\$ 240,700	\$ 163,483	\$	\$ 11,713,483	0.39%	0.29%	0.50
2004	2,799,912	28,183,088	161,900	156,670		31,301,570	1.04%	0.79%	1.35
2005	5,052,444	27,110,756	81,800	149,588	4,506,057	36,900,645	1.10%	0.93%	1.59
2006	5,605,336	27,219,664		142,535	15,572,487	48,540,022	1.32%	1.22%	2.09
2007	13,477,000	25,098,000		135,412	19,864,902	58,575,314	1.47%	1.48%	2.52
2008	12,688,000	25,422,000		128,217	21,037,216	59,275,433	1.50%	1.49%	2.55
2009	10,954,000	22,341,000		120,950	19,331,886	52,747,836	1.33%	1.33%	2.27
2010	11,290,000	21,975,000		113,610	18,445,218	51,823,828	1.41%	1.31%	2.23
2011	13,875,000	19,550,000		106,197	17,540,653	51,071,850	1.39%	1.29%	2.20
2012	11,855,000	16,815,000		98,709	16,617,830	45,386,539	1.22%	1.14%	1.95

(1) See Table 5 for taxable property value data.
(2) See Table 11 for personal income and population data.

TABLE 9

TOWN OF SIMSBURY, CONNECTICUT
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS

Fiscal Year	Town of Simsbury General Fund			Simsbury Fire District	Total
	Operating Millage	Debt Service Millage *	Total Town Millage	Millage **	
2003	37.31	1.79	39.10	1.30	40.40
2004	30.20	2.40	32.60	1.09	33.69
2005	31.50	2.50	34.00	1.09	35.09
2006	32.60	2.60	35.20	1.15	36.35
2007	33.53	2.37	35.90	1.15	37.05
2008	34.34	2.56	36.90	1.30	38.20
2009	27.42	2.18	29.60	1.05	30.65
2010	27.96	2.14	30.10	1.05	31.15
2011	28.22	2.33	30.55	1.03	31.58
2012	28.54	2.32	30.86	1.02	31.88

* Debt service millage based on debt expenditures to assessment

Town millage set as one number

** The Simsbury Fire District has no debt

TOWN OF SIMSBURY, CONNECTICUT

LEGAL DEBT MARGIN INFORMATION

LAST TEN FISCAL YEARS

	FISCAL YEAR									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Debt limit	\$ 419,535,599	\$ 445,499,103	\$ 466,141,480	\$ 486,940,951	\$ 508,394,397	\$ 529,348,036	\$ 543,238,654	\$ 550,545,555	\$ 560,196,175	\$ 564,044,593
Total net debt applicable to limit	<u>11,392,227</u>	<u>31,084,191</u>	<u>36,790,908</u>	<u>48,540,022</u>	<u>58,575,314</u>	<u>72,902,911</u>	<u>62,661,314</u>	<u>65,228,306</u>	<u>51,560,382</u>	<u>56,811,356</u>
Legal Debt Margin	\$ <u>408,143,372</u>	\$ <u>414,414,912</u>	\$ <u>429,350,572</u>	\$ <u>438,400,929</u>	\$ <u>449,819,083</u>	\$ <u>456,445,125</u>	\$ <u>480,577,340</u>	\$ <u>485,317,249</u>	\$ <u>508,635,793</u>	\$ <u>507,233,265</u>
Total net debt applicable to the limit as a percentage of debt limit	2.72%	6.98%	7.89%	9.97%	11.52%	13.77%	11.53%	11.85%	9.20%	10.07%

Note: The State of Connecticut General Statutes require that in no event shall the total debt of the Town exceed seven (7) times the annual receipts from taxation. The calculation of the 2010 debt limit can be found on Schedule 5 of this report.

TOWN OF SIMSBURY, CONNECTICUT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	Population (4)	Personal Income (Thousands of Dollars) (1)	Per Capita Personal Income (1)	Median Age (1)	Education Level in Years of Schooling (1)		School Enrollment (2)	Unemployment Rate (3)
					High School Graduate or Higher	Bachelor's Degree or Higher		
2003	23,234	\$ 922,622	\$ 39,710	39.6	94.5	61.4	4,994	3.0 %
2004	23,234	922,622	39,710	39.6	94.5	61.4	4,996	3.0
2005	23,234	922,622	39,710	39.6	94.5	61.4	5,018	4.3
2006	23,234	922,622	39,710	39.6	94.5	61.4	5,014	3.5
2007	23,234	922,622	39,710	39.6	94.5	61.4	4,957	3.3
2008	23,234	922,622	39,710	39.6	94.5	61.4	4,917	4.1
2009	23,234	922,622	39,710	39.6	94.5	61.4	4,908	5.5
2010	23,234	922,622	39,710	39.6	94.5	61.4	4,838	6.2
2011	23,234	922,622	39,710	39.6	94.5	61.4	4,731	6.1
2012	23,438	930,723	39,710	41.0	96.9	60.0	4,501	6.6

Sources: Population, personal income, median age and education level provided by Town of Simsbury

(1) U.S. Department of Commerce, Bureau of the Census, 2000.

(2) Simsbury, Board of Education.

(3) State of Connecticut, Department of Labor.

(4) State of Connecticut Department of Economic Development

TOWN OF SIMSBURY, CONNECTICUT

PRINCIPAL EMPLOYERS

CURRENT YEAR AND NINE YEARS AGO

	2012			2003		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Town Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Town Employment</u>
The Hartford Life Insurance Co.	1,911	1	16.19 %	2,589	1	21.34 %
Simsbury Board of Education	654	2	5.54	596	2	4.91
McLean Home	450	3	3.81	565	3	4.66
Chubb-Executive Risk, Inc.	406	4	3.44	553	4	4.56
Hoffman Auto Group	230	5	1.95			
Ensign-Bickford Companies	198	6	1.68	300	5	2.47
Town of Simsbury	178	7	1.51	144		1.19
Super Stop & Shop	167	8	1.41			
Michell of Simsbury	118	9	1.00	130	9	1.07
Hopmeadow Country Club	100	10	0.85			
Dyno Nobel				220	6	1.81
Blue Ridge Insurance				140	7	1.15
Veeder-Root Company				135	8	1.11
Wagner, Ford, Nissan				92	10	0.76
	<u>4,412</u>		<u>37.38 %</u>	<u>5,464</u>		<u>45.03 %</u>

Source: First Selectman's Office, Town of Simsbury

TOWN OF SIMSBURY, CONNECTICUT
FULL-TIME GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

	FISCAL YEAR									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
General government:										
Central administration	4.0	5.0	5.0	5.0	5.0	4.0	4.0	5.0	4.0	4.0
Finance	4.0	4.0	4.0	4.0	4.0	5.0	5.0	5.0	5.0	5.0
Tax collector	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	3.0	3.0
Assessor's	2.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Town clerk	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Data Processing	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Public safety:										
Officers	35.0	35.0	35.0	36.0	35.0	35.0	35.0	35.0	34.0	34.0
Civilians	10.0	11.0	11.0	11.0	10.0	10.0	10.0	10.0	10.0	10.0
Planning and development:										
Community development	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Planning	2.0	2.0	2.0	2.0	2.0	1.0	1.0	1.0	2.0	2.0
Building	2.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	4.0
Engineering	1.0	2.0	2.0	3.0	3.0	3.0	3.0	3.0	3.0	4.0
Facilities management:										
Public works	2.0	2.0	2.0	2.0	1.0	1.0	2.0	2.0	2.0	2.0
Buildings & maintenance	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Highway	18.0	19.0	19.0	19.0	19.0	19.0	19.0	19.0	19.5	20.5
Sewer treatment plant	11.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Social services	3.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Public libraries	13.0	14.0	14.0	14.0	13.0	13.0	13.0	13.0	13.0	13.0
Parks and recreation	15.0	17.0	17.0	18.0	16.0	16.0	16.0	16.0	16.0	16.0
Board of Education:										
Certified	405.0	399.0	408.0	416.0	416.0	415.0	414.0	405.0	405.0	414.0
Non-certified	249.0	271.0	247.0	250.0	251.0	238.0	235.0	233.0	239.0	232.0
Total	<u>791.0</u>	<u>816.0</u>	<u>801.0</u>	<u>815.0</u>	<u>810.0</u>	<u>795.0</u>	<u>792.0</u>	<u>782.0</u>	<u>788.5</u>	<u>793.5</u>

Source: Town of Simsbury and Simsbury Board of Education

TOWN OF SIMSBURY, CONNECTICUT
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

	FISCAL YEAR									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
<u>General Government</u>										
Birth certificates issued	172	159	180	191	174	165	194	170	244	261
Death certificates issued	196	230	207	169	188	181	182	193	203	186
Marriage licenses issued	274	265	259	222	184	165	178	207	216	228
Civil union licenses issued				3	5					
<u>Boards and Agencies</u>										
Registered voters	16,411	16,899	16,236	16,601	16,560	16,560	16,560	16,447	16,873	15,421
<u>Planning and Development</u>										
Building permits issued	766	573	575	483	495	520	677	572	522	480
Building department fees	485,902	247,760	394,080	334,404	435,721	366,733	422,155	414,031	397,461	296,818
Value of building permits (in thousand of dollars)	34,851	15,193	15,415	21,760	19,255	23,347	25,022	46,640	33,849	16,097
<u>Public Safety</u>										
Part I crimes	188	136	151	214	236	272	234	240	230	245
Motor vehicle accidents	625	723	661	724	756	714	744	853	774	766
Medical calls	1,444	1,370	1,300	1,216	1,129	1,025	1,088	1,044	940	925
Motor vehicle enforcement	3,940	4,394	4,740	5,242	4,949	4,235	3,635	4,168	2,975	3,566
Alarm responses	879	840	837	866	797	812	862	873	932	971
Total incidents	33,311	29,890	28,139	28,055	25,703	24,158	23,518	24,451	22,653	23,921
<u>Facility Management</u>										
Miles of roads maintained	164	163	163	163	163	163	163	163	163	163
<u>Public Libraries</u>										
Volumes in collection	152,592	154,307	145,078	156,000	145,759	147,234	163,104	158,655	155,000	154,998
Items circulated	477,650	479,791	462,232	461,113	330,825	378,185	436,048	450,685	455,544	480,749
Attendance	249,750	256,060	268,100	256,000	191,704	217,845	262,136	268,484	276,314	290,000
Events	1,117	1,061	954	708	420	601	760	756	700	758
<u>Human Services</u>										
Dial-a-ride passengers	10,525	9,352	7,848	8,625	8,322	8,164	8,000	8,000	6,660	7,218
Dial-a-ride traveled miles	52,537	47,827	43,014	45,101	43,932	45,799	42,041	37,082	33,573	39,550
<u>Education</u>										
Elementary schools	5	5	5	5	5	5	5	5	5	5
Middle schools	1	1	1	1	1	1	1	1	1	1
High schools	1	1	1	1	1	1	1	1	1	1

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Source(s): Various Town Departments

TOWN OF SIMSBURY, CONNECTICUT

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

	FISCAL YEAR									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
<u>Facility Management</u>										
Miles of town roads	164	163	163	163	163	163	163	163	163	163
Miles of sidewalks	8	8	8	8	8	8	8	8	8	8
Sanitary sewers (miles)	81	81	81	81	81	79	79	79	79	78
Storm sewers (miles)	55	55	55	55	55	55	55	55	54	54
Treatment capacity (thousands of gallons)		3,800	3,800	3,800	3,800	2,850	2,850	2,850	2,850	2,850
<u>Parks and Recreation</u>										
Acreage	5,815	5,815	5,815	5,815	5,815	5,815	5,815	5,815	5,815	5,815
Neighborhood parks	11	11	11	11	11	11	11	11	11	11
Playgrounds (including schools)	12	12	12	12	12	12	12	12	12	12
Swimming pools	6	6	6	6	6	6	6	6	6	6
Ice skating facilities	1	1	1	1	1	1	1	1	1	1
Public golf course	1	1	1	1	1	1	1	1	1	1
Tennis courts	17	17	17	17	17	17	17	17	17	17
Baseball fields	14	14	14	14	14	14	14	14	14	14
Basketball courts	2	2	2	2	2	2	2	2	2	2
Soccer fields	21	21	21	21	20	20	20	20	20	20
Football fields	2	2	2	2	2	2	2	2	2	2
<u>Health and Welfare</u>										
Community center	1	1	1	1	1	1	1	1	1	1
Dial-a-ride buses	2	2	2	2	2	2	2	2	2	2

Source(s): Various Town Departments