

TOWN OF SEYMOUR, CONNECTICUT
CONTINUING DISCLOSURE INFORMATION AS OF JUNE 30, 2011

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- I. Annual Financial and Operating Data from the Town**
- II. Audited Financial Statements as of the Year Ended June 30, 2011**

Section I - Annual Financial and Operating Data from the Town

Tax Information

Taxable Grand List
(\$ in thousands)

Grand List 10/1	Residential Real Property Percent	Commercial and Industrial Real Property Percent	Other Percent	Personal Property Percent	Motor Vehicle Percent	Gross Taxable Grand List	Less Exemptions	Net Taxable Grand List	Percent Change
2010	76.1	8.4	3.8	4.3	7.4	1,410,588	27,699	1,382,889	0.70
2009	76.0	8.6	3.9	4.3	7.2	1,399,606	26,296	1,373,310	0.69
2008	76.0	8.6	3.9	4.3	7.2	1,389,721	25,812	1,363,909	(0.20)
2007	76.3	8.4	2.8	4.4	8.1	1,392,439	18,096	1,374,343	2.14
2006	77.1	8.4	2.8	4.1	7.6	1,363,307	24,819	1,338,488	1.98
2005 ⁽²⁾	76.7	8.6	3.2	4.0	7.5	1,336,782	26,406	1,310,376	39.00
2004	72.9	9.3	2.4	0.6	9.8	971,466	28,849	942,617	2.30

1. Full revaluation effective 10/1/2011 Grand List.
2. Full revaluation effective 10/1/2005 Grand List.

Tax Collections

Fiscal Year Ended June 30	Grand List 10/1	Mill Rate	Adjusted Annual Levy	% of Annual Levy Collected at Fiscal Year-End	% of Annual Levy Uncollected at Fiscal Year-End	% of Annual Levy Uncollected as of 6/30/11
2011	2009	26.78	36,489,305	98.1	1.9	1.90
2010	2008	25.80	35,092,415	98.0	2.0	1.17
2009	2007	25.52	34,909,539	97.9	2.1	0.48
2008	2006	25.03	33,537,238	98.3	1.7	0.26
2007	2005	24.62	31,734,332	98.0	1.9	0.23
2006	2004	32.04	30,154,878	98.5	1.5	0.17
2005	2003	30.49	26,791,581	98.4	1.6	0.12
2004	2002	29.28	25,827,481	98.1	1.9	0.12

Major Taxpayers

Name	Business	Taxable Valuation As of 10/1/11	Percent of Net Taxable Grand List
Connecticut Light & Power	Utility	\$8,371,540	0.70%
The Kerite Company	Insulated wire and cable	6,452,790	0.54%
Klarides Family Assoc. LLC	Shopping Center	6,113,940	0.51%
Thule Inc.	Manufacturing	5,379,940	0.45%
LCP Supermarkets Remainder 2000 LLC	Supermarket	5,302,710	0.44%
Baker Residential Limited Partnership	Subdivision	4,885,230	0.41%
Shady Knoll Heath Care Center	Nursing Home	4,507,410	0.38%
Aquarion Water Co. of CT	Water Company	4,499,850	0.38%
Lawrence M. & Wendy S. Janesky	Individual	4,219,380	0.35%
Rafferty Realty Co.	Real Estate	2,785,790	0.23%
		<u>\$52,518,580</u>	<u>4.39%</u>

Net Taxable Grand List for 10/1/2011: \$1,195,598,980

Debt Summary
As of June 30, 2011

Outstanding Short-term Debt

Please refer to Section II – Audited Financial Statements for the Year Ending June 30, 2011

Outstanding Long-Term Bonded Debt

Please refer to Section II – Audited Financial Statements for the Year Ending June 30, 2011

Debt Summary (continued)

**Long-Term Bonded Debt Maturity Schedule (Excludes State Clean Water Fund Loans)
As of June 30, 2011**

Fiscal Year Ending	Principal Payments	Interest Payments	Total Payments	Cumulative Principal Retired
2012	\$2,585,000	\$1,477,873	\$4,062,873	7.18%
2013	2,955,000	1,261,292	4,216,292	15.39%
2014	3,260,000	1,145,566	4,405,566	24.44%
2015	3,275,000	1,026,956	4,301,956	33.54%
2016	3,300,000	909,248	4,209,248	42.70%
2017	3,325,000	780,703	4,105,703	51.94%
2018	2,610,000	656,742	3,266,742	59.19%
2019	2,610,000	551,085	3,161,085	66.44%
2020	2,610,000	445,729	3,055,729	73.68%
2021	1,505,000	361,830	1,866,830	77.86%
2022	1,515,000	303,742	1,818,742	82.07%
2023	1,525,000	239,249	1,764,249	86.31%
2024	1,160,000	181,545	1,341,545	89.53%
2025	1,150,000	136,000	1,286,000	92.72%
2026	820,000	91,000	911,000	95.00%
2027	300,000	65,250	365,250	95.83%
2028	300,000	54,000	354,000	96.67%
2029	300,000	42,000	342,000	97.50%
2030	300,000	30,000	330,000	98.33%
2031	300,000	18,000	318,000	99.17%
2032	<u>300,000</u>	<u>6,000</u>	<u>306,000</u>	100.00%
	\$36,005,000	\$9,783,811	\$45,788,811	

*Comparison of Annual Debt Service
to General Fund Expenditures*

Fiscal Year Ended June 30	Debt Service	Total Expenditures	Debt Service as Ratio to Total Expenditures
2011	\$4,165,035	\$49,296,452	8.5%
2010	4,500,659	46,906,716	9.6%
2009	4,963,234	49,610,755	10.0%
2008	5,572,335	48,135,807	11.5%
2007	5,422,161	45,949,922	11.8%
2006	3,845,971	44,991,282	8.5%

Debt Summary (continued)
Current Debt Statement
As of June 30, 2011

Bonded debt	
General purpose	\$3,583,150
Schools	17,566,998
Sewers (Includes State Clean Water Fund Loans).....	<u>14,854,852</u>
Total bonded debt	36,005,000
Short-term debt	<u>\$4,715,000</u>
Total direct debt	\$4,715,000
Less school grants receivable (as of 6/30/11)	<u>(\$2,600,000)</u>
Total overall net debt	\$38,120,000

Current Debt Ratios
As of June 30, 2011

Population, 2008 ¹	16,540
Net taxable grand list, 10/1/10	\$1,382,889,590
Estimated full value @ 70%	\$1,975,556,557
Equalized net grand list (2008)	\$1,936,954,352
Per capita income, 1999	\$24,056

	Direct Debt	Overall Net Debt
	<u>\$38,120,000</u>	<u>\$38,120,00</u>
Per capita	\$2,304.72	\$2,304.72
To net taxable grand list	2.76%	2.76%
To estimated full value	1.93%	1.93%
To equalized net grand list	1.97%	1.97%
Ratio of debt per capita to per capita income	9.58%	9.58%

1. U.S. Census

Five-Year Debt Statement Summary
(\$ in thousands)

	<u>2010-11</u>	<u>2009-10</u>	<u>2008-09</u>	<u>2007-08</u>	<u>2006-07</u>
Population	16,540	16,249	16,249	16,249	16,249
Net taxable grand list	\$1,195,599	\$1,363,909	\$1,363,909	\$1,374,342	\$1,310,276
Estimated full value	1,707,999	1,948,442	1,948,442	1,963,346	1,912,125
Bond anticipation notes	\$4,715	\$2,640	\$2,640	\$2,640	\$6,245
Bonded debt	<u>36,005</u>	<u>35,980</u>	<u>35,980</u>	<u>38,680</u>	<u>42,240</u>
Total overall debt	38,120	38,620	38,620	41,320	48,485
Less grants and assessments receivable	<u>\$5,057</u>	<u>\$6,970</u>	<u>\$6,970</u>	<u>\$7,053</u>	<u>\$7,758</u>
Total overall net debt	\$33,063	\$31,650	\$31,650	\$34,267	\$40,727

Pension Information

See Section II - Fiscal Year 2011 Audited Financial Statements

Section II - Financial Statements as of the Year Ended June 30, 2011

TOWN OF SEYMOUR, CONNECTICUT

FINANCIAL STATEMENTS

JUNE 30, 2011

TOWN OF SEYMOUR, CONNECTICUT

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Independent Auditors' Report

To the Board of Finance
Town of Seymour, Connecticut

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Seymour, Connecticut, as of and for the year ended June 30, 2011, which collectively comprise the Town of Seymour, Connecticut's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 17, 2012 on our consideration of the Town of Seymour, Connecticut's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's discussion and analysis on pages 3 through 14 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

Blum, Shapiro & Company, P.C.

January 17, 2012

Town of Seymour, Connecticut
Management Discussion and Analysis
For the Year Ended June 30, 2011

Unaudited

The management's discussion and analysis of the Town of Seymour, Connecticut's (the Town) financial performance provides an overall review of the Town's financial activities for the year ended June 30, 2011. The intent of this discussion and analysis is to look at the Town's financial performance as a whole: readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the Town's financial performance.

Financial Highlights

Key financial highlights for 2011 are as follows:

- The total net assets of the Town decreased \$639,345. Net assets of governmental activities decreased \$732,451 or 1.8% over 2010 and net assets of business-type activities increased \$93,106 or 1% over 2010.
- General revenues accounted for \$38,040,324 of total governmental activities revenue. Program specific revenues accounted for \$17,336,120 or 31% of total governmental activities revenue.
- The Town had \$56,108,895 in expenses related to governmental activities: \$17,336,120 of these expenses was offset by program specific charges for services, grants or contributions. The remaining expenses of the governmental activities of \$38,772,775 were offset by general revenues (mainly by property taxes, unrestricted grants and entitlements) of \$38,040,324.
- The general fund had revenues of \$47,809,986 in 2011. This represents an increase of \$1,068,448 from 2010 revenues. The expenditures and other financing uses of the General Fund, which totaled \$47,630,105 in 2011, increased \$360,829 from 2010.
- Net assets for the business-type activities, which are made up of the Sewer Enterprise Fund, increased in 2011 by \$93,106. This increase in net assets was due primarily to a decrease in liabilities.
- In the General Fund, actual revenues came in \$1,561,294 lower than they were in the final budget and actual expenditures were \$1,764,175 lower than they were in the final budget. These positive variances are the result of the Town's budget monitoring and expenditure controls.

Using this Annual Financial Report

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

The statement of net assets and statement of activities provide information about the activities of the Town as a whole, presenting both an aggregate view of the Town's finances and a longer-term view of those finances, fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future

spending. The fund financial statements also look at the Town's most significant funds with all other nonmajor funds presented in total in one column.

Reporting the Town as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains a large number of funds used by the Town to provide programs and activities, the view of the Town as a whole looks at all financial transactions and informs the user how the Town financially performed during 2011. The statement of net assets and the statement of activities answer these questions. These statements include all assets, liabilities, revenues and expenses using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

The Town's statement of net assets and statement of activities can be found on pages 15-16 of this report.

Reporting the Town's Most Significant Funds

Fund Financial Statements

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

Fund financial reports provide detailed information about the Town's major funds. The Town uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the Town's most significant funds. The analysis of the Town's major governmental and proprietary funds begins on page 17.

Governmental Funds

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

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

The Town maintains a multitude of individual governmental funds. The Town has segregated these funds into major funds and nonmajor funds. The Town's major governmental funds are the General Fund, the Middle School Fund and the Chatfield LoPresti Fund. Information for major funds is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures and changes in fund balances. Data from the other governmental funds are combined into a single, aggregated presentation. The basic governmental fund financial statements can be found on pages 17-21 of this report.

Proprietary Funds

The Town maintains one proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses enterprise funds to account for its sewer operations. The Town's enterprise fund is considered a major fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the Town's various functions. The basic proprietary fund financial statements can be found on pages 22-24 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the Town. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the Town's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. Agency funds and pension trust funds are the Town's only fiduciary funds types. The basic fiduciary fund financial statements can be found on page 25-26 of this report.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages 27-49 of this report.

Government-Wide Financial Analysis

The table below provides a summary of the Town’s net assets for 2011 and 2010.

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Current and other assets	\$ 15,618,852	\$ 17,180,371	\$ 854,393	\$ 1,212,292	\$ 16,473,245	\$ 18,392,663
Capital assets	<u>80,152,655</u>	<u>73,002,968</u>	<u>8,731,640</u>	<u>9,278,985</u>	<u>88,884,295</u>	<u>82,281,953</u>
Total assets	<u>95,771,507</u>	<u>90,183,339</u>	<u>9,586,033</u>	<u>10,491,277</u>	<u>105,357,540</u>	<u>100,674,616</u>
Current liabilities	14,188,707	15,746,873	694,721	998,344	14,883,428	16,745,217
Noncurrent liabilities	<u>41,102,460</u>	<u>33,223,675</u>	<u>543,196</u>	<u>1,237,923</u>	<u>41,645,656</u>	<u>34,461,598</u>
Total liabilities	<u>55,291,167</u>	<u>48,970,548</u>	<u>1,237,917</u>	<u>2,236,267</u>	<u>56,529,084</u>	<u>51,206,815</u>
Invested in capital assets, net of related debt	38,478,505	34,250,118	7,493,723	7,261,720	45,972,228	41,511,838
Restricted	1,000	1,000			1,000	1,000
Unrestricted	<u>2,000,835</u>	<u>6,961,673</u>	<u>854,393</u>	<u>993,290</u>	<u>2,855,228</u>	<u>7,954,963</u>
Total Net Assets	<u>\$ 40,480,340</u>	<u>\$ 41,212,791</u>	<u>\$ 8,348,116</u>	<u>\$ 8,255,010</u>	<u>\$ 48,828,456</u>	<u>\$ 49,467,801</u>

Over time, net assets can serve as a useful indicator of a government’s financial position. At June 30, 2011, the Town assets exceeded liabilities by \$48,828,456. At year-end, net assets were \$40,480,340 and \$8,348,116 for the governmental activities and the business-type activities, respectively.

Capital assets reported on the government-wide statements represent the largest portion of the Town’s net assets. At year-end capital assets represented 84% of total assets. Capital assets include land, land improvements, buildings and improvements, equipment, vehicles and infrastructure. Capital assets, net of related debt to acquire the assets at June 30, 2011, were \$38,478,505 and \$7,493,723 in the governmental activities and business-type activities, respectively. These capital assets are used to provide services to citizens and are not available for future spending. Although the Town’s investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

As of June 30, 2011, the Town is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental business-type activities.

A portion of the Town's net assets, \$1,000 represents resources that are subject to external restriction on how they may be used. In the governmental activities, the remaining balance of unrestricted net assets of \$2,000,835 may be used to meet the government's ongoing obligations to citizens and creditors.

The table below shows the changes in net assets for the fiscal year 2011 and 2010.

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Revenues:						
Program revenues:						
Charges for services	\$ 2,307,046	\$ 1,610,257	\$ 1,299,865	\$ 1,224,609	\$ 3,606,911	\$ 2,834,866
Operating grants and contributions	14,547,813	14,167,110			14,547,813	14,167,110
Capital grants and contributions	481,261	750,009			481,261	750,009
General revenues:						
Property taxes	37,930,455	35,554,413			37,930,455	35,554,413
Grants and contributions not restricted to specific programs	818,451	944,850			818,451	944,850
Investment income	53,967	108,776	642	3,603	54,609	112,379
Miscellaneous revenue	50,000				50,000	
Transfers in	(812,549)	(828,130)	812,549	828,130		
Total revenues	<u>55,376,444</u>	<u>52,307,285</u>	<u>2,113,056</u>	<u>2,056,342</u>	<u>57,489,500</u>	<u>54,363,627</u>
Expenses:						
General government	3,262,683	3,318,654			3,262,683	3,318,654
Public safety	6,884,401	6,017,066			6,884,401	6,017,066
Public works	3,953,978	3,439,030			3,953,978	3,439,030
Recreation and culture	2,406,095	2,407,071			2,406,095	2,407,071
Sanitation	1,232,394	1,241,916			1,232,394	1,241,916
Board of education	36,604,217	33,273,139			36,604,217	33,273,139
Interest on long-term debt	1,765,127	1,338,547			1,765,127	1,338,547
Water			2,019,950	1,987,854	2,019,950	1,987,854
Total expenses	<u>56,108,895</u>	<u>51,035,423</u>	<u>2,019,950</u>	<u>1,987,854</u>	<u>58,128,845</u>	<u>53,023,277</u>
Change in net assets	(732,451)	1,271,862	93,106	68,488	(639,345)	1,340,350
Net Assets - July 1	<u>41,212,791</u>	<u>39,940,929</u>	<u>8,255,010</u>	<u>8,186,522</u>	<u>49,467,801</u>	<u>48,127,451</u>
Net Assets - June 30	<u>\$ 40,480,340</u>	<u>\$ 41,212,791</u>	<u>\$ 8,348,116</u>	<u>\$ 8,255,010</u>	<u>\$ 48,828,456</u>	<u>\$ 49,467,801</u>

Governmental Activities

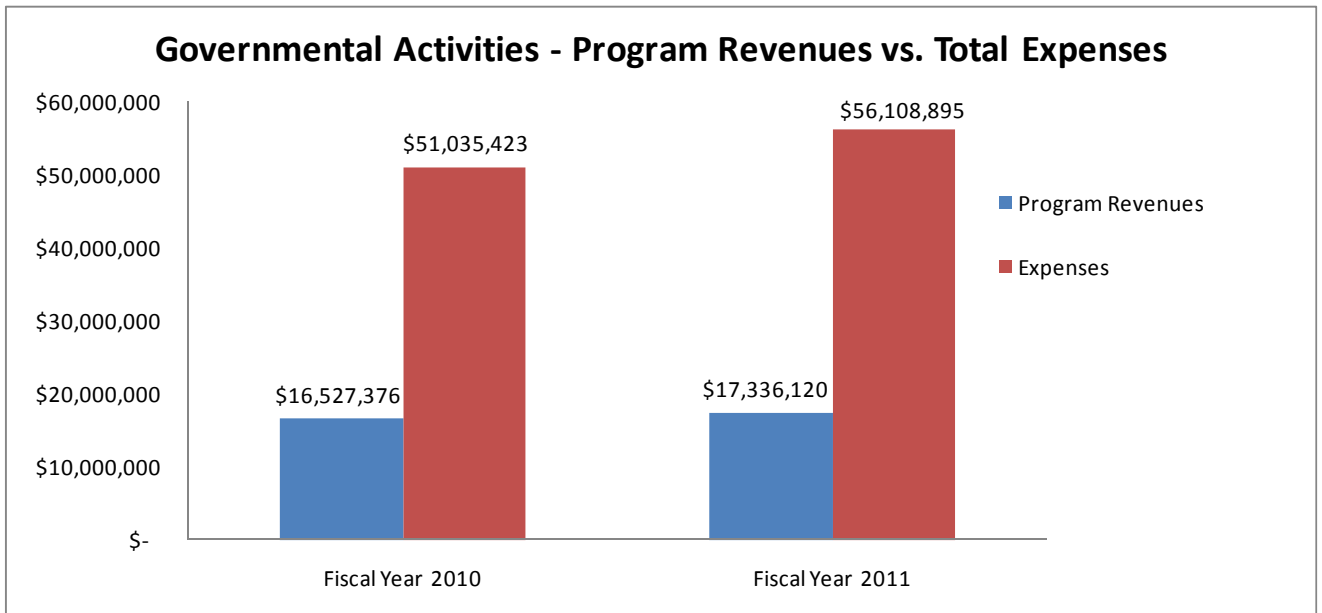
Governmental activities net assets decreased \$732,451 in 2011. This decrease is a result of an increase in general obligation debt and OPEB obligation from the prior year.

Education accounted for \$36,604,217 of the total expenses of the Town. These expenses were partially funded by \$14,547,813 in state and federal grants.

The state and federal government contributed to the Town a total of \$14,547,813 in operating grants and contributions.

General revenues totaled \$38,040,324 and amount to 68% of total governmental revenues. These revenues primarily consist of property and income tax revenue of \$37,304,455. The other primary source of general revenues is grants and contributions not restricted to specific programs, making up \$818,451.

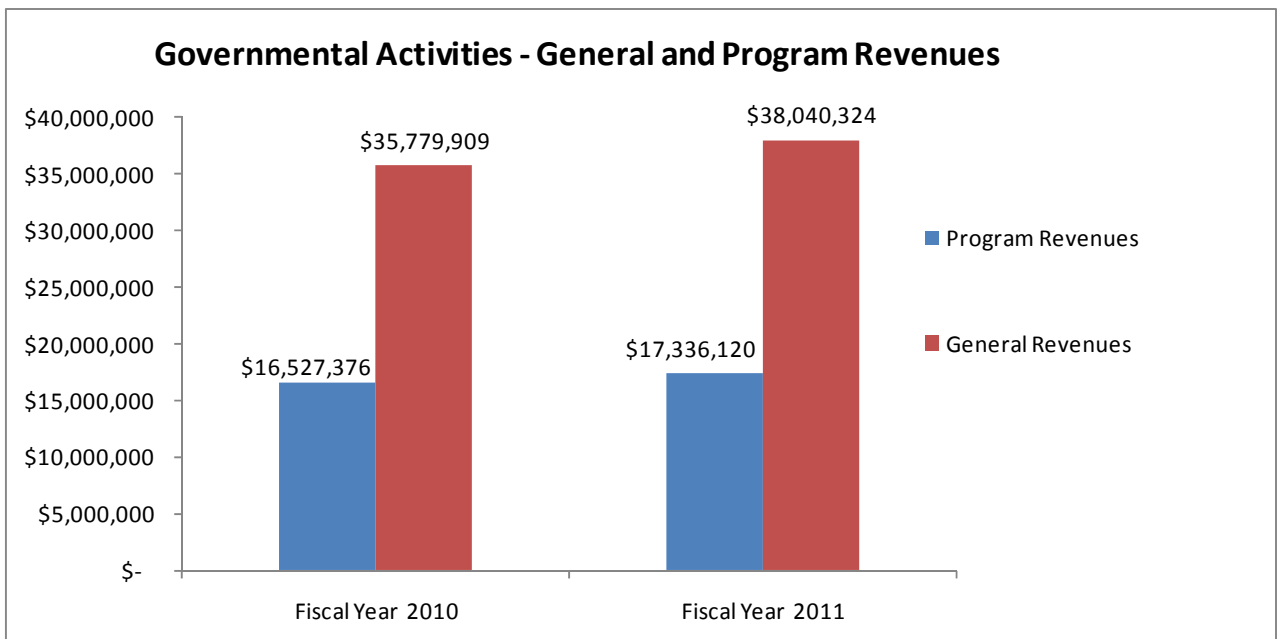
The statement of activities shows the cost of program services and charges for services and grants offsetting those services. The following table show, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by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



Governmental Activities

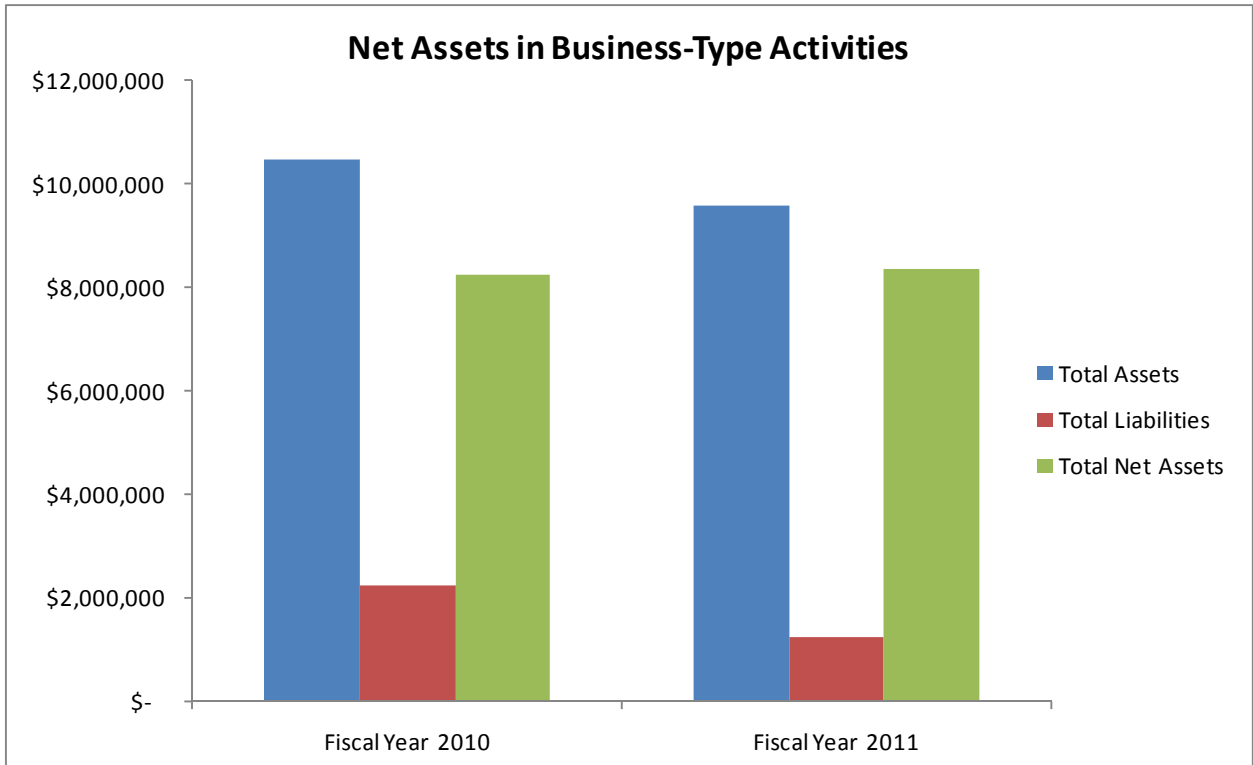
	2011	2010	2011	2010
	Total Cost of Services	Total Cost of Services	Net Cost of Services	Net Cost of Services
Program Expenses:				
General government	\$ 3,262,683	\$ 3,318,654	\$ 2,482,447	\$ 2,195,005
Public safety	6,884,401	6,017,066	6,823,788	5,947,211
Public works	3,953,978	3,439,030	2,994,057	2,476,276
Recreation and culture	2,406,095	1,241,916	2,397,625	1,226,291
Sanitation	1,232,394	2,407,071	1,213,494	19,143,057
Education	36,604,217	33,273,139	21,096,237	1,338,547
Interest on long-term debt	1,765,127	1,338,547	1,765,127	2,181,660
Total Expenses	\$ 56,108,895	\$ 51,035,423	\$ 38,772,775	\$ 34,508,047

The dependence upon general revenues for governmental activities is apparent, with 68% of expenses supported through taxes and other general revenues.



Business-Type Activities

Business-Type activities include the Town's Sewer enterprise. This program had program revenues of \$1,299,865 general revenues of \$642 and expenses of \$2,019,950 for the fiscal year 2011. The graph below shows the business-type activities assets, liabilities and net assets at year-end 2011 and 2010.



Financial Analysis of the Government's Funds

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

Governmental Funds

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

The Town's governmental funds (as presented on the balance sheet on page 15) reported a combined fund balance of (\$1,975,677) which is (\$3,039,474) below last year's total of \$1,063,797. The schedule below indicates the fund balances and the total change in fund balances as of June 30, 2011 for all major and non-major governmental funds.

	Fund Balances June 30, 2011	Fund Balances June 30, 2010	Increase (Decrease)
General Fund	\$ 3,579,806	\$ 3,748,279	\$ (168,473)
Middle School	(1,663,322)	(1,633,343)	(29,979)
Other Governmental Funds	<u>(3,892,161)</u>	<u>(1,051,139)</u>	<u>(2,841,022)</u>
Total	<u>\$ (1,975,677)</u>	<u>\$ 1,063,797</u>	<u>\$ (1,335,981)</u>

General Fund

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

	2011 Amount	2010 Amount	Percentage Change
Revenues:			
Property taxes	\$ 36,683,224	\$ 35,172,442	4.30%
Interest and lien fees	226,867	286,845	-20.91%
Intergovernmental	11,798,457	10,663,686	10.64%
Investment income	87,741	23,973	266.00%
Permits, fees and other	1,168,374	1,169,751	-0.12%
Other revenues	<u>94,234</u>	<u>72,178</u>	30.56%
Total	<u>\$ 50,058,897</u>	<u>\$ 47,388,875</u>	5.63%

Tax revenue represents 77% of all General Fund revenue. Tax revenue increased by 4.87% over prior year. The decrease in intergovernmental revenue is due to the states in-kind contribution was decreased from the past fiscal year. Other revenues decreased significantly, 78%, due to a one-time close out of completed capital projects.

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

	<u>2011</u> <u>Amount</u>	<u>2010</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
Expenditures:			
General government	\$ 2,570,357	\$ 2,427,160	5.90%
Public safety	6,195,999	5,572,474	11.19%
Public works	2,779,918	2,557,658	8.69%
Sanitation	1,220,125	1,241,916	-1.75%
Sundry	2,185,855	2,209,249	-1.06%
Board of education	30,179,163	28,397,600	6.27%
Debt service	<u>4,165,035</u>	<u>4,500,659</u>	-7.46%
Total	<u>\$ 49,296,452</u>	<u>\$ 46,906,716</u>	5.09%

All expenditures remained comparable to 2010 overall. The Public Safety Department increased due to contractual obligations, police over-time and the purchasing of additional vehicles. Other department increases were attributed to contractual agreements.

Proprietary Funds

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

Capital Assets and Debt Administration

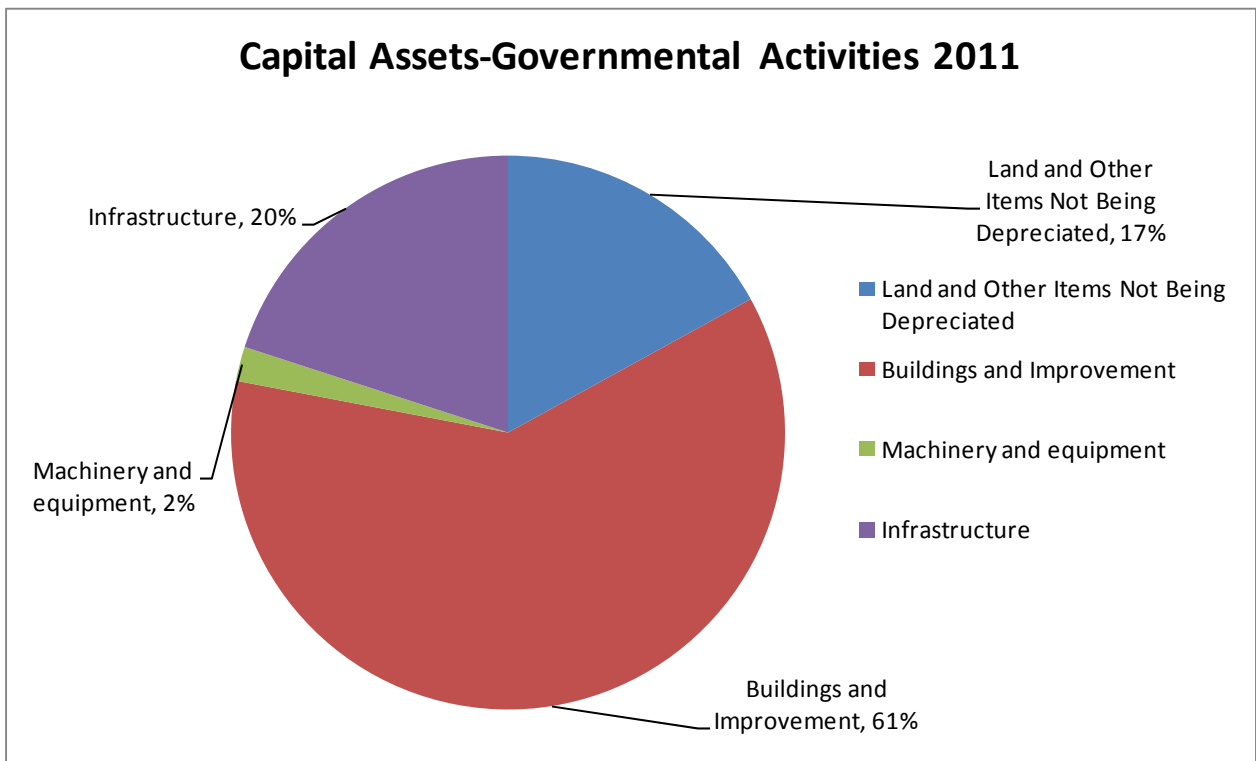
Capital Assets

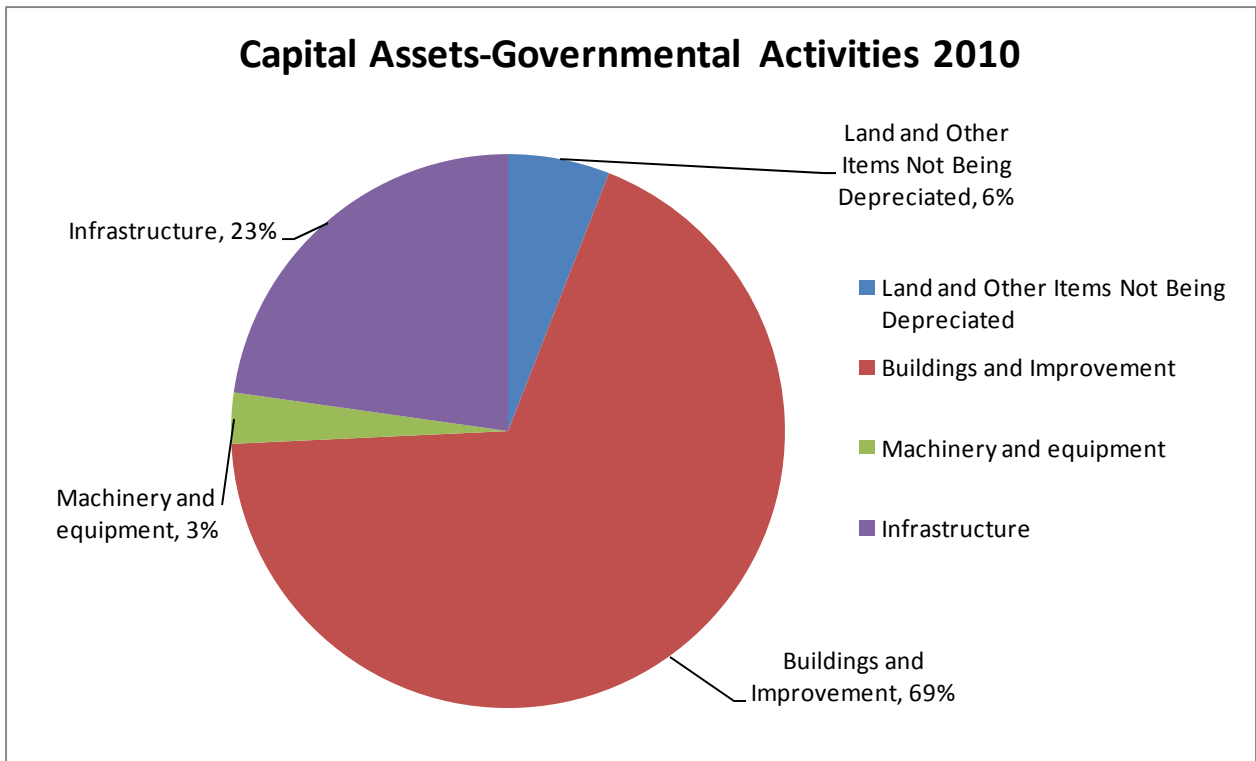
At the end of fiscal year 2011, the Town had \$80,152,655 (net of accumulated depreciation) invested in land, buildings and improvements, improvements other than buildings, equipment, vehicles, infrastructure and construction in progress. The following table shows fiscal year 2011 balances compared to fiscal year 2010 balances.

Capital Assets at June 30, 2011 and 2010 (Net of Depreciation)

	Governmental Activities	
	2011	2010
Land and other items not being depreciated	\$ 13,590,167	\$ 4,138,651
Buildings and improvements	48,914,342	50,139,529
Machinery and equipment	1,766,076	2,089,184
Infrastructure	15,882,070	16,635,604
Total	\$ 80,152,655	\$ 73,002,968

The Town's largest capital asset category is buildings which includes all the Town's buildings. The net book value of the Town's infrastructure (cost less accumulated depreciation) represents approximately 20% of the Town's total governmental capital assets.





Debt Administration

The Town had the following long-term obligations outstanding at June 30, 2011 and 2010. General obligation debt has increased and will continue to increase due to the construction of the new Chatfield elementary school.

	<u>Governmental Activities</u>	
	<u>2011</u>	<u>2010</u>
Retirement liability	\$ 323,018	\$ 496,839
Bonds, capital leases and contracts	36,959,150	33,437,850
OPEB	4,081,871	2,639,330
Compensated absences	<u>2,909,706</u>	<u>2,579,635</u>
Total	<u>\$ 44,273,745</u>	<u>\$ 39,153,654</u>

Contacting the Town's Financial Management

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

TOWN OF SEYMOUR, CONNECTICUT
STATEMENT OF NET ASSETS
JUNE 30, 2011

	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash	\$ 6,453,426	\$ 362,683	\$ 6,816,109
Property taxes receivable, net	1,976,112		1,976,112
Intergovernmental receivable	1,239,549		1,239,549
Accounts and other receivables, net	5,326,732	435,702	5,762,434
Inventories	20,099		20,099
Internal balances	(56,008)	56,008	-
Other assets	530,217		530,217
Deferred charges	128,725		128,725
Capital assets, nondepreciable	13,590,167		13,590,167
Capital assets, net of accumulated depreciation	66,562,488	8,731,640	75,294,128
	<u>95,771,507</u>	<u>9,586,033</u>	<u>105,357,540</u>
Total assets			
Liabilities:			
Accounts payable	4,119,991		4,119,991
Accrued liabilities	499,864		499,864
Accrued interest payable	584,990		584,990
Unearned revenue	1,097,577		1,097,577
Bond anticipation notes payable	4,715,000		4,715,000
Noncurrent liabilities, due within one year	3,171,285	694,721	3,866,006
Noncurrent liabilities, due in more than one year	41,102,460	543,196	41,645,656
	<u>55,291,167</u>	<u>1,237,917</u>	<u>56,529,084</u>
Total liabilities			
Net Assets:			
Invested in capital assets, net of related debt	38,478,505	7,493,723	45,972,228
Restricted	1,000		1,000
Unrestricted	2,000,835	854,393	2,855,228
	<u>40,480,340</u>	<u>8,348,116</u>	<u>48,828,456</u>
Total Net Assets	<u>\$ 40,480,340</u>	<u>\$ 8,348,116</u>	<u>\$ 48,828,456</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF SEYMOUR, CONNECTICUT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2011**

Functions/Programs	Expenses	Program Revenues			Net Revenues (Expenses) and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
General government	\$ 3,262,683	\$ 602,400	\$ 177,836	\$	\$ (2,482,447)	\$	\$ (2,482,447)
Public safety	6,884,401	47,128	13,485		(6,823,788)		(6,823,788)
Public works	3,953,978	478,103	557	481,261	(2,994,057)		(2,994,057)
Recreation and culture	2,406,095	8,470			(2,397,625)		(2,397,625)
Sanitation	1,232,394	18,900			(1,213,494)		(1,213,494)
Board of education	36,604,217	1,152,045	14,355,935		(21,096,237)		(21,096,237)
Interest on long-term debt	1,765,127				(1,765,127)		(1,765,127)
Total governmental activities	56,108,895	2,307,046	14,547,813	481,261	(38,772,775)	-	(38,772,775)
Business-Type Activities:							
Sewer Fund	2,019,950	1,299,865				(720,085)	(720,085)
Total Primary Government	\$ 58,128,845	\$ 3,606,911	\$ 14,547,813	\$ 481,261	(38,772,775)	(720,085)	(39,492,860)
General revenues:							
Property taxes, interest and lien fees					37,930,455		37,930,455
Grants and contributions not restricted to specific programs					818,451		818,451
Unrestricted investment earnings					53,967	642	54,609
Miscellaneous revenue					50,000		50,000
Transfers					(812,549)	812,549	-
Total general revenues and transfers					38,040,324	813,191	38,853,515
Change in net assets					(732,451)	93,106	(639,345)
Net Assets at Beginning of Year					41,212,791	8,255,010	49,467,801
Net Assets at End of Year					\$ 40,480,340	\$ 8,348,116	\$ 48,828,456

The accompanying notes are an integral part of the financial statements

TOWN OF SEYMOUR, CONNECTICUT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2011

	<u>General</u>	<u>Middle School</u>	<u>Chatfield LoPresti</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash	\$ 5,648,576	\$ 50,244	\$	\$ 754,607	\$ 6,453,427
Receivables, net:					
Property taxes	1,525,417				1,525,417
Intergovernmental	43,630			1,195,919	1,239,549
Accounts and other	5,167,362				5,167,362
Due from other funds	184,268	393,434		32,509	610,211
Inventories				20,099	20,099
Prepaid expenses	530,213				530,213
Total Assets	<u>\$ 13,099,466</u>	<u>\$ 443,678</u>	<u>\$ -</u>	<u>\$ 2,003,134</u>	<u>\$ 15,546,278</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts and other payables	\$ 2,507,975	\$	\$ 1,582,190	\$ 29,826	\$ 4,119,991
Due to other funds	88,517		321,692	256,010	666,219
Deferred revenue	6,423,304			1,097,577	7,520,881
Bond anticipation notes payable		2,107,000	2,000,000	608,000	4,715,000
Other liabilities	499,864				499,864
Total liabilities	<u>9,519,660</u>	<u>2,107,000</u>	<u>3,903,882</u>	<u>1,991,413</u>	<u>17,521,955</u>
Fund balances:					
Nonspendable	530,213			21,099	551,312
Restricted				536,072	536,072
Committed				290,406	290,406
Assigned	520,594				520,594
Unassigned	2,528,999	(1,663,322)	(3,903,882)	(835,856)	(3,874,061)
Total fund balances	<u>3,579,806</u>	<u>(1,663,322)</u>	<u>(3,903,882)</u>	<u>11,721</u>	<u>(1,975,677)</u>
Total Liabilities and Fund Balances	<u>\$ 13,099,466</u>	<u>\$ 443,678</u>	<u>\$ -</u>	<u>\$ 2,003,134</u>	<u>\$ 15,546,278</u>

(Continued on next page)

TOWN OF SEYMOUR, CONNECTICUT
BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2011

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

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

Total fund balances (Exhibit III)	\$ (1,975,677)
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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	\$ 119,033,625	
Less accumulated depreciation	<u>(38,880,970)</u>	
		80,152,655

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

Property tax and sewer assessment - interest and lien accrual	1,077,773
Property tax and sewer use assessments - accrual basis change	6,423,307
Allowance for doubtful accounts on interest and liens	(467,708)
Bond issue costs	128,725

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

Bonds and sewer notes payable	(36,005,000)
Compensated absences	(2,909,706)
Accrued interest payable	(584,990)
Early retirement incentives	(323,018)
Capital lease	(125,894)
Other post employment obligation	(4,081,871)
Deferred amounts in refunding	449,265
Bond premium	<u>(1,277,521)</u>

Net Assets of Governmental Activities (Exhibit I)	\$ <u><u>40,480,340</u></u>
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The accompanying notes are an integral part of the financial statements

TOWN OF SEYMOUR, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

	<u>General</u>	<u>Middle School</u>	<u>Chatfield LoPresti</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:					
Property taxes	\$ 36,683,224	\$	\$	\$	\$ 36,683,224
Interest and lien fees	226,867				226,867
Intergovernmental	11,798,457			4,053,782	15,852,239
Investment income	87,741				87,741
Permits, fees and other	1,168,374		23,324	1,283	1,192,981
Other revenues	94,234	22,761	83,889	754,532	955,416
Total revenues	<u>50,058,897</u>	<u>22,761</u>	<u>107,213</u>	<u>4,809,597</u>	<u>54,998,468</u>
Expenditures:					
Current:					
General government	2,570,357			114,500	2,684,857
Public safety	6,195,999			37,928	6,233,927
Public works	2,779,918			163,850	2,943,768
Sanitation	1,220,125				1,220,125
Sundry	2,185,855			156,940	2,342,795
Board of education	30,179,163			4,200,438	34,379,601
Debt service	4,165,035				4,165,035
Capital outlay		52,740	9,444,816	16,148	9,513,704
Total expenditures	<u>49,296,452</u>	<u>52,740</u>	<u>9,444,816</u>	<u>4,689,804</u>	<u>63,483,812</u>
Excess (Deficiency) of Revenues over Expenditures	<u>762,445</u>	<u>(29,979)</u>	<u>(9,337,603)</u>	<u>119,793</u>	<u>(8,485,344)</u>
Other Financing Sources (Uses):					
Bond issuance			6,000,000		6,000,000
Refunding bond issuance	12,145,000				12,145,000
Bond premiums	976,989		376,788		1,353,777
Payments to refunding bond escrow agent	(13,240,358)				(13,240,358)
Transfers out	(812,549)				(812,549)
Net other financing sources (uses)	<u>(930,918)</u>	<u>-</u>	<u>6,376,788</u>	<u>-</u>	<u>5,445,870</u>
Net Change in Fund Balances	(168,473)	(29,979)	(2,960,815)	119,793	(3,039,474)
Fund Balances at Beginning of Year	<u>3,748,279</u>	<u>(1,633,343)</u>	<u>(943,067)</u>	<u>(108,072)</u>	<u>1,063,797</u>
Fund Balances at End of Year	<u>\$ 3,579,806</u>	<u>\$ (1,663,322)</u>	<u>\$ (3,903,882)</u>	<u>\$ 11,721</u>	<u>\$ (1,975,677)</u>

(Continued on next page)

TOWN OF SEYMOUR, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2011

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

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

Net change in fund balances - total governmental funds (Exhibit IV)	\$ (3,039,474)
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:

Capital outlay	9,580,954
Depreciation expense	(2,427,549)
Loss on disposal of capital assets	(3,718)

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:

Decrease in property tax, sewer use assessment receivable - accrual basis change	(264,036)
Increase in property tax interest and lien revenue	1,077,773
Increase in property tax, sewer use interest and liens allowance for doubtful accounts	(467,708)

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

Bond issuance	(18,145,000)
Payments to refunding bond escrow agent	13,240,358
Payments on bonds	2,089,642
Change in accrued interest	(73,000)
Bond premiums	(1,353,777)
Deferred amount in refunding	475,692
Bond issue costs	136,300
Amortization of bond premium, deferred amount in refunding, and bond issue costs	42,257
Capital lease payments	121,956

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

Change in other post employment obligation	(1,566,871)
Compensated absences	(330,071)
Early retirement incentives	173,821

Change in Net Assets of Governmental Activities (Exhibit II)	\$ <u>(732,451)</u>
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The accompanying notes are an integral part of the financial statements

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

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues:				
Property taxes	\$ 36,533,489	\$ 36,533,489	\$ 36,683,224	\$ 149,735
Interest and lien fees	240,000	240,000	226,867	(13,133)
Intergovernmental	11,084,425	11,084,425	9,549,546	(1,534,879)
Investment income	85,000	85,000	87,741	2,741
Permits, fees and other	1,198,366	1,198,366	1,168,374	(29,992)
Other	230,000	230,000	94,234	(135,766)
Total revenues	<u>49,371,280</u>	<u>49,371,280</u>	<u>47,809,986</u>	<u>(1,561,294)</u>
Expenditures:				
Current:				
General government	2,623,819	2,645,035	2,549,540	95,495
Public safety	6,127,835	6,129,075	6,046,020	83,055
Public works	2,736,822	2,825,642	2,809,756	15,886
Sanitation	1,257,458	1,257,458	1,240,254	17,204
Sundry	2,358,888	2,270,612	2,183,191	87,421
Education	29,117,491	29,117,491	27,705,391	1,412,100
Debt service	5,148,967	5,148,967	5,095,953	53,014
Total expenditures	<u>49,371,280</u>	<u>49,394,280</u>	<u>47,630,105</u>	<u>1,764,175</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>(23,000)</u>	<u>179,881</u>	<u>202,881</u>
Other Financing Sources (Uses):				
Unassigned Fund Balance		<u>23,000</u>		<u>(23,000)</u>
Excess of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	<u>\$ -</u>	<u>\$ -</u>	<u>179,881</u>	<u>\$ 179,881</u>
Fund Balance at Beginning of Year			<u>2,879,331</u>	
Fund Balance at End of Year			<u>\$ 3,059,212</u>	

The accompanying notes are an integral part of the financial statements

TOWN OF SEYMOUR, CONNECTICUT
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2011

		Business-Type Activities Enterprise Funds
		<u>Sewer Fund</u>
Assets:		
Current assets:		
Cash	\$	362,683
Accounts receivable, net		435,702
Due from other funds		56,008
Total current assets		<u>854,393</u>
Noncurrent assets:		
Capital assets, net of accumulated depreciation:		
Plant and pumping station		<u>8,731,640</u>
Total assets		<u>9,586,033</u>
Liabilities:		
Current liabilities:		
Bonds, notes and loans payable		694,721
Noncurrent liabilities:		
Bonds, notes and loans payable		<u>543,196</u>
Total liabilities		<u>1,237,917</u>
Net Assets:		
Invested in capital assets, net of related debt		7,493,723
Unrestricted		<u>854,393</u>
Total Net Assets	\$	<u><u>8,348,116</u></u>

The accompanying notes are an integral part of the financial statements

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

	Business-Type Activities Enterprise Funds Sewer Fund
Operating Revenues:	
Charges for services	\$ <u>1,199,715</u>
Operating Expenses:	
Administration and operation	1,439,404
Depreciation	<u>547,345</u>
Total operating expenses	<u>1,986,749</u>
Operating Loss	<u>(787,034)</u>
Nonoperating Revenue (Expense):	
Miscellaneous revenue	100,150
Investment income	642
Interest expense	<u>(33,201)</u>
Total nonoperating revenue	<u>67,591</u>
Loss Before Transfers	(719,443)
Transfers In	<u>812,549</u>
Change in Net Assets	93,106
Net Assets at Beginning of Year	<u>8,255,010</u>
Net Assets at End of Year	\$ <u><u>8,348,116</u></u>

The accompanying notes are an integral part of the financial statements

**TOWN OF SEYMOUR, CONNECTICUT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Business-Type Activities Enterprise Funds Sewer Fund</u>
Cash Flows from Operating Activities:	
Receipts from customers	\$ 1,095,660
Payments to suppliers	(1,714,414)
Net cash used in operating activities	<u>(618,754)</u>
Cash Flows from Noncapital Financing Activities:	
Transfers in	812,549
Miscellaneous revenue	100,150
Principal payments on bonds	(779,348)
Interest expense	(33,201)
Net cash provided by noncapital financing activities	<u>100,150</u>
Cash Flows from Investing Activities:	
Investment income	<u>642</u>
Net Decrease in Cash	(517,962)
Cash at Beginning of Year	<u>880,645</u>
Cash at End of Year	<u><u>\$ 362,683</u></u>
Reconciliation of Operating Loss to Net Cash Used in Operating Activities:	
Operating loss	\$ (787,034)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation expense	547,345
Decrease (increase) in accounts receivable	(104,055)
Increase (decrease) in due to other funds	(56,008)
Increase (decrease) in accounts payable	<u>(219,002)</u>
Net Cash Used in Operating Activities	<u><u>\$ (618,754)</u></u>

The accompanying notes are an integral part of the financial statements

**TOWN OF SEYMOUR, CONNECTICUT
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2011**

	<u>Private Purpose Trust Fund</u>	<u>Agency Funds</u>
Assets:		
Cash	\$ 6,692	\$ 158,679
Investments	<u>1,444,477</u>	
Total assets	<u>1,451,169</u>	<u>158,679</u>
Liabilities:		
Due to beneficiaries		<u>158,679</u>
Net Assets:		
Held in Trust for Other Purposes	<u><u>\$ 1,451,169</u></u>	<u><u>\$ -</u></u>

The accompanying notes are an integral part of the financial statements

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

	<u>Private Purpose Trust Fund</u>
Additions:	
Investment income	\$ 299,803
Interest and dividends	14,415
Donations	1,900
Total additions	<u>316,118</u>
Deductions:	
Education	62,212
General government	14,906
Total deductions	<u>77,118</u>
Change in Net Assets	239,000
Net Assets at Beginning of Year	<u>1,212,169</u>
Net Assets at End of Year	<u>\$ 1,451,169</u>

The accompanying notes are an integral part of the financial statements

TOWN OF SEYMOUR, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

B. Basis of Presentation

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

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the Town's primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Agency funds, however, have no measurement focus.

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

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

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

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The Town reports the following major governmental funds:

The *General Fund* is the Town's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

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

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

The Town reports the following major proprietary fund:

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

Additionally, the Town reports the following fund types:

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

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

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989 are generally followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Town has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the enterprise funds and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary fund is charges to customers for services. Operating expenses for the enterprise fund includes the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

C. Cash Equivalents

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

D. Investments

Investments are stated at fair value.

E. Inventories and Prepaid Items

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

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

F. Receivables and Payables

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

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

G. Capital Assets

Capital assets, which include property, plant and equipment, and infrastructure assets (e.g. roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and enterprise fund financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$5,000 with an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend lives are not capitalized.

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

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

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

H. Compensated Absences

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

I. Long-Term Obligations

In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

J. Net OPEB Obligation

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

K. Equity

Equity in the government-wide financial statements is defined as "net 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.

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 (Board of Selectman).

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

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

The Town has a no minimum fund balance policy.

L. Property Taxes

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

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

M. Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

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

When the Town maintains a Reserve Fund for capital and nonrecurring expenditures in accordance with its Charter and/or Connecticut General Statutes, payments into and appropriations from the Reserve Fund shall be made only upon recommendations of the Board of Selectmen, Board of Finance and Town Meeting action regardless of the amount involved.

The Board of Finance shall pass onto a special Town Meeting for fiscal action, supplemental appropriations exceeding \$50,000 and supplemental appropriations of less than \$50,000 if, when added to supplemental appropriations previously approved in the current fiscal year, exceed \$50,000.

- Encumbrances are recognized as a valid and proper charge against budget appropriation in the year in which the purchase order, contract or other commitment is issued and, accordingly, encumbrances outstanding at year-end are reflected in budgetary reports as expenditures of the current year.
- Unencumbered appropriations generally lapse at year-end.
- For budgetary purposes, the Town treats encumbrances as expenditures.
- Additional appropriations of \$23,000 were made during fiscal year ended June 30, 2011.

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

	Revenues and Other Financing Sources	Expenditures and Other Financing Uses	Fund Balance
Balance, budgetary basis	\$ 47,809,986	\$ 47,630,105	\$ 3,059,212
Encumbrances outstanding at June 30, 2010, liquidated during the year ended June 30, 2011		868,948	
Encumbrances outstanding at June 30, 2011, charged to budgetary expenditures during the year ended June 30, 2011		(520,594)	520,594
Refunding bonds issued	12,145,000		
Premium on refunding bond issuance	976,989		
Debt service related to refunding		(118,369)	
Payments to escrow agent		13,240,358	
State teachers' retirement on-behalf payment	<u>2,248,911</u>	<u>2,248,911</u>	
Balance, GAAP Basis	<u>\$ 63,180,886</u>	<u>\$ 63,349,359</u>	<u>\$ 3,579,806</u>

B. Deficit Fund Equity

For the year ended June 30, 2011, the following funds had deficit balances:

Governmental Funds:	
Middle School	\$ 1,663,322
Chatfield LoPresti	3,903,882
EDC Grants	48,901
Education Grants	50,639
Strand Theater	51,823
Capital Projects	5,064
High School Expansion	679,429

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

3. DETAILED NOTES ON ALL FUNDS

A. Cash and Investments

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

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

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

Deposits

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

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$7,843,239 of the Town's bank balance of \$8,895,965 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 7,008,915
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name	<u>834,324</u>
Total Amount Subject to Custodial Credit Risk	<u><u>\$ 7,843,239</u></u>

Investments

As of June 30, 2011, the Town had the following investments:

Investment Type	Credit Rating	Investment Maturities (Years)			
		Fair Value	Less Than 1	1 - 10	More Than 10
Pooled fixed income mutual funds	N/A	\$ 431,326	\$ 431,326	\$	\$
Money market	N/A	9,533	9,533		
Equity mutual funds	N/A	<u>1,003,618</u>	<u>1,003,618</u>		
Total Investments		<u><u>\$ 1,444,477</u></u>	<u><u>\$ 1,444,477</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

N/A - Not Available

Investment Custodial Credit Risk - Custodial credit risk is the risk that, in the event of the failure of the counterparty (the institution that pledges collateral or repurchase agreement securities to the Town or that sells investments to or buys them for the Town), the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town does not have a policy for custodial credit risk. At June 30, 2011, the Town did not have any uninsured and unregistered securities held by the counterparty, or by its trust department or agent that were not in the Town's name.

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

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

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

B. Receivables

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

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Sewer</u>	<u>Total</u>
Receivables:				
Taxes	\$ 1,625,417	\$	\$	\$ 1,625,417
Accounts and other	5,167,362		495,702	5,663,064
Intergovernmental	43,630	1,195,919		1,239,549
Gross receivables	<u>6,836,409</u>	<u>1,195,919</u>	<u>495,702</u>	<u>8,528,030</u>
Less allowance for collection losses	<u>100,000</u>		<u>60,000</u>	<u>160,000</u>
Net Total Receivables	<u>\$ 6,736,409</u>	<u>\$ 1,195,919</u>	<u>\$ 435,702</u>	<u>\$ 8,368,030</u>

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

	<u>Unavailable</u>	<u>Unearned</u>
General Fund:		
Delinquent property taxes receivable	\$ 1,365,929	\$
Sewer assessments receivable	5,057,375	
Special Revenue Fund - Special Education Grants:		
Various education grants		<u>1,097,577</u>
Total	<u>\$ 6,423,304</u>	<u>\$ 1,097,577</u>

C. Fund Balance

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

	<u>General Fund</u>	<u>Middle School</u>	<u>Chatfield LoPresti</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Fund balances:					
Nonspendable:					
Endowment	\$	\$	\$	\$ 1,000	\$ 1,000
Inventory				20,099	20,099
Prepays	530,213				530,213
Restricted for:					
Grants				383,422	383,422
User Fees				152,650	152,650
Committed to:					
Public works				39,459	39,459
Public safety				116,476	116,476
Library				134,471	134,471
Assigned to:					
General government	46,493				46,493
Public works	43,416				43,416
Public safety	159,850				159,850
Sundry	23,465				23,465
Sanitation	20,615				20,615
Education	226,755				226,755
Unassigned	<u>2,528,999</u>	<u>(1,663,322)</u>	<u>(3,903,882)</u>	<u>(835,856)</u>	<u>(3,874,061)</u>
Total Fund Balances	<u>\$ 3,579,806</u>	<u>\$ (1,663,322)</u>	<u>\$ (3,903,882)</u>	<u>\$ 11,721</u>	<u>\$ (1,975,677)</u>

Significant encumbrances at June 30, 2011 are contained in the above table in the assigned category of the General Fund.

D. Capital Assets

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 3,152,873	\$	\$	\$ 3,152,873
Construction in progress	993,466	9,443,828		10,437,294
Total capital assets not being depreciated	<u>4,146,339</u>	<u>9,443,828</u>	<u>-</u>	<u>13,590,167</u>
Capital assets being depreciated:				
Buildings and improvements	64,806,026	21,237		64,827,263
Machinery and equipment	3,526,590	55,056	118,651	3,462,995
Vehicles	4,590,095	60,833		4,650,928
Infrastructure	32,502,272			32,502,272
Total capital assets being depreciated	<u>105,424,983</u>	<u>137,126</u>	<u>118,651</u>	<u>105,443,458</u>
Less accumulated depreciation for:				
Buildings and improvements	14,666,497	1,246,424		15,912,921
Machinery and equipment	2,503,977	243,879	114,933	2,632,923
Vehicles	3,531,212	183,712		3,714,924
Infrastructure	15,866,668	753,534		16,620,202
Total accumulated depreciation	<u>36,568,354</u>	<u>2,427,549</u>	<u>114,933</u>	<u>38,880,970</u>
Total capital assets being depreciated, net	<u>68,856,629</u>	<u>(2,290,423)</u>	<u>3,718</u>	<u>66,562,488</u>
Governmental Activities Capital Assets, Net	<u>\$ 73,002,968</u>	<u>\$ 7,153,405</u>	<u>\$ 3,718</u>	<u>\$ 80,152,655</u>
Business-type activities:				
Capital assets being depreciated:				
Buildings and improvements	\$ 9,320,229	\$	\$	\$ 9,320,229
Land improvements	222,630			222,630
Machinery and equipment	9,778,020			9,778,020
Licensed vehicles	479,847			479,847
Total capital assets being depreciated	<u>19,800,726</u>	<u>-</u>	<u>-</u>	<u>19,800,726</u>
Less accumulated depreciation for:				
Buildings and improvements	3,836,196	190,612		4,026,808
Land improvements	205,932	11,131		217,063
Machinery and equipment	6,208,926	336,265		6,545,191
Licensed vehicles	270,687	9,337		280,024
Total accumulated depreciation	<u>10,521,741</u>	<u>547,345</u>	<u>-</u>	<u>11,069,086</u>
Business-Type Activities Capital Assets, Net	<u>\$ 9,278,985</u>	<u>\$ (547,345)</u>	<u>\$ -</u>	<u>\$ 8,731,640</u>

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

Governmental activities:	
General government	\$ 5,100
Public works	837,673
Public safety	353,209
Sundry	34,621
Education	<u>1,196,946</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 2,427,549</u>
Business-type activities:	
Sewer Operating	<u>\$ 547,345</u>

Construction Commitments

The government has an active construction project as of June 30, 2011. The project includes renovations and additions at the Chatfield LoPresti School. At year-end, the government’s commitments with contractors are as follows:

<u>Project</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Chatfield LoPresti project	\$ <u>10,404,553</u>	\$ <u>22,095,447</u>

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

E. Interfund Receivables, Payables and Transfers

Interfund loans were generally used to transfer monies as a result of issuing bonds. The composition of interfund balances as of June 30, 2011 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor Funds	\$ 179,516
	Chatfield LoPresti Fund	4,752
		<u>184,268</u>
Middle School Fund	Chatfield LoPresti Fund	316,940
	Nonmajor Funds	76,494
		<u>393,434</u>
Nonmajor Funds	General Fund	<u>32,509</u>
Sewer Enterprise Fund	General Fund	<u>56,008</u>
Total		<u>\$ 666,219</u>

All balances are expected to be repaid within a year.

Interfund transfers are generally used to supplement revenues of other funds. The transfers that occurred during the year were from the General Fund and to the Sewer Enterprise Fund, which totaled \$812,549.

F. Long-Term Debt

Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2011 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds payable	\$ 33,190,000	\$ 18,145,000	\$ 15,330,000	\$ 36,005,000	\$ 2,585,000
Premiums		1,353,777	76,256	1,277,521	
Less: Deferred amount in refunding		<u>(475,692)</u>	<u>(26,427)</u>	<u>(449,265)</u>	
Total bonds payable	<u>33,190,000</u>	<u>19,023,085</u>	<u>15,379,829</u>	<u>36,833,256</u>	<u>2,585,000</u>
Capital leases	247,850		121,956	125,894	125,894
Compensated absences	2,579,635	434,084	104,013	2,909,706	313,190
OPEB	2,639,330	1,442,541		4,081,871	
Retirement obligations	<u>496,839</u>		<u>173,821</u>	<u>323,018</u>	<u>147,201</u>
Total Governmental Activities	<u>\$ 39,153,654</u>	<u>\$ 20,899,710</u>	<u>\$ 15,779,619</u>	<u>\$ 44,273,745</u>	<u>\$ 3,171,285</u>

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

General Obligation Bonds

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

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

<u>Description</u>	<u>Date of Issue</u>	<u>Maturity</u>	<u>Interest Rate (%)</u>	<u>Amount of Original Issue</u>	<u>Annual Principal</u>	<u>Balance Outstanding June 30, 2011</u>
Refunding Bonds issued 2004B	2004	2019	3.0%-5.0%	\$ 9,915,000	\$ 45,000-1,150,000	\$ 9,105,000
Refunding Bonds issued 2010B	2010	2025	2.0%-5.0%	12,145,000	110,000-945,000	12,145,000
Refunding Bonds, series 2001A	2001	2016	2.4%-4.45%	8,105,000	295,000-715,000	3,865,000
School Bonds issued 2001	2001	2019	4.0%-5.25%	15,833,500	875,000-1,100,000	894,700
Public Improvement Bonds (Police)	2001	2019	4.0%-5.25%	1,907,000	875,000-1,100,000	108,000
Sewer Bonds issued 2001	2001	2019	4.0%-5.25%	412,500	875,000-1,100,000	23,300
Public Improvement Bonds (Land)	2001	2019	4.0%-5.25%	1,312,000	875,000-1,100,000	74,000
Public and School Improvement	2007	2032	4.0%-4.375%	3,660,000	195,000-335,000	3,260,000
School Bonds issued 2010	2010	2026	2.0%-4.0%	6,000,000	300,000	6,000,000
School Bonds issued 2005	2005	2011	3.5%-5.5%	10,000,000	530,000	<u>530,000</u>
Total Outstanding						<u>\$ 36,005,000</u>

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

	<u>Governmental Activities</u>		<u>Sewer Notes</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2012	\$ 2,585,000	\$ 1,477,874	\$ 694,721	\$ 17,686
2013	2,955,000	1,261,292	271,598	8,376
2014	3,260,000	1,145,567	271,598	2,941
2015	3,275,000	1,026,956		
2016	3,300,000	909,248		
2017-2021	12,660,000	2,796,086		
2022-2026	6,170,000	951,536		
2027-2031	1,500,000	209,250		
2032	<u>300,000</u>	<u>6,000</u>		
Total	<u>\$ 36,005,000</u>	<u>\$ 9,783,809</u>	<u>\$ 1,237,917</u>	<u>\$ 29,003</u>

Statutory Debt Limitation

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

<u>Category</u>	<u>Debt Limit</u>	<u>Indebtedness</u>	<u>Balance</u>
General purpose	\$ 82,940,211	\$ 3,842,739	\$ 79,097,472
Schools	165,880,422	52,476,440	113,403,982
Sewers	138,233,685	15,006,830	123,226,855
Urban renewal	119,802,527		119,802,527
Pension deficit	110,586,948		110,586,948

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, or \$258,036,212. All long-term debt obligations are retired through General Fund appropriations. The indebtedness reflected above includes bonds and notes outstanding in addition to the amounts of bonds authorized and unissued against which bond anticipation notes are issued and outstanding.

General Obligation Bonds - Advance Refunding

On August 4, 2010, the Town issued \$12,145,000 of general obligation refunding bonds with interest rates ranging from 2% to 5% to currently refund the outstanding principal amounts of \$5,160,000 General Obligation Bonds, Series 2004A, dated August 1, 2004 and \$7,350,000 General Obligations Bonds, Series 2005 dated August 1, 2005.

The net proceeds of \$13,240,358 (including a premium of \$976,989 and issuance costs of \$136,297, including underwriter’s fees) will reduce total debt service payments over the next 12 years by approximately \$740,845 and represents an economic gain (difference between present values of the debt service payments on the old and new debt) of \$691,853. As a result, the refunded bonds are considered defeased, and all future interest and principal on the defeased bonds will be paid from the proceeds of the refunding issue which were placed into an irrevocable escrow account until all the defeased bonds have been called. The balance in escrow was \$12,748,092 at June 30, 2011. The outstanding balance of the defeased bonds as of June 30, 2011 is \$12,145,000.

In prior years, the Town had defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Town’s financial statements. The balance in escrow was \$9,027,565 at June 30, 2011. The outstanding balance of the defeased bonds as of June 30, 2011 is \$9,105,000.

Bond Anticipation Notes

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

Bond anticipation note transactions for the year ended June 30, 2011 were as follows:

Outstanding, July 1, 2010	\$ 5,315,000
New borrowings	4,715,000
Repayments	<u>(5,315,000)</u>
Outstanding, June 30, 2011	<u>\$ 4,715,000</u>

The bond anticipation notes bearing a net interest cost of 2.00% were issued on August 4, 2010 and mature on August 11, 2011.

Authorized but Unissued Bonds

The total of authorized but unissued bonds at June 30, 2011 is \$30,606,009. In most cases, interim financing is obtained through bond anticipation notes or other short-term borrowings until the issuance of long-term debt.

Capital Leases

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

The assets acquired through capital leases are as follows:

	<u>Governmental Activities</u>
Asset:	
Equipment	\$ 361,778
Less: Accumulated depreciation	<u>253,245</u>
Total	<u>\$ 108,533</u>

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

Capital Lease Future Payments Year Ending June 30,	<u>Amount</u>
2012	\$ 129,960
Less portion representing interest	<u>(4,066)</u>
Total Future Principal Payments	<u>\$ 125,894</u>

Early Retirement Incentive Plan

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

At June 30, 2011, 21 individuals are receiving benefits under this plan through 2015. A liability of \$323,018 is accrued in the government-wide statement of net assets.

4. EMPLOYEE RETIREMENT PLANS

Municipal Employees' Retirement System

Plan Description

The Town participates in the Municipal Employees' Retirement System (MERS). MERS is a cost-sharing, multiple employer public employee retirement system (PERS) defined benefit plan established by the State of Connecticut and administered by the State Retirement Commission to provide retirement and disability benefits, annual cost-of-living adjustments and death benefits to the employees and beneficiaries of participating municipalities. Chapter 113 Part II of the General Statutes of Connecticut, which can be amended by legislative action, establishes PERS benefits,

member contribution rates and other plan provisions. MERS is considered to be a part of the State of Connecticut's financial reporting entity and is included in the State's financial report as a pension trust fund. MERS issues a financial report that may be obtained by writing to the State of Connecticut, Office of the State Comptroller, Municipal Employees' Retirement Fund, 55 Elm Street, Hartford, CT 06106.

Contributions Required and Contributions Made

Each participating municipality is required by State Statute to pay an actuarially determined percentage of covered payroll to provide for benefits based on current service. The current rate is 9.5% of covered payroll. The Statute also requires each municipality to pay an annual amount for benefits based on service prior to the unit's date of participation. This amount is a level dollar amortization (including interest and principal) over varying time periods depending on the unit's date of participation and other factors. The Town contributions for the years ended June 30, 2011, 2010 and 2009 were \$327,654, \$235,328 and \$210,077, respectively.

B. Teachers Retirement

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

All certified teachers are eligible to participate in the plan and are required to contribute 7.25% of their annual earnings. The Board of Education does not contribute to the plan. Prior to July 1, 1989, teachers were vested in their contributions up to 5% of their earnings prior to five years of service. After five years of service, teachers were fully vested in their own contributions. After ten years of service, teachers are fully vested and entitled to a monthly pension benefit that is payable at the age of 60. The State of Connecticut contributes amounts based on the actuarial reserve basis described in C.G.S. Sections 10-1831 and 10-1832. The State's contribution to the plan on behalf of the Town for the fiscal year ended June 30, 2011 was \$2,248,911 and is recognized in the governmental funds GAAP-basis statement of revenues, expenditures and changes in fund balance. For the year ended June 30, 2011, teachers of the Town of Seymour contributed \$1,058,312 to the plan, and covered payroll for the year was \$14,597,394.

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

5. OTHER POSTEMPLOYMENT BENEFITS

Plan Description

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

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

	Medical Benefit Plan
Retire members	107
Spouses of retired members	45
Active plan members	<u>264</u>
Total Participants	<u><u>416</u></u>

Funding Policy

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

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

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

Town Employees

Town retirees (pre 65) receiving medical coverage under the plan contribute \$714/month for employee and \$836/month for the spouse. Retirees (post 65) receiving medical coverage under the plan contribute \$380/month for each the employee and the spouse. Retirees receiving dental coverage under the plan contribute \$34/month for employee and \$54/month for the spouse.

Board of Education Employees

Board of Education retirees (pre 65) receiving medical coverage under the plan contribute \$674/month for employee and \$771/month for the spouse. Retirees (post 65) receiving medical coverage under the plan contribute \$139/month for each the employee and the spouse. Retirees

receiving dental coverage under the plan contribute \$30/month for employee and \$54/month for the spouse.

For the year ended June 30, 2011, plan members contributed \$378,665 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 \$1,249,000 were made in accordance with actuarially determined requirements. Of this amount, \$714,000 represents premium payments, \$535,000 represents implicit rate subsidy and \$-0- was contributed to prefund benefits.

Annual OPEB Cost and Net OPEB Obligations

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

	Medical Benefit Plan
Annual required contribution (ARC)	\$ 2,684,000
Interest on net OPEB obligation	105,573
Adjustment to annual required contribution	(98,032)
Annual OPEB cost	2,691,541
Contributions made	1,249,000
Increase in net OPEB obligation	1,442,541
Net OPEB obligation, beginning of year	2,639,330
Net OPEB Obligation, End of Year	\$ 4,081,871

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

Fiscal Year Ending	Annual OPEB Cost (AOC)	Actual Contribution	Percentage of AOC Contributed	Net OPEB Obligation
6/30/09	\$ 2,371,000	\$ 1,081,000	45.59%	\$ 1,290,000
6/30/10	2,520,330	1,171,000	46.46	2,639,330
6/30/11	2,691,541	1,249,000	46.40	4,081,871

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

	Medical Benefit Plan
Actuarial valuation date	7/1/2009
Actuarial cost method	Projected Unit Credit
Amortization method	Level Dollar Closed
Remaining amortization period	28 years
Asset valuation method	N/A
Actuarial assumptions:	
Investment rate of return	4.00%
Healthcare inflation rate:	
Initial	6.50%
Ultimate	4.40%

Funding Status and Funding Progress

The funded status of the plan is as follows:

Plan Year	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage Of Covered Payroll
7/1/2007	\$ -	\$ 34,949,000	\$ 34,949,000	0%	\$ n/a	n/a
7/1/2009	-	38,401,000	38,401,000	0%	n/a	n/a

Schedule of Employer Contributions

Year Ended June 30,	Annual Required Contribution	Actual Contribution	Percent Contributed
2009	\$ 2,371,000	\$ 1,081,000	45.6%
2010	2,515,000	1,178,000	46.6
2011	2,684,000	1,249,000	46.5

6. OTHER INFORMATION

A. Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; error and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks did not exceed commercial insurance coverage during the three years ended June 30, 2011.

The Town maintains stop loss insurance on workers' compensation claims. The Town's maximum exposure for the year ended June 30, 2011 was \$450,000 in the aggregate and per incident. The Town estimates a liability for workers' compensation claims payable and for claims incurred but not reported. As of June 30, 2011, this amount was \$411,000.

B. Commitments

The Town's Water Pollution Control Authority (WPCA) has contracted with an outside firm to operate its water treatment plant. The contract, which expires June 30, 2014, calls for an annual operating cost plus adjustments for the consumer price index and new dwellings added to the system. At June 30, 2011, the base contract commitment is \$966,204 per year.

C. Contingent Liabilities

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

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

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

C. Subsequent Events

On August 2, 2011, the Town issued the following:

- \$5,995,000 of general obligation bonds with interest rates ranging from 2.5% to 5.0%, maturing in 2032.
- \$3,215,000 of general obligation refunding bonds with interest rates ranging from 2.5% to 4.0%, maturing in 2016.
- \$6,715,000 general obligation bond anticipation notes with an interest rate of 2%, maturing on August 9, 2012.

**TOWN OF SEYMOUR, CONNECTICUT
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES -
BUDGET AND ACTUAL - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues:				
Property taxes	\$ 36,533,489	\$ 36,533,489	\$ 36,683,224	\$ 149,735
Interest and lien fees	240,000	240,000	226,867	(13,133)
Intergovernmental:				
Education:				
Education transportation	241,873	241,873	220,739	(21,134)
Education cost sharing	9,836,508	9,836,508	8,399,709	(1,436,799)
Total Education	<u>10,078,381</u>	<u>10,078,381</u>	<u>8,620,448</u>	<u>(1,457,933)</u>
Other:				
State Provided Highway	149,243	149,243	148,975	(268)
Property Tax Loss	23,235	23,235	72,599	49,364
Pilot Program - Ray House			31,717	31,717
Enterprise Zone Program	5,600	5,600	28,855	23,255
Mashantucket Pequot Fund	67,811	67,811	66,936	(875)
Boat Tax	3,238	3,238	2,620	(618)
HEART Program	154,000	154,000	141,174	(12,826)
State Distribution of a Telephone Tax	77,000	77,000	43,514	(33,486)
Local Capital Projects	115,917	115,917	114,403	(1,514)
Veterans Exemption	18,000	18,000	18,696	696
Disabled Exemption	2,000	2,000	4,225	2,225
Manufacturers Exemption	390,000	390,000	255,384	(134,616)
Total Other	<u>1,006,044</u>	<u>1,006,044</u>	<u>929,098</u>	<u>(76,946)</u>
Total Intergovernmental	<u>11,084,425</u>	<u>11,084,425</u>	<u>9,549,546</u>	<u>(1,534,879)</u>

(Continue on next page)

**TOWN OF SEYMOUR, CONNECTICUT
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES -
BUDGET AND ACTUAL - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Permits, Fees and Other:				
Parking Stickers	\$ 3,500	\$ 3,500	\$ 2,980	\$ (520)
Valley Health District Rent	17,496	17,496	18,900	1,404
Pistol Permits	2,000	2,000	4,930	2,930
Parking Fines	5,000	5,000	3,410	(1,590)
Ordinance Fines	1,000	1,000	17,292	16,292
Judicial Fines			3,756	3,756
Police Reports	1,800	1,800	1,782	(18)
Building Inspector	110,000	110,000	126,041	16,041
Miscellaneous	25,630	25,630	8,938	(16,692)
Real Estate Conveyance Tax	150,000	150,000	90,342	(59,658)
Dog Licenses	300	300	992	692
Dog Warden Receipts	495	495	3,610	3,115
Seymour Recreation Department	77,995	77,995	67,758	(10,237)
Inland Wetlands	150	150	915	765
Commercial Transfer Station	56,000	56,000	42,412	(13,588)
Residential Transfer Station	15,000	15,000	19,895	4,895
Town Clerk	100,000	100,000	118,173	18,173
Zoning Board of Appeals	1,000	1,000	1,490	490
Fire Marshal Permits	3,000	3,000	2,240	(760)
Planning and Zoning	8,000	8,000	7,435	(565)
Sewer Assessments	395,000	395,000	397,385	2,385
Oxford Sewer Payments	75,000	75,000	75,000	-
Water Assessments	150,000	150,000	152,698	2,698
Total Permits, Fees and Other	<u>1,198,366</u>	<u>1,198,366</u>	<u>1,168,374</u>	<u>(29,992)</u>
Interest and Dividends:				
Interest General Fund	25,000	25,000	29,360	4,360
Water Assessment Interest	60,000	60,000	58,381	(1,619)
Total Interest and Dividends	<u>85,000</u>	<u>85,000</u>	<u>87,741</u>	<u>2,741</u>
Other:				
Sale of Surplus Property			50,000	50,000
Police Administration Fees	30,000	30,000	44,234	14,234
Transfer From Capital Project Funds	200,000	200,000		(200,000)
Total Other	<u>230,000</u>	<u>230,000</u>	<u>94,234</u>	<u>(135,766)</u>
Total revenues	<u>49,371,280</u>	<u>49,371,280</u>	<u>47,809,986</u>	<u>(1,561,294)</u>
Other Financing Sources:				
Undesignated Fund Balance		23,000		(23,000)
Total Revenues and Other Financing Sources	<u>\$ 49,371,280</u>	<u>\$ 49,394,280</u>	<u>\$ 47,809,986</u>	<u>\$ (1,584,294)</u>

**TOWN OF SEYMOUR, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -
BUDGET AND ACTUAL - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
General Government:				
Selectmen's Office	\$ 276,355	\$ 283,655	\$ 280,040	\$ 3,615
Probate court	12,000	12,000	12,000	-
Registrar of Voters	78,803	86,803	79,572	7,231
Board of Finance	41,597	41,597	40,258	1,339
Assessors Office	270,136	275,769	274,752	1,017
Town Treasurer	118,598	118,598	115,783	2,815
Town Counsel	200,000	200,000	173,777	26,223
Town Clerk	271,664	271,985	270,102	1,883
Tax Collector	206,060	206,168	206,046	122
Town Buildings and Computers	459,445	458,205	441,511	16,694
Planning and Zoning	22,269	22,269	21,386	883
Board of Zoning Appeals	861	861	740	121
Economic Development Commission	45,440	45,440	20,075	25,365
Printing and Legal Ads	15,000	15,000	14,560	440
Town Meetings and Public Hearings	4,200	4,200	3,058	1,142
Finance Department	436,307	437,401	435,081	2,320
Office of Compliance	74,601	74,601	74,585	16
Senior Citizens Tax Freeze	50,000	50,000	50,000	-
Town Planner	40,483	40,483	36,214	4,269
Total General Government	<u>2,623,819</u>	<u>2,645,035</u>	<u>2,549,540</u>	<u>95,495</u>
Public Safety:				
Fire Department	356,872	356,872	356,811	61
Police Department	4,943,009	4,943,009	4,873,886	69,123
Dog Warden	38,386	39,626	38,738	888
Communications Commission	144,316	144,316	142,797	1,519
Fire Marshal	514,757	514,757	507,104	7,653
Ambulance	130,495	130,495	126,684	3,811
Total Public Safety	<u>6,127,835</u>	<u>6,129,075</u>	<u>6,046,020</u>	<u>83,055</u>
Public Works:				
Highway Wages/Maintenance	2,225,772	2,314,592	2,301,665	12,927
Street Lighting	170,000	170,000	169,400	600
Town Engineer	73,300	73,300	73,296	4
Highway Materials	158,000	158,000	157,361	639
Parks	109,750	109,750	108,034	1,716
Total Public Works	<u>2,736,822</u>	<u>2,825,642</u>	<u>2,809,756</u>	<u>15,886</u>

(Continued on next page)

**TOWN OF SEYMOUR, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -
BUDGET AND ACTUAL - BUDGETARY BASIS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Sanitation:				
Collection of Refuse	\$ 1,044,250	\$ 1,044,250	\$ 1,029,544	\$ 14,706
Sanitation	126,753	126,753	124,255	2,498
Valley Health Department	86,455	86,455	86,455	-
Total Sanitation	<u>1,257,458</u>	<u>1,257,458</u>	<u>1,240,254</u>	<u>17,204</u>
Sundry:				
Library	490,912	502,069	496,603	5,466
Recreation Commission	17,250	17,250	17,250	-
Town Health Contributions	12,008	12,008	12,007	1
Town Contributions	13,775	13,775	13,775	-
Town Miscellaneous	102,584	2,584	2,441	143
Recreation Programs	214,059	214,154	187,258	26,896
Culture and Arts Commission	41,700	41,700	39,476	2,224
Valley Regional Planning	11,614	11,614	10,814	800
Services to the Elderly	112,717	113,189	106,723	6,466
Town Insurance Program	1,297,040	1,297,040	1,256,464	40,576
Inland Wetlands	32,209	32,209	27,360	4,849
Lake Authority	13,020	13,020	13,020	-
Total Sundry	<u>2,358,888</u>	<u>2,270,612</u>	<u>2,183,191</u>	<u>87,421</u>
Debt Service	<u>5,148,967</u>	<u>5,148,967</u>	<u>5,095,953</u>	<u>53,014</u>
Education	<u>29,117,491</u>	<u>29,117,491</u>	<u>27,705,391</u>	<u>1,412,100</u>
Total Expenditures	<u>\$ 49,371,280</u>	<u>\$ 49,394,280</u>	<u>\$ 47,630,105</u>	<u>\$ 1,764,175</u>

**TOWN OF SEYMOUR, CONNECTICUT
GENERAL FUND
REPORT OF TAX COLLECTOR
FOR THE YEAR ENDED JUNE 30, 2011**

Grand List Year	Uncollected Taxes July 1, 2010	Current Year	Lawful Corrections		Transfers to Suspense	Adjusted Amount Collectible	Collections			Uncollected Taxes June 30, 2011
			Additions	Deductions			Taxes	Interest and Lien Fees	Total	
1995	\$ 41,313	\$	\$	\$	\$	\$ 41,313	\$ 234	\$ 597	\$ 831	\$ 41,079
1996	31,374					31,374	374	928	1,302	31,000
1997	21,076					21,076	152	353	505	20,924
1998	10,771					10,771				10,771
1999	17,389			262		17,127				17,127
2000	38,097					38,097	472	601	1,073	37,625
2001	29,084					29,084	69	99	168	29,015
2002	31,038					31,038	796	824	1,620	30,242
2003	33,119					33,119	683	817	1,500	32,436
2004	58,592					58,592	8,494	4,862	13,356	50,098
54 2005	96,923		47	2,761		94,209	22,199	16,517	38,716	72,010
2006	147,953			13,771		134,182	47,582	29,524	77,106	86,600
2007	303,370		645	21,214		282,801	115,856	56,379	172,235	166,945
2008	701,809		93,630	19,364		776,075	366,345	89,801	456,146	409,730
Total Prior Years	1,561,908	-	94,322	57,372	-	1,598,858	563,256	201,302	764,558	1,035,602
2009		36,737,262	127,391	221,229		36,643,424	35,960,606	139,790	36,100,396	682,818
Sub total	1,561,908	36,737,262	221,713	278,601	-	38,242,282	36,523,862	341,092	36,864,954	1,718,420
Less: Angram	93,763					93,763	760	1,878	2,638	93,003
Total	\$ 1,468,145	\$ 36,737,262	\$ 221,713	\$ 278,601	\$	\$ 38,148,519	\$ 36,523,102	\$ 339,214	\$ 36,862,316	\$ 1,625,417

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

Special Revenue Funds							
	<u>LOCIP</u>	<u>Open Space</u>	<u>EDC Grants</u>	<u>Skate Park</u>	<u>HUD Cities Grant Fund</u>	<u>Dog Fund</u>	<u>Library Fund</u>
ASSETS							
Cash	\$ 71,717	\$ 39,459	\$ 27,461	\$	\$ 123,877	\$ 2,532	\$ 134,471
Due from other governments	13,605						
Due from other funds	39,024			10,000			
Inventory							
Total Assets	<u>\$ 124,346</u>	<u>\$ 39,459</u>	<u>\$ 27,461</u>	<u>\$ 10,000</u>	<u>\$ 123,877</u>	<u>\$ 2,532</u>	<u>\$ 134,471</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts and other payables/due to State	\$	\$	\$	\$	\$	\$	\$
Due to other funds			76,362				
Bond anticipation notes							
Deferred revenue							
Total liabilities	<u>-</u>	<u>-</u>	<u>76,362</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:							
Nonspendable							
Restricted	124,346			10,000	123,877		
Committed		39,459				2,532	134,471
Unassigned			(48,901)				
Total fund balances	<u>124,346</u>	<u>39,459</u>	<u>(48,901)</u>	<u>10,000</u>	<u>123,877</u>	<u>2,532</u>	<u>134,471</u>
Total Liabilities and Fund Balances	<u>\$ 124,346</u>	<u>\$ 39,459</u>	<u>\$ 27,461</u>	<u>\$ 10,000</u>	<u>\$ 123,877</u>	<u>\$ 2,532</u>	<u>\$ 134,471</u>

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**TOWN OF SEYMOUR, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2011**

Special Revenue Funds

	<u>Education Grants Fund</u>	<u>School Lunch Fund</u>	<u>Police Seizure Fund</u>	<u>Matthies Fund</u>	<u>Officer Enhancement Fund</u>	<u>Strand Theater Fund</u>	<u>Ambulance</u>	<u>Community Policing Fund</u>
ASSETS								
Cash	\$ 31,453	\$ 49,663	\$ 19,136	\$ 178,144	\$	\$ 21,597	\$	\$ 54,097
Due from other governments	1,097,577	70,781		13,956				
Due from other funds							59,847	
Inventory		20,099						
Total Assets	<u>\$ 1,129,030</u>	<u>\$ 140,543</u>	<u>\$ 19,136</u>	<u>\$ 192,100</u>	<u>\$ -</u>	<u>\$ 21,597</u>	<u>\$ 59,847</u>	<u>\$ 54,097</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts and other payables/due to State	\$ 15,445	\$ 14,381	\$	\$	\$	\$	\$	\$
Due to other funds	66,647			39,450		73,420		
Bond anticipation notes								
Deferred revenue	1,097,577							
Total liabilities	<u>1,179,669</u>	<u>14,381</u>	<u>-</u>	<u>39,450</u>	<u>-</u>	<u>73,420</u>	<u>-</u>	<u>-</u>
Fund Balances:								
Nonspendable		20,099						
Restricted		106,063	19,136	152,650				
Committed							59,847	54,097
Unassigned	(50,639)					(51,823)		
Total fund balances	<u>(50,639)</u>	<u>126,162</u>	<u>19,136</u>	<u>152,650</u>	<u>-</u>	<u>(51,823)</u>	<u>59,847</u>	<u>54,097</u>
Total Liabilities and Fund Balances	<u>\$ 1,129,030</u>	<u>\$ 140,543</u>	<u>\$ 19,136</u>	<u>\$ 192,100</u>	<u>\$ -</u>	<u>\$ 21,597</u>	<u>\$ 59,847</u>	<u>\$ 54,097</u>

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**TOWN OF SEYMOUR, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2011**

	Capital Projects			Permanent Fund		Total Nonmajor Governmental Funds
	Park and Infrastructure Improvement Fund	Capital Projects	High School Expansion	Charles Pine Fund	Eliminations	
ASSETS						
Cash	\$	\$	\$	\$ 1,000	\$	\$ 754,607
Due from other governments						1,195,919
Due from other funds					(76,362)	32,509
Inventory						20,099
Total Assets	\$	\$	\$	\$ 1,000	\$ (76,362)	\$ 2,003,134
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts and other payables/due to State	\$	\$	\$	\$	\$	\$ 29,826
Due to other funds		5,064	71,429		(76,362)	256,010
Bond anticipation notes			608,000			608,000
Deferred revenue						1,097,577
Total liabilities	-	5,064	679,429	-	(76,362)	1,991,413
Fund Balances:						
Nonspendable				1,000		21,099
Restricted						536,072
Committed						290,406
Unassigned		(5,064)	(679,429)			(835,856)
Total fund balances	-	(5,064)	(679,429)	1,000	-	11,721
Total Liabilities and Fund Balances	\$	\$	\$	\$ 1,000	\$ (76,362)	\$ 2,003,134

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

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	<u>Special Revenue Funds</u>						
	<u>LOCIP</u>	<u>Open Space</u>	<u>EDC Grants</u>	<u>Skate Park</u>	<u>HUD Cities Grant Fund</u>	<u>Dog Fund</u>	<u>Library Fund</u>
Revenues:							
Intergovernmental	\$ 32,681		\$ 43,719				\$ 106,885
Investment income							355
Other		97	1,578		276		623
Total revenues	<u>32,681</u>	<u>97</u>	<u>45,297</u>	<u>-</u>	<u>276</u>	<u>-</u>	<u>107,863</u>
Expenditures:							
Current:							
General government		5,742			19		
Public safety						2,856	
Public works	33,666		130,184				
Sundry							102,064
Education							
Capital outlay							
Total expenditures	<u>33,666</u>	<u>5,742</u>	<u>130,184</u>	<u>-</u>	<u>19</u>	<u>2,856</u>	<u>102,064</u>
Net Change in Fund Balances	(985)	(5,645)	(84,887)	-	257	(2,856)	5,799
Fund Balances at Beginning of Year	<u>125,331</u>	<u>45,104</u>	<u>35,986</u>	<u>10,000</u>	<u>123,620</u>	<u>5,388</u>	<u>128,672</u>
Fund Balances at End of Year	<u>\$ 124,346</u>	<u>\$ 39,459</u>	<u>\$ (48,901)</u>	<u>\$ 10,000</u>	<u>\$ 123,877</u>	<u>\$ 2,532</u>	<u>\$ 134,471</u>

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**TOWN OF SEYMOUR, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2011**

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	<u>Special Revenue Funds</u>							
	<u>Education Grants Fund</u>	<u>School Lunch Fund</u>	<u>Police Seizure Fund</u>	<u>Matthies Fund</u>	<u>Officer Enhancement Fund</u>	<u>Strand Theater Fund</u>	<u>Ambulance</u>	<u>Community Policing Fund</u>
Revenues:								
Intergovernmental	\$ 3,111,917	\$ 330,940	\$	\$ 79,978	\$	\$	\$	\$ 13,485
Investment income		76	10	762	7	23		50
Other	22,590	633,857	501	42,831		39,408	611	
Total revenues	<u>3,134,507</u>	<u>964,873</u>	<u>511</u>	<u>123,571</u>	<u>7</u>	<u>39,431</u>	<u>611</u>	<u>13,535</u>
Expenditures:								
Current:								
General government				108,736				
Public safety			3,506		22,382			9,184
Public works								
Sundry						54,876		
Education	3,206,098	994,340						
Capital outlay								
Total expenditures	<u>3,206,098</u>	<u>994,340</u>	<u>3,506</u>	<u>108,736</u>	<u>22,382</u>	<u>54,876</u>	<u>-</u>	<u>9,184</u>
Net Change in Fund Balances	(71,591)	(29,467)	(2,995)	14,835	(22,375)	(15,445)	611	4,351
Fund Balances at Beginning of Year	<u>20,952</u>	<u>155,629</u>	<u>22,131</u>	<u>137,815</u>	<u>22,375</u>	<u>(36,378)</u>	<u>59,236</u>	<u>49,746</u>
Fund Balances at End of Year	<u><u>\$ (50,639)</u></u>	<u><u>\$ 126,162</u></u>	<u><u>\$ 19,136</u></u>	<u><u>\$ 152,650</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (51,823)</u></u>	<u><u>\$ 59,847</u></u>	<u><u>\$ 54,097</u></u>

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**TOWN OF SEYMOUR, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2011**

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	<u>Capital Projects</u>			<u>Permanent Fund</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>Park and Infrastructure Improvement Fund</u>	<u>Capital Projects</u>	<u>High School Expansion</u>	<u>Charles Pine Fund</u>	
Revenues:					
Intergovernmental	\$	\$ 334,177	\$	\$	\$ 4,053,782
Investment income					1,283
Other			12,160		754,532
Total revenues	<u>-</u>	<u>334,177</u>	<u>12,160</u>	<u>-</u>	<u>4,809,597</u>
Expenditures:					
Current:					
General government	3				114,500
Public safety					37,928
Public works					163,850
Sundry					156,940
Education					4,200,438
Capital outlay			16,148		16,148
Total expenditures	<u>3</u>	<u>-</u>	<u>16,148</u>	<u>-</u>	<u>4,689,804</u>
Net Change in Fund Balances	(3)	334,177	(3,988)	-	119,793
Fund Balances at Beginning of Year	<u>3</u>	<u>(339,241)</u>	<u>(675,441)</u>	<u>1,000</u>	<u>(108,072)</u>
Fund Balances at End of Year	<u>\$ -</u>	<u>\$ (5,064)</u>	<u>\$ (679,429)</u>	<u>\$ 1,000</u>	<u>\$ 11,721</u>

TOWN OF SEYMOUR, CONNECTICUT
COMBINING STATEMENT OF NET ASSETS - PRIVATE PURPOSE TRUST FUNDS
JUNE 30, 2011

	Private Purpose Trust Funds				
	Harold K. Beach Fund	Charles B. Wooster Fund	Richard R. Pearson Memorial Fund	Library Special Book Fund	Total
Assets:					
Cash	\$ 5,549	\$	\$ 304	\$ 839	\$ 6,692
Investments	<u>5,549</u>	<u>1,444,477</u>	<u>304</u>	<u>839</u>	<u>1,444,477</u>
Total assets	<u>5,549</u>	<u>1,444,477</u>	<u>304</u>	<u>839</u>	<u>1,451,169</u>
 Net Assets Held in Trust	 <u>\$ 5,549</u>	 <u>\$ 1,444,477</u>	 <u>\$ 304</u>	 <u>\$ 839</u>	 <u>\$ 1,451,169</u>

**TOWN OF SEYMOUR, CONNECTICUT
COMBINING STATEMENT OF CHANGES IN NET ASSETS -
PRIVATE PURPOSE TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2011**

	Private Purpose Trust Funds				Total
	Harold K. Beach Fund	Charles B. Wooster Fund	Richard R. Pearson Memorial Fund	Library Special Book Fund	
Additions:					
Investment income	\$	\$ 299,803	\$	\$	\$ 299,803
Interest and dividends		14,415			14,415
Donations			1,900		1,900
Total additions	<u>-</u>	<u>314,218</u>	<u>1,900</u>	<u>-</u>	<u>316,118</u>
Deductions:					
Education		62,212			62,212
General government	496	12,476	1,900	34	14,906
Total deductions	<u>496</u>	<u>74,688</u>	<u>1,900</u>	<u>34</u>	<u>77,118</u>
Change in Net Assets	(496)	239,530	-	(34)	239,000
Net Assets Held in Trust - Beginning of Year	<u>6,045</u>	<u>1,204,947</u>	<u>304</u>	<u>873</u>	<u>1,212,169</u>
Net Assets Held in Trust - End of Year	<u>\$ 5,549</u>	<u>\$ 1,444,477</u>	<u>\$ 304</u>	<u>\$ 839</u>	<u>\$ 1,451,169</u>

**TOWN OF SEYMOUR, CONNECTICUT
STATEMENT OF CHANGES IN
FIDUCIARY ASSETS AND LIABILITIES -
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Balance, July 1, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance, June 30, 2011</u>
Student Activities Fund				
Assets:				
Cash	\$ <u>196,441</u>	\$ <u>405,111</u>	\$ <u>442,873</u>	\$ <u>158,679</u>
Total assets	\$ <u><u>196,441</u></u>	\$ <u><u>405,111</u></u>	\$ <u><u>442,873</u></u>	\$ <u><u>158,679</u></u>
Liabilities:				
Due to others	\$ <u>196,441</u>	\$ <u>405,111</u>	\$ <u>442,873</u>	\$ <u>158,679</u>
Total liabilities	\$ <u><u>196,441</u></u>	\$ <u><u>405,111</u></u>	\$ <u><u>442,873</u></u>	\$ <u><u>158,679</u></u>

**TOWN OF SEYMOUR, CONNECTICUT
SCHEDULE OF DEBT LIMITATION
JUNE 30, 2011**

Total Tax Collections (Including Interest and Lien Fees) for the Year Ended June 30, 2011	\$ 36,862,316
Reimbursement for Revenue Loss: Tax relief for elderly	<u>-</u>
Base for Debt Limitation Computation	<u>\$ 36,862,316</u>

	<u>General Purpose</u>	<u>Schools</u>	<u>Sewers</u>	<u>Urban Renewal</u>	<u>Pension Deficit</u>
Debt Limitation:					
2 1/4 times base	\$ 82,940,211				
4 1/2 times base		165,880,422			
3 3/4 times base			138,233,685		
3 1/4 times base				119,802,527	
3 times base					<u>110,586,948</u>
Total debt limitation	<u>82,940,211</u>	<u>165,880,422</u>	<u>138,233,685</u>	<u>119,802,527</u>	<u>110,586,948</u>
Indebtedness:					
Bond anticipation notes		4,715,000			
Bonds authorized but unissued	259,589	30,194,442	151,978		
Town bonds payable	<u>3,583,150</u>	<u>17,566,998</u>	<u>14,854,852</u>		
Net Indebtedness (1) (2)	<u>3,842,739</u>	<u>52,476,440</u>	<u>15,006,830</u>	<u>-</u>	<u>-</u>
Debt Limitation in Excess of Indebtedness	<u>\$ 79,097,472</u>	<u>\$ 113,403,982</u>	<u>\$ 123,226,855</u>	<u>\$ 119,802,527</u>	<u>\$ 110,586,948</u>

(1) The total of the above net indebtedness amounts to: \$ 71,326,009

In no event shall total indebtedness exceed seven times the base for debt limitation computation: \$ 258,036,212

(2) There is no overlapping debt.