

# TOWN OF WETHERSFIELD CONNECTICUT



## COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2013

**COMPREHENSIVE  
ANNUAL FINANCIAL REPORT**

*of the*

**TOWN OF WETHERSFIELD,  
CONNECTICUT**

**FOR THE YEAR ENDED**

*JUNE 30, 2013*

**PREPARED BY:**

**THE FINANCE DEPARTMENT**

**LINDA R. SAVITSKY, INTERIM FINANCE DIRECTOR**

# TOWN OF WETHERSFIELD, CONNECTICUT

## TABLE OF CONTENTS

### Page

### Introductory Section

Organization Chart	i
Letter of Transmittal	ii-vi
Certificate of Achievement	vii
List of Principal Officials	viii

### Financial Section

Independent Auditors' Report	1-3
Management's Discussion and Analysis	4-18

### Exhibit

#### **Basic Financial Statements:**

##### Government-Wide Financial Statements:

I	Statement of Net Position	19
II	Statement of Activities	20

##### Fund Financial Statements:

###### Governmental Funds:

III	Balance Sheet	21-22
IV	Statement of Revenues, Expenditures and Changes in Fund Balances	23-24
Proprietary Fund:		
V	Statement of Net Position	25
VI	Statement of Revenues, Expenses and Changes in Net Position	26
VII	Statement of Cash Flows	27

###### Fiduciary Funds:

VIII	Statement of Fiduciary Net Position	28
IX	Statement of Changes in Fiduciary Net Position - Fiduciary Funds	29
	Notes to Financial Statements	30-53

#### **Required Supplementary Information:**

##### General Fund:

RSI-1	Schedule of Revenues and Other Financing Sources - Budget and Actual	54-55
RSI-2	Schedule of Expenditures and Other Financing Uses - Budget and Actual	56-57

#### **Combining and Individual Fund Statements and Schedules:**

##### General Fund:

A-1	Comparative Balance Sheet	58
A-2	Report of Tax Collector	59

##### Nonmajor Governmental Funds:

B-1	Combining Balance Sheet	60-62
B-2	Combining Statement of Revenues, Expenditures and Changes in Fund Balances	63-65

##### Internal Service Funds:

C-1	Combining Statement of Net Position	66
C-2	Combining Statement of Revenues, Expenses and Changes in Net Position	67
C-3	Combining Statement of Cash Flows	68

	Private Purpose Funds:	
D-1	Combining Statement of Net Position	69
D-2	Combining Statement of Revenues, Expenses and Changes in Net Position	70
	Agency Funds:	
E	Combining Statement of Changes in Assets and Liabilities	71

## **Statistical Section**

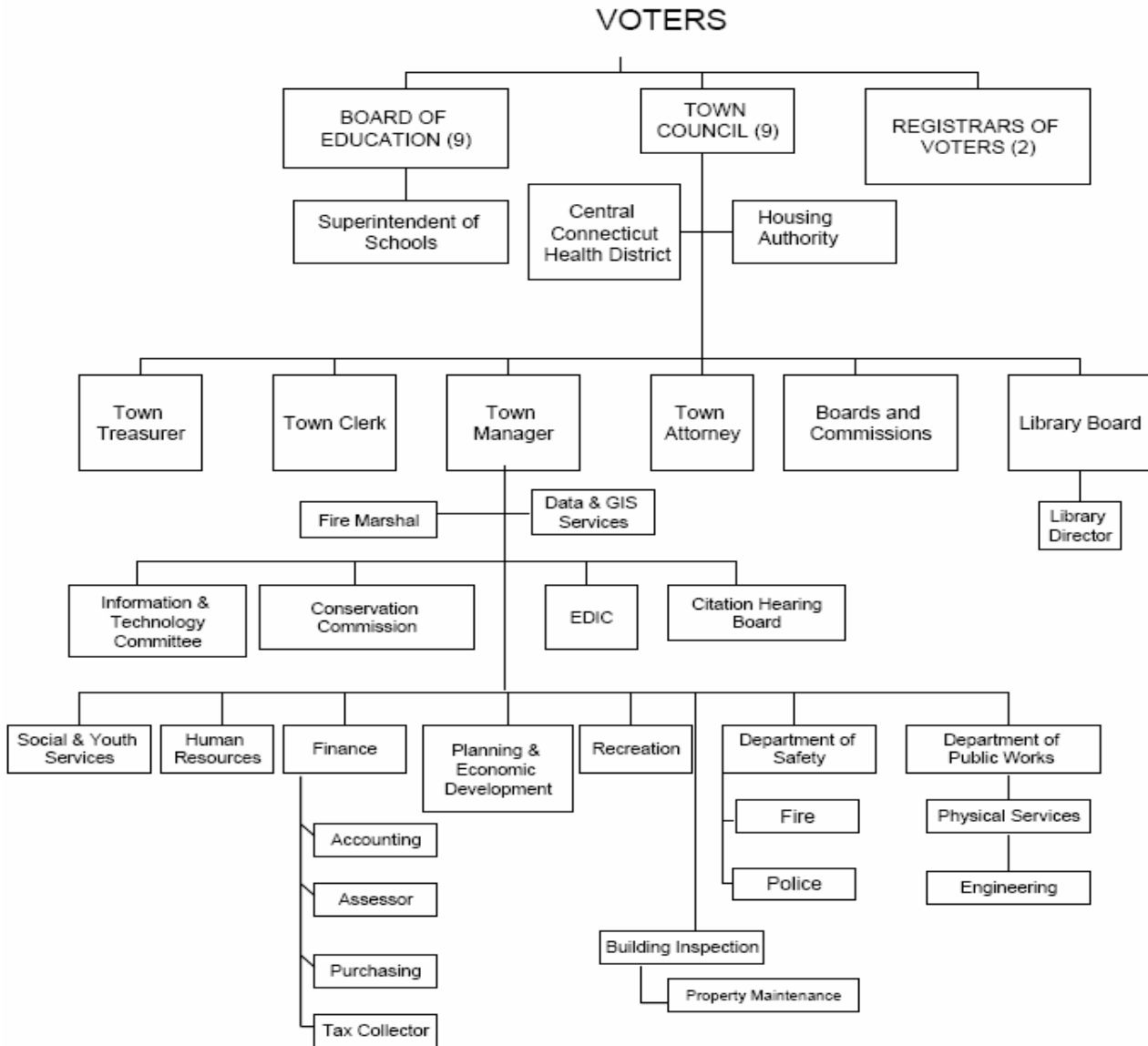
### **Tables**

	Financial Trends:	
1	Net Position by Component	72
2	Changes in Net Position	73
3	Fund Balances - Governmental Funds	74
4	Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	75
	Revenue Capacity:	
5	Assessed and Estimated Actual Value of Taxable Property	76
6	Principal Property Taxpayers	77
7	Property Tax Rates, Levies and Collections	78
	Debt Capacity:	
8	Schedule of Debt Limitation	79
9	Direct and Overlapping Debt	80
10	Ratios of Net General Bonded Debt per Capita	81
11	Legal Debt Margin Information	82
	Demographics and Economic Statistics:	
12	Demographic and Economic Statistics	83
13	Principal Employers	84
	Operating Information:	
14	Town Governmental Full-Time Equivalent Employees by Function	85
15	Operating Indicators by Function	86
16	Capital Asset Statistics by Function	87
17	Capital Asset Statistics by Function/Program	88

# **Introductory Section**

# TOWN OF WETHERSFIELD, CONNECTICUT

## ORGANIZATION CHART





December 10, 2013

Honorable Members of Town Council, Mayor, and Town Manager  
Town of Wethersfield  
Wethersfield, Connecticut 06109

State law requires that all local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, I hereby submit the Comprehensive Annual Financial Report (CAFR) of the Town of Wethersfield, Connecticut, for the fiscal year ended June 30, 2013.

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

The Town of Wethersfield's financial statements have been audited by BlumShapiro. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town of Wethersfield for the fiscal year ended June 30, 2013, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the Town of Wethersfield's financial statements for the fiscal year ended June 30, 2013, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

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

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

### **Profile of the Government**

The Town of Wethersfield, settled in 1634 and incorporated in 1822, is one of the oldest communities in Connecticut. Known as "Ye Most Ancient Towne" in Connecticut, Wethersfield is a suburban, residential town blending a modern cosmopolitan community with strong ties to a deeply rooted colonial heritage dating back to 1634. A unique old-town historic district established in 1962, located along the scenic riverfront, attracts tourists, and a more recently developed commercial and industrial area serves the community and the region.

Covering an area of 13.0 square miles, the Town is located in the central region of the State, immediately south of the City of Hartford. Wethersfield is also bordered by Newington on the west, Rocky Hill on the south, and the Connecticut River on the east. The towns of East Hartford and Glastonbury are directly across the Connecticut River from Wethersfield.

The transportation system is highlighted by access to Interstate Route 91 which follows the Connecticut River through Wethersfield and connects the Town to Interstate Routes 95 and 84. These interstate connections permit two-hour travel time to both New York and Boston. Routes 5 and 15, also known as the Berlin Turnpike and the Wilbur Cross Parkway, respectively, are major regional connector routes that give residents and employers easy access to New Haven and Fairfield counties. Route 3 connects Wethersfield with Glastonbury and Route 2 via a bridge across the Connecticut River. Route 99, the Silas Deane Highway, is the major commercial district. A total of 105 miles of Town roads and 20 miles of state roads provide a comprehensive highway network. The community is well served by local bus service, is home to a stretch of the Providence and Worcester Railroad freight rail line, and is 25 miles from Bradley International Airport in Windsor Locks.

The Town's population of approximately 26,690 is stable with a higher than average median age. The 2010 median household income of \$71,284 is 105.2% of the Connecticut average of \$67,740 as stated by the 2006-2010 American Community Survey. Federal Census data released in mid-November updated median income to \$77,000 for the three year period from 2010-2012.

The Town provides a full range of municipal services including police and fire protection, maintenance and sanitation, health, human services, library, education, cultural and recreational activities, public improvements, planning and zoning, and general administrative services. The relatively high median age indicates a demand for services to the elderly, which the Town provides with numerous programs and services.

Wethersfield adopted the Council-Manager form of government in 1953. The Town Charter was last revised in November 2004. The Town Council recently approved the creation of a Charter Revision Commission to conduct a decennial review as required by Connecticut General Statutes (CGS). The Town Council exercises the legislative power of the Town and determines all matters of policy. The Town Council is composed of a Mayor and eight councilors who are all elected at-large. The Mayor and each councilor serve a two-year term. The Town Manager is the CEO of the administrative branch of the Town government and is responsible to the Town Council for the administration of all affairs relating to the Town.

The offices of the Town Clerk and Town Treasurer are subordinate to and appointed by the Town Council. The Town Clerk is charged with keeping public records in accordance with CGS and serves as the Clerk to the Town Council. The Town Treasurer is responsible for the receipt, disbursement and custody of public funds. The Town Council appoints the Town Attorney and members of various boards and commissions.

The Board of Education is comprised of nine members serving either two- or four-year terms as provided by the Town Charter. At each biennial Town election, three members are elected for terms of four years, and three members are elected for terms of two years. The Board of Education appoints the Superintendent of Schools, who administers the Wethersfield school system.

The annual budget serves as the foundation for the Town of Wethersfield's financial planning and control. All agencies of the Town of Wethersfield are required to submit requests for appropriations to the Town Manager. The Town Manager uses these requests as the starting point for developing a proposed budget for presentation to Town Council. On the third Monday in April, a public hearing is conducted to obtain taxpayers' comments. On or before the 15th of May, the budget is legally adopted by the Town Council through the passage of a series of motions and the required rate of taxation is set accordingly. The General Fund is the only fund for which a legal budget is adopted. During fiscal year 2013, the Council established a separate tax levy of .39 mills to fund road repairs and reconstruction. The funds are shown in the Capital Projects Fund. This will be a continuing practice of the Town.

### **Factors Affecting Financial Condition**

The information presented in the financial statements is best understood when it is considered from the broader perspective of the specific environment within which the Town of Wethersfield operates.

**Local Economy:** Wethersfield is an ideal community for business with its strategic location within the Greater Hartford region. Centrally situated on the western bank of the Connecticut River just four miles south of downtown Hartford, Wethersfield is conveniently located on one of New England's key interstate highways, I-91, and within minutes of Interstate 84. The Town has created a business-friendly environment and is focused upon creating business opportunities in the Town's three commercial areas: along the Silas Deane Highway, the Berlin Turnpike, and in Historic Old Wethersfield.

**Economic Diversification:** The Town's tax base is diversified and is not reliant on any one employer or major taxpayer. The list of top employers and top taxpayers includes a diversity of business types which include several State offices, apartment complexes, office buildings, retailers, utility companies and a health care center.

**Strategic Plan:** The Town is actively working to maintain the diversity in its economic base through the implementation of the strategies contained within the Town's Economic Development Strategic Plan. The Economic Development Strategic Plan 2009 is consistent with the Town's current Plan of Conservation and Development and responsive to the challenges and issues facing the Town. The 2009 Strategic Plan's mission is to attract and retain business growth and development for the purpose of expanding and developing the tax base, creating jobs, and improving the quality of life in Wethersfield. The primary goal is to grow the commercial and industrial portion of the grand list to support a diverse and sustainable local economy at a rate that supports a balanced tax base. Other goals are broken down into the categories of marketing and recruitment, business assistance, retention and expansion, business corridors and aesthetics, sites, development services, and administrative.

During fiscal year 2013, the Town updated the 2000 Plan of Conservation and Development which forecasts the Town's strategic policies regarding future land use in the community; the plan was adopted on June 1, 2013.

**Business Activity:** Despite the slowdown in the economy, the Town has been able to maintain a consistent level of new business activity in the *three (3) main business districts*. Some of the more notable projects include:

- The Hartford Hospital Sleep Disorder Center opened;
- Construction continued for a new medical office building for Hartford Hospital on the Silas Deane Highway;
- Several new businesses that have opened over the last year include: OMG Sushi, Pet Supplies Plus, Ann's Beauty Salon, The Jones Group, Be Beautiful Salon, \$3.99 Dry Cleaners, & Cinderella's Attic;
- Two restaurants have been approved; Buffalo Wild Wings and Chip's.

**Future Development:** The Economic Development and Improvement Commission and Redevelopment Agency continue efforts to support the local business community and encourage redevelopment of underutilized properties as a top priority:

- Administered the Façade Improvement program which provides matching funds to commercial businesses and properties by supporting rehabilitation of the property. Over the past few years, this program has provided financial assistance to over twenty (20) commercial properties.
- Received a STEAP grant for \$250,000 for Phase IV of the Silas Deane Highway Streetscape improvement program.

The Redevelopment Agency continued to act as a catalyst to encourage the revitalization of underutilized properties:

- Entered into an agreement to partner with the owner of 1000 Silas Deane Highway (Former Weight Watchers) with the Redevelopment Plan for this 3.5 acre property. A Redevelopment Plan has been approved for a mixed-use development that would result in the development of up to 40,000 square feet of commercial space and approximately 100 units of market rate apartment units. The project would create a \$20 million dollar development opportunity. The Town is pursuing financial assistance to help with this project.

The Tourism Commission continued to promote the Historic Wethersfield brand to encourage visitors to come to the largest historic district in the State of Connecticut:

- Promoted the Town through magazine ads and promotional media articles;
- Received a \$50,000 planning grant from the CT Trust for Historic Preservation, which will be used to develop plans for the revitalization and reuse of two sites on Main Street in the Historic District;
- Received a \$35,000 grant from the CT Humanities Council for additional funding of the Heritage Interpretive Trail.

Looking ahead, the Town is optimistic that as the economy recovers, the successful redevelopment of some key properties will occur. Work is underway for the construction of the CREC Magnet School Discovery Academy. Improvements have been made at the Putnam Office Park to accommodate the Art Institute of CT.

**Housing:** According to data compiled by William Raveis Real Estate Agency, Wethersfield's housing market showed an increase in the single-family median home price of \$230,000 as of October 2013, compared to \$223,000 as of October 2012. During the same period, condominium sales reflected a decrease, with a median value of \$129,000 as of October 2013, compared to \$160,000 as of October 2012. Combined sales increased by 5.3% during the same period to 318 from 302.

**Long-term Financial Planning:** A five-year capital improvement plan is prepared as part of the annual budget process. This plan attempts to identify and provide a responsible funding/execution plan for public betterments to ensure a stable community infrastructure. The plan is designed to budget adequate reserves for replacement of obsolete equipment and vehicles and provide for the betterment of town-wide roads. The Town ranks projects based on safety issues and the needs of the departments and uses funding methods that best utilize financial resources.

The five-year program projects capital improvement program needs, as reviewed by the Town Capital Improvements Advisory Committee, in eight major categories: Community/Economic Development, Drainage, Fire Safety, Sidewalk Construction, Pavement Maintenance, Parks and Recreation, School Buildings and Town Buildings.

**Capital Projects:** Major capital projects include a \$75 million renovation to the Wethersfield High School, which was approved at referendum on April 24, 2012. The construction portion of the multi-phase project began in September 2013 and will continue through August 2016. The 60 year old building, which was in danger of losing its accreditation, will be renovated to include a new media center, music area and gym. The Town is dedicated to the planned long-term maintenance of roads. The Town adopted a separate mill levy for road infrastructure improvements, which was implemented in the 2012-13 budget process. This levy will be supplemented by available State grants to provide approximately \$1 million a year for annual road improvements.

**Other Postemployment Benefit (OPEB) Liabilities:** The Town developed a health benefit strategic plan to manage health insurance costs. During fiscal year 2013, an OPEB Trust Fund was established and a funding

policy was adopted. The Town spends approximately \$2.5 million annually on current retiree benefits. The Town will continue to pay for these benefits through the annual budget process. Approximately \$6.2 million was transferred from past retirement reserves to establish the OPEB Trust. The OPEB actuarial accrued liability associated with current and future retirees as of July 1, 2011 was \$65.5 million; the current required annual contribution, as calculated by the Town's actuary, is \$6.2 million. Over time, the Town has eliminated eligibility for Post-Retirement Health Insurance benefits for all new employees, except new hires who join the Police Union.

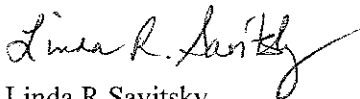
### **Awards and Acknowledgements**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Wethersfield for its comprehensive annual financial report for the fiscal year ended June 30, 2012. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. Management believes the current comprehensive annual financial report continues to meet the Certificate of Achievement Program requirements and will submit to the GFOA to determine its eligibility for another certificate.

This fiscal year presented extraordinary challenges to the Finance Department. At times during this year, 60% of the staff, including the Director, was out for extended periods. The Finance Director accepted a position out of state and left at the beginning of the last quarter of the fiscal year. Despite these challenges, the department continued to operate and provide required services to the Town. The preparation of this report was not delayed; this was achieved because of the dedication and professionalism of the personnel in the department. The cooperation of Town departments, especially the Town Manager is acknowledged. The Town appreciates the professional service and assistance rendered by BlumShapiro, CPAs. The Finance Department is committed to advancing its fiscal accountability, efficiency, and integrity in the Town's financial operations.

Respectfully submitted,



Linda R Savitsky  
Interim Finance Director



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Town of Wethersfield  
Connecticut**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2012**

Executive Director/CEO

# TOWN OF WETHERSFIELD, CONNECTICUT

## LIST OF PRINCIPAL OFFICIALS JUNE 30, 2013

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### **TOWN COUNCIL**

Mayor Donna H. Hemmann (R)  
Dep. Mayor John J. Console (R)  
David L. Drake (R)  
Mike J. Hurley (R)  
Jeffrey R. Kotkin (D)  
Stathis Manousos (R)  
Jim McAlister (R)  
Paul F. Montinieri (D)  
Gerri Roberts (D)

### **TOWN TREASURER**

S. Bradley Milvae (R)  
Harry Lichtenbaum (Asst.) (D)

### **TOWN DEPARTMENTS**

Jeffrey K. Bridges, Jr., Town Manager  
Rae Ann Palmer, Assistant Town Manager  
Finance Director  
Chandler Rose, Tax Assessor  
Marlene Desjardins, Tax Collector  
Mike Turner, Town Engineer  
Sally A. Katz, Director of Public Works  
Peter Gillespie, Town Planner and Economic Development Manager  
Dolores Sassano, Town Clerk  
James L. Cetran, Chief of Police  
Richard Bailey, Fire Chief  
Anthony Dignoti, Fire Marshall  
Steven Lattarulo, Chief Building Official  
Nancy Stilwell, Ph.D., Director of Social Services  
Kathy Bagley, Park and Recreation Director  
Laurel Goodgion, Library Director

### **EDUCATION**

Michael Emmett, Superintendent of Schools  
Timothy Howes, Assistant Superintendent of Finance and Human Resources

### **AUDITORS**

BlumShapiro

# **Financial Section**



Accounting | Tax | Business Consulting

## Independent Auditors' Report

To the Members of the Town Council  
Town of Wethersfield, Connecticut

### Report on the Financial Statements

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

### *Management's Responsibility for the Financial Statements*

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

### *Auditors' Responsibility*

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

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Wethersfield, Connecticut, as of June 30, 2013 and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 18 and the budgetary comparison information on pages 54 through 57 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Wethersfield, Connecticut's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we do not express an opinion or provide any assurance on them.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with Government Auditing Standards, we have also issued our report dated December 10, 2013 on our consideration of the Town of Wethersfield, Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Wethersfield, Connecticut's internal control over financial reporting and compliance.

*Blum, Shapiro & Company, P.C.*

West Hartford, Connecticut  
December 10, 2013



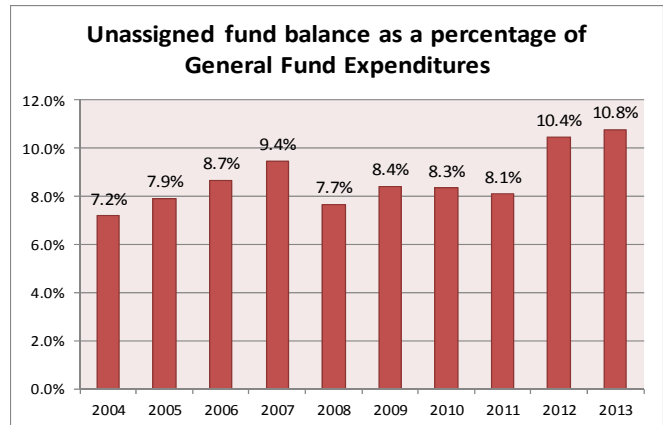
**TOWN OF WETHERSFIELD, CONNECTICUT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2013**

This discussion and analysis of the Town of Wethersfield, Connecticut's (the Town) financial performance is provided by management to provide an overview of the Town's financial activities for the fiscal year ended June 30, 2013. Please read this MD&A in conjunction with the Town's financial statements, Exhibits I to IX.

**Financial Highlights**

- The Town's total net position at the close of the fiscal year was \$78.1 million, an increase of \$2.9 million or 3.9% over the previous fiscal year. Of the Town's total net position at June 30, 2013, \$13.4 million or 17.1% is *unrestricted* and may be used to meet the government's ongoing obligations to citizens and creditors.
- At the end of the current fiscal year, the total fund balance for the general fund was \$10.48 million, which is an increase of \$336 thousand from the prior fiscal year. This change was primarily due to an increase in tax collections.

• As of June 30, 2013, the general fund *unassigned* fund balance of \$9.31 million represents approximately 10.8% of total General Fund expenditures (\$86.37 million) as compared to 10.4% in the prior year. The Town maintains a General Fund unassigned fund balance at a level that meets the guidelines established by rating agencies and as prescribed within the Town's written financial policies (currently 7%-10%). Rating agencies evaluate municipalities to determine the financial condition of the community and assign a bond rating that influences the rate of interest paid on debt issues. Accordingly, a strong fund balance demonstrates a town's commitment to fiscal responsibility, reduces bonding costs, and indicates the ability to meet unforeseen emergencies.



- The Town of Wethersfield's *combined* governmental funds include the General Fund, Capital Projects Fund, Small Cities Housing Rehabilitation Fund and other non-major funds. The governmental funds reported *combined* ending fund balances of \$15.43 million, which is an increase of \$663 thousand from the prior fiscal year. The major change impacting this increase was general fund activity previously described.
- The Town Council levied a separate mill rate of .39 which is presented in the Capital Projects Fund and dedicated to road improvements.
- The Town began the design and engineering phases of the \$75 million authorized Wethersfield High School renovation project in FY 13. Site work began in September 2013; the project is estimated to take three fiscal years to complete.
- The Town of Wethersfield's total bonded debt had a net decrease of \$2.56 million (approximately 9.5%) as of the end of the fiscal year.
- The Town issued \$6,170 million of General Obligation Refunding Bonds to refund a portion of two outstanding issues from FY 2003 and FY 2005. The bonds provide net present value savings of 4.9% of outstanding principal without extending the original maturities. This savings will provide future budget relief for the Town. The refunded bonds carry interest rates which range from 2.00% to 3.00% at final maturity in 2024.

## Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town of Wethersfield's basic financial statements. This annual report consists of four parts: 1) management's discussion and analysis (this section), 2) the basic financial statements, 3) required supplementary information, and 4) an additional section that presents combining statements for non-major governmental funds and internal service funds. The basic financial statements include two kinds of statements that present different views of the Town:

- The first two statements are *government-wide financial statements* that provide both long-term and short-term information about the Town's overall financial status (Exhibits I and II, respectively).
- The remaining statements are *fund financial statements* that focus on individual parts of the Town government, reporting the Town's operations in more detail than the government-wide statements (Exhibits III to IX).
  - The *governmental funds statements* tell how general government services such as police, fire and parks were financed in the short-term as well as what remains for future spending.
  - *Proprietary funds statements* offer short and long-term financial information about the activities the government operates like business, such as the Town's Medical and Heart and Hypertension.
  - *Fiduciary funds statements* provide information about the financial relationships in which the Town acts solely as a trustee or agent for the benefit of those outside of the government.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by required supplementary information that further explains and supports the information in the financial statements.

**Major Features of the Basic Financial Statements - Figure A-1**

<u>Type of Statements</u>	<u>Government-wide Financial Statements</u>	<u>Fund Financial Statements</u>		
		<u>Governmental Funds</u>	<u>Proprietary Funds</u>	<u>Fiduciary Funds</u>
<i>Scope</i>	Entire Town government (except fiduciary activities).	Activities primarily supported by taxes, grants, and similar revenue sources.	Activities the Town operates similar which have significant support from fees and charges.	Instances in which the Town administers resources as trustee on behalf of someone else such as student activity funds.
<i>Required financial statements</i>	<ul style="list-style-type: none"> <li>➤ Statement of net position</li> <li>➤ Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>➤ Balance sheet</li> <li>➤ Statement of revenues, expenditures and changes in fund balances</li> </ul>	<ul style="list-style-type: none"> <li>➤ Statement of net position</li> <li>➤ Statement of revenues, expenses and changes in net position</li> <li>➤ Statement of cash flows</li> </ul>	<ul style="list-style-type: none"> <li>➤ Statement of fiduciary position</li> <li>➤ Statement of changes in fiduciary net position</li> </ul>
<i>Accounting basis and measurement focus</i>	Accrual accounting and economic resources focus.	Modified accrual accounting and current financial resources focus.	Accrual accounting and economic resources focus.	Accrual accounting and economic resources focus.
<i>Type of inflow/outflow information</i>	All revenues and expenses during year, regardless of when cash is received or paid.	Revenues for which cash are received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable.	All revenues and expenses during year, regardless of when cash is received or paid.	All additions and deductions during the year regardless of when cash is received or paid.

Figure A-1 summarizes the major features of the Town’s financial statements, including the portion of the Town government they cover and the types of information that they contain. The remainder of this overview section of the management’s discussion and analysis explains the structure and contents of each of the statements.

**Government-wide financial statements (Exhibits I and II)** One of the most important questions asked about the town’s finances is, “Is the Town as a whole better off or worse off as a result of the year’s activities?” The *statement of net position* and *statement of activities* report information about the Town as a whole and about its activities in a way that should answer this question. These statements include *all* assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All the current year’s revenues and expenses are taken into account regardless of when the cash is received or paid.

The *Statement of Net Position* presents information on all the Town’s assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in the Town’s net position can be an indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial indicators such as changes in the Town’s property tax base, growth in school enrollment and the condition of the Town’s roads, to assess the overall health of the Town.

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

The government-wide financial statements present the functions of the Town that are principally supported by taxes and intergovernmental revenues (*governmental activities*). *The governmental activities* represent most of the Town’s basic services such as fire and police protection, public works, social and human services, parks and recreation, education and general administration.

The government-wide financial statements (statement of net position and statement of activities) can be found in Exhibits I and II of this report.

**Fund Financial Statements** The fund financial statements begin with Exhibit III and provide detailed information about the Town’s funds, focusing on its most significant or “major” funds and not the Town as a whole. Some funds are required to be established by state law or by bond covenants. However, the Town establishes many other funds to help it maintain control and manage money that have been segregated for specific activities or objectives. Funds are also established to ensure and demonstrate compliance with finance related legal requirements for using certain grants. The Town of Wethersfield has three types of funds:

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

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

The Town maintains 23 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund, small cities, and the capital projects funds, all of which are considered to be major funds. Data from the other 20 governmental funds are combined into a single, aggregated presentation.

Individual fund data for each of these non-major governmental funds is provided in the form of combining statements in Exhibits B-1 and B-2 in this report.

The Town adopts an annual budget for its general fund. Budgetary comparison statements (RSI-1 and RSI-2) have been provided for the general fund to demonstrate compliance with this budget.

Proprietary Funds (Exhibits V, VI and VII). Proprietary funds are generally used for reporting charges for services for which the Town charges a fee. They are reported in the same way as the government-wide statements. The Town has one type of proprietary fund which is the internal service fund.

The Internal Service Fund is used to report activities that provide self-insured medical services, heart and hypertension payments and post employment benefits which are funded by other Town programs or activities.

Fiduciary Funds (Exhibits VIII and IX). The Town is the trustee, or fiduciary, for its employees' pension plan and other post employment benefits (OPEB). It is also responsible for other assets that, because of a trust agreement, can be used only for the trust beneficiaries. All of the Town's fiduciary activities are reported in separate Statements of Fiduciary Net Position and Changes in Fiduciary Net Position. We exclude these activities from the Town's other financial statements because the Town cannot use these assets to

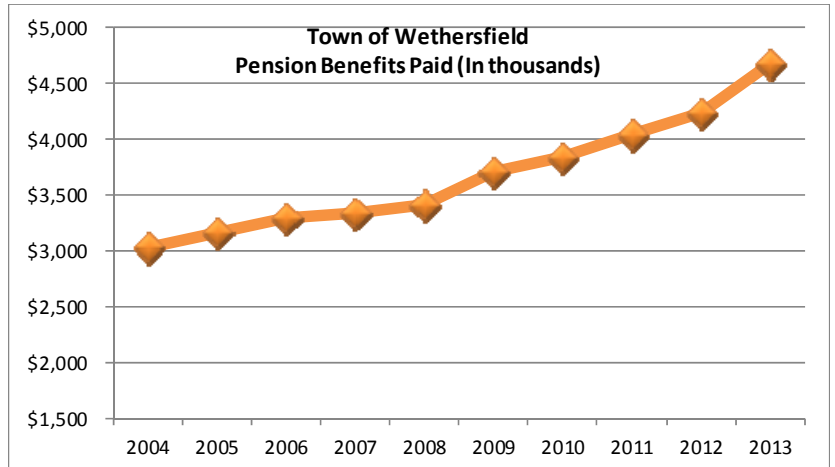
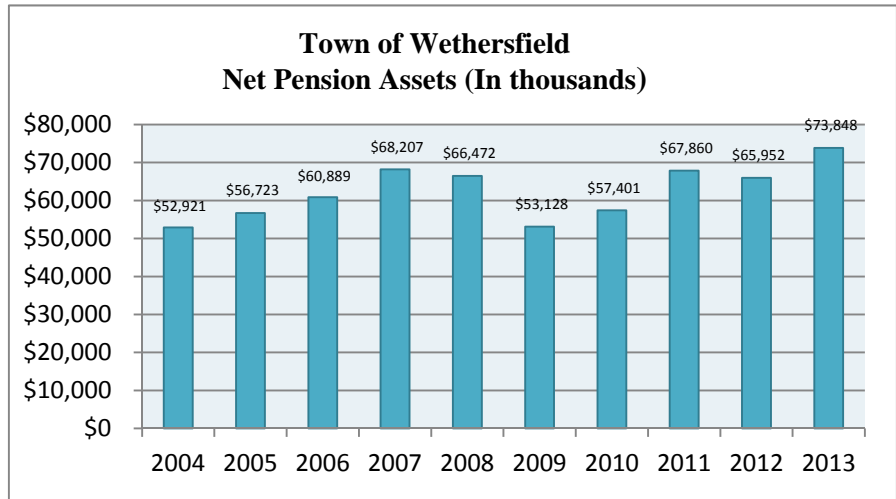
finance its operations. The Town is responsible for ensuring that the assets reported in these funds are used for their intended purposes. The accounting used for fiduciary funds is much like that used for proprietary funds.

The Town of Wethersfield Pension plan net position held in trust for pension benefits at June 30, 2013 are \$73.8 million. Net pension assets are defined as the fair market value of investments less amounts due for administrative fees and other payables.

The Plan Assets have recovered from the financial crisis of 2008; the plan is currently 80.7% funded for the July 1, 2012 plan year. The Town has historically funded 100% of its annual required contributions.

The graph at the right represents the total benefits paid to retirees annually. Pension payments have risen from \$3.0 million in 2004 to \$4.7 million over 10 years (64% increase).

The Town has successfully negotiated with several unions to increase the employees' contributions to the pension plan and has also closed the Plan to new members for Public Works Local 1303-40, AFSCME Local 1303-408, Management Local 818, Library Supervisors, Library Non-supervisors, and the Administrative group.



**Notes to the Financial Statements** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on immediately following Exhibit IX of this report.

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

**Government-Wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a Town’s financial position. The Town’s combined net position of governmental activities increased approximately 3.9 % (\$78.1 million compared to \$75.2 million).

**TABLE 1 - Net Position (In Thousands)**

	<b>Governmental Activities</b>	
	<b>2013</b>	<b>2012</b>
Current and other assets	\$ 29,697	\$ 33,458
Capital assets, net of accumulated depreciation	91,217	89,780
Total assets	<u>120,914</u>	<u>123,238</u>
Current liabilities	5,237	4,605
Long-term liabilities outstanding	37,596	43,452
Total liabilities	<u>42,833</u>	<u>48,057</u>
Net Position:		
Net investment in capital assets	64,698	60,790
Unrestricted	<u>13,383</u>	<u>14,391</u>
Total Net Position	<u>\$ 78,081</u>	<u>\$ 75,181</u>

By far the largest portion of the Town’s net position (82.9 percent) reflects its investment in capital assets (i.e., land, buildings, vehicles, machinery and equipment and infrastructure), less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town of Wethersfield’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since capital assets themselves may not be used to liquidate these liabilities.

The remaining balance of \$13.38 million is unrestricted and may be used to meet the government’s on-going obligations to citizens and creditors. The unrestricted net position decreased from \$14.39 million at June 30, 2012 to \$13.38 million at June 30, 2013, for a total decrease of \$1.01 million. This change in unrestricted governmental net position resulted primarily because of further investments in capital assets.

## Governmental Activities

Governmental activities increased the Town's net position by \$6.45 million mainly due to the reclassification of the OPEB Internal Service Fund to the Fiduciary Funds. Key elements of this increase are as follows:

	<b>TABLE 2 - CHANGES IN NET POSITION (In Thousands)</b>	
	<b>Governmental</b>	
	<b>Activities</b>	
	<b>2013</b>	<b>2012</b>
Revenues:		
Program revenues:		
Charges for services	\$ 4,116	\$ 3,317
Operating grants and contributions	16,835	18,161
Capital grants and contributions	3,061	636
General revenues:		
Property taxes	76,402	73,231
Unrestricted grants	1,404	1,191
Unrestricted investment earnings	71	92
Miscellaneous	270	601
Total revenues	<u>102,159</u>	<u>97,229</u>
Expenses:		
Public safety	9,469	11,684
Public works	9,053	8,062
Recreation and parks	2,505	2,432
Social services	916	899
Library	1,850	1,181
General government	8,796	10,115
Education	62,032	60,270
Interest on long-term debt	1,090	1,120
Total expenses	<u>95,711</u>	<u>95,763</u>
Change in Net Position	<u>\$ 6,448</u>	<u>\$ 1,466</u>

The Town's total revenue was \$102.2 million, an increase of \$5 million from the prior year. The total cost of all programs and services was \$95.7 million, which is a decrease of \$52 thousand from the prior year. The analysis below separately considers the operations of governmental activities.

**Revenues:**

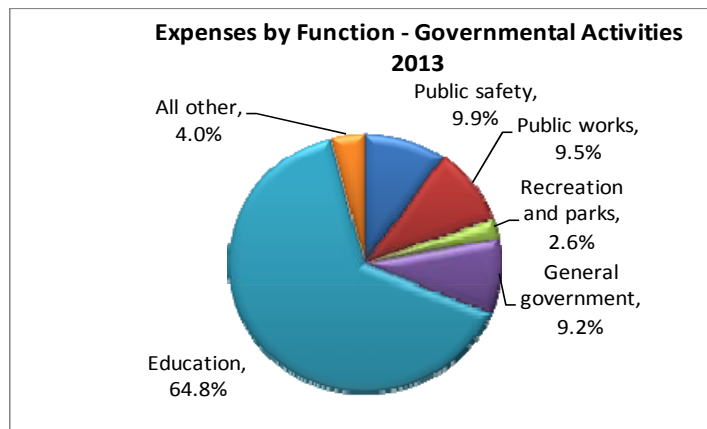
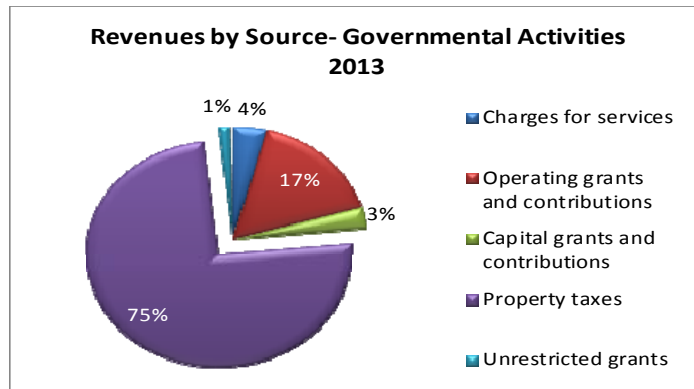
Approximately 75% of the revenues were derived from property taxes, 21% from operating, capital and unrestricted grants; the remaining 4% of revenues were generated from program and other miscellaneous revenues. Major revenue factors include:

- Property taxes and associated interest and lien fees increased by \$3.1 million from the prior year due to a tax rate increase of 3.7% (a 1.16 mill rate increase).
- The Town’s collection rate on the current adjusted levy was 98.96% which is an increase from the prior year of 98.93%. The Statement of Activities includes accruals for interest receivable and recognizes all taxes due as revenue less an allowance for uncollectible taxes and interest.
- Total grant support increased approximately \$1.31 million overall, with Education grants accounting for 77.3% of all intergovernmental revenue the Town receives;
- Unrestricted investment earnings decreased by \$21 thousand because of flat earnings rates.
- Building permits increased by \$127 thousand.

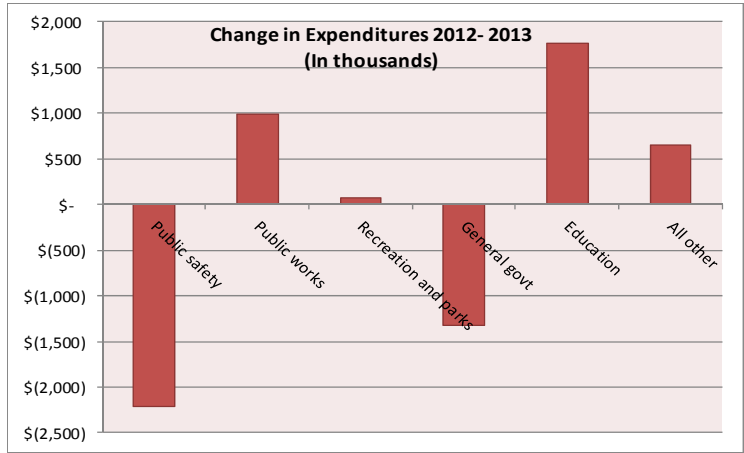
**Expenses:**

Education expenditures comprise 64.8%; Public safety 9.9%, Public works 9.5%, General government 9.2%, and Recreation and parks 2.6%. All other includes the Library (1.9%), Interest on long-term debt (1.1%) and Social services (1%).

It is important to remember that these expenses include items not normally seen on a budgetary basis, such as depreciation of capital assets, the disposal of capital assets, the change in compensated absence accruals for vacation and sick pay.



The total cost of all programs and services was \$95.7 million, which is a decrease of \$52 thousand from the prior year. This chart represents the change in expenditures by function from fiscal year 2012 compared to 2013. The chart depicts decreases in Public safety and General government costs.



Under GASB 34, the net OPEB obligation is required to be expensed to the various departments. This obligation decreased by \$3.19 million from the prior year which was allocated to Public safety, General government and Education.

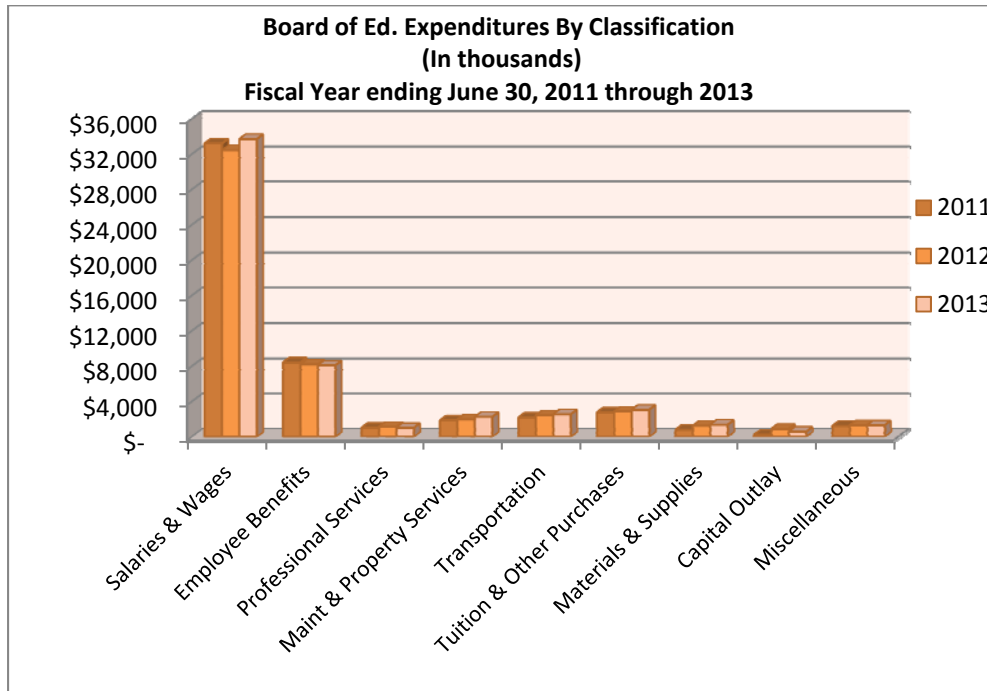
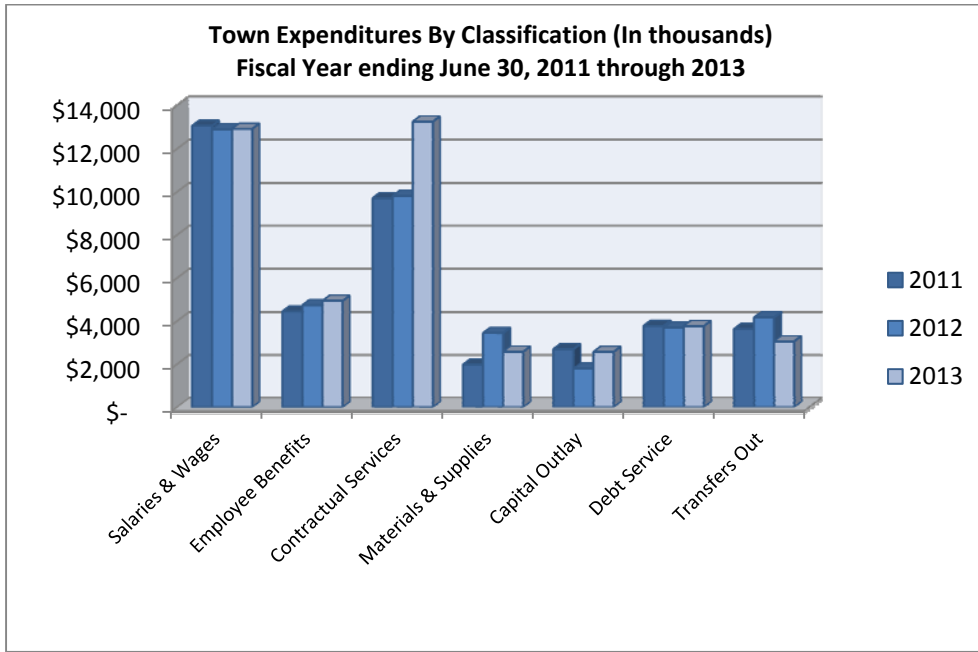
**TABLE 3 - GROSS AND NET COST OF SERVICES (In Thousands)**

	Total Cost of Services		Net Cost of Services	
	2013	2012	2013	2012
Public safety	\$ 9,469	\$ 11,684	\$ 8,719	\$ 11,079
Public works	9,053	8,062	8,710	7,724
Recreation and parks	2,505	2,432	1,491	1,457
General government	8,796	10,115	4,699	7,338
Education	62,032	60,270	44,416	43,069
All other	3,856	3,200	3,665	2,984
<b>Total</b>	<b>\$ 95,711</b>	<b>\$ 95,763</b>	<b>\$ 71,700</b>	<b>\$ 73,651</b>

The Statement of Activities (Exhibit II) allows the reader to see the total expenses of governmental activities as well as the revenues derived in each function to present the true (net) costs of each function. For example, the net cost of Education of \$44,415,909 includes expenses of \$62,031,714 offset by charges for services of \$1,138,070 and operating grants and contributions (including the Education Cost sharing grant) of \$16,477,735.

The Statement of Activities requires that the Town report capital grants which offset capital outlay and not operating expenditures. Therefore, capital grants may tend to distort the net costs in the Statement of Activities.

## Expenses by Classification - Town and Board of Education



The above charts were derived directly from the classification of expenses in the Town's chart of accounts on a government-wide basis for both the Town and Board of Education. Municipalities are service-oriented organizations, which salaries and benefits account for 61.4% of total expenses. Town salaries & wages increased by \$20 thousand over the prior year. This increase is significantly lower than what the Town experienced in fiscal year 2012 and is largely due to employee retirements and resignations. Board of Education salaries and wages increased by \$1.3 million. Contractual Services increased by \$3.5 million as a result of expenditures incurred for the Wethersfield High School Project, the acquisition of new Town rolling stock, and lease payments. Materials and Supplies (Town only) decreased by \$866 thousand and Transfers Out decreased by \$1.1 million.

Capital outlay includes land acquisition, construction, building improvements, improvements to roads and other infrastructure asset, vehicle, and machinery & equipment purchases. Contractual and maintenance services include professional and technical services to outside vendors such as data processing, legal fees, repairs &

maintenance, utilities, and advertising. Materials and supplies include general supplies, gas, diesel & oil, sand and salt, and other infrastructure materials.

### **Financial Analysis of the Town's Fund Financial Statements**

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

As the Town completed the year, its governmental funds (as presented in the balance sheet - Exhibit III) reported combined fund balances of \$15.43 million, an increase of \$663 thousand from June 30, 2012. The results of operations includes accounting entries for encumbrances, compensated absences and accrued payroll, a requirement of GAAP, which also have an impact on the fund balance.

*Restricted* fund balances of \$867 thousand include reserves restricted for specific uses from contributors and legal restrictions due to grant requirements. *Committed* fund balances of \$6.59 million include \$374 thousand authorized for payments to retirees for accumulated vacation and sick pay, \$4.23 million authorized for specific capital projects, and \$1.99 million authorized for other specific purposes. *Assigned* fund balances of \$797 thousand include \$350,000 for use toward the 2012-13 general fund operating budget, \$479,460 for encumbrances outstanding at fiscal year end.

The General Fund is the chief operating fund for the Town. At the end of the current fiscal year, *unassigned* fund balance of the General Fund was \$9.3 million while total fund balance is \$10.5 million. A measure of the General Fund's liquidity is the ratio of unassigned fund balance to total fund expenditures. The *unassigned* fund balance of \$9.3 million represents approximately 10.8% of total General Fund expenditures (\$86.37 million) as compared to 10.4% in the prior year.

**Small Cities Fund** The Small Cities fund provides residential loan assistance to qualifying citizens. The Town initially received federal funds for this program in 1996. The Small Cities funded activities must meet one of three national objectives: (1) benefit low and moderate income persons; (2) aid in the prevention or elimination of slums or blight; or (3) meet community development needs having a particular urgency. The Town provided \$3,000 in new residential loans. The total loan balance at June 30, 2013 was \$729,772. A restricted fund balance of \$54,259 is available for future loan assistance.

**Capital Projects Fund** This fund accounts for the financial revenues including resources from borrowing to be used for major capital asset construction and/or purchases and items, which are reserved for special purposes. There are ninety-eight separate projects tracked and maintained in a combination of funds. The capital projects fund's expenditures exceeded revenues by \$74,876. The increase in expenditures was the result of the addition of three new Capital Project Funds, which are the CREC fund that had investment revenue of approximately \$2 million; the Road Levy fund with revenues of \$900 thousand; and the Wethersfield High School Renovation project with expenditures of approximately \$3 million. The State awards grants based upon a reimbursement process; the timing of the requests for reimbursements creates a funding shortfall.

**Proprietary Funds** The Town's proprietary funds (shown in Exhibits V, VI, VII and Exhibits C-1, C-2, C-3) provide the same information found in the government-wide financial statements, but in more detail.

*Unrestricted* net position of the Internal Service Funds at the end of the fiscal year totaled \$4.26 million. Effective July 1, 2012, the activity in the Retiree Health internal service fund was combined with the new OPEB Trust fund. The Town established a separate OPEB Trust to fund post-employment benefits during fiscal year 2013. The effect is a decrease in net position in the Retiree Health internal service fund of \$3.5 million and a corresponding increase in net position in the OPEB Trust fund of \$3.5 million. The decrease in net position in the internal service funds of \$1.84 million (after the restatement of \$3.5 million) was due to Town and Board of Education benefit payments and other expenses exceeding contributions into the self-insurance programs.

### ***General Fund Budgetary Highlights***

There was no difference between the original budget and the final amended budget for expenditures. During the year, revenues exceeded budgetary estimates by \$277,281 primarily due to higher tax collections and increase in license and permit fees. Expenditures were below budgetary estimates by \$17,674. Overall revenues exceeded expenditures on the budgetary basis by \$294,955 (as shown in Table 4). The Town budgeted the use of prior year fund balance of \$350 thousand to balance the fiscal 2013 budget.

The Town's net change in fund balance of \$336,137 reported on Exhibit IV differs from the General Fund's budgetary operating surplus of \$294,955 reported in the budgetary comparison in the required supplementary information. This difference is primarily the result of encumbrances. Under budgetary accounting open purchase orders at the end of the fiscal year are expensed in the budget. Under GAAP, those expenses are removed from the departmental expenses until the goods are physically received and paid.

Major budget to actual highlights are as follows:

- Town's property tax revenue exceeded budgetary estimates by \$279,412 due to the Tax Department's aggressive collection efforts on delinquent taxes.
- Cell tower lease revenues fell short \$53,224 which was partially offset by Town Clerk fees which exceeded budgetary estimates by \$31,236 due to increases in real estate activity which favorably impacted conveyance tax collections and other recording fees.
- Town council and employee benefits budgets provided favorable variances in the amount of \$10,559 and 14,000 respectively.

Transfers from contingency of \$334,821 were made during the year as follows:

- \$311,730 to Disaster Recovery for winter storm related expenditures.
- \$23,091 to the CNEF Reserve for police vehicles.

A transfer to CNEF reserves for technology upgrades, vehicles, and radio upgrades in the amount of \$440,000 were made from surpluses in these budget appropriations:

- \$65,000 Data Services
- \$201,071 Police
- \$47,221 Fire Suppression
- \$31,533 Recreation and Parks
- \$36,659 Insurance & Risk
- \$12,516 Registrar of Voters
- \$22,909 MDC
- \$23,091 Contingency

**TABLE 4 - TOWN OF WETHERSFIELD GENERAL FUND BUDGETARY BASIS**

	<u>2013</u>	<u>2012</u>	<u>Increase (Decrease)</u>
<b>Revenues:</b>			
Property taxes, interest and lien fees	\$ 75,019,911	\$ 72,867,903	\$ 2,152,008
Intergovernmental revenues	9,924,969	10,720,784	(795,815)
Charges for services	1,075,415	1,001,462	73,953
Licenses, fees and permits	403,190	273,383	129,807
Fines and penalties	23,317	29,216	(5,899)
Interest on investments	88,382	69,222	19,160
Other revenues	108,752	146,205	(37,453)
Transfers in from other funds	-	672,465	(672,465)
Total revenues	<u>86,643,936</u>	<u>85,780,640</u>	<u>863,296</u>
<b>Expenditures:</b>			
General government	4,567,335	4,645,143	(77,808)
Public safety	8,937,651	8,843,983	93,668
Public works	7,917,733	7,572,252	345,481
Social services	875,141	822,523	52,618
Library	1,736,204	1,665,012	71,192
Recreation and parks	1,403,082	1,390,354	12,728
Insurance	584,485	596,123	(11,638)
Disaster recovery	311,730	1,019,678	(707,948)
Metropolitan District Commission	2,751,565	2,698,618	52,947
Debt service	3,807,461	3,569,424	238,037
Education	51,614,067	49,605,352	2,008,715
Transfers out to other funds	1,842,527	1,904,193	(61,666)
Total expenditures	<u>86,348,981</u>	<u>84,332,655</u>	<u>2,016,326</u>
 Net Change in Fund Balance	 <u>\$ 294,955</u>	 <u>\$ 1,447,985</u>	 <u>\$ (1,153,030)</u>

The major 2013 to 2012 variances are as follows:

- Property taxes increased by approximately \$2.2 million due to a tax rate increase of 0.77 mills, from 31.42 to 32.19, for fiscal year ending June 30, 2013. The tax collection rate increased by .03%, from 98.93% to 98.96%. Prior-year property taxes increased by \$50 thousand and motor vehicle supplemental payments increased by \$72 thousand. Prior year taxes are affected by the timing of receipts 60 days past the end of the fiscal year, which is recognized as revenue.
- Intergovernmental revenues decreased by approximately \$800 thousand, which is due in large part to a reduction in federal reimbursement for storm-related expenses. Funding from the State for the Civil Preparedness Grant, Municipal Revenue Sharing Agreement, and School Building Grant decreased by \$13 thousand, \$69 thousand, and \$45 thousand respectively. These reductions were offset by an increase in state funding for the Equalized Cost Sharing Grant of \$202 thousand.
- Increases of \$74 thousand in Charges for services were largely caused by an increase in revenue from Town Clerk copy, recording, and conveyance fees.
- Licenses, fees and permits increased by \$130 thousand mostly due to an increase in building inspections and permit applications. Building department revenue increased by \$127,000 from the prior fiscal year, which is the result of improving economic conditions. Investment income increased by 28%, due to improved interest rates.

- General wage increases in July 2012 were: Police (0%), Public Works employees (2%), Library Supervisors and Non-supervisors (0%), Professional and Technical employees (2%), Clerical and Police Dispatch employees (2%), and Administrators (2% COLA and Merit Increase, if applicable). These increases impacted the various functions of government.
- Increases in Public works expenditures were the result of an increase in overtime-related expenses to provide extended coverage for Storm Sandy and Blizzard Nemo.
- Disaster recovery expenditures decreased by approximately \$1 million due to storm-related FEMA reimbursements and a less active hurricane and winter storm season.
- Debt service expenditures increased by \$238 thousand due to the principal and interest payments made on 2011 Private Placement bonds and 2012 General Obligation Refunding bonds.

### **Capital Asset and Debt Administration**

**Capital Assets** The Town of Wethersfield's investment in capital assets for its governmental type activities, as of June 30, 2013, is \$91.2 million (net of accumulated depreciation). The investment in capital assets includes land, buildings, other improvements, rolling equipment, furniture and fixtures and infrastructure (Table 5). Infrastructure includes roads, bridges, sidewalks and system storm drains. The Town's investment in capital assets for the current fiscal year increased \$1.4 million (1.6%).

Major capital asset activity including major additions to assets being depreciated during the current fiscal year included the following:

Two 2013 International Dump trucks	\$	335,446
Roads & Sidewalks		196,255
Four Police Ford Interceptors		114,265
Hamner Fire Alarm Replacement		85,671
Two 2013 Ford Transit Connect		76,730
Two Honda Civics		51,950
Fiber Optic Network		49,075
Nott Street stop signs		39,997
Williams Street Drainage		31,819
2013 Chevy Tahoe		31,812

**TABLE 5 - CAPITAL ASSETS (NET OF ACCUMULATED DEPRECIATION)**  
(In Thousands)

	<b>Governmental Activities</b>	
	<b>2013</b>	<b>2012</b>
Land	\$ 7,697	\$ 7,902
Property rights	200	
Buildings	55,064	56,911
Improvements other than buildings	3,629	3,799
Rolling equipment	3,675	3,795
Furniture and fixtures	1,315	1,315
Infrastructure	11,757	11,878
Construction in progress	7,880	4,180
Total	<b>\$ 91,217</b>	<b>\$ 89,780</b>

More detailed information about the Town's capital assets is presented in Note 1 and Note 5 to the financial statements.

## Long-Term Debt

At year-end the Town had \$24.29 million outstanding in general obligation bonds compared to \$26.85 million in FY12; this is a decrease of 9.5% as shown in Table 6. All debt is backed by the full faith and credit of the Town. The remainder of the Town's debt represents \$1,122,658 in capital leases for rolling stock, unamortized bond premium of \$380,586 and private placement notes of \$725,000.

**TABLE 6 - LONG-TERM OBLIGATIONS**

	Governmental Activities	
	2013	2012
General obligation bonds	\$ 24,290,000	\$ 26,850,000
Capital lease obligations	1,122,658	892,453
Notes payable	725,000	795,000
Bond premium	380,586	452,109
Total	\$ <u>26,518,244</u>	\$ <u>28,989,562</u>

The Town's general obligation bond rating continues to carry Aa2 rating from Moody's and AA from Standard and Poor's. The State limits the amount of general obligation debt that municipalities may issue based upon a statutory formula differentiated by the type of debt and a multiplier of tax collections. The overall debt limit for the Town of Wethersfield is equal to seven times annual receipts from taxation or \$532.0 million. The Town's outstanding general obligation debt is significantly below this limit.

Other obligations include retiree medical costs, accrued vacation pay and sick leave and risk management. More detailed information about the Town's long-term liabilities is presented in Note 7 and 8 to the financial statements.

The Town issued \$6,170 million of Refunding Bonds in August 2012. The bonds refund all or a portion of bonds dated March 15, 2003 and June 15, 2005. The bonds provide net present value savings of 4.9% of outstanding principal without extending the original maturities. This savings will provide future budget relief for the Town. The refunded bonds carry interest rates which range from 2.00% to 3.00% at final maturity in 2024. The bonds carry a Moody's Investors Service rating of Aa2.

### Economic Factors and Next Year's Budgets and Rates

Local and State Governments throughout the country, including Wethersfield, continue to deal with the global and national issues and the economic reality of Federal and State budget deficits and flat unemployment. The State of Connecticut Office of Policy and Management recently reported that even though the State has made progress over the past two years by closing the cumulative \$6 billion gap for the FY 2012 and FY 2013 biennium, recovery has lagged and Medicaid expenditures have grown quickly. Without policy changes to current service levels, all funds expenditures are expected to grow by \$3.9 billion. In 2010, Connecticut ranked 5<sup>th</sup> in the nation for State and local debt burden per capita and will face significant fiscal challenges over the next several years.

The Town of Wethersfield's unemployment rate of 7.4% as of the October 2013 was less than the Hartford Labor Market Area of 7.5% and the Connecticut State overall rate of 7.5% for the same time period. Economic indicators have been continually revised downward and it is estimated to take 6.5 years for the Connecticut economy to regain its prerecession level of output.

Indicators for the earlier periods among several other factors were taken into account in the adoption of the General Fund budget for 2013-14. Amounts available for appropriation in the General Fund budget are \$88.9 million, an increase of \$2.5 million from the original 2013 budget of \$86.4 million.

The Town did not add any major new programs or initiatives to the 2013-2014 budget. There will be increased focus on the core services for the Town in future budget plans in order to ease the stress of limited resources of taxpayers and current economic conditions. The Town has appropriated \$300 thousand of fund balance in the fiscal year 2013-2014 budget to assist with the budgetary needs for the Town and Board of Education.

**Requests for Information**

This financial report is designed to provide a general overview of the Town of Wethersfield's finances for all those with an interest in the government's finances. Questions concerning any of the information should be addressed in writing to Director of Finance, Town of Wethersfield, 505 Silas Deane Highway, Wethersfield, Connecticut 06109.

# **Basic Financial Statements**

## TOWN OF WETHERSFIELD, CONNECTICUT

## STATEMENT OF NET POSITION

JUNE 30, 2013

	<u>Governmental Activities</u>
Assets:	
Cash and cash equivalents	\$ 20,369,010
Investments	3,724,808
Receivables, net	5,252,704
Inventory	19,625
Other assets	230,312
Capital assets not being depreciated	15,777,532
Capital assets being depreciated, net	75,439,152
Other noncurrent assets	101,587
Total assets	<u>120,914,730</u>
Liabilities:	
Accounts payable and accrued items	3,552,174
Unearned revenue	1,685,229
Noncurrent liabilities:	
Due within one year	4,145,409
Due in more than one year	33,450,533
Total liabilities	<u>42,833,345</u>
Net Position:	
Net investment in capital assets	64,698,440
Unrestricted	<u>13,382,945</u>
Total Net Position	<u>\$ 78,081,385</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF WETHERSFIELD, CONNECTICUT**

**STATEMENT OF ACTIVITIES**

**FOR THE YEAR ENDED JUNE 30, 2013**

20

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
					Governmental Activities
Governmental Activities:					
Public safety	\$ 9,469,067	\$ 721,490	\$	\$ 28,318	\$ (8,719,259)
Public works	9,052,561	342,583			(8,709,978)
Recreation and parks	2,504,890	1,013,214	1,308		(1,490,368)
Social services	916,118	82,476	83,941		(749,701)
Library	1,849,613	20,505			(1,829,108)
General government	8,795,849	797,320	271,789	3,027,652	(4,699,088)
Education	62,031,714	1,138,070	16,477,735		(44,415,909)
Interest on long-term debt	1,090,685			4,588	(1,086,097)
<b>Total</b>	<b>\$ 95,710,497</b>	<b>\$ 4,115,658</b>	<b>\$ 16,834,773</b>	<b>\$ 3,060,558</b>	<b>(71,699,508)</b>
General Revenues:					
					76,401,591
					1,403,997
					71,300
					270,760
					<u>78,147,648</u>
					6,448,140
					<u>71,633,245</u>
					<u>\$ 78,081,385</u>

The accompanying notes are an integral part of the financial statements

## TOWN OF WETHERSFIELD, CONNECTICUT

## BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2013

	<u>General</u>	<u>Capital Projects</u>	<u>Small Cities Housing Rehabilitation</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 9,515,545	\$ 2,963,659	\$ 58,460	\$ 2,654,138	\$ 15,191,802
Investments	1,755,325	1,969,483			3,724,808
Receivables, net	2,543,632	483,673	725,571	320,066	4,072,942
Due from other funds	2,648,045				2,648,045
Other assets				19,625	19,625
Total Assets	<u>\$ 16,462,547</u>	<u>\$ 5,416,815</u>	<u>\$ 784,031</u>	<u>\$ 2,993,829</u>	<u>\$ 25,657,222</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable and accrued items	\$ 2,556,538	\$ 622,824		\$ 141,982	\$ 3,321,344
Due to other funds		2,646,643		1,385	2,648,028
Due to other governments	1,917			1,173	3,090
Deferred revenue	3,422,510	21,914	729,772	82,072	4,256,268
Total liabilities	<u>5,980,965</u>	<u>3,291,381</u>	<u>729,772</u>	<u>226,612</u>	<u>10,228,730</u>
Fund balances:					
Nonspendable				19,625	19,625
Restricted		53,429	54,259	769,130	876,818
Committed	373,793	4,226,159		1,978,462	6,578,414
Assigned	796,624				796,624
Unassigned	9,311,165	(2,154,154)			7,157,011
Total fund balances	<u>10,481,582</u>	<u>2,125,434</u>	<u>54,259</u>	<u>2,767,217</u>	<u>15,428,492</u>
Total Liabilities and Fund Balances	<u>\$ 16,462,547</u>	<u>\$ 5,416,815</u>	<u>\$ 784,031</u>	<u>\$ 2,993,829</u>	<u>\$ 25,657,222</u>

(Continued on next page)

## TOWN OF WETHERSFIELD, CONNECTICUT

## BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)

JUNE 30, 2013

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

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

Fund balances - total governmental funds	\$ 15,428,492
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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	\$ 159,820,990	
Less accumulated depreciation	<u>(68,604,306)</u>	
Net capital assets		91,216,684

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

Net pension asset	101,587
Property tax receivables greater than 60 days	1,829,824
Loan receivables greater than 60 days	741,215
Interest receivable on property taxes, less allowance for uncollectibles	1,087,572
Receivable from the state for school construction projects	91,760
Deferred charges	22,313
Deferred amount in refunding	1,108,229
Bond issuance costs	230,312

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

4,255,267

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

Bonds and notes payable	(25,015,000)
Premium on issuance	(1,511,128)
Interest payable on bonds and notes	(225,692)
Compensated absences	(1,992,420)
OPEB obligation	(8,164,972)
Capital lease	<u>(1,122,658)</u>

Net Position of Governmental Activities (Exhibit I)

\$ 78,081,385

The accompanying notes are an integral part of the financial statements

## TOWN OF WETHERSFIELD, CONNECTICUT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2013

	<u>General</u>	<u>Capital Projects</u>	<u>Small Cities Housing Rehabilitation</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:					
Property taxes, interest and lien fees	\$ 75,019,911	\$ 908,260	\$	\$	\$ 75,928,171
Intergovernmental revenues	16,262,260	2,895,661	262,899	1,882,130	21,302,950
Licenses, fees and permits	426,507			15,049	441,556
Charges for services	1,328,451	15,819		2,321,103	3,665,373
Investment gain (loss)	89,273	(30,008)	30	2,436	61,731
Donations				91,038	91,038
Other local revenues	76,154	73,260		298,326	447,740
Total revenues	<u>93,202,556</u>	<u>3,862,992</u>	<u>262,929</u>	<u>4,610,082</u>	<u>101,938,559</u>
Expenditures:					
Current:					
Public safety	8,614,977	15,335		464,645	9,094,957
Public works	7,917,299	3,079			7,920,378
Recreation and parks	1,403,082	31,208		706,368	2,140,658
Social services	875,144			40,974	916,118
Library	1,732,883				1,732,883
General government	8,527,909	144,326	276,677	256,418	9,205,330
Education	58,303,580	923		2,528,524	60,833,027
Capital outlay		5,536,742		238,210	5,774,952
Debt service	3,807,461	564,544			4,372,005
Total expenditures	<u>91,182,335</u>	<u>6,296,157</u>	<u>276,677</u>	<u>4,235,139</u>	<u>101,990,308</u>
Excess (Deficiency) of Revenues over Expenditures	<u>2,020,221</u>	<u>(2,433,165)</u>	<u>(13,748)</u>	<u>374,943</u>	<u>(51,749)</u>
Other Financing Sources (Uses):					
Refunding bonds issued	6,170,000				6,170,000
Premium on refunding bonds	549,120				549,120
Payment to refunded bond escrow agent	(6,610,679)				(6,610,679)
Issuance of capital lease		605,964			605,964
Transfers in	50,000	1,752,325		90,200	1,892,525
Transfers out	(1,842,525)			(50,000)	(1,892,525)
Total other financing sources (uses)	<u>(1,684,084)</u>	<u>2,358,289</u>	<u>-</u>	<u>40,200</u>	<u>714,405</u>
Net Change in Fund Balances	336,137	(74,876)	(13,748)	415,143	662,656
Fund Balances at Beginning of Year	<u>10,145,445</u>	<u>2,200,310</u>	<u>68,007</u>	<u>2,352,074</u>	<u>14,765,836</u>
Fund Balances at End of Year	<u>\$ 10,481,582</u>	<u>\$ 2,125,434</u>	<u>\$ 54,259</u>	<u>\$ 2,767,217</u>	<u>\$ 15,428,492</u>

(Continued on next page)

## TOWN OF WETHERSFIELD, CONNECTICUT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - GOVERNMENTAL FUNDS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2013

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

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

Net change in fund balances - total governmental funds (Exhibit IV)	\$ 662,656
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Governmental funds report capital outlays as expenditures. In the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

Capital outlay	5,913,299
Depreciation expense	(3,340,081)

In the statement of activities, only the gain on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources.

Thus, the change in net assets differs from the change in fund balance by the cost of the asset sold.	(1,136,230)
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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:

School building grant receipts	(94,658)
Property tax receivable - accrual basis change	264,763
Loans receivable - accrual basis change	8,729
Property tax interest and lien revenue - accrual basis change	226,509
Net pension asset	1,318

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 has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are amortized and deferred in the statement of activities. The details of these differences in the treatment of long-term debt and related items are as follows:

Issuance of refunding bonds	(6,170,000)
Premium on refunding	(549,120)
Issuance costs on refunding	108,441
Payment to escrow agent for refunding	6,610,679
Notes principal payments	70,000
Bond principal payments	2,720,000
Capital lease issuance	(605,964)
Capital lease payments	375,759

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 the governmental funds.

Compensated absences	23,781
Interest on bonds	7,846
Deferred charges	(22,306)
OPEB obligation	3,188,916
Amortization of deferred charge on refunding	(97,572)
Amortization of issuance costs	(20,690)
Amortization of bond premiums	139,842

Internal service funds are used by management to charge costs to individual funds. The net revenue of certain activities of internal services funds is reported with governmental activities.

(1,837,777)
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Change in Net Position of Governmental Activities (Exhibit II)

<u>\$ 6,448,140</u>
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The accompanying notes are an integral part of the financial statements

**TOWN OF WETHERSFIELD, CONNECTICUT**  
**STATEMENT OF NET POSITION - PROPRIETARY FUND**

**JUNE 30, 2013**

	<b><u>Governmental Activities Internal Service Funds</u></b>
<b>Assets:</b>	
Cash and cash equivalents	\$ 5,177,208
Accounts receivable	430
Total assets	<u>5,177,638</u>
<b>Liabilities:</b>	
Current:	
Accounts payable	2,065
Claims incurred but not reported	586,096
Noncurrent:	
Claims incurred but not reported	334,210
Total liabilities	<u>922,371</u>
<b>Net Position:</b>	
Unrestricted	\$ <u>4,255,267</u>

The accompanying notes are an integral part of the financial statements

## TOWN OF WETHERSFIELD, CONNECTICUT

STATEMENT OF REVENUES, EXPENSES AND CHANGES  
IN FUND NET POSITION - PROPRIETARY FUND

FOR THE YEAR ENDED JUNE 30, 2013

	<b>Governmental Activities</b>
	<b>Internal Service Funds</b>
Operating Revenues:	
Contributions	\$ <u>9,587,461</u>
Operating Expenses:	
Employee benefits	6,527,439
Other expenses	<u>4,935,388</u>
Total operating expenses	<u>11,462,827</u>
Operating Loss	<u>(1,875,366)</u>
Nonoperating Revenue:	
Income on investments	9,569
Other	<u>28,020</u>
Total nonoperating revenue	<u>37,589</u>
Change in Net Position	(1,837,777)
Net Position at Beginning of Year, as Restated	<u>6,093,044</u>
Net Position at End of Year	\$ <u><u>4,255,267</u></u>

The accompanying notes are an integral part of the financial statements

**TOWN OF WETHERSFIELD, CONNECTICUT**  
**STATEMENT OF CASH FLOWS - PROPRIETARY FUND**  
**FOR THE YEAR ENDED JUNE 30, 2013**

	<b>Governmental Activities</b>
	<b>Internal Service Funds</b>
Cash Flows from Operating Activities:	
Cash received from customers and users	\$ 9,604,840
Payment to suppliers	(4,935,388)
Payment to employees	(6,539,344)
Net cash used in operating activities	(1,869,892)
Cash Flows from Investing Activities:	
Interest on investments	9,569
Net Decrease in Cash and Cash Equivalents	(1,860,323)
Cash and Cash Equivalents at Beginning of Year, as Restated	7,037,531
Cash and Cash Equivalents at End of Year	\$ 5,177,208
Reconciliation of Operating Loss to Net Cash Used in Operating Activities:	
Operating loss	\$ (1,875,366)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Decrease in accounts receivable	17,379
Decrease in accounts payable and accrued expenses	(11,905)
Net Cash Used in Operating Activities	\$ (1,869,892)

The accompanying notes are an integral part of the financial statements

## TOWN OF WETHERSFIELD, CONNECTICUT

## STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS

JUNE 30, 2013

	<u>Pension Trust Fund</u>	<u>OPEB Trust Fund</u>	<u>Private Purpose Trust Funds</u>	<u>Agency Funds</u>
Assets:				
Cash and cash equivalents	\$ 335,736	\$ 2,338,297	\$ 275,147	\$ 669,791
Investments:				
Mutual funds	73,511,716	5,018,308	1,578,809	
Other				60,279
Contribution and other receivables	<u>391</u>	<u>414</u>	<u>199</u>	<u></u>
Total assets	<u>73,847,843</u>	<u>7,357,019</u>	<u>1,854,155</u>	<u>\$ 730,070</u>
Liabilities:				
Accounts payable		34,790	12,353	\$
Claims incurred but not reported		121,197		
Due to other funds			17	
Due to student groups and others				<u>730,070</u>
Total liabilities	<u>-</u>	<u>155,987</u>	<u>12,370</u>	<u>\$ 730,070</u>
Net Position:				
Held in Trust for Pension Benefits and Other Purposes	<u>\$ 73,847,843</u>	<u>\$ 7,201,032</u>	<u>\$ 1,841,785</u>	

The accompanying notes are an integral part of the financial statements

## TOWN OF WETHERSFIELD, CONNECTICUT

## STATEMENT OF CHANGES IN FIDUCIARY NET POSITION- FIDUCIARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2013

	<u>Pension Trust Fund</u>	<u>OPEB Trust Fund</u>	<u>Private Purpose Trust Funds</u>
Additions:			
Contributions:			
Employer	\$ 1,821,991	\$ 5,458,205	\$
Plan members	972,836	663,179	
Other		59,938	108,141
Total	<u>2,794,827</u>	<u>6,181,322</u>	<u>108,141</u>
Investment income:			
Net appreciation (depreciation) in fair value of investments	8,361,605	(142,638)	
Interest and dividends	1,823,551	37,171	88,657
Net investment income (loss)	<u>10,185,156</u>	<u>(105,467)</u>	<u>88,657</u>
Total additions	<u>12,979,983</u>	<u>6,075,855</u>	<u>196,798</u>
Deductions:			
Benefits	4,683,427	2,341,927	
Administration expense	401,077	80,669	
Other			92,498
Total deductions	<u>5,084,504</u>	<u>2,422,596</u>	<u>92,498</u>
Net Change	7,895,479	3,653,259	104,300
Net Position at Beginning of Year, as Restated	<u>65,952,364</u>	<u>3,547,773</u>	<u>1,737,485</u>
Net Position at End of Year	<u>\$ 73,847,843</u>	<u>\$ 7,201,032</u>	<u>\$ 1,841,785</u>

The accompanying notes are an integral part of the financial statements

## TOWN OF WETHERSFIELD, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS

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#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Town of Wethersfield, Connecticut (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 policies of the Town are described below.

##### A. Reporting Entity

The Town was incorporated in 1822. It operates under a charter as revised on November 2, 2004. The Town operates under a Town Council-Town Manager form of government. The financial statements include all of the funds of the Town that meet the criteria for inclusion as set forth in *Statement of Governmental Accounting Standards No. 14* issued by the Governmental Accounting Standards Board.

The Wethersfield Housing Authority (the WHA), although governed by a commission which is appointed by the Town Council, is considered to be a separate governmental body because the Town has no budgetary authority over the WHA and has no authority over the funds of the WHA. Financial data for the WHA are not included in the financial statements of the Town.

The Central Connecticut Health District (the CCHD), a tri-town health district, was created pursuant to State statute. CCHD is overseen by a twelve-member board of which three members are appointed by the Town. Funding for CCHD is partially obtained through an assessment levied on the participating towns. The Town has no governing or budgeting authority over CCHD. CCHD is considered a separate governmental body and is, therefore, not included in the Town's financial statements.

##### B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Town. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities* are normally supported by taxes and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *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 are reported as separate columns in the fund financial statements.

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

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

Property taxes, charges for services, certain intergovernmental revenues, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received.

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

The *Capital Projects Fund* accounts for construction and acquisition of major capital assets.

The *Small Cities Housing Rehabilitation Fund* accounts for federal grant revenues from the U.S. Department of Housing and Urban Development and subsequent loans to entities for various grant years. The major source of revenue in this fund is grants and loan repayments.

Additionally, the Town reports the following fund types:

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

The *Pension Trust Fund* is used to account for the activities of the Town's defined benefit plan, which accumulates resources for pension benefit payments to qualified employees.

The *OPEB (Other Post Employment Benefit) Trust Fund* is used to account for the activities for both the Town and Board of Education for other post employment benefits that accumulate resources for other post employment benefit payments to qualified employees.

The *Private Purpose Trust Funds* are used to account for the Town's resources legally held in trust for the benefit of the library, animal control operations, public park beautification and firefighters.

The *Agency Funds* account for monies held on behalf of outside groups such as student activity funds, various community committees, and amounts held for performance bonds.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes and other charges between certain Town's functions because the 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 property 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 funds are charges to customers for services. Operating expenses for internal service funds include the benefits and services and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

#### **D. Deposits and Investments**

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the Town to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements and certain other investments as described in Note 3.

Investments for the Town are reported at fair value.

#### **E. 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." All trade and property tax receivables are shown net of an allowance for uncollectibles. Allowances for uncollectibles are computed based on historical data.

#### **F. Property Taxes**

The Town's property tax is levied on July 1 on the assessed value listed on the prior October 1 Grand List for all taxable property located in the Town. Real and personal property tax bills in excess of \$200 and \$500, respectively, are due and payable in two installments, on July 1 following the date of the Grand List and on January 1 of the subsequent year. Motor vehicle taxes are payable in one installment on July 1.

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

Property assessments are made at 70% of appraised market value, based on the assessed value of the property at the prior October 1.

It is the policy of the Town to record deferred revenue for property taxes receivable at June 30 that have not been collected prior to September 1. Property taxes collected prior to June 30 that are applicable to the subsequent years' assessment are reflected as advance tax collections (deferred revenue).

The Town files liens against property if taxes that are due July 1 remain unpaid on the following June 30.

Property tax revenues are recognized when they become available. Available means due or past due and receivable within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. The Town defines the current period to mean within 60 days after year-end. Taxes collected during the 60-day period have been recorded as revenue. 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.

**G. Inventories and Prepaid Items**

All materials and supplies are recorded as expenditures in the year purchased, except for food and supplies inventory of the Cafeteria Special Revenue Fund. Purchased inventories of the Cafeteria Fund are stated at cost on a first-in, first-out basis. Inventories of donated commodities are stated at fair market value.

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

**H. Capital Assets**

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Depreciable capital assets are defined by the government as equipment in excess of \$5,000 or buildings and infrastructure improvements in excess of \$25,000 with an estimated useful life of more than one fiscal 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 assets lives are not capitalized.

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

<u>Assets</u>	<u>Years</u>
Buildings	50
Building improvements	25-50
Infrastructure and public domain improvements	20-70
Office and school equipment	10-20
Kitchen appliances	15
Machinery, tools and equipment	10-15
Motor vehicles	7
Computer equipment and accessories	5

**I. Compensated Absences**

Employees are paid by prescribed formula for absence due to vacation or sickness which varies by bargaining unit as well as hire date. The entire liability is recognized in the government-wide financial statements.

## **J. Long-Term Obligations**

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

## **K. Fund Equity**

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

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

Restricted Net Position - Restrictions are externally imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The Town currently has no assets under restriction.

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

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

Nonspendable Fund Balance - This represents amounts that cannot be spent due to form (e.g., inventories and prepaid amounts), or legally or contractually are required to be maintained intact (such as corpus of an endowment fund).

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 the Town itself, using its highest level of decision-making authority. Only the Wethersfield Town Council by adoption of resolution, budget or motion or the Electors of the Town by referendum can commit or rescind committed fund balance.

Assigned Fund Balance - For all governmental funds other than the General Fund, this represents any remaining positive amounts the Town intends to use for a specific purpose, not classified as nonspendable, restricted or committed. Intent can be expressed by the Town or by an official or body to which the Town delegated authority and can include appropriations of existing fund balance for future budgets and encumbrances. For the General Fund, this includes amounts constrained for the intent to be used for a specific purpose by the Town Council or the Director of Finance.

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 shall propose budgets that provide for an unrestricted General Fund balance of not less than 7% or more than 10% of the total operating General Fund expenditures.

#### **L. Estimates**

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities including disclosures of contingent assets and liabilities and reported revenues and expenditures during the fiscal year.

## **2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

### **A. Budgetary Information**

The General Fund is the only fund for which a legal budget is adopted. Budgets for the Capital Nonrecurring Fund and Animal Control Fund are authorized annually by the Town Council. Annual budgets are not adopted for any major special revenue funds and, accordingly, are not included in the basic financial statements as permitted by accounting principles generally accepted in the United States of America.

In accordance with the Town Charter, Section 708, the Town uses the following procedures in establishing the budgetary data included in the basic financial statements:

Prior to the second Monday in April, the Town Manager submits to the Town Council a proposed operating budget for the General Fund for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them. On the third Monday in April, a public hearing is conducted to obtain taxpayers' comments. Prior to the 15th of May, the budget is legally adopted and a rate of taxation is set.

No department or board may involve the Town in any obligation to spend money for any purpose in excess of the amount appropriated. However, upon approval of the Director of Finance and the Town Manager, transfers from one budgetary line item to another may be made within a department or major division. The Board of Education has a similar budgetary control system with approval of such transfers by the Board of Education Business Manager. In addition, under Section 709 of the Town Charter, the Town Council may, by resolution, transfer monies from the contingency account to other line items at any time during the fiscal year and may transfer from any account during the last three months of the fiscal year. Expenditures may not legally exceed budgeted appropriations at the activity level. All unencumbered appropriation balances lapse at the end of the fiscal year for which they were made, except that an appropriation made for a capital outlay does not lapse until the project for which the appropriation was made has been accomplished or no expenditure from or encumbrance of the appropriation has been made for three consecutive fiscal years.

Special revenue funds are administered in the same manner as the General Fund, except that the level of control for these funds is extended to encompass budget variations for expenditures insofar as projected revenues fluctuate within a fiscal period.

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

There were no supplemental budgetary appropriations from fund balance made during the year.

### **3. CASH, CASH EQUIVALENTS AND INVESTMENTS**

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

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

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

#### **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.

On October 3, 2008, the Emergency Economic Stabilization Act of 2008 increased the insurance coverage offered by the Federal Deposit Insurance Corporation (FDIC) from \$100,000 to \$250,000 per depositor. This limit is anticipated to return to \$100,000 after December 31, 2013. The Town had amounts in excess of \$250,000 in a single bank during the year. Amounts over \$250,000 are not insured by the FDIC. The balances fluctuate during the year and can exceed this \$250,000 limit. Management regularly monitors the financial institution, together with its cash balances, and tries to keep this potential risk to a minimum.

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$15,390,769 of the Town's bank balance of \$16,515,193 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 13,852,417
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name	<u>1,538,352</u>
Total Amount Subject to Custodial Credit Risk	<u><u>\$ 15,390,769</u></u>

### Cash Equivalents

At June 30, 2013, the Town's cash equivalents amounted to \$7,438,192. The following table provides a summary of the Town's cash equivalents (excluding U.S. government guaranteed obligations) as rated by nationally recognized statistical rating organizations. The pools all have maturities of less than one year.

	<u>Standard &amp; Poor's</u>
State Short-Term Investment Fund (STIF)	AAAm
Cutwater Asset Management - Connecticut CLASS Plus	AAAm
People's Bank Cash Management Assets	*

\*Not rated

### Investments

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

<u>Investment Type</u>	<u>Credit Rating</u>	<u>Fair Value</u>	<u>Investment Maturities</u>	
			<u>Less Than 1</u>	<u>1-10</u>
Certificates of deposit	N/A	\$ <u>1,815,605</u>	\$ <u>1,815,605</u>	\$ <u>                    </u>
Other investments:				
Mutual funds		<u>82,078,315</u>		
Total Investments		<u><u>\$ 83,893,920</u></u>		

*Interest Rate Risk* - The Town's investment policy states that the Town's portfolio be structured so that securities mature to meet the Town's cash requirements, thereby avoiding the need to sell securities on the open market prior to their maturity. The Town invests primarily in shorter-term securities unless it is anticipated that long-term securities can be held to maturity without jeopardizing liquidity requirements.

The Town also has, for the Pension Trust Funds, an investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The Pension Commission's Investment Policy requires its fixed income portion to be high quality bonds managed consistent with Bank of America's forecast of interest rates, inflation and valuation levels, and the benchmark is the Lehman Brothers Aggregate Index for high quality and the J.P. Morgan Developed B/B Index for high yield. This is a means to manage the Town's exposure to fair value losses arising from increasing interest rates.

*Credit Risk - Investments* - As indicated above, State Statutes limit the investment options of cities and towns. The Investment Policy (described in the preceding paragraph) further limits its investment choices. The Town's interest-bearing investments consist of U.S. Government guaranteed obligations that are not subject to rating.

The Pension Commission's investment benchmark for large capitalization companies is the S&P 500 Index and Russell 1000 Value, and for small capitalization companies the benchmark is the Russell 2000. The benchmark for international equities is the Morgan Stanley EAFE Index and for fixed income is the Barclay's Capital Index.

*Concentration of Credit Risk* - The Town's Investment Policy states investments are limited to low-risk securities in anticipation of earning a fair return relative to the risk being assumed, and sets forth that no more than 40% of the total may be invested with one institution.

The Pension Investment Policy sets forth the following asset allocation targets: Domestic Equities 30% - 70%; International Equities 10% - 20%; and Fixed Income 15% - 55%.

*Custodial Credit Risk* - Custodial credit risk for an investment 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. At June 30, 2013, the Town had no uninsured and unregistered securities held by the counterparty, or by its trust department or agent that were not in the Town's name.

#### 4. RECEIVABLES

Receivables as of year-end for the Town's individual major funds and nonmajor, internal service and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Capital Projects</u>	<u>Small Cities Rehabilitation</u>	<u>Nonmajor and Other Funds</u>	<u>Total</u>
Receivables:					
Taxes	\$ 2,228,038	\$ 8,101	\$	\$	\$ 2,236,139
Accounts and other*	223,132	20,675	725,571	227,626	1,197,004
Intergovernmental	352,562	454,897		93,874	901,333
Gross receivables	<u>2,803,732</u>	<u>483,673</u>	<u>725,571</u>	<u>321,500</u>	<u>4,334,476</u>
Less allowance for uncollectibles	<u>(260,100)</u>				<u>(260,100)</u>
Net Total Receivables	<u>\$ 2,543,632</u>	<u>\$ 483,673</u>	<u>\$ 725,571</u>	<u>\$ 321,500</u>	<u>\$ 4,074,376</u>

\*Does not include accrued interest on property taxes of \$1,087,572.

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

	<u>Unavailable</u>	<u>Unearned</u>
General Fund:		
Delinquent property taxes receivable	\$ 1,819,353	\$
Property taxes collected in advance		1,586,335
Unearned grants and other		16,822
Capital Projects:		
Loan receivable	11,443	
Delinquent property taxes receivable	10,471	
Small Cities Rehabilitation:		
Loan receivable	729,772	
Nonmajor Governmental Funds:		
Fees collected in advance		60,010
Unearned grants and other		22,062
	<u>\$ 2,571,039</u>	<u>\$ 1,685,229</u>

## 5. CAPITAL ASSETS

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Adjustments</u>	<u>Ending Balance</u>
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 7,902,283	\$	\$ (205,000)	\$	\$ 7,697,283
Property rights		200,000			200,000
Construction in progress	4,179,517	4,877,230	(245,268)	(931,230)	7,880,249
Total capital assets not being depreciated	<u>12,081,800</u>	<u>5,077,230</u>	<u>(450,268)</u>	<u>(931,230)</u>	<u>15,777,532</u>
Capital assets being depreciated:					
Buildings	86,438,151				86,438,151
Improvements other than buildings	5,103,028	45,846			5,148,874
Rolling equipment	9,419,989	678,027	(187,574)		9,910,442
Furniture and fixtures	11,216,501	158,043			11,374,544
Infrastructure	30,972,026	199,421			31,171,447
Total capital assets being depreciated	<u>143,149,695</u>	<u>1,081,337</u>	<u>(187,574)</u>	<u>-</u>	<u>144,043,458</u>
Less accumulated depreciation for:					
Buildings	29,527,641	1,846,461			31,374,102
Improvements other than buildings	1,303,601	216,504			1,520,105
Rolling equipment	5,625,442	797,659	(187,574)		6,235,527
Furniture and fixtures	9,901,359	158,554			10,059,913
Infrastructure	19,093,756	320,903			19,414,659
Total accumulated depreciation	<u>65,451,799</u>	<u>3,340,081</u>	<u>(187,574)</u>	<u>-</u>	<u>68,604,306</u>
Total capital assets being depreciated, net	<u>77,697,896</u>	<u>(2,258,744)</u>	<u>-</u>	<u>-</u>	<u>75,439,152</u>
Governmental Activities Capital Assets, Net	<u>\$ 89,779,696</u>	<u>\$ 2,818,486</u>	<u>\$ (450,268)</u>	<u>\$ (931,230)</u>	<u>\$ 91,216,684</u>

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

Governmental activities:	
Public safety	\$ 704,459
Public works	705,008
Recreation and parks	315,379
General government	213,789
Education	<u>1,401,446</u>
 Total Depreciation Expense - Governmental Activities	 \$ <u><u>3,340,081</u></u>

### Construction Commitments

The Town has active construction projects as of June 30, 2013. At year end, the Town's commitments are as follows:

<u>Project</u>	<u>Spent-to-Date</u>	<u>Remaining Commitment</u>
Williams Street Drainage	\$ 31,819	\$ 2,297
Murphy Pond	19,270	
Cloverdale Pond	19,100	15,400
Emerson Williams Pipe Repair		45,450
Town Garage Enclose Steel Frame	30,000	3,500
Pavement Milling & Overlay	2,380,225	
Morrison Ave. Improvements	206,103	982
Olney Road Reconstruction	515,636	33,823
Millwoods Park Improvements	196,817	9,212
Silas Deane Highway Renovations	1,145,519	90,179
Fire Station #2 Walks Frontage	9,157	483
High School/Hamner Renovations	117,448	1,975
Hamner Fire Alarms	89,271	675
Sidewalks	49,747	11,253
Wethersfield High School Renovations	2,957,639	4,949,156
CNEF Road Levy Fund	715,750	312,838
Cottone Field Lights	<u>307,328</u>	<u>14,327</u>
 Total	 \$ <u><u>8,790,829</u></u>	 \$ <u><u>5,491,550</u></u>

The commitments are being financed with General Fund appropriations and state and federal grants.

## 6. INTERFUND RECEIVABLE AND PAYABLE BALANCES

The composition of interfund balances, which represent temporary activity and budgetary policies, as of June 30, 2013 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Capital Projects	\$ 2,646,643
	Nonmajor Governmental Funds	1,385
	Fiduciary Funds	<u>17</u>
		<u>\$ 2,648,045</u>

Interfund transfers are a result of the funding of capital projects through the budgetary process and nonrecurring supplemental appropriations of revenue to other funds. The transfers that occurred during the year are as follows:

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Transfers Out</u>
Transfers out				
General Fund	\$	\$ 1,752,325	\$ 90,200	\$ 1,842,525
Nonmajor Governmental Funds	<u>50,000</u>			<u>50,000</u>
Total Transfers In	<u>\$ 50,000</u>	<u>\$ 1,752,325</u>	<u>\$ 90,200</u>	<u>\$ 1,892,525</u>

## 7. LEASES

### Capital Leases

The Town has entered into a lease agreement as lessee for financing the acquisition of rolling equipment, fire apparatus and police communications 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 gross amount of assets acquired under capital leases, by major asset class, are shown below:

Vehicles	\$ 2,736,392
Less accumulated depreciation	<u>(1,065,420)</u>
Total	<u>\$ 1,670,972</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2013 are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2014	\$ 411,102
2015	411,102
2016	161,313
2017	97,373
2018	<u>97,373</u>
Total minimum lease payments	1,178,263
Less amount representing interest	<u>(55,605)</u>
 Present Value of Minimum Lease Payments	 <u>\$ 1,122,658</u>

## 8. LONG-TERM DEBT

### Changes in Long-Term Liabilities

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds payable:					
General obligation bonds	\$ 26,850,000	\$ 6,170,000	\$ 8,730,000	\$ 24,290,000	\$ 2,255,000
Premium on general obligation bonds	1,101,850	549,120	139,842	1,511,128	
Less deferred amounts	<u>(649,741)</u>	<u>(600,679)</u>	<u>(119,878)</u>	<u>(1,130,542)</u>	
Total bonds payable	27,302,109	6,118,441	8,749,964	24,670,586	2,255,000
Capital leases	892,453	605,964	375,759	1,122,658	382,648
Notes payable	795,000		70,000	725,000	70,000
Net OPEB obligation	11,353,888		3,188,916	8,164,972	
Compensated absences	2,016,201	39,724	63,505	1,992,420	851,665
Risk management liability	<u>1,092,589</u>	<u>6,355,156</u>	<u>6,527,439</u>	<u>920,306</u>	<u>586,096</u>
 Governmental Activities Long-Term Liabilities	 <u>\$ 43,452,240</u>	 <u>\$ 13,119,285</u>	 <u>\$ 18,975,583</u>	 <u>\$ 37,595,942</u>	 <u>\$ 4,145,409</u>

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

## General Obligation Bonds

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>Original Issue</u>	<u>Interest Rate (%)</u>	<u>Date of Maturity</u>	<u>Annual Principal</u>	<u>Balance Outstanding June 30, 2013</u>
General obligation bonds	10/15/01	\$ 7,000,000	3.25-5.25%	10/15/2021	\$ 350,000	\$ -
General obligation bonds	03/15/03	8,970,000	2.5-3.4%	8/15/2022	180,000-720,000	660,000
General obligation bonds	06/15/05	15,000,000	3.0-5.0%	8/15/2025	785,000-790,000	1,580,000
General obligation bonds	05/15/09	6,855,000	2.5-4.5%	8/15/2028	275,000-405,000	4,805,000
General obligation bonds	06/15/10	12,010,000	3.0-5.0%	7/15/2022	125,000-790,000	11,185,000
General obligation bonds	08/01/12	6,170,000	2.0-3.0%	8/15/2024	25,000-1,005,000	6,060,000
Total Outstanding						<u>\$ 24,290,000</u>

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

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 2,255,000	\$ 880,871	\$ 3,135,871
2015	2,245,000	819,622	3,064,622
2016	1,990,000	737,437	2,727,437
2017	2,015,000	660,375	2,675,375
2018	1,995,000	582,250	2,577,250
2019-2023	9,835,000	1,618,587	11,453,587
2024-2028	3,550,000	338,662	3,888,662
2029	405,000	8,606	413,606
Total	<u>\$ 24,290,000</u>	<u>\$ 5,646,410</u>	<u>\$ 29,936,410</u>

## General Obligation Serial Notes

On September 1, 2011, the Town issued a General Obligation Serial Note in the amount of \$795,000 to cover the costs of school construction. The note bears interest at 2.67% and matures on September 1, 2021.

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

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 70,000	\$ 19,357	\$ 89,357
2015	75,000	17,488	92,488
2016	75,000	15,486	90,486
2017	80,000	13,483	93,483
2018	80,000	11,347	91,347
2019-2022	<u>345,000</u>	<u>23,229</u>	<u>368,229</u>
Total	\$ <u>725,000</u>	\$ <u>100,390</u>	\$ <u>825,390</u>

### **Authorized But Unissued**

The total of authorized but unissued bonds at June 30, 2013 is \$76,652,082. In most cases, interim financing is obtained through bond anticipation notes or other short-term borrowings until the issuance of long-term debt.

### **General Obligation Bonds - Advance Refunding**

On August 1, 2012, the Town issued \$6,170,000 of general obligation refunding bonds with interest rates ranging from 2% to 3% to currently refund the outstanding principal amounts of \$1,280,000 General Obligation Bonds, Series 2003B, dated March 15, 2003 and \$4,730,000 General Obligations Bonds, Series 2005, dated June 15, 2005.

The net proceeds of \$6,719,120 (including a premium of \$549,120 and issuance costs of \$108,441, including underwriter's fees) will reduce total debt service payments over the next 12 years by approximately \$611,295 and represents an economic gain (difference between present values of the debt service payments on the old and new debt) of \$482,777. 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 \$6,384,344 at June 30, 2013. The outstanding balance of the defeased bonds as of June 30, 2013 is \$6,060,000.

### **Prior Year Defeasance of Debt**

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 \$4,806,270 at June 30, 2013. The outstanding balance of the defeased bonds as of June 30, 2013 is \$4,730,000.

## 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 (in thousands):

<u>Category</u>	<u>Debt Limit</u>	<u>Net Indebtedness</u>	<u>Balance</u>
General purpose	\$ 170,989	\$ 16,125	\$ 154,864
Schools	341,979	85,450	256,529
Sewers	284,982	44,276	240,706
Urban renewal	246,985		246,985
Pension deficit	227,986		227,986

Sewer indebtedness includes overlapping debt of the Metropolitan District. As a member of the Metropolitan District (a quasi-municipal corporation that provides water supply and sewerage collection and disposal facilities for members), the Town is contingently liable for \$44.2 million or 7.92% of the District debt.

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation (\$531.9 million).

## 9. FUND BALANCE

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

	<u>General Fund</u>	<u>Capital Project Fund</u>	<u>Small Cities Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Fund balances:					
Nonspendable:					
Inventory	\$	\$	\$	\$ 19,625	\$ 19,625
Restricted for:					
General government				38,581	38,581
Operation of school lunch program				101,435	101,435
Public safety grants				253,713	253,713
Police Station		53,429			53,429
Park improvements				21,603	21,603
Community or economic development				2,482	2,482
Social and youth services				351,316	351,316
Housing rehabilitation			54,259		54,259
Committed to:					
Capital projects - undefined					
Infrastructure improvements		2,037,241			2,037,241
Operation of school lunch program				103,170	103,170
Building improvements		439,362			439,362
Drainage System Improvements		381,645			381,645
Energy Efficiency Improvements		39,017			39,017
Social and Youth Service Vehicles		10,000			10,000
Property Revaluation		120,480			120,480
Community Development		118,353		22,305	140,658
Tree Service		7,410			7,410
Maintenance & Improvement of Town Parks		128,691		122,118	250,809
Fire Safety Equipment		19,664			19,664
Radio System Improvement and Reconfiguration		447,249		5,754	453,003
Technology System Upgrades		82,791			82,791
Road Improvements		394,256			394,256
Operation & Maintenance of Town Facilities				127,127	127,127
Land preservation				578,925	578,925
Economic & Business Development				84,737	84,737
Parks and Recreations Programs				737,257	737,257
Police Traffic Duty				197,069	197,069
Compensated absences	373,793				373,793
Assigned to:					
General government purchases on order	61,666				61,666
Public safety purchases on order	84,544				84,544
Public works purchases on order	5,928				5,928
Library purchases on order	3,625				3,625
Education purchases on order	290,861				290,861
Future budgets	350,000				350,000
Unassigned	9,311,165	(2,154,154)			7,157,011
<b>Total Fund Balances</b>	<b>\$ 10,481,582</b>	<b>\$ 2,125,434</b>	<b>\$ 54,259</b>	<b>\$ 2,767,217</b>	<b>\$ 15,428,492</b>

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

## 10. RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties, except as disclosed below. Settled claims from these risks did not exceed commercial insurance coverage during the years ended June 30, 2013, 2012 or 2011.

### Heart and Hypertension

The Town is exposed to risk of loss for claims from police officers, hired before 1995, who incur hypertension or heart problems as a result of work conditions. The Town accounts for this activity through use of an internal service fund, which is funded by transfers from the general fund. An analysis of the claims liability is as follows:

	<b>Accrued Liability Beginning of Fiscal Year</b>		<b>Current Year Claims Paid and Changes in Estimates</b>		<b>Accrued Liability Claim Payments</b>		<b>Accrued Liability End of Fiscal Year</b>
2012-13	\$ 486,646	\$	71,193	\$	(99,213)	\$	458,626
2011-12	708,988		68,329		(290,671)		486,646

### Medical Self-Insurance

The Town's self-insurance program is used to account for health insurance coverage for Town and Board of Education employees on a cost-reimbursement basis. Under the program, the Town is obligated for claim payments. A stop loss insurance contract executed with an insurance carrier covers claims in excess of 125% of expected claim payments in the aggregate and over \$100,000 per individual, per year. During 2013, total claims expense of \$6,456,246 was incurred, which did not exceed 125% of expected claim payments. This expense represents claims processed and an estimate for claims incurred but not reported as of June 30, 2013.

The Fund establishes claims liabilities based on estimates of claims that have been incurred but not reported; accordingly, the Fund recorded an additional liability at June 30, 2013 of \$461,680.

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

A schedule of changes in the claims liability for the years ended June 30, 2013 and 2012, is presented below:

	<b>Accrued Liability Beginning of Fiscal Year</b>		<b>Current Year Claims Paid and Changes in Estimates</b>		<b>Accrued Liability Claim Payments</b>		<b>Accrued Liability End of Fiscal Year</b>
2012-13	\$ 475,606	\$	6,456,246	\$	(6,470,172)	\$	461,680
2011-12	756,168		6,856,523		(7,137,085)		475,606

## **Interlocal Risk Pool**

The Town is a member of the Connecticut Interlocal Risk Management Agency (CIRMA), an unincorporated association of Connecticut local public agencies that was formed in 1980 by the Connecticut Conference of Municipalities for the purpose of establishing and administering an interlocal risk management program pursuant to the provisions of Section 7-479a et. seq. of the Connecticut General Statutes.

The Town participates in CIRMA's Workers' Compensation Pool, a risk-sharing pool, which was begun on July 1, 1980. The Workers' Compensation Pool provides statutory benefits pursuant to the provisions of the Connecticut Workers' Compensation Act. CIRMA currently has 220 members in the Workers' Compensation Pool. The coverage is subject to an incurred loss retrospective rating plan, and losses incurred in coverage period 2012-2013 will be evaluated at 18, 30 and 42 months after the effective date of coverage. The deposit contribution (premium) paid in 2012-2013 was \$461,407. The contribution (premium) is subject to payroll audit at the close of the coverage period. CIRMA's Workers' Compensation Pool retains up to \$1,000,000 per occurrence. Claims over \$1,000,000 are reinsured.

## **11. CONTINGENT LIABILITIES**

There are various suits and claims pending against the Town, none of which, individually or in the aggregate, is believed by Town management and counsel to result in a judgment or judgments which would have a material adverse effect on the Town's financial position.

## **12. OTHER POSTEMPLOYMENT BENEFITS**

### **A. Plan Description**

The Town and Board of Education provide postretirement benefits, in accordance with various labor and personnel contracts, to employees meeting specific service and age requirements. The plan is a single employer defined benefit plan. The Town does not issue stand-alone financial statements for this program.

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

	<b>Town Plan</b>	<b>Board of Education Plan</b>
Active plan members	154	385
Retired members	88	264
Spouses of retired members	70	24
Total Participants	<u>312</u>	<u>673</u>

### **B. Funding Policy**

The Town's funding and payment of postemployment benefits were accounted for in the Retiree Health Fund on a pay-as-you-go basis. As of June 30, 2013, the Town has established a trust fund to irrevocably segregate assets to fund the liability associated with the postemployment benefits, which require the reporting of a trust fund in accordance with GASB guidelines. The Retiree Health Fund has been combined into the OPEB Trust Fund effective July 1, 2012. The contribution requirements of plan members and the Town are also negotiated with the various unions representing the employees.

Police employees are required to contribute 1.5% of monthly earnings. AFSCME Local 1303-40 are required to contribute 2.0%, but those employees hired after July 1, 2010 are not eligible. Employees of AFSCME Local 1303-408 are required to contribute 2%. AFSCME Local 818 are required to contribute 2%, but those hired after July 1, 2008 are not eligible. Employees of CILU Local 222 814081 Library Supervisors and Local 222 814082 Library Non-Supervisors are required to contribute 2.5%. Employees of the Town Administrative Group are required to contribute 2%.

### C. 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 thirty 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:

	<b>Town and BOE Retiree Benefit Plan</b>
Annual required contribution (ARC)	\$ 5,609,000
Interest on net OPEB obligation	738,003
Adjustment to annual required contribution	(616,033)
Annual OPEB cost	<u>5,730,970</u>
Contributions made	<u>8,919,886</u>
Decrease in net OPEB obligation	(3,188,916)
Net OPEB obligation - beginning of year	<u>11,353,888</u>
Net OPEB Obligation - End of Year	<u><u>\$ 8,164,972</u></u>

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation (asset) for the fiscal years ended June 30, 2013 through June 30, 2011 are presented below.

<u>Year Ended</u>	<u>OPEB Cost (AOC)</u>	<u>Actual Contribution</u>	<u>Percentage of AOC Contributed</u>	<u>OPEB Obligation</u>
06/30/11	\$ 5,827,054	\$ 2,958,000	50.76 %	\$ 7,600,857
06/30/12	6,318,679	2,565,648	40.60	11,353,888
06/30/13	5,730,970	8,919,886	155.64	8,164,972

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as accrual results are compared with past expectations and new estimates are made about the future.

Projections for benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the

effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2011 actuarial valuation, the projected unit credit actuarial cost method was used. The annual required contribution (ARC) reflects a 30-year, decreasing amortization of the unfunded actuarial accrued liability (AAL). The actuarial assumptions include a 6.5% interest rate, annual payroll growth rate of 4.0% and an initial inflation rate of 5.8% with an ultimate inflation rate of 4.4% over 50 years. The annual OPEB cost trend rate is 9% initially decreasing 1% per year to an ultimate rate of 5%. The actuarial value of assets was determined using the closed group method. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll.

**Schedule of Funding Progress**

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability(AAL) (b)</b>	<b>(Unfunded) AAL (UAAL) (a-b)</b>	<b>Percentage Funded (a/b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as a % of Covered Payroll ((a-b)/c)</b>
7/1/07	\$ -	\$ 66,076,000	\$ (66,076,000)	0.0%	\$ N/A	N/A
7/1/09	-	63,878,000	(63,878,000)	0.0%	N/A	N/A
7/1/11	-	65,521,000	(65,521,000)	0.0%	37,651,000	(174.02%)

**13. EMPLOYEE RETIREMENT PLANS**

**A. Plan Description**

The Town is the administrator of a single-employer Public Employee Retirement System (PERS) established and administered by the Town to provide pension benefits to substantially all full-time employees, except certified personnel of the Board of Education who are covered under the State Teachers' Retirement System. Employee and employer obligations to contribute to the Plan are established and may be amended by the Town. The PERS is considered to be part of the Town's financial reporting entity and is included in the Town's financial reports as a Pension Trust Fund. A stand-alone financial report is not prepared for the PERS.

At July 1, 2012, plan membership consisted of the following:

Retirees, disabled individuals and beneficiaries currently receiving benefits	214
Terminated employees entitled to benefits, but not yet receiving them	54
Current employees	<u>350</u>
 Total	 <u><u>618</u></u>

**B. Summary of Significant Accounting Policies**

Basis of Accounting - PERS financial statements are prepared using the accrual basis of accounting. Employee and employer contributions are due pursuant to formal commitments as well as statutory or contractual commitments. Benefits and refunds of the postemployment defined benefit plan are recognized when due and payable in accordance with the terms of the plan.

Method Used to Value Investments - Investments are reported at fair value. Investment income is recognized as earned.

**C. Pension Contributions**

	Contribution as of 7/1/12	Contribution as of 7/1/13	Closed to new employees*
Police- IBPO Local 391	7.5%	7.5%	
Public Works-AFSCME Local 1303-40	3.5%	4.0%	7/1/10
Town Secretarial/Dispatchers-AFSCME Local 1303-408	3.5%	4.0%	7/1/11
Town Supervisors-AFSCME Local 818	3.5%	4.0%	7/1/11
Library Supervisors-CILU Local 222 81-4081	3.5%	4.0%	7/1/12
Library Non-Supervisors- CILU Local 222 81-4082	3.5%	4.0%	7/1/12
BOE Secretarial/Clerical/Paraprofessional-CSEA/SEIU Local 2001, CTW	6.0%	6.0%	7/1/12
BOE Custodian and Maintenance-CSEA/SEIU Local 2001, CTW	5.0%	5.0%	8//1/12
School Nurses- AFL-CIO	6.0%	6.0%	7/1/12
Town Administrative Group	3.0%	3.0%	7/1/11

\*New employees are eligible for a Defined Contribution Plan 401A, which was established by the Town in December 2010.

The Town is required to contribute the amount necessary to finance the benefits for its employees. For fiscal year ended June 30, 2013, the Town’s required contribution was \$1,821,991, which represents 10.09% of covered payroll of \$18,055,698.

Administrative costs of the Plan are financed through investment earnings.

**D. Annual Pension Cost and Net Pension Asset**

The Town’s annual pension cost and net pension asset for the year ended June 30, 2013 are as follows:

Annual required contribution	\$ 1,821,991
Interest on net pension obligation	(7,771)
Adjustment to annual required contribution	6,453
Annual pension cost	<u>1,820,673</u>
Contributions made	<u>1,821,991</u>
Increase in net pension asset	(1,318)
Net pension asset - beginning of year	<u>(100,269)</u>
Net Pension Asset - End of Year	<u><u>\$ (101,587)</u></u>

**E. Actuarial Assumptions**

The annual required contribution for the current year was determined as part of the July 1, 2011 actuarial valuation using the entry age normal cost method for the Plan. The actuarial assumptions included (a) a 7.75% investment rate of return and (b) 4% projected salary increases. The cost of living adjustment (COLA) (for police only) was 2.25% for COLAs capped at 3% and 2.65% for COLAs capped at 4%, compounded annually. The unfunded actuarial accrued liability is being amortized on a 30-year closed period for the Town and Board of Education and a 25-year closed period for the police beginning July 1, 2009 for all plans. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll.

**F. Trend Information**

<b>Fiscal Year Ended</b>	<b>Annual Pension Cost (APC)</b>	<b>Actual Contribution</b>	<b>Percentage of APC Contributed</b>	<b>Net Pension Obligation (Asset)</b>
06/30/11	\$ 1,492,379	\$ 1,494,231	100%	\$ (98,868)
06/30/12	1,577,689	1,579,090	100%	(100,269)
06/30/13	1,820,673	1,821,991	100%	(101,587)

**G. Pension Plan Required Supplementary Information**

**Schedule of Funding Progress  
(thousands)**

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Liability (AAL) Entry Age (b)</b>	<b>Overfunded (Unfunded) AAL (UAAL) (a-b)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as a % of Covered Payroll (a-b)/c)</b>
07/01/07	\$ 62,734	\$ 67,395	\$ 4,661	93.1%	\$ 15,914	29.3%
07/01/08	66,535	72,247	5,712	92.1%	16,559	34.5%
07/01/09	66,975	76,073	9,098	88.0%	17,170	53.0%
07/01/10	66,585	75,716	9,131	87.9%	17,616	51.8%
07/01/11	67,820	80,526	12,706	84.2%	18,056	70.4%
07/01/12	67,898	84,152	16,254	80.7%	18,036	90.1%

**Schedule of Employer Contributions**

<b>Year Ended</b>	<b>Annual Required Contribution</b>	<b>Percentage Contributed</b>
06/30/08	\$ 1,146,403	100.0 %
06/30/09	1,193,687	100.0
06/30/10	1,204,694	100.0
06/30/11	1,494,228	100.0
06/30/12	1,579,090	100.0
06/30/13	1,821,991	100.0

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

## **State of Connecticut Teachers' Retirement System**

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

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

The Board of Education withholds 7.25% of all teachers' annual salaries and transmits the funds to the State Teachers' Retirement Board. Teacher payroll subject to retirement amounted to \$24,491,802.

The retirement system for teachers is funded by the State based upon the recommendation of the Teachers' Retirement Board. Such contribution includes amortization of actuarially computed unfunded liability. For the year ended June 30, 2013 the Town has recorded in the General Fund (Exhibit IV) intergovernmental revenue schools and schools expenditures in the amount of \$5,136,621 as payments made by the State of Connecticut on behalf of the Town. The Town does not have any liability for teacher pensions.

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

## **14. RESTATEMENT**

Fire Fighters Trust - Management reevaluated the Fire Fighters 457 Trust and determined it met the parameters of a private purpose trust fund. The inclusion of this trust fund resulted in an increase in assets and fiduciary net position of \$1,155,832. It had not been included in the Town's financial statements in the prior year.

OPEB (Other Postemployment Benefits) Trust - An OPEB trust fund was created for the fiscal year ended June 30, 2013 for retiree health costs. Prior to this, the contributions and costs were accounted for in a retiree benefits internal service fund. Effective July 1, 2012, the activity in the retiree benefits internal service fund was combined with the new OPEB trust fund. The effect is an increase in assets and fund balance in the OPEB Trust Fund of \$3,547,773 and a decrease in the retiree health costs internal service fund of the same amount.

## **15. SUBSEQUENT EVENT**

On October 2, 2013, the Town entered into a master lease with First Niagara Leasing, Inc. for the acquisition of equipment in the amount of \$3,600,000 with an interest rate of 2.301% per annum. Payments are due semiannually through August 15, 2023.

**Required  
Supplementary  
Information**

## TOWN OF WETHERSFIELD, CONNECTICUT

## GENERAL FUND

SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

FOR THE YEAR ENDED JUNE 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>Favorable</u> <u>(Unfavorable)</u>
Property taxes, interest and lien fees	\$ 74,740,499	\$ 74,740,499	\$ 75,019,911	\$ 279,412
Intergovernmental revenues:				
State of Connecticut - General Government	1,143,217	1,143,217	1,453,054	309,837
State of Connecticut - Board of Education	8,465,628	8,465,628	8,471,915	6,287
Total intergovernmental revenues	<u>9,608,845</u>	<u>9,608,845</u>	<u>9,924,969</u>	<u>316,124</u>
Licenses, fees and permits:				
Engineering	9,500	9,500	12,050	2,550
Town Clerk	4,500	4,500	3,382	(1,118)
Transfer station	25,000	25,000	28,448	3,448
Police	12,000	12,000	18,620	6,620
Building inspections	255,100	255,100	340,690	85,590
Total licenses, fees and permits	<u>306,100</u>	<u>306,100</u>	<u>403,190</u>	<u>97,090</u>
Charges for services:				
Town Clerk	385,000	385,000	416,236	31,236
Police	51,900	51,900	51,506	(394)
Recreation and parks	180,500	180,500	180,718	218
Rents	9,800	9,800	10,001	201
Library	20,376	20,376	20,505	129
Community Center	43,100	43,100	43,145	45
Refuse disposal	55,000	55,000	44,400	(10,600)
Youth Service Counseling	750	750	320	(430)
White goods pickup	4,000	4,000	3,510	(490)
False alarms	33,000	33,000	27,830	(5,170)
Dial-A-Ride membership	20,300	20,300	20,606	306
Computer services	1,500	1,500	1,500	-
Cell tower rental fees	286,135	286,135	232,911	(53,224)
Returned check fee	2,200	2,200	963	(1,237)
Tree services	28,000	28,000	21,264	(6,736)
Total charges for services	<u>1,121,561</u>	<u>1,121,561</u>	<u>1,075,415</u>	<u>(46,146)</u>

(Continued on next page)

## TOWN OF WETHERSFIELD, CONNECTICUT

**SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)**

**FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Fines and penalties	\$ 35,200	\$ 35,200	\$ 23,317	\$ (11,883)
Interest on investments	65,000	65,000	88,382	23,382
Other revenues	139,450	139,450	108,752	(30,698)
Appropriation of Fund Balance	350,000	350,000	-	(350,000)
Total	\$ 86,366,655	\$ 86,366,655	86,643,936	\$ 277,281

Budgetary revenues are different than GAAP revenues because:

State of Connecticut on-behalf contributions to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted

5,136,621

Compensated absences fund not budgeted for (combined for GASB 54)

891

Proceeds from sale of refunding bonds

6,170,000

Premium on refunding bonds

549,120

State of Connecticut grants for Special Education Excess Costs are netted for budgetary purposes

1,136,303

Other State of Connecticut grants netted for budgetary purposes

64,367

Net tuition amounts for the Board of Education

303,036

Encumbrances outstanding at June 30, 2012, cancelled during the year ended June 30, 2013

(32,598)

Total Revenues and Other Financing Sources as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds Exhibit IV

\$ 99,971,676

## TOWN OF WETHERSFIELD, CONNECTICUT

## GENERAL FUND

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
General Government:				
Town Council	\$ 94,021	\$ 94,021	\$ 83,462	\$ 10,559
Town Manager	428,052	452,642	452,642	-
Town Attorney	100,000	141,664	141,664	-
Town Clerk	255,423	239,642	239,321	321
Registrar of Voters	124,039	111,523	110,637	886
Town Treasurer	3,648	3,648	3,047	601
Finance/Accounting	549,894	549,894	541,015	8,879
Employee Benefits	1,210,763	1,210,763	1,196,763	14,000
Information processing	466,499	401,499	395,370	6,129
Tax collection	231,192	232,147	232,147	-
Assessment	324,249	325,434	325,434	-
Central office services	205,849	219,490	219,490	-
Probate court	29,000	28,542	28,285	257
Economic Development	278,241	277,221	276,825	396
Building Inspection	380,980	323,008	321,233	1,775
Total general government	4,681,850	4,611,138	4,567,335	43,803
Public Safety:				
Police	8,101,281	7,900,210	7,895,758	4,452
Fire suppression	679,817	632,596	632,395	201
Town-wide radio system	265,564	265,564	265,228	336
Fire Marshal	123,787	123,787	123,523	264
Emergency Medical Services	20,289	20,747	20,747	-
Total public safety	9,190,738	8,942,904	8,937,651	5,253
Public Works:				
Engineering	675,484	676,504	676,504	-
Physical services	7,236,719	7,249,629	7,241,229	8,400
Total public works	7,912,203	7,926,133	7,917,733	8,400
Social Services:				
Tri-Town Health District	116,390	116,390	116,390	-
Social and youth services	754,555	758,751	758,751	-
Total social services	870,945	875,141	875,141	-

(Continued on next page)

## TOWN OF WETHERSFIELD, CONNECTICUT

## GENERAL FUND

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Library	\$ 1,723,885	\$ 1,736,204	\$ 1,736,204	\$ -
Recreation and Parks	1,475,256	1,403,523	1,403,082	441
Contingency	340,000	5,179		5,179
Insurance	621,144	584,485	584,485	-
Disaster Recovery		311,730	311,730	-
Metropolitan District Commission	2,840,728	2,751,565	2,751,565	-
Debt Service:				
Principal retirement	2,680,000	2,708,547	2,790,000	(81,453)
Interest	1,053,225	1,053,225	909,020	144,205
Bond issuance cost			108,441	(108,441)
Total debt service	<u>3,733,225</u>	<u>3,761,772</u>	<u>3,807,461</u>	<u>(45,689)</u>
Board of Education:				
General expenditures	<u>51,614,354</u>	<u>51,614,354</u>	<u>51,614,067</u>	<u>287</u>
Total expenditures	85,004,328	84,524,128	84,506,454	17,674
Other Financing Uses:				
Transfers out	<u>1,362,327</u>	<u>1,842,527</u>	<u>1,842,527</u>	<u>-</u>
Total	<u>\$ 86,366,655</u>	<u>\$ 86,366,655</u>	86,348,981	<u>\$ 17,674</u>

Budgetary expenditures are different than GAAP expenditures because:

State of Connecticut on-behalf payments to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted

5,136,621

State of Connecticut grants for Special Education Excess Costs are netted for budgetary purposes

1,136,303

Other State of Connecticut grants netted for budgetary purposes

64,367

Compensated absences fund not budgeted for (combined for GASB 54)

32,915

Payment to refunded bond escrow agent

6,610,679

Net tuition amounts for the Board of Education

303,036

Encumbrances outstanding at June 30, 2012, liquidated during the year ended June 30, 2013

423,067

Encumbrances outstanding at June 30, 2013

(420,430)

Total Expenditures and Other Financing Uses as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds - Exhibit IV

\$ 99,635,539

**Combining and  
Individual Fund  
Statements and  
Schedules**

# **General Fund**

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

## TOWN OF WETHERSFIELD, CONNECTICUT

## GENERAL FUND

## COMPARATIVE BALANCE SHEET

JUNE 30, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 9,515,545	\$ 11,449,758
Investments	1,755,325	750,466
Property taxes receivable, net of allowance \$260,100 in 2013 and \$334,600 in 2012	1,967,938	1,789,796
Other receivables	575,694	1,366,889
Due from other funds	<u>2,648,045</u>	<u>84,078</u>
Total Assets	<u>\$ 16,462,547</u>	<u>\$ 15,440,987</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable and accrued items	\$ 2,556,538	\$ 2,593,484
Due to other governments	1,917	1,221
Deferred revenues	<u>3,422,510</u>	<u>2,700,837</u>
Total liabilities	<u>5,980,965</u>	<u>5,295,542</u>
Fund balance:		
Committed	373,793	405,817
Assigned	796,624	829,460
Unassigned	<u>9,311,165</u>	<u>8,910,168</u>
Total fund balance	<u>10,481,582</u>	<u>10,145,445</u>
Total Liabilities and Fund Balance	<u>\$ 16,462,547</u>	<u>\$ 15,440,987</u>

TOWN OF WETHERSFIELD, CONNECTICUT

GENERAL FUND

REPORT OF TAX COLLECTOR

FOR THE YEAR ENDED JUNE 30, 2013

Grand List	Uncollected Taxes June 30, 2012 and Current Levy	Current Year Levy	Lawful Corrections		Transfers To Suspense	Adjusted Tax Levy	Collections				Uncollected Taxes June 30, 2013	
			Additions	Deletions			Taxes	Paid Suspense	Interest and Liens	Refunds		Total
1996 and prior	\$ 12,204	\$	\$	\$ 12,204	\$	\$	\$	\$	\$	\$	\$ -	\$ -
1997	5,159					5,159		64			64	5,159
1998	5,195					5,195		167			167	5,195
1999	4,942					4,942		486			486	4,942
2000	5,187					5,187		623			623	5,187
2001	52,837					52,837	438		805		1,243	52,399
2002	38,614					38,614	372	49	617		1,038	38,242
2003	37,868					37,868	237	134	355		726	37,631
2004	84,723			319		84,404	548		731		1,279	83,856
2005	90,586		593	146		91,033	1,987		1,667	145	3,509	89,191
2006	109,720		148	434		109,434	2,032		3,832	148	5,716	107,550
2007	210,320		1,016	1,459		209,877	27,623		14,429	347	41,705	182,601
2008	276,615		751	966		276,400	82,580		35,158	1,125	116,613	194,945
2009	413,704		3,195	3,415		413,484	138,223		46,897	8,324	176,796	283,585
2010	776,722		8,394	15,702		769,414	437,227		80,024	25,599	491,652	357,786
Total prior years	2,124,396	-	14,097	34,645	-	2,103,848	691,267	1,523	184,515	35,688	841,617	1,448,269
2011		75,845,935	66,597	186,792	-	75,725,740	74,999,700	-	215,816	61,830	75,153,686	787,870
Total	\$ 2,124,396	\$ 75,845,935	\$ 80,694	\$ 221,437	\$ -	\$ 77,829,588	\$ 75,690,967	\$ 1,523	\$ 400,331	\$ 97,518	\$ 75,995,303	\$ 2,236,139

59

# Nonmajor Governmental Funds

## **Special Revenue Funds**

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specific purposes other than debt and capital projects.

Animal Control Fund - To account for the operation of animal control. Financing is provided by license fees and rental of the animal control facility.

School Cafeteria - To account for the operation of the public school lunch program. Financing is provided by the sale of food and by State grants.

Municipal Grant Fund - To account for the operations of various programs funded by State and federal grants.

Education Grant Fund - To account for the operations of various educational programs funded by State and Federal grants.

Police Grant Fund - To account for various law enforcement programs funded by State and Federal grants.

Wethersfield Cove Preservation Fund - To account for receipt of income from boaters and moorings at the Wethersfield Cove and for the expenditures of these funds for the purpose of maintenance, staffing and improving Wethersfield Cove Park.

Land Acquisition Fund - To account for monies being accumulated to purchase and preserve open space throughout the Town. Financing is provided through the sale of surplus town real property and town appropriations.

EDIC Loan Repayment Program - To account for Façade loan program- Loans are given to businesses for façade improvements and forgiven after 10 years. If the business closes or moves they must repay the loan.

Nature Center - To account for the operations of the Town's Nature Center (Eleanor Buck Wolf Nature Center) program. Financing is provided through fees charged for programs, donations, private contributions and town appropriations.

Police Private Duty – To account for charges for services related to police traffic duty. Police private duty payroll is charged to this fund and then billed out to the vendors with an added fringe benefit factor. This fund reimburses fringe benefits and administrative costs of the general fund through an operating transfer.

Radio System Rebanding - To account for an advance payment from NEXTEL for the cost of staff as a result of forced rebanding.

## NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

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### **Special Revenue Funds (Continued)**

Agricultural Land Preservation Fund - To account for funds received in accordance with Section 7-131 of the Connecticut General Statutes for agricultural land preservation.

Cottone Field Fund - To account for donations to purchase and or maintain the lights at High School Football field.

Recreation Fund - Handles all the self-sustaining programs of the Parks & Recreation Department. The fees collected and costs for all programs are deposited in the account.

Community Development Fund - Accounts for various projects such as Town Guide advertising, Silas Deane Highway tree donations, the Wethersfield Farmers Market and Energy Funds.

Park Programs Fund - Accounts for various park programs such as the dog park, the skate park and reserves for the 375<sup>th</sup> anniversary.

Social and Youth Services Fund - Accounts for various health and welfare programs and youth service programs including the Senior Center operations, the Computer Learning Center, the Youth Services Crossroads Program, Special needs and Camping programs.

Solomon Welles House - The Recreation Department oversees the rental of the Solomon Welles Home. This fund receives money from the rental of the Solomon Welles House. The income pays for the personnel on duty to provide security and maintaining the home. After expenses, funds are transferred to the Town General Fund to meet the revenue projections for the Parks & Recreation Department.

Pitkin Community Center - This fund receives money from the rental of rooms to groups and residents. The income pays for a custodian to work beyond their normal shift for the setup, clean up and security for the rental. After these expenses, the funds are transferred to the Town General Fund to meet the revenue projections for the Community Center.

Mill Woods Fund - The fields and facilities in the park are rented out and the proceeds are used to improve park facilities.

## TOWN OF WETHERSFIELD, CONNECTICUT

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2013

	Special Revenue Funds						
	Animal Control	School Cafeteria	State and Federal Grants			Cove Preservation	Land Acquisition
			Municipal	Education	Police		
<b>ASSETS</b>							
Cash and cash equivalents	\$ 42,785	\$ 191,907	\$ 41,460	\$ 21,422	\$ 265,838	\$ 210,371	\$ 8,497
Accounts receivables, net		95,435	31,000	6,249	5,492		
Inventory		19,625					
Total Assets	<u>\$ 42,785</u>	<u>\$ 306,967</u>	<u>\$ 72,460</u>	<u>\$ 27,671</u>	<u>\$ 271,330</u>	<u>\$ 210,371</u>	<u>\$ 8,497</u>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Accounts payable and accrued items	\$ 425	\$ 87,352	\$ 8,324	\$ 5,616	\$ 22,618	\$ 323	\$
Due to other governments				1,173			
Deferred revenue			1,180	20,882			
Due to other funds		1,385					
Total liabilities	<u>425</u>	<u>88,737</u>	<u>9,504</u>	<u>27,671</u>	<u>22,618</u>	<u>323</u>	<u>-</u>
Fund Balances:							
Nonspendable		19,625					
Restricted		95,435	62,956		248,712		
Committed	42,360	103,170				210,048	8,497
Total fund balance	<u>42,360</u>	<u>218,230</u>	<u>62,956</u>	<u>-</u>	<u>248,712</u>	<u>210,048</u>	<u>8,497</u>
Total Liabilities and Fund Balances	<u>\$ 42,785</u>	<u>\$ 306,967</u>	<u>\$ 72,460</u>	<u>\$ 27,671</u>	<u>\$ 271,330</u>	<u>\$ 210,371</u>	<u>\$ 8,497</u>

(Continued on next page)

## TOWN OF WETHERSFIELD, CONNECTICUT

COMBINING BALANCE SHEET (CONTINUED)  
NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2013

Special Revenue Funds

	<u>EDIC Loan Repayment</u>	<u>Nature Center</u>	<u>Police Private Duty</u>	<u>Radio System Rebanding</u>	<u>Agricultural Land Preservation</u>	<u>Cottone Field Donations</u>	<u>Recreation Fund</u>
<b>ASSETS</b>							
Cash and cash equivalents	\$ 83,160	\$ 77,222	\$ 22,938	\$ 5,754	\$ 360,379	\$ 14,327	\$ 688,096
Accounts receivables, net	1,577		174,150				
Inventory							
Total Assets	<u>\$ 84,737</u>	<u>\$ 77,222</u>	<u>\$ 197,088</u>	<u>\$ 5,754</u>	<u>\$ 360,379</u>	<u>\$ 14,327</u>	<u>\$ 688,096</u>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Accounts payable and accrued items	\$	\$ 1,923	\$ 19	\$	\$	\$	\$ 10,419
Due to other governments							
Deferred revenue		58,079					1,931
Due to other funds							
Total liabilities	<u>-</u>	<u>60,002</u>	<u>19</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,350</u>
Fund Balances:							
Nonspendable						14,327	
Restricted							
Committed	84,737	17,220	197,069	5,754	360,379		675,746
Total fund balance	<u>84,737</u>	<u>17,220</u>	<u>197,069</u>	<u>5,754</u>	<u>360,379</u>	<u>14,327</u>	<u>675,746</u>
Total Liabilities and Fund Balances	<u>\$ 84,737</u>	<u>\$ 77,222</u>	<u>\$ 197,088</u>	<u>\$ 5,754</u>	<u>\$ 360,379</u>	<u>\$ 14,327</u>	<u>\$ 688,096</u>

(Continued on next page)

## TOWN OF WETHERSFIELD, CONNECTICUT

COMBINING BALANCE SHEET (CONTINUED)  
NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2013

	Special Revenue Funds						Total Nonmajor Governmental Funds
	Community Development Fund	Park Programs	Social and Youth Services	Solomon Welles House	Pitkin Community Center	Mill Woods Fund	
<b>ASSETS</b>							
Cash and cash equivalents	\$ 26,762	\$ 16,583	\$ 432,348	\$ 5,040	\$ 26,438	\$ 112,811	\$ 2,654,138
Accounts receivables, net			6,163				320,066
Inventory							19,625
Total Assets	<u>\$ 26,762</u>	<u>\$ 16,583</u>	<u>\$ 438,511</u>	<u>\$ 5,040</u>	<u>\$ 26,438</u>	<u>\$ 112,811</u>	<u>\$ 2,993,829</u>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Accounts payable and accrued items	\$ 1,975	\$	\$ 2,888	\$ 100	\$	\$	\$ 141,982
Due to other governments							1,173
Deferred revenue							82,072
Due to other funds							1,385
Total liabilities	<u>1,975</u>	<u>-</u>	<u>2,888</u>	<u>100</u>	<u>-</u>	<u>-</u>	<u>226,612</u>
Fund Balances:							
Nonspendable							19,625
Restricted	2,482	7,275	337,943				769,130
Committed	22,305	9,308	97,680	4,940	26,438	112,811	1,978,462
Total fund balance	<u>24,787</u>	<u>16,583</u>	<u>435,623</u>	<u>4,940</u>	<u>26,438</u>	<u>112,811</u>	<u>2,767,217</u>
Total Liabilities and Fund Balances	<u>\$ 26,762</u>	<u>\$ 16,583</u>	<u>\$ 438,511</u>	<u>\$ 5,040</u>	<u>\$ 26,438</u>	<u>\$ 112,811</u>	<u>\$ 2,993,829</u>

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

	<b>Special Revenue Funds</b>						
	<b>Animal Control</b>	<b>School Cafeteria</b>	<b>State and Federal Grants</b>			<b>Cove Preservation</b>	<b>Land Acquisition</b>
			<b>Municipal</b>	<b>Education</b>	<b>Police</b>		
Revenues:							
Intergovernmental revenues	\$	\$ 462,339	\$ 87,621	\$ 1,206,190	\$ 28,318	\$ 1,664	\$
Licenses, fees and permits	15,049						
Charges for services		835,034				21,408	
Investment gain (loss)		21			410	443	8
Donations	100		56,000				
Other revenue		22,362			62,012		205,000
Total revenues	<u>15,149</u>	<u>1,319,756</u>	<u>143,621</u>	<u>1,206,190</u>	<u>90,740</u>	<u>23,515</u>	<u>205,008</u>
Expenditures:							
Current:							
Public safety	12,080				10,746		
Recreation and parks						6,485	
Social services							
General government			113,472				
Education		1,322,334		1,206,190			
Capital outlay					35,992	2,218	200,000
Total expenditures	<u>12,080</u>	<u>1,322,334</u>	<u>113,472</u>	<u>1,206,190</u>	<u>46,738</u>	<u>8,703</u>	<u>200,000</u>
Excess (Deficiency) of Revenues over Expenditures	<u>3,069</u>	<u>(2,578)</u>	<u>30,149</u>	<u>-</u>	<u>44,002</u>	<u>14,812</u>	<u>5,008</u>
Other Financing Sources (Uses):							
Transfers in							
Transfers out							
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	3,069	(2,578)	30,149	-	44,002	14,812	5,008
Fund Balances at Beginning of Year	<u>39,291</u>	<u>220,808</u>	<u>32,807</u>	<u>-</u>	<u>204,710</u>	<u>195,236</u>	<u>3,489</u>
Fund Balances at End of Year	<u>\$ 42,360</u>	<u>\$ 218,230</u>	<u>\$ 62,956</u>	<u>\$ -</u>	<u>\$ 248,712</u>	<u>\$ 210,048</u>	<u>\$ 8,497</u>

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

	<b>Special Revenue Funds</b>						
	<b>EDIC Loan Repayment</b>	<b>Nature Center</b>	<b>Police Private Duty</b>	<b>Radio System Rebanding</b>	<b>Agricultural Land Preservation</b>	<b>Cottone Field Donations</b>	<b>Recreation Fund</b>
Revenues:							
Intergovernmental revenues	\$ 89,558	\$ 329	\$	\$	\$	\$	\$
Licenses, fees and permits							
Charges for services		128,898	635,168	19,227			553,348
Investment gain (loss)					844		
Donations		1,194					
Other revenue						8,952	
Total revenues	<u>89,558</u>	<u>130,421</u>	<u>635,168</u>	<u>19,227</u>	<u>844</u>	<u>8,952</u>	<u>553,348</u>
Expenditures:							
Current:							
Public safety			441,819				
Recreation and parks		170,652					460,603
Social services							
General government	87,452			27,075			
Education							
Capital outlay							
Total expenditures	<u>87,452</u>	<u>170,652</u>	<u>441,819</u>	<u>27,075</u>	<u>-</u>	<u>-</u>	<u>460,603</u>
Excess (Deficiency) of Revenues over Expenditures	<u>2,106</u>	<u>(40,231)</u>	<u>193,349</u>	<u>(7,848)</u>	<u>844</u>	<u>8,952</u>	<u>92,745</u>
Other Financing Sources (Uses):							
Transfers in	50,000	40,200					
Transfers out			(50,000)				
Total other financing sources (uses)	<u>50,000</u>	<u>40,200</u>	<u>(50,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	52,106	(31)	143,349	(7,848)	844	8,952	92,745
Fund Balances at Beginning of Year	<u>32,631</u>	<u>17,251</u>	<u>53,720</u>	<u>13,602</u>	<u>359,535</u>	<u>5,375</u>	<u>583,001</u>
Fund Balances at End of Year	<u>\$ 84,737</u>	<u>\$ 17,220</u>	<u>\$ 197,069</u>	<u>\$ 5,754</u>	<u>\$ 360,379</u>	<u>\$ 14,327</u>	<u>\$ 675,746</u>

(Continued on next page)

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

	<b>Special Revenue Funds</b>						<b>Total Nonmajor Governmental Funds</b>
	<b>Community Development Fund</b>	<b>Park Programs</b>	<b>Social and Youth Services</b>	<b>Solomon Welles House</b>	<b>Pitkin Community Center</b>	<b>Mill Woods Fund</b>	
Revenues:							
Intergovernmental revenues	\$	\$	\$ 6,111	\$	\$	\$	\$ 1,882,130
Licenses, fees and permits							15,049
Charges for services	29,367	962	12,956	13,360	44,083	27,292	2,321,103
Investment gain (loss)			710				2,436
Donations	225	14	33,505				91,038
Other revenue							298,326
Total revenues	<u>29,592</u>	<u>976</u>	<u>53,282</u>	<u>13,360</u>	<u>44,083</u>	<u>27,292</u>	<u>4,610,082</u>
Expenditures:							
Current:							
Public safety							464,645
Recreation and parks		927		14,640	51,418	1,643	706,368
Social services			40,974				40,974
General government	28,419						256,418
Education							2,528,524
Capital outlay							238,210
Total expenditures	<u>28,419</u>	<u>927</u>	<u>40,974</u>	<u>14,640</u>	<u>51,418</u>	<u>1,643</u>	<u>4,235,139</u>
Excess (Deficiency) of Revenues over Expenditures	<u>1,173</u>	<u>49</u>	<u>12,308</u>	<u>(1,280)</u>	<u>(7,335)</u>	<u>25,649</u>	<u>374,943</u>
Other Financing Sources (Uses):							
Transfers in							90,200
Transfers out							(50,000)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,200</u>
Net Change in Fund Balances	1,173	49	12,308	(1,280)	(7,335)	25,649	415,143
Fund Balances at Beginning of Year	<u>23,614</u>	<u>16,534</u>	<u>423,315</u>	<u>6,220</u>	<u>33,773</u>	<u>87,162</u>	<u>2,352,074</u>
Fund Balances at End of Year	<u>\$ 24,787</u>	<u>\$ 16,583</u>	<u>\$ 435,623</u>	<u>\$ 4,940</u>	<u>\$ 26,438</u>	<u>\$ 112,811</u>	<u>\$ 2,767,217</u>

# Internal Service Funds

Internal Service Funds are used to account for any activity that provides goods or services to other funds, departments or agencies of the primary government on a cost reimbursement basis.

Heart and Hypertension Fund - To account for monies accumulated to pay claims for police officers, hired before 1995, who incur hypertension or heart problems as a result of work conditions.

Hospital and Medical Insurance Fund - To account for the operation of a medical liability fund for Town and Board of Education employee claims. Financing is provided by General Fund contributions, employee contributions and investment earnings.

**TOWN OF WETHERSFIELD, CONNECTICUT**  
**COMBINING STATEMENT OF NET POSITION**  
**INTERNAL SERVICE FUNDS**

**JUNE 30, 2013**

	<u>Heart and Hypertension</u>	<u>Hospital Medical Insurance</u>	<u>Total</u>
Assets:			
Cash and cash equivalents	\$ 754,141	\$ 4,423,067	\$ 5,177,208
Accounts receivable		430	430
Total assets	<u>754,141</u>	<u>4,423,497</u>	<u>5,177,638</u>
Liabilities:			
Current:			
Accounts payable	311	1,754	2,065
Claims incurred but not reported	124,416	461,680	586,096
Total current liabilities	<u>124,727</u>	<u>463,434</u>	<u>588,161</u>
Noncurrent:			
Claims incurred but not reported	334,210		334,210
Total liabilities	<u>458,937</u>	<u>463,434</u>	<u>922,371</u>
Net Position	<u>\$ 295,204</u>	<u>\$ 3,960,063</u>	<u>\$ 4,255,267</u>

**TOWN OF WETHERSFIELD, CONNECTICUT**  
**COMBINING STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN NET POSITION**  
**INTERNAL SERVICE FUNDS**

**FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Heart and Hypertension</u>	<u>Hospital Medical Insurance</u>	<u>Total</u>
Operating Revenues:			
Contributions	\$ 80,500	\$ 9,506,961	\$ 9,587,461
Operating Expenses:			
Employee benefits	71,193	6,456,246	6,527,439
Other expenses	<u>                    </u>	<u>4,935,388</u>	<u>4,935,388</u>
Total operating expenses	<u>71,193</u>	<u>11,391,634</u>	<u>11,462,827</u>
Operating Income (Loss)	<u>9,307</u>	<u>(1,884,673)</u>	<u>(1,875,366)</u>
Nonoperating Revenue:			
Income on investments	1,708	7,861	9,569
Other	<u>28,020</u>	<u>                    </u>	<u>28,020</u>
Total nonoperating revenue	<u>29,728</u>	<u>7,861</u>	<u>37,589</u>
Change in Net Position	39,035	(1,876,812)	(1,837,777)
Net Position at Beginning of Year, as Restated	<u>256,169</u>	<u>5,836,875</u>	<u>6,093,044</u>
Net Position at End of Year	<u>\$ 295,204</u>	<u>\$ 3,960,063</u>	<u>\$ 4,255,267</u>

**TOWN OF WETHERSFIELD, CONNECTICUT**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**

**FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Heart and Hypertension</u>	<u>Hospital Medical Insurance</u>	<u>Total</u>
Cash Flows from Operating Activities:			
Receipts from customers and users	\$ 80,500	\$ 9,524,340	\$ 9,604,840
Payments to suppliers		(4,935,388)	(4,935,388)
Payments to employees	(70,926)	(6,468,418)	(6,539,344)
Net cash provided by (used in) operating activities	<u>9,574</u>	<u>(1,879,466)</u>	<u>(1,869,892)</u>
Cash Flows from Investing Activities:			
Income on investments	<u>1,708</u>	<u>7,861</u>	<u>9,569</u>
Net Increase (Decrease) in Cash and Cash Equivalents	11,282	(1,871,605)	(1,860,323)
Cash and Cash Equivalents at Beginning of Year, as Restated	<u>742,859</u>	<u>6,294,672</u>	<u>7,037,531</u>
Cash and Cash Equivalents at End of Year	<u>\$ 754,141</u>	<u>\$ 4,423,067</u>	<u>\$ 5,177,208</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used In) Operating Activities:			
Operating income (loss)	\$ <u>9,307</u>	\$ <u>(1,884,673)</u>	\$ <u>(1,875,366)</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
(Increase) decrease in accounts receivable		17,379	17,379
Increase (decrease) in accrued expenses	<u>267</u>	<u>(12,172)</u>	<u>(11,905)</u>
Total adjustments	<u>267</u>	<u>5,207</u>	<u>5,474</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ 9,574</u>	<u>\$ (1,879,466)</u>	<u>\$ (1,869,892)</u>

# Fiduciary Funds

Fiduciary funds are used to account for assets held by the Town in a trustee capacity for individuals, private organizations or other governments.

## **Pension Trust Funds**

To account for the Town's single employer defined benefit pension plan which provides pension benefits for full-time personnel except teachers of the Board of Education who are covered under the State Teachers' Retirement System.

## **Other Post Employment Benefit Trust Fund**

To account the accumulation of resources for other post employment benefit payments to qualified employees for both the Town and Board of Education.

## **Private-Purpose Trust Funds**

A fiduciary trust fund type used to report all trust arrangements, other than those properly reported in a pension trust fund or investment trust fund, under which principal and income benefit individuals, private organizations, or other governments.

Public Library Trust Fund - To account for monies provided by private donors for the acquisition of books, materials or other related library services.

Mayor Volunteer Recognition Fund - Former Mayor Betty Rosania created the fund and has control over where and when the money will be spent.

Library Legacy Trust Fund - To account for public donations made to the Library in the form of bequeaths, memorial & tribute donations for which only the interest may be spent to benefit the Library.

Jane Sjoman Library Trust Fund - To account for a private permanent endowment from Jane Sjoman to the Wethersfield Library. Only the income may be used for books or other items for the adult collection.

Katherine E. Smith Trust Fund - To account for funds bequeathed to the town for the care upkeep, development and preservation of the public park known as the "Broad Street Green." Level of authority is Board of Park Commissioners.

Frank Weston Trust Fund - This account receives money from a trust fund. The monies are used to maintain a rose garden and flower beds around the town hall in accordance with the will of Mr. Frank Weston and the subsequent trust agreement.

Terlecki Trust Fund - To account for funds bequeathed to the town for use by the animal control operation to neuter dogs; for alcohol abuse counseling in the Police division; and for any purpose by the volunteer ambulance association.

## **FIDUCIARY FUNDS (CONTINUED)**

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Fire Fighters Trust Fund - To account for benefits to be paid out to firefighters upon retirement from the volunteer fire fighter department.

### **Agency Funds**

Agency funds are used to report resources held by the reporting government in a purely custodial capacity (assets equal liabilities).

### **Town Escrow**

The Town Escrow Fund holds resources in a purely custodial capacity for the following activities:

Wethersfield Ski/Snowboard Club - This fund accounts for the income and expenditures for ski trips for members of the club.

CT Clean Energy Fund - To account for funds that will be used to assist individuals in clean energy home improvements.

Handicapped - This account is used by the Wethersfield Advisory Committee for People with Disabilities. Donations received on behalf of WACPD are recorded here and various program expenses are paid from this account.

Wethersfield Fuel Bank - This is a 100% donor fund into which individuals and businesses contribute. All funds are used to assist residents with winter heating needs when they have exhausted CRT and Operation Fuel grants. Annual appeals are made for donations to area businesses. This account is used to record the disbursement of the funds.

Youth Advisory Board - This is the account into which contributions and fund raising efforts for the Advisory Board are deposited. No Town funds are contributed. Funds are used to support YAB activities.

Jefferson House - This account is used to hold donations from the Jefferson House - Good Samaritan Fund. The Jefferson House Board of Directors donates money to area towns in support of basic needs and medical needs for seniors. It is 100% donation funded by Jefferson House and is used primarily to assist seniors with medical needs that are not covered by insurance, Medicare or Medicaid.

Police Canine Account - Fundraisers are held to pay for food, veterinarian expenses for three canines.

Engineering Securities - To account for cash performance bonds associated with capital projects.

Wethersfield Teen Theater - To account for the income and expenses for the programs and performances produced by Wethersfield Teen Theater Company

Wethersfield Men's Softball - To account for the income and expenses to conduct the men's softball league in Town.

### **School Escrow**

The School Escrow Fund holds resources in a purely custodial capacity for collections and payments related to education extracurricular activities at the schools. Financing is provided by individual fundraising projects.

## TOWN OF WETHERSFIELD, CONNECTICUT

COMBINING STATEMENT OF NET POSITION  
PRIVATE PURPOSE TRUST FUNDS

JUNE 30, 2013

	<u>Mayor Volunteer Recognition</u>	<u>Public Library Trust</u>	<u>Library Legacy Trust</u>	<u>Jane Sjoman Library Trust</u>	<u>Katherine E. Smith Trust</u>	<u>Frank Weston Trust</u>	<u>Terlicki Trust</u>	<u>Fire Fighters Trust</u>	<u>Total</u>
Assets:									
Cash and cash equivalents	\$ 2,826	\$ 39,504	\$ 2,331	\$	\$ 15,969	\$ 197,531	\$ 16,120	\$ 866	\$ 275,147
Investments		38,612		298,491				1,241,706	1,578,809
Accounts receivable		199							199
Total assets	<u>2,826</u>	<u>78,315</u>	<u>2,331</u>	<u>298,491</u>	<u>15,969</u>	<u>197,531</u>	<u>16,120</u>	<u>1,242,572</u>	<u>1,854,155</u>
Liabilities:									
Current:									
Accounts payable		12,353							12,353
Due to other funds						17			17
Total current liabilities	<u>-</u>	<u>12,353</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17</u>	<u>-</u>	<u>-</u>	<u>12,370</u>
Net Position	<u>\$ 2,826</u>	<u>\$ 65,962</u>	<u>\$ 2,331</u>	<u>\$ 298,491</u>	<u>\$ 15,969</u>	<u>\$ 197,514</u>	<u>\$ 16,120</u>	<u>\$ 1,242,572</u>	<u>\$ 1,841,785</u>

## TOWN OF WETHERSFIELD, CONNECTICUT

COMBINING STATEMENT OF CHANGES  
IN FIDUCIARY NET POSITION  
PRIVATE PURPOSE TRUST FUNDS

FOR THE YEAR ENDED JUNE 30, 2013

	<u>Mayor Volunteer Recognition</u>	<u>Public Library Trust</u>	<u>Library Legacy Trust</u>	<u>Jane Sjoman Library Trust</u>	<u>Katherine E. Smith Trust</u>	<u>Frank Weston Trust</u>	<u>Terlicki Trust</u>	<u>Fire Fighters Trust</u>	<u>Total</u>
Operating Revenues:									
Contributions	\$	\$ 50,909	\$ 348	\$	\$	\$	\$	\$ 35,000	\$ 86,257
Intergovernmental		15,107							15,107
Other		6,777							6,777
Total operating revenues	-	72,793	348	-	-	-	-	35,000	108,141
Operating Expenses:									
Other expenses		73,768			400	4,509		13,821	92,498
Operating Income (Loss)	-	(975)	348	-	(400)	(4,509)	-	21,179	15,643
Nonoperating Revenue:									
Income on investments	6	3,802		9,849	35	9,370	34	65,561	88,657
Change in net position	6	2,827	348	9,849	(365)	4,861	34	86,740	104,300
Net position at beginning of year, as restated	2,820	63,135	1,983	288,642	16,334	192,653	16,086	1,155,832	1,737,485
Net position at end of year	<u>\$ 2,826</u>	<u>\$ 65,962</u>	<u>\$ 2,331</u>	<u>\$ 298,491</u>	<u>\$ 15,969</u>	<u>\$ 197,514</u>	<u>\$ 16,120</u>	<u>\$ 1,242,572</u>	<u>\$ 1,841,785</u>

## TOWN OF WETHERSFIELD, CONNECTICUT

## AGENCY FUNDS

## COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

## FOR THE YEAR ENDED JUNE 30, 2013

	<u>Balance</u> <u>July 1, 2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2013</u>
<b>School Escrow</b>				
Assets:				
Cash and cash equivalents	\$ 526,640	\$ 753,088	\$ 742,268	\$ 537,460
Investments	<u>72,997</u>	<u>1,022</u>	<u>13,740</u>	<u>60,279</u>
Total Assets	<u>\$ 599,637</u>	<u>\$ 754,110</u>	<u>\$ 756,008</u>	<u>\$ 597,739</u>
Liabilities:				
Fiduciary deposits	<u>\$ 599,637</u>	<u>\$ 754,110</u>	<u>\$ 756,008</u>	<u>\$ 597,739</u>
<b>Town Escrow</b>				
Assets:				
Cash and cash equivalents	\$ 121,375	\$ 58,223	\$ 47,267	\$ 132,331
Total Assets	<u>\$ 121,375</u>	<u>\$ 58,223</u>	<u>\$ 47,267</u>	<u>\$ 132,331</u>
Liabilities:				
Fiduciary deposits	<u>\$ 121,375</u>	<u>\$ 58,223</u>	<u>\$ 47,267</u>	<u>\$ 132,331</u>
Total Liabilities	<u>\$ 121,375</u>	<u>\$ 58,223</u>	<u>\$ 47,267</u>	<u>\$ 132,331</u>
<b>Total All Funds</b>				
Assets:				
Cash and cash equivalents	\$ 648,015	\$ 811,311	\$ 789,535	\$ 669,791
Investments	<u>72,997</u>	<u>1,022</u>	<u>13,740</u>	<u>60,279</u>
Total Assets	<u>\$ 721,012</u>	<u>\$ 812,333</u>	<u>\$ 803,275</u>	<u>\$ 730,070</u>
Liabilities:				
Fiduciary deposits	<u>\$ 721,012</u>	<u>\$ 812,333</u>	<u>\$ 803,275</u>	<u>\$ 730,070</u>
Total Liabilities	<u>\$ 721,012</u>	<u>\$ 812,333</u>	<u>\$ 803,275</u>	<u>\$ 730,070</u>

# Statistical Section

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

## **CONTENTS**

### **FINANCIAL TRENDS (TABLES 1 - 4)**

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

### **REVENUE CAPACITY (TABLES 5 - 7)**

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

### **DEBT CAPACITY (TABLES 8 - 11)**

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

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

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

### **OPERATING INFORMATION (TABLES 14 -17)**

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

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

**TOWN OF WETHERSFIELD, CONNECTICUT**

**NET POSITION BY COMPONENT**

**LAST TEN FISCAL YEARS**

	<b>Fiscal Year</b>									
	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>
Governmental Activities:										
Net investment in capital assets	\$ 64,698,440	\$ 60,790,134	\$ 60,078,337	\$ 57,341,997	\$ 51,029,327	\$ 53,471,124	\$ 46,858,585	\$ 42,639,855	\$ 39,708,828	\$ 39,809,241
Restricted				652,299	646,894	629,942	639,183	598,151	586,872	620,954
Unrestricted	<u>13,382,945</u>	<u>14,390,884</u>	<u>13,639,470</u>	<u>14,698,406</u>	<u>15,785,272</u>	<u>9,048,638</u>	<u>10,894,248</u>	<u>10,043,651</u>	<u>7,367,339</u>	<u>6,501,724</u>
Total Governmental Activities Net Position	<u>\$ 78,081,385</u>	<u>\$ 75,181,018</u>	<u>\$ 73,717,807</u>	<u>\$ 72,692,702</u>	<u>\$ 67,461,493</u>	<u>\$ 63,149,704</u>	<u>\$ 58,392,016</u>	<u>\$ 53,281,657</u>	<u>\$ 47,663,039</u>	<u>\$ 46,931,919</u>

**TOWN OF WETHERSFIELD, CONNECTICUT  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>Expenses:</b>										
<b>Governmental activities:</b>										
Public works	\$ 9,052,561	\$ 8,062,107	\$ 8,264,705	\$ 7,906,892	\$ 8,636,306	\$ 7,933,880	\$ 7,858,978	\$ 7,507,628	\$ 7,014,390	\$ 5,655,582
Public safety services	9,469,067	11,684,463	10,001,180	8,924,932	9,040,278	8,794,258	8,521,352	7,607,127	7,119,266	6,805,453
Parks and recreation	2,504,890	2,431,634	2,557,789	2,027,167	1,907,800	1,824,643	1,616,194	1,589,933	1,536,651	1,440,645
Social services	916,118	899,022	974,754	897,535	1,172,956	1,042,139	1,010,987	1,060,506	1,092,607	1,012,034
Public libraries	1,849,613	1,182,315	2,210,801	1,706,977	1,733,798	1,607,723	1,470,439	1,384,461	1,161,367	1,098,106
General government	8,795,849	10,115,110	7,506,123	10,061,910	6,425,748	7,636,372	7,659,036	6,049,993	5,706,326	4,399,631
Board of education	62,031,714	60,270,152	59,500,075	57,504,015	57,327,612	65,149,144	49,396,050	45,306,101	40,941,880	38,566,553
Interest expense	1,090,685	1,119,552	1,096,038	1,184,845	618,584	1,409,775	1,430,142	1,482,329	1,095,225	1,950,477
<b>Total governmental activities expenses</b>	<b>95,710,497</b>	<b>95,764,355</b>	<b>92,111,465</b>	<b>90,214,273</b>	<b>86,863,082</b>	<b>95,397,934</b>	<b>78,963,178</b>	<b>71,988,078</b>	<b>65,667,712</b>	<b>60,928,481</b>
<b>Program Revenues:</b>										
<b>Governmental activities:</b>										
<b>Charges for services:</b>										
Public works	342,583	338,366	339,131	323,128	21,012	118,225	107,729	108,379	90,502	62,259
Public safety services	721,490	588,432	548,475	490,034	247,178	316,221	407,760	426,139	109,962	81,682
Parks and recreation	1,013,214	936,690	838,130	666,199	196,235	196,001	195,317	260,022	231,504	265,391
Social services	82,476	47,920	47,006	23,819	40,137	15,882	13,899	14,277	14,844	20,038
Public libraries	20,505	22,402	19,424	18,396	11,993	26,863	14,302	43,315	33,295	25,932
General government	797,320	527,098	681,801	1,595,291	1,516,683	1,097,207	1,072,243	1,325,289	905,783	931,756
Board of education	1,138,070	856,109	794,386	810,386	638,484	866,683	886,536	959,318	859,144	856,898
<b>Operating grants and contributions:</b>										
Public works					240,115	770,717	209,656	75,441	64,483	165,416
Public safety services					22,545	97,307	153,590	78,325	54,365	66,344
Parks and recreation	1,308	15,490	20,519	18,639		40,329	41,601	71,370	15,000	5,438
Social services	83,941	137,657	99,266	47,333	51,969	531,715	43,102	62,408	76,906	49,264
Public libraries				11,209	9,153	46,392	57,785	10,596	11,848	15,216
General government	271,789	1,662,546	156,033	14,015	248,047	418,197	311,358	358,357	125,530	205,468
Board of education	16,477,735	16,345,046	15,272,209	15,046,293	14,362,771	26,272,798	10,201,620	10,075,002	7,740,024	6,664,518
Interest expense					2,158	31,552	39,373	46,055	52,365	53,142
<b>Capital grants and contributions:</b>										
Public works					819,762		802,963	288,702	414,333	98,242
Public safety services	28,318	16,785	16,293	76,885					11,221	
Parks and recreation		22,750			700,000	63,050	57,763		562,567	38,220
Public libraries							360,000			
General government	3,027,652	587,273	1,314,635	1,361,513				4,400	133,668	78,067
Board of education							312,738	1,120,706	2,214,556	2,760,508
Interest expense	4,588	8,793	19,223	19,223						
<b>Total governmental activities program revenues</b>	<b>24,010,989</b>	<b>22,113,357</b>	<b>20,166,531</b>	<b>20,522,363</b>	<b>19,128,242</b>	<b>30,909,139</b>	<b>15,289,335</b>	<b>15,328,101</b>	<b>13,721,900</b>	<b>12,443,799</b>
<b>Net Expense:</b>	<b>(71,699,508)</b>	<b>(73,650,998)</b>	<b>(71,944,934)</b>	<b>(69,691,910)</b>	<b>(67,734,840)</b>	<b>(64,488,795)</b>	<b>(63,673,843)</b>	<b>(56,659,977)</b>	<b>(51,945,812)</b>	<b>(48,484,682)</b>
<b>General Revenues and Other Changes in Net Position:</b>										
<b>Governmental activities:</b>										
Property taxes	76,401,591	73,231,383	71,360,300	70,954,096	70,212,454	66,021,244	64,822,488	59,863,195	55,551,267	51,078,709
Unrestricted grants and contributions	1,403,997	1,191,315	1,049,168	1,045,983	1,095,483	1,164,574	1,128,079	1,205,714	1,322,638	1,333,217
Investment income	71,300	91,636	170,101	411,104	534,991	1,141,673	1,617,036	1,133,503	442,954	199,465
Loss on sale of asset										
Miscellaneous	270,760	599,875	574,468	828,851	203,701	918,992	366,851	76,183	195,937	65,138
<b>Total governmental activities</b>	<b>78,147,648</b>	<b>75,114,209</b>	<b>73,154,037</b>	<b>73,240,034</b>	<b>72,046,629</b>	<b>69,246,483</b>	<b>67,934,454</b>	<b>62,278,595</b>	<b>57,512,796</b>	<b>52,676,529</b>
<b>Change in Net Position:</b>	<b>\$ 6,448,140</b>	<b>\$ 1,463,211</b>	<b>\$ 1,209,103</b>	<b>\$ 3,548,124</b>	<b>\$ 4,311,789</b>	<b>\$ 4,757,688</b>	<b>\$ 4,260,611</b>	<b>\$ 5,618,618</b>	<b>\$ 5,566,984</b>	<b>\$ 4,191,847</b>

## TOWN OF WETHERSFIELD, CONNECTICUT

## FUND BALANCES - GOVERNMENTAL FUNDS

## LAST TEN FISCAL YEARS

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
General Fund:										
Reserved	\$	\$	\$	\$ 813,143	\$ 1,434,292	\$ 311,496	\$ 291,495	\$ 334,672	\$ 208,200	\$ 190,775
Unreserved				8,046,059	7,911,432	8,541,204	7,975,338	6,898,071	5,610,201	4,814,340
Committed	373,793	405,817	1,823,247							
Assigned	796,624	829,460	858,617							
Unassigned	9,311,165	8,910,168	7,112,866							
Total General Fund	<u>\$ 10,481,582</u>	<u>\$ 10,145,445</u>	<u>\$ 9,794,730</u>	<u>\$ 8,859,202</u>	<u>\$ 9,345,724</u>	<u>\$ 8,852,700</u>	<u>\$ 8,266,833</u>	<u>\$ 7,232,743</u>	<u>\$ 5,818,401</u>	<u>\$ 5,005,115</u>
All other governmental funds:										
Reserved	\$	\$	\$	\$ 55,498	\$ 113,000	\$ 1,678,843	\$ 1,490,893	\$ 1,499,613	\$ 1,345,239	\$ 1,058,162
Unreserved, reported in:										
General Fund										
Special Revenue Funds				6,112,519	3,982,518	2,511,859	2,427,581	1,742,544	1,194,514	982,072
Capital Projects Funds				1,077,424	3,782,136	(3,708,813)	962,752	2,873,745	4,678,185	(1,543,620)
Permanent Funds				46,879	43,695	53,366	43,261	39,020	70,346	99,131
Nonspendable	19,625	12,704	18,371							
Restricted	876,818	779,457	1,027,496							
Committed	6,204,621	3,538,659	3,143,625							
Assigned		289,868								
Unassigned	(2,154,154)	(297)								
Total All Other Governmental Funds	<u>\$ 4,946,910</u>	<u>\$ 4,620,391</u>	<u>\$ 4,189,492</u>	<u>\$ 7,292,320</u>	<u>\$ 7,921,349</u>	<u>\$ 535,255</u>	<u>\$ 4,924,487</u>	<u>\$ 6,154,922</u>	<u>\$ 7,288,284</u>	<u>\$ 595,745</u>

**TOWN OF WETHERSFIELD, CONNECTICUT  
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>Revenues:</b>										
Property taxes	\$ 75,928,171	\$ 72,867,903	\$ 70,620,970	\$ 71,117,614	\$ 69,563,000	\$ 65,964,160	\$ 64,617,241	\$ 59,857,695	\$ 55,510,706	\$ 51,569,197
Intergovernmental	21,302,950	19,989,038	18,020,883	17,785,072	17,549,845	29,457,710	13,745,494	13,159,471	12,065,634	11,238,216
Charges for services	3,665,373	3,056,033	2,810,990	2,696,380	2,041,906	2,198,905	2,341,607	2,532,021	1,780,087	1,876,158
Licenses and permits	441,556	317,830	421,002	491,187	317,254	409,672	347,721	560,703	355,589	356,561
Fines and forfeits				47,203	52,906	51,390	37,951	34,955	41,055	30,615
Investment income	61,731	73,932	155,499	302,433	517,222	1,023,813	1,487,324	1,075,216	415,537	186,551
Sale of fixed assets							2,300	11,925		
Donations	91,038	138,732	128,271	9,000		14,308	23,645	164,370	398,983	37,420
Other revenues	447,740	377,533	516,711	920,585	615,640	1,007,997	435,723	298,639	633,779	418,256
<b>Total revenues</b>	<b>101,938,559</b>	<b>96,821,001</b>	<b>92,674,326</b>	<b>93,369,474</b>	<b>90,657,773</b>	<b>100,127,955</b>	<b>83,039,006</b>	<b>77,694,995</b>	<b>71,201,370</b>	<b>65,712,974</b>
<b>Expenditures:</b>										
Public safety services	9,094,957	9,023,877	8,517,646	8,178,912	8,276,671	7,907,656	7,763,171	6,851,910	6,423,467	6,417,319
Public works	7,920,378	7,693,359	7,877,295	7,395,776	8,008,600	7,527,745	7,129,457	6,900,723	6,391,415	5,663,629
Parks and recreation	2,140,658	2,131,940	2,196,756	1,817,384	1,679,941	1,563,315	1,445,841	1,333,563	1,271,967	1,292,224
Health and social services	916,118	899,022	974,754	897,535	1,172,956	1,042,139	1,010,987	1,060,506	1,092,607	1,012,034
Public libraries	1,732,883	1,736,854	1,659,845	1,664,107	1,736,736	1,597,604	1,446,253	1,378,996	1,144,215	1,093,641
General government	9,205,330	9,809,029	7,742,531	9,250,493	7,358,059	7,696,772	7,043,155	6,706,257	5,614,793	5,690,044
Board of education	60,833,027	58,320,318	57,470,608	57,104,245	53,891,068	63,947,067	47,719,000	44,571,770	39,818,209	37,460,553
Capital outlay and improvement	5,774,952	1,823,605	2,939,603	6,411,467	4,830,468	8,628,237	5,530,468	5,171,356	14,989,904	7,554,096
<b>Debt service:</b>										
Principal	3,352,581	3,265,466	2,680,000	2,725,000	2,730,000	2,735,000	2,740,000	1,955,000	1,935,000	1,415,000
Interest	1,019,424	1,019,424	1,708,624	1,253,207	1,167,310	1,283,785	1,407,019	1,483,934	1,053,408	1,140,347
Bond issuance cost				66,650	55,649	2,100				
<b>Total expenditures</b>	<b>101,990,308</b>	<b>95,722,894</b>	<b>93,767,662</b>	<b>96,764,776</b>	<b>90,907,458</b>	<b>103,931,420</b>	<b>83,235,351</b>	<b>77,414,015</b>	<b>79,734,985</b>	<b>68,738,887</b>
<b>Excess of Revenues Over (Under)</b>										
Expenditures	(51,749)	1,098,107	(1,093,336)	(3,395,302)	(249,685)	(3,803,465)	(196,345)	280,980	(8,533,615)	(3,025,913)
<b>Other Financing Sources (Uses):</b>										
Note proceeds		795,000								
Proceeds from capital lease	605,964	341,065	336,913	425,593	1,383,903				1,039,440	
Bond issuance	6,170,000			12,010,000	6,855,000				15,000,000	55,110
Payments to escrow agents	(6,610,679)			(13,161,148)						
Bond premium	549,120			1,322,220						
Transfers in	1,892,525	2,613,627	2,022,213	2,906,538	4,702,662	3,518,315	2,890,873	3,000,911	2,662,993	1,996,690
Transfers out	(1,892,525)	(4,066,185)	(2,022,213)	(2,906,538)	(4,812,662)	(3,518,315)	(2,890,873)	(3,000,911)	(2,662,993)	(2,036,690)
<b>Total other financing sources (uses)</b>	<b>714,405</b>	<b>(316,493)</b>	<b>336,913</b>	<b>596,665</b>	<b>8,128,903</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16,039,440</b>	<b>15,110</b>
<b>Net Change in Fund Balances</b>	<b>662,656</b>	<b>781,614</b>	<b>(756,423)</b>	<b>(2,798,637)</b>	<b>7,879,218</b>	<b>(3,803,465)</b>	<b>(196,345)</b>	<b>280,980</b>	<b>7,505,825</b>	<b>(3,010,803)</b>
Fund balance at beginning of year	14,765,836	13,984,222	14,740,645 *	18,950,158 *	9,387,855	13,191,320	13,387,665	13,106,685	5,600,860	8,611,663
<b>Fund Balance at End of Year</b>	<b>\$ 15,428,492</b>	<b>\$ 14,765,836</b>	<b>\$ 13,984,222</b>	<b>\$ 16,151,521</b>	<b>\$ 17,267,073</b>	<b>\$ 9,387,855</b>	<b>\$ 13,191,320</b>	<b>\$ 13,387,665</b>	<b>\$ 13,106,685</b>	<b>\$ 5,600,860</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	<b>4.6%</b>	<b>4.6%</b>	<b>4.8%</b>	<b>4.4%</b>	<b>4.5%</b>	<b>4.2%</b>	<b>5.3%</b>	<b>4.8%</b>	<b>4.6%</b>	<b>4.2%</b>

\* Fund balance restated

**TOWN OF WETHERSFIELD, CONNECTICUT**  
**ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
**LAST TEN FISCAL YEARS**

<b>Fiscal Year Ended June 30</b>	<b>Grand List</b>	<b>Real Estate Assessed Value</b>	<b>Motor Vehicle Assessed Value</b>	<b>Personal Property Assessed Value</b>	<b>Total Assessed Value</b>	<b>Total Direct Tax Rate</b>	<b>Estimated Actual Value</b>	<b>Percentage of Total Assessed Value to Total Estimated Value</b>
2013	2011	\$ 2,091,227,140	\$ 173,905,870	\$ 64,462,120	\$ 2,329,595,130	32.58	\$ 3,327,993,043	70.00%
2012	2010	2,098,982,360	165,099,010	66,153,140	2,330,234,510	31.42	3,328,906,443	70.00%
2011	2009	2,097,874,300	172,868,345	61,091,680	2,331,834,325	30.66	3,331,191,893	70.00%
2010	2008	** 2,091,381,460	154,908,620	60,683,790	2,306,973,870	30.68	3,295,676,957	70.00%
2009	2007	1,781,032,950	180,662,380	60,488,743	2,022,184,073	34.71	2,888,834,390	70.00%
2008	2006	1,770,954,240	179,969,410	59,358,080	2,010,281,730	32.94	2,871,831,043	70.00%
2007	2005	1,760,912,650	180,567,400	68,784,000	2,010,264,050	32.43	2,871,805,786	70.00%
2006	2004	1,752,402,580	175,587,920	65,281,380	1,993,271,880	30.19	2,847,531,257	70.00%
2005	2003	* 1,748,371,030	163,717,470	61,194,500	1,973,283,000	28.35	2,818,975,714	70.00%
2004	2002	1,249,220,930	170,920,080	59,616,300	1,479,757,310	34.86	2,113,939,014	70.00%

76

Source: Town Assessor Department.

Assessed values were taken from Board of Tax Appeal corrected abstracts. Motor vehicle includes supplement.

Ratios are predicted on the State of Connecticut Office of Policy and Management Sales/Ratio.

Personal property value is based on a 70% assessment ratio.

Personal property was adjusted to reflect newly enacted exemption for manufacturing/research equipment starting with 1991 list.

Tax-exempt property not broken out by category.

\* Revaluation of the Grand List 10/1/2003.

\*\* Revaluation of the Grand List 10/1/2008.

## TOWN OF WETHERSFIELD, CONNECTICUT

## PRINCIPAL PROPERTY TAXPAYERS

## CURRENT YEAR AND NINE YEARS PRIOR

Taxpayer	2013			2004		
	Taxable Assessed Value	Rank	Percentage of Gross Taxable Assessed Grand List	Taxable Assessed Value	Rank	Percentage of Gross Taxable Assessed Grand List
Wethersfield Apartments Assoc LLC	\$ 19,359,310	1	0.83%	\$ 13,166,100	1	0.90%
Cedar-Jordan Lane LLC	14,398,853	2	0.62%	9,705,000	3	0.66%
100 Great Meadow Road	12,511,200	3	0.54%	9,290,800	4	0.64%
Wethersfield Shopping Center LLC	12,367,576	4	0.53%	7,824,000	7	0.54%
Executive Square Ltd Partnership	11,001,300	5	0.47%	12,042,200	2	0.82%
CT Light & Power Co	9,885,120	6	0.42%	7,633,100	8	0.52%
CT Natural Gas Corp	7,611,420	7	0.33%	7,928,100	6	0.54%
Prime Development Group, LLC	6,479,720	8	0.28%	3,467,300	13	0.24%
1290 Realty LLC	5,925,800	9	0.25%	4,917,300	10	0.34%
Goodwin Gardens LLC	5,833,420	10	0.25%	4,345,200	11	0.30%
Total	\$ <u>105,373,719</u>		<u>4.52%</u>	\$ <u>80,319,100</u>		<u>4.60%</u>

Note: Based on net taxable grand list, October 1, 2011 and October 1, 2002.

**TOWN OF WETHERSFIELD, CONNECTICUT**  
**PROPERTY TAX RATES, LEVIES AND COLLECTIONS**  
**LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	(1) (2) Mill Rate	Grand List of October 1,	Total Adjusted Tax Levy	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections	Percentage of Levy Collected	Current Delinquent Balance
				Amount	Percentage of Levy				
2013	***	2011	\$ 75,725,740	\$ 74,937,876	98.96%	\$ 0	74,937,876	98.96%	\$ 787,864
2012		2010	72,558,938	71,782,216	98.93%	418,932	\$ 72,201,148	99.51%	357,790
2011		2009	70,662,766	69,769,872	98.79%	609,309	70,379,181	99.60%	283,585
2010	**	2008	70,693,007	69,981,793	99.03%	516,270	70,498,063	99.72%	194,944
2009		2007	69,579,789	68,883,924	99.02%	513,263	69,397,187	99.74%	182,602
2008		2006	65,637,736	64,984,509	99.00%	545,677	65,530,186	99.84%	107,550
2007		2005	64,626,417	63,971,604	98.99%	565,621	64,537,225	99.86%	89,192
2006		2004	59,775,611	59,361,909	99.31%	329,845	59,691,754	99.86%	83,857
2005	*	2003	55,410,583	55,039,138	99.33%	333,814	55,372,952	99.93%	37,631
2004		2002	51,145,414	50,722,766	99.17%	384,405	51,107,171	99.93%	38,243

78

Source: Town Audit Reports.

\* Revaluation of the Grand List 10/1/2003.

\*\* Revaluation of the Grand List 10/1/2008.

\*\*\* First year of Road Levy implementation. Tax Levy Mill Rate is 32.19. Road Levy Mill Rate is 0.39.

(1) There are no overlapping of tax rates.

(2) Tax levy is per \$1,000 of the assessed value of taxable property.

**TOWN OF WETHERSFIELD, CONNECTICUT**  
**SCHEDULE OF DEBT LIMITATION**  
**COMPARATIVE SCHEDULE BY SOURCE**

**JUNE 30, 2013**  
(In Thousands)

Total tax collections, including interest and lien fees, received by Treasurer for year ended June 30, 2013					\$ <u>75,995</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	\$ 170,989				
4-1/2 times base		341,979			
3-3/4 times base			284,982		
3-1/4 times base				246,985	
3 times base					227,986
Total debt limitation	<u>170,989</u>	<u>341,979</u>	<u>284,982</u>	<u>246,985</u>	<u>227,986</u>
Indebtedness:					
Bonds payable	14,290	10,000			
Bonds authorized - unissued	1,835	74,817			
Notes payable		725			
Town share of Metropolitan District debt			44,276		
Less school and other grants		(92)			
Total indebtedness	<u>16,125</u>	<u>85,450</u>	<u>44,276</u>	<u>-</u>	<u>-</u>
Debt Limitation in Excess of Outstanding and Authorized Debt	<u>\$ 154,864</u>	<u>\$ 256,529</u>	<u>\$ 240,706</u>	<u>\$ 246,985</u>	<u>\$ 227,986</u>

Note: In no event shall total debt exceed seven times annual receipts from taxation (\$531.9 million).

## TOWN OF WETHERSFIELD, CONNECTICUT

## DIRECT AND OVERLAPPING DEBT

## LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Operating Millage</u>	<u>Debt Service Millage</u>	<u>Total Town Millage</u>
2013	30.99	1.59	32.58 *
2012	30.09	1.33	31.42
2011	29.25	1.41	30.66
2010	29.17	1.51	30.68
2009	33.04	1.67	34.71
2008	31.25	1.69	32.94
2007	30.62	1.81	32.43
2006	28.64	1.55	30.19
2005	26.96	1.39	28.35
2004	33.29	1.57	34.86

\* Includes millage of .39 designated for Road Improvement Fund

**TOWN OF WETHERSFIELD, CONNECTICUT**

**RATIOS OF NET GENERAL DEBT OUTSTANDING TO  
ASSESSED VALUE AND NET GENERAL DEBT OUTSTANDING PER CAPITA**

**LAST TEN FISCAL YEARS**

<b>Fiscal Year</b>	<b>General Bonded Debt</b>	<b>Percentage of Actual Taxable Value of Property (a)</b>	<b>Notes Payable</b>	<b>Total Primary Government</b>	<b>Ratio of Debt to Net Assessed Value</b>	<b>Per Capita</b>
2013	\$ 24,670,586	1.1%	\$ 725,000	\$ 25,395,586	1.1%	\$ 951
2012	27,302,109	1.2%	795,000	28,097,109	1.2%	1,053
2011	29,875,654	1.3%		29,875,654	1.3%	1,119
2010	32,579,199	1.4%		32,579,199	1.4%	1,264
2009	35,118,463	1.7%		35,118,463	1.7%	1,365
2008	30,971,157	1.5%		30,971,157	1.5%	1,201
2007	33,683,851	1.7%		33,683,851	1.7%	1,293
2006	36,401,545	1.8%		36,401,545	1.8%	1,388
2005	38,334,238	1.9%		38,334,238	1.9%	1,454
2004	25,246,932	1.7%		25,246,932	1.7%	956

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

(a) See Table 5 for taxable property value data.

## TOWN OF WETHERSFIELD, CONNECTICUT

## LEGAL DEBT MARGIN INFORMATION

## LAST TEN FISCAL YEARS

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Debt limit ('000)	\$ 531,965	\$ 509,572	\$ 494,685	\$ 499,900	\$ 486,500	\$ 471,200	\$ 421,100	\$ 420,100	\$ 389,800	\$ 361,100
Total net debt applicable to limit	<u>24,290</u>	<u>26,850</u>	<u>29,400</u>	<u>32,080</u>	<u>35,230</u>	<u>31,105</u>	<u>33,840</u>	<u>36,580</u>	<u>38,535</u>	<u>25,470</u>
Legal Debt Margin	<u>\$ 507,675</u>	<u>\$ 482,722</u>	<u>\$ 465,285</u>	<u>\$ 467,820</u>	<u>\$ 451,270</u>	<u>\$ 440,095</u>	<u>\$ 387,260</u>	<u>\$ 383,520</u>	<u>\$ 351,265</u>	<u>\$ 335,630</u>
Total net debt applicable to the limit as a percentage of debt limit	4.6%	5.3%	5.9%	6.4%	7.2%	6.6%	8.0%	8.7%	9.9%	7.1%

Note: The State of Connecticut General Statutes require that in no event shall the total debt of the Town exceed seven (7) times the annual receipts from taxation. The calculation of the 2013 debt limit can be found in the notes to the financial statements.

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

<b>Fiscal Year</b>	<b>Population (3)</b>	<b>Personal Income (1)</b>	<b>Per Capita Personal Income (4)</b>	<b>Median Age (1)</b>	<b>School Enrollment</b>	<b>Unemployment Rate (2)</b>
2013	26,710	\$ 77,000	\$ 38,912	45	3,658	7.4%
2012	26,690	77,000	38,092	45	3,720	7.1%
2011	26,695	77,000	39,386	45	3,792	8.3%
2010	25,767	77,000	37,329	45	3,810	8.9%
2009	25,719	68,000	37,704	44	3,812	7.7%
2008	25,781	68,000	35,390	44	3,810	5.1%
2007	26,057	68,000	33,160	44	3,832	4.2%
2006	26,220	68,000	28,930	44	3,736	4.2%
2005	26,358	68,000	28,930	44	3,722	4.6%
2004	26,398	68,000	28,930	44	3,673	4.6%

## Sources:

- (1) U.S. Department of Commerce, Bureau of Census, 2000 Census / 2010 Census
- (2) State of Connecticut, Department of Labor, Labor Market Information
- (3) Connecticut Department of Public Health
- (4) 2007-2012 American Community Survey

## TOWN OF WETHERSFIELD, CONNECTICUT

## PRINCIPAL EMPLOYERS

## CURRENT YEAR AND NINE YEARS PRIOR

Employer	2013			2004		
	Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
State of Connecticut	1,397	1	14.1%	1,536	1	17.5%
Town of Wethersfield	947	2	9.5%	574	2	6.5%
Stop & Shop Store 610	510	3	5.1%	n/a	n/a	n/a
Willcare	135	4	1.4%	n/a	n/a	n/a
Marshalls Store 012	130	5	1.3%	n/a	n/a	n/a
Red Lobster Restaurant	100	6	1.0%	n/a	n/a	n/a
Yankee Dental	70	7	0.7%	n/a	n/a	n/a
Panera Bread	60	8	0.6%	n/a	n/a	n/a
New Britain Candy	60	8	0.6%	n/a	n/a	n/a
Dunkin Donuts	52	10	0.5%	n/a	n/a	n/a
	<u>3,461</u>					
Total employment per CERC	9,939			8,779		

## TOWN OF WETHERSFIELD, CONNECTICUT

## TOWN GOVERNMENT FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION

## LAST TEN FISCAL YEARS

Function	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
General Government										
Town Council	0.02	0.03	0.04	0.01	0.04	0.05	0.02	0.03	0.08	0.13
Town Manager	2.22	3.03	3.09	3.45	3.38	3.23	2.83	2.91	2.85	2.05
Data Services	2.44	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Town Clerk	3.28	3.16	3.11	2.65	3.04	3.08	3.17	3.01	3.07	2.92
Elections	0.63	0.68	0.83	0.97	0.89	0.87	0.82	0.70	0.96	0.85
Finance	5.18	5.18	3.94	4.27	4.19	4.23	3.65	3.66	3.71	3.52
Assessor	3.00	3.00	3.83	3.00	3.00	3.80	3.15	3.00	3.00	2.80
Tax Collector	2.79	2.70	2.69	2.48	2.81	2.99	2.91	2.70	2.80	2.57
Planning & Economic Development	2.08	2.08	2.07	2.10	2.15	2.21	2.09	2.13	1.36	1.18
Public safety services										
Building Inspection & ZBA	3.97	4.34	4.71	4.65	4.38	4.66	4.71	4.83	4.65	4.56
Police	60.89	63.57	62.05	63.87	62.05	62.66	61.50	62.20	63.13	62.90
Fire Marshal	1.00	1.00	1.01	1.01	1.07	1.02	1.00	0.95	1.00	1.00
Fire Dept	1.09	0.92	0.92	0.89	0.79	0.89	0.58	0.86	0.97	1.00
Public works										
Engineering	6.00	6.00	6.78	6.00	6.02	6.02	6.01	6.01	6.08	6.02
Physical Services	41.14	40.95	41.47	42.91	41.76	42.75	45.22	43.55	42.39	42.02
Social and Youth Services										
Library	21.21	21.08	21.85	22.37	20.36	18.94	18.80	19.19	19.57	18.74
Parks & Recreation	20.40	25.04	25.77	26.97	29.04	29.19	28.23	29.23	28.03	28.55
Education	528.00	504.00	533.00	535.00	543.00	543.00	538.00	527.00	517.00	509.00
Total	<u>710.92</u>	<u>695.24</u>	<u>725.49</u>	<u>732.31</u>	<u>739.87</u>	<u>741.76</u>	<u>734.99</u>	<u>724.43</u>	<u>714.25</u>	<u>703.80</u>

**TOWN OF WETHERSFIELD, CONNECTICUT  
OPERATING INDICATORS BY FUNCTION  
LAST TEN FISCAL YEARS**

Function	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Planning and community development:										
Building Inspection Division permits	1,785	1,595	1,462	2,432	1,647	1,330	1,631	1,661	1,509	1,933
Permit value	\$ 17,276,952	\$ 13,020,408	\$ 18,602,784	\$ 24,961,369	\$ 18,960,538	\$ 18,717,172	\$ 15,305,762	\$ 21,209,476	\$ 24,386,881	\$ 19,267,943
Elderly services:										
Senior center attendance	5,613	5,289	7,826	8,370	7,150	5,884	8,304	7,534	7,534	6,299
Library:										
Loans	358,819	367,693	363,965	363,390	315,770	263,100	217,207	289,951	309,191	322,626
Library visits	184,206	195,422	193,637	185,222	117,366	71,490	N/A	N/A	165,897	177,499
Reference questions	60,406	58,031	54,895	46,191	33,897	30,378	25,063	30,867	31,808	28,842
Registered borrowers	13,120	10,917	10,869	10,413	9,925	9,092	9,493	10,268	10,384	10,628
Programs held	604	650	662	629	407	373	368	322	373	420
Program attendance	17,361	15,023	17,572	16,658	12,755	11,568	8,127	11,151	10,534	12,668
Public Internet Sessions	44,292	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Recreation:										
Youth programs	115	102	101	100	98	101	100	99	96	97
Adult programs	80	77	75	74	74	73	72	73	70	71
Refuse and recycling:										
Total MSW Tonnage	10,338	10,780	10,606	11,829	11,934	12,064	12,118	N/A	N/A	N/A
Tons of recycling	2,785	2,819	2,811	2,074	2,120	2,331	2,103	N/A	N/A	N/A
Public safety:										
Ambulance medical calls	3,596	3,071	2,261	3,327	2,365	2,279	2,267	2,145	2,089	1,604
Fire calls	57	64	63	68	56	47	43	40	34	29
Fire medical calls	23	19	21	25	23	14	14	18	6	17
Fire non-emergency calls	320	413	394	301	329	251	313	283	280	277
Hazardous materials	155	265	133	112	92	70	96	119	84	69
Total Fire Calls	555	761	607	506	500	382	469	460	404	392
Law enforcement:										
911 Calls	10,043	10,716	9,618	10,189	9,744	9,980	10,224	10,579	9,765	N/A
Incidents	22,319	23,814	24,523	24,349	26,965	27,717	28,177	28,806	27,340	27,940
Accidents	598	675	745	645	707	732	662	728	793	685
Criminal arrests	855	853	752	770	974	942	1,259	1,121	1,064	1,111
Parking fines	489	409	1,021	742	1,002	923	940	1,048	1,297	1,432
Registrar of voters:										
Total registered voters	17,272	16,370	16,945	17,340	17,539	17,852	18,070	17,181	17,378	17,826
Education:										
Enrollment:										
Elementary Schools K-6	1,905	1,964	1,993	2,051	2,026	2,033	2,046	1,967	1,960	1,965
Middle School 7-8	582	618	619	578	562	564	575	567	589	576
High School 9-12	1,171	1,138	1,180	1,181	1,224	1,213	1,211	1,202	1,173	1,132
Total	3,658	3,720	3,792	3,810	3,812	3,810	3,832	3,736	3,722	3,673

N/A - Information is not available.

**TOWN OF WETHERSFIELD, CONNECTICUT  
CAPITAL ASSET STATISTICS BY FUNCTION  
LAST TEN FISCAL YEARS**

<b>Function</b>	<b>Fiscal Year</b>									
	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>
Municipal buildings	10	10	10	10	10	10	10	10	10	10
Schools	7	7	7	7	7	7	7	7	7	7
Public Safety:										
Firestations	3	3	3	3	3	3	3	3	3	3
Ambulance Facility	1	1	1	1	1	1	1	1	1	1
Police vehicles	24	24	24	24	24	24	23	23	23	18
Fire Trucks	9	9	9	9	9	9	9	9	9	N/A
Other emergency vehicles	12	12	12	12	12	12	12	12	12	N/A
Public Works:										
Miles of Streets:	106.78	106.78	106.78	105.57	105.57	105.82	105.82	105.80	105.80	105.80
Paved	103.40	103.40	103.40	102.79	102.51	102.51	102.51	102.51	102.51	102.51
Unpaved	3.38	3.38	3.38	3.38	3.38	3.63	3.63	3.63	3.63	3.63
State Highways	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00
Miles of Sidewalks	131.08	131.08	131.08	131.08	131.08	131.08	131.08	131.08	130.43	130.43
Parks and recreation:										
Acres of park land	610	610	610	610	610	610	610	610	610	610
Hardball baseball diamonds	3	3	3	3	3	3	3	3	3	3
Youth baseball diamonds	4	4	4	4	4	3	3	3	3	3
Basketball courts	11	11	11	11	11	11	11	11	11	11
Soccer fields	4	4	4	4	4	4	4	4	4	4
Nature areas	1	1	1	1	1	1	1	1	1	1
Picnic areas	2	2	2	2	2	2	2	2	2	2
Playgrounds	9	8	8	8	8	8	8	8	8	8
Public beach	1	1	1	1	1	1	1	1	1	1
Public greens	1	1	1	1	1	1	1	1	1	1
Tennis courts	14	14	14	15	16	16	16	16	16	16
Public pools	1	1	1	1	1	1	1	1	1	1

**TOWN OF WETHERSFIELD, CONNECTICUT**  
**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM**  
**LAST NINE FISCAL YEARS**

<u>Function</u>	<u>FISCAL YEAR</u>								
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Police Stations	1	1	1	1	1	1	1	1	1
Volunteer Fire Stations	3	3	3	3	3	3	3	3	3
Municipal Buildings	10	10	10	10	10	10	10	10	10
Schools	7	7	7	7	7	7	7	7	7
High Schools	1	1	1	1	1	1	1	1	1
Elementary Schools	5	5	5	5	5	5	5	5	5
Middle Schools	1	1	1	1	1	1	1	1	1
Parks and recreation									
Fields - Municipal	4	4	4	4	4	4	4	4	4
Fields - Schools	7	7	7	7	7	7	7	7	7
Streets	106.78	106.78	106.78	106.17	105.89	106.14	106.14	106.14	106.14
Paved miles	103.40	103.40	103.40	102.79	102.51	102.51	102.51	102.51	102.51
Unpaved miles	3.38	3.38	3.38	3.38	3.38	3.63	3.63	3.63	3.63