

**TOWN OF TOLLAND,  
CONNECTICUT**



**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**FOR THE YEAR ENDED JUNE 30, 2012**

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

Prepared by:  
The Finance Department

Lisa A. Hancock  
Director of Finance and Records

**TOWN OF TOLLAND, CONNECTICUT**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

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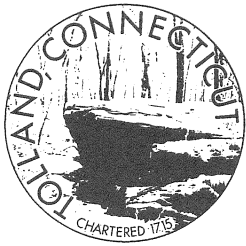
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## **Introductory Section**



## TOWN of TOLLAND / 21 tolland green, tolland, connecticut 06084

December 19, 2012

To the Members of the Town Council and Citizens of the Town of Tolland:

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 principals (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the Comprehensive Annual Financial Report of the Town of Tolland for the fiscal year ended June 30, 2012.

This report consists of management's representations concerning the finances of the Town of Tolland. 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 Tolland 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 Tolland's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh the benefits, the Town of Tolland'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 Tolland's financial statements have been audited by Blum, Shapiro and Company, P.C., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town of Tolland for the fiscal year ended June 30, 2012 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the Town of Tolland's financial statements for the fiscal year ended June 30, 2012 are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

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

### **Profile of the Town of Tolland**

Tolland is a residential community of 40.4 square miles and a population of 15,216 that retains impressive remnants of its rural past and substantial areas of protected open space. Expanding commercial and industrial resources are notably bolstering the economic base of the Town but in a way consistent with planning designed to preserve the community's character. Tolland was ranked 30<sup>th</sup> on Money Magazine's 2011 "100 best Places to Live" in the United States.

Tolland is located 20 miles northeast of Hartford and approximately 90 miles southwest of Boston, Massachusetts. Interstate 84, a major east-west transportation corridor, bisects the Town. Bradley International Airport - approximately 25 minutes driving time away - provides convenient air connections to the rest of the country and the world. A majority of the Town's labor force is employed in the central Connecticut area, primarily in the financial services, industrial, governmental and higher education sectors. Significant to the Town in several ways, the main campus of the University of Connecticut is within 10 miles to virtually any point within the Town.

Tolland's legacy includes a New England town green of substantial proportions as its signature amenity. Tolland Green is the heart of the community, and the area around it is preserved as a National Historic District. Included in the district are several of the Town's historic attractions, such as the former Tolland County Court House, the Old Jail Museum and the Hicks-Stearns Family Museum, plus a number of gracious 18<sup>th</sup> and 19<sup>th</sup> century homes. Municipal offices and the Town Library anchor one end of the Green. A few miles from the Green is the Town's oldest home, the 1733 Daniel Benton Homestead Museum, which was recently restored by the Historical Society with grant funding thus symbolizing the value the community places on preserving its heritage.

The Town is an outer-ring suburb of the Hartford metropolitan area. Over 97% of its dwellings are owner-occupied, single-family homes. Land subdivision activity and housing starts have stalled and the Town's population is expected to increase only slightly through the next decade.

Our form of government is a Council/Manager Government, which was approved in 1972. The legislative function is performed by a Town Council consisting of seven members elected at large. The Council formulates public policy, which the Town administration is entrusted to implement. The Board of Education, which is the governing body of the school district, appoints the superintendent of schools to implement its policies. The Chief Executive Officer of the community is the Town Manager, who is appointed for an indefinite term by the Town Council. The Manager has appointive and removal authority over department heads and other employees of the Town.

The Town of Tolland provides its residents with a complete level of municipal services. The Town Administration is organized around six primary divisions:

- Planning and Community Development: This comprehensive development office houses the departments of Planning and Zoning, Inland Wetlands Enforcement, Building Inspection and Health code inspections.
- Community Services: This division includes Human Services, Elderly, Library and Recreation Services.
- Public Safety: This division includes Police (under contract with the Connecticut State Police), a combination volunteer/paid Fire and Ambulance Department and Animal Control Services.
- Public Works: This division includes the departments of Highway Maintenance, Parks and Facilities and Solid Waste and Recycling.
- Engineering Services: This division includes the Engineer and a proposed Engineering/Utility Assistant position.
- Finance and Records: This division includes Accounting, Town Clerk, Town Assessment Services and Revenue Collection.

The above divisions are supervised by a professional Town Manager. The Office of the Town Manager includes a Director of Administrative Services who handles the human resources function for all the Town employees.

The Town has successfully privatized and contracted out several municipal services. Examples include the construction/reconstruction of roads, snow plowing of selected routes, refuse and recyclable collection, sewer capacity and certain social service functions such as health services through the Eastern Highland Health District.

The Town of Tolland provides water and sewer services to a small sector of the community. Approximately 497 residences, 27 businesses and 3 municipal buildings are serviced by the Tolland water system, while the Connecticut Water Company services other designated sections throughout the Town. Public sewers are available in the west central portion of the Town, which includes the expanded Business Park, from there down Old Post Road and up Route 195 to the schools and through the Gateway Zone to the new high school. An extension to the system was completed by the end of 2011.

The annual budget serves as the foundation for the Town's financial planning and control. A five year Capital Improvement Plan is presented, with the annual budget, but only the first year is adopted. The programs, as presented, are generally followed over the course of the five year planning period. The Town maintains budgetary controls with the objectives to ensure compliance with legal provisions embodied in the annual appropriated budget, approved by the budget referendum. The Town maintains an encumbrance accounting system as one technique of accomplishing budgetary controls. Expenditures pursuant to the Town's Purchasing Policy are approved first through a purchase order signed by the Town Manager and the Director of Finance and Records. Encumbrances are reserved against appropriations made through contracts or commitments to vendors. Purchase orders that would result in an over expenditure of an appropriation are not issued until transfers or additional appropriations are made. Council approval is required for transfers between departments. Management approval is required for transfers within departments. As demonstrated by the budgetary schedules included in the financial section of this report, the Town continues to meet its responsibility for sound financial management. In addition to budgetary schedules, NOTE 2 (A) in the Notes to Basic Financial Statements describes the budget process used by the Town.

### **Local Economy**

Although Tolland continues to be a town with strong emphasis on land preservation, it has taken great steps to expand and encourage commercial growth in the Business Park and the Gateway Design District. Over the years, the award of State grants has enabled roads to be extended in the Business Park allowing the 80,000-square-foot Dari Farms to relocate and expand its business. In addition, NESTEEL has completed an expansion of 45,000 square feet, and Wilson Woodworking has constructed a new building of 15,700 square feet. A further extension of the road within the Business Park has allowed for the creation of three additional lots, one of which was sold to Star Hill for its 140,000 square foot athletic facility. In late 2009, Star Hill Family Athletic Center began its operation and now offers residents athletic fields, a swimming pool, fitness equipment, locker rooms and meeting rooms.

The Town's Gateway Design District is in the vicinity of exit 68 off Interstate 84 which serves as the main access point to Tolland and also as the primary vehicular connection to the University of Connecticut's main campus which is approximately seven miles southeast along Route 195. Due to the expansion plans of the university, including the development of a research park, the Town anticipates the expansion of economic development opportunities in the Gateway Design District, the Tolland Village Area and the proposed Technology Zone.



The Phase I of sewer expansion, a \$2.5 million project extending public sewers along Old Post Road, brought sewers to two of the Town's public schools as well as to some private residences along the way. Importantly, it brought the sewer network closer to an underdeveloped commercial area that constitutes the Gateway Design District. The second extension continued from Old Post Rd. through the Gateway to the new High School which greatly expanded the business area beginning with a commercial campus in the south-west quadrant of the Gateway Design District. This 120,000-square-foot development includes a Big Y supermarket of 60,000 square feet and three smaller business buildings housing a new branch for a bank, a medical facility, a restaurant and other retail stores. Phase III was completed in 2010 extending the sewer line farther down Route 195 in the area identified as the Technology Corridor Zone.

Prospects for development of the area north of I-84, now known as the Tolland Village Area, a planned Transit Oriented Development (TOD) mixed-use zone, are favorable. The Town has been working with property owners, developers and residents to create a vision of the development in this area that will take advantage of public water and sewer recently installed. The Town's Planning and Zoning Commission is working with a consultant and has recently approved zoning regulations associated with the development of this area. Currently, the Town is applying for State grants to construct a connector road and improvements to Route 195 which will facilitate the development of over 100 units of townhouses in this area.

In addition, the Planning and Zoning Commission completed amendments to the local zoning regulations to provide more flexible standards for the development of commercial properties and to create an additional "village style mixed-use node along Routes 30 & 74 in the westerly part of town..

The Planning and Zoning Commission has also adopted an updated Plan of Conservation and Development which includes a residential/commercial build-out analysis as well as a review of the economic development goals of the community.

Tolland's attractiveness to new business and general population, as evidenced by its growth, has been the topic of publication as of late. Government statistics show a well-educated citizenry with a median household income of \$108,564. Tolland's unemployment rate decreased from 6.3 % as of June 2011 to 6.0 % compared at June 2012. The State of CT unemployment rate decreased from 9.1 % (June 2011) to 8.1% as of June 2012.

### **Long-Term Financial Planning**

The Town has embarked on an assertive long-term financial planning program. Specifically it has developed, and continues to modify, a "Long-Term Fiscal Trend Analysis Report," which synthesizes several quantifiable variables into a document that forecasts long-term revenue and expenditure line items which make up the total Town budget. These variables include such indicators as Grand List Growth, intergovernmental revenue projections and forecasts in both municipal and educational operating expenses. The drafting of this trend analysis has helped the Town Manager's Office immensely in developing affordability benchmarks. In conjunction with this, a debt management plan was structured to layer in debt issues for the next five years based on approved projects and anticipated needs. By employing this tool, it makes it readily apparent when new debt can be issued and when projects should be deferred to the future.

## **Financial Policies and Practices**

The Town of Tolland invested some of its available cash, throughout the year, in short-term certificates of deposit and in municipal money market accounts. A minimum of three financial institutions were polled to determine the best rates. Several alternative investment vehicles were employed including the Connecticut State Treasury Short Term Investment Fund (STIF) and MBIA Class Plus fund. STIF is an investment pool managed by the State of Connecticut Office of the State Treasurer. All of these options offer safety of principal, liquidity of investments and competitive yields which is compliant with guidelines set forth in the Investment Policy adopted by the Tolland Town Council.

Interest income for the General Fund in 2012 amounted to \$48,551 compared to \$292,959 in 2009. The decrease resulted from the steady decline in interest rates in the last three years.

With the creation of the Capital Non-Recurring Fund, which allows more flexibility in investments, the Town employed the services of Webster Trust to oversee these investments. The fund has approximately 30% of investments in equities and the balance in United States government obligations. The intent of this fund is to serve as a future source of pay-as-you-go financing for capital projects.

## **Major Initiatives**

The Town has completed the adoption process for regulations for the Tolland Village Area as well as conceptual design elements. This multi-use planned transit oriented development consists of some 75 acres of developable land just off the interstate and serves as a gateway into the community. The regulations are intended to encourage development which is consistent with the desires of the community. The Planning and Zoning Commission is currently working on zoning regulations for a Technology Zone on Route 195, the main thoroughfare to the University of Connecticut which hopefully will provide economic development opportunities for technology or research businesses that have relationships with the University. UCONN is making a major investment in a research park which will bring related business to the area as well as a need for additional housing.

The Town has completed a study of traffic improvements in the Tolland Green using funds obtained through the Capital Region Council of Governments. Applications have been submitted to the Regional Planning Agency for design and construction funds to implement recommendations. The Town has also received a \$200,000 STEAP Grant to combine with sewer assessments for the extension of sewers on Route 195 in the area identified as the Technology Corridor Zone.

In an effort to provide more efficient services the Town over the past two years has implemented single stream recycling which allows for the sorting of recycled materials to be done at the trash plant rather than curb side. This method has increased our recycling rate by over 10% which will mean an approximate reduction in our solid waste fees of \$35,000. In addition we have just completed a RFP process for disposal of solid waste to replace a contract with our current vendor CRRA which is expiring in November of 2012. As a result we will see a reduction in the first year in our tip fee from \$69/ton to \$60/ton which is an estimated yearly savings of \$40,000. In addition as revenue we have been averaging close to \$20/ton for recyclables.

In 2011, the Town embarked on the construction phase for the replacement of the HVAC system in its Town Hall. The 40,000 square foot building had an outdated system which has been replaced with a geothermal system and majority of the project was essentially completed by November 2012. This new system will eliminate the need for heating oil and will create efficiency savings.

### **Awards and Acknowledgements**

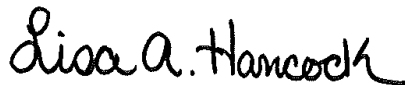
The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Tolland for its Comprehensive Annual Financial Report for the year ended June 30, 2011. This was the eighteenth consecutive year that the Town of Tolland has received this prestigious award and its seventh year in compliance with GASB Statement 34 requirements. In order to be awarded a Certificate of Achievement, the Town published an easily readable and efficiently organized Comprehensive Annual Financial Report. This report satisfied both accounting principles generally accepted in the United States of America and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

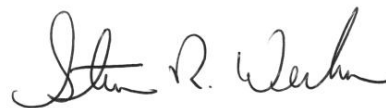
Additionally, the Town received the Distinguished Budget Presentation Award for the 2010-2012 budget from GFOA. This is the second year the Town has received this highest form of recognition in governmental budgeting.

The preparation of this report on a timely basis would not have been possible without the assistance and support of many people. We would like to express our appreciation to all those who contributed to its preparation, including Agata Herasimowicz, Laura Schwabe and Noreen Botticello. We would also like to thank the Town Council and the Board of Education for their interest and support in planning and conducting the financial operations of the Town in a responsible and progressive manner.

Respectfully submitted,



Lisa A. Hancock  
Director of Finance and Records



Steven R. Werbner  
Town Manager

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Town of Tolland  
Connecticut

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

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

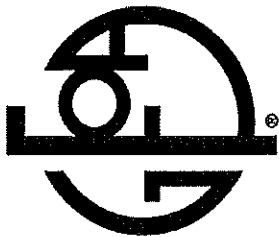


*Christopher P. Moynell*

President

*Jeffrey R. Egan*

Executive Director



The Government Finance Officers Association  
of the United States and Canada

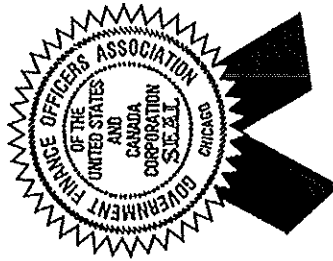
*presents this*

## AWARD OF FINANCIAL REPORTING ACHIEVEMENT

*to*

**Christine K. Hutton**  
Director of Finance & Records  
Town of Tolland, Connecticut

*The award of Financial Reporting Achievement is presented by the Government Finance Officers Association to the individual(s) designated as instrumental in their government unit achieving a Certificate of Achievement for Excellence in Financial Reporting. A Certificate of Achievement is presented to those government units whose annual financial reports are judged to adhere to program standards and represents the highest award in government financial reporting.*



Executive Director

Date August 10, 2012



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**Town of Tolland  
Connecticut**

For the Fiscal Year Beginning

**July 1, 2012**

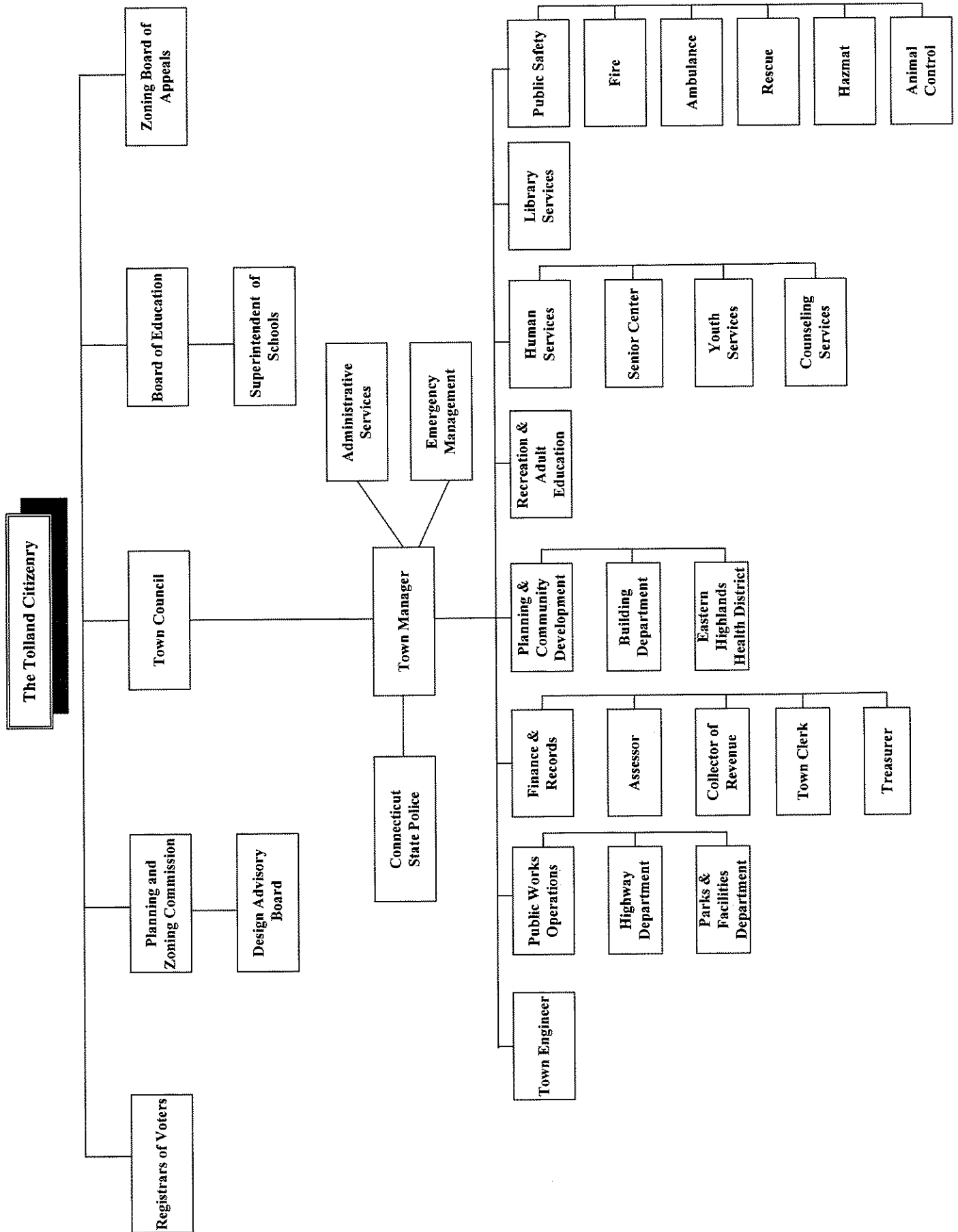
*Christopher P. Morrell*      *Jeffrey R. Eimer*

President

Executive Director

# Town of Tolland

## Organization Chart



**TOWN OF TOLLAND, CONNECTICUT**

**LIST OF PRINCIPAL OFFICIALS**

**JUNE 30, 2012**

**Town Council**

Jack Scavone, Chairperson  
Richard Field, Vice Chairperson  
Sam Belsito  
Joshua Freeman  
Mark Gill  
Jan Rubino  
Benjamin Stanford

**Board of Education**

Robert Powell, Chairperson  
Robert Pagoni, Vice Chairperson  
Gayle Block  
E. Steve Clark  
Tom Frattaroli  
Karen Kramer  
Joseph Sce  
Frank Tantilto  
Christine Vincent



## **Financial Section**



Accounting | Tax | Business Consulting

## Independent Auditors' Report

To the Town Council  
Town of Tolland, Connecticut

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2012 on our consideration of the Town of Tolland, Connecticut's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

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

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

December 19, 2012

## **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2012**

As management of the Town of Tolland, we offer readers of the Town of Tolland's financial statements this narrative overview and analysis of the financial activities of the Town of Tolland for the fiscal year ended June 30, 2012. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal in the introductory section of this report, as well as the Town's basic financial statements.

### **Financial Highlights**

- On a government-wide basis, the assets of the Town of Tolland exceeded its liabilities at the close of the most recent year by \$106,405,400 (net assets). Of this amount, \$17,011,252 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- On a government-wide basis, the government's total net assets decreased by \$900,963. Governmental and business-type activity expenses were \$62,423,065, while revenues were \$61,522,102.
- The total cost of all Town services for the fiscal year 2012 was \$62,423,065; of which \$61,601,090 was for governmental services and \$821,975 for business-type activities.
- At the close of the fiscal year, the Town's governmental funds reported, on a current resource basis, combined ending fund balances of \$15,679,168, a decrease of \$435,271 from the prior fiscal year. Of the total fund balance as of June 30, 2012, \$6,586,236 represents the combined unassigned fund balance in the General Fund, special revenue funds, capital projects funds and permanent funds.
- At the end of the current fiscal year, the total fund balance for the General Fund alone was \$8,039,037, an increase of \$227,770 over the prior fiscal year. Unassigned fund balance for the General Fund was \$6,588,695 or 12% of General Fund expenditures and transfers out. Unrestricted fund balance (the total of the committed, assigned and unassigned components of fund balance) for the General Fund was \$7,898,175 or 14.2% of General Fund expenditures and transfers out.
- Long-term debt was issued on September 28, 2011 in the amount of \$4,910,000. The proceeds were used to refund December 1, 2003 bonds to achieve savings and to add \$1,942,000 for various capital projects in the capital projects plan and \$733,000 for the Route 195 Sewer installation project.
- A prior period adjustment was made for the exclusion of two funds that were previously recorded as component units as they did not meet the requirements for inclusion in the Town financial statements as component units. As a result, net assets and fund balance at the beginning of the year were restated by a reduction of \$733,454.

### **Overview of the Financial Statements**

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

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the Town of Tolland's finances, in a manner similar to a private-sector business. All of the resources available to the Town are shown, including major assets such as buildings and infrastructure. A thorough accounting of the cost of government is rendered because the statements present all costs, not just how much was collected and disbursed. They provide long-term and short-term information about the Town's overall financial status.

The *statement of net assets* presents information on all of the Town of Tolland's assets and liabilities, with the difference reported as *net assets*. One can think of the Town's net assets, the difference between assets and liabilities, as one way to measure the Town's financial health and financial position. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Town of Tolland is improving or deteriorating. It addresses the question of whether or not the Town is better or worse off as a result of this year's activities.

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

Both of the government-wide financial statements distinguish functions of the Town of Tolland that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Town of Tolland encompass most of the Town's basic services and include administration, planning and community development, community services, public works, public safety services, records and financial services and education. The business-type activities of the Town of Tolland are water and sewer operations. They are reported here because the Town charges a fee for providing water and sewer services to its customers, which are intended to cover the operating costs, including depreciation.

The government-wide financial statements can be found on Exhibits I and II of this report.

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

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

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

The Town of Tolland maintains 32 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, Sewer Assessment, CDBG Small Cities, Bonded Capital Projects and Capital Nonrecurring funds, which are considered to be major funds. Data from the other 27 governmental funds are combined into a single, aggregated presentation under the caption “other governmental funds.” Nonmajor governmental funds include the Dog, Open Space Maintenance, Stone Pond Sewer Escrow, Tolland Townhouse Sewer Escrow, Lodge Activity, Open Space, Tolland Business Park, Town Aid Road, Recreation, Water Assessment, School Lunch, State and Federal Education Grants, Before/After School Program, Rent Escrow, Eviction Fund, Cemetery Operations, Minnie Hicks, Training Center, Conservation Green Grant, Traffic Grant, Justice Assistance Grant, DWSRF Water, Veterans Memorial, 300<sup>th</sup> Celebration, Field Maintenance, Cemetery Perpetual Care and Ratcliff Hicks Memorial School funds. Individual fund data for each of these nonmajor governmental funds is provided in the *form of combining statements* elsewhere in this report.

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

The basic governmental fund financial statements can be found on Exhibits III-V of this report.

**Proprietary funds.** The Town of Tolland maintains two proprietary funds. The *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Town of Tolland uses enterprise funds to account for its Water and Sewer operations. The Sewer Fund was converted from a Special Revenue Fund to recognize the expansion of the Town’s sewer operations in the 2007/2008 CAFR.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water operations which is considered to be a major fund of the Town of Tolland.

The basic proprietary fund financial statements can be found on Exhibits VI-VIII of this report.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the Town. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the Town of Tolland’s own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on Exhibits IX-X of this report.

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

The combining statements and supplemental schedules referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes to the basic financial statements. Combining and individual fund statements and schedules can be found beginning on page 52 of this report.

## **Government-wide Financial Analysis**

As noted earlier, net assets may serve over time as a useful indicator of a Town’s financial position and an important determinant of its ability to finance services in the future. Town of Tolland’s total assets exceeded liabilities by \$106,405,400 at the close of the most recent fiscal year.

By far, the largest portion of the Town of Tolland's net assets (\$89,056,728) (84%) reflects its investment in capital assets (e.g., land, buildings, vehicles, furniture and equipment, water systems and infrastructure) less related outstanding debt used to acquire those assets. The Town of Tolland uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the Town of Tolland's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**TOWN OF TOLLAND NET ASSETS  
JUNE 30, 2012 AND 2011**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
Current and other assets	\$ 24,186,937	\$ 23,922,809	\$ 360,474	\$ 317,378	\$ 24,547,411	\$ 24,240,187
Capital assets	<u>120,274,159</u>	<u>120,637,221</u>	<u>9,859,251</u>	<u>10,069,400</u>	<u>130,133,410</u>	<u>130,706,621</u>
Total assets	<u>144,461,096</u>	<u>144,560,030</u>	<u>10,219,725</u>	<u>10,386,778</u>	<u>154,680,821</u>	<u>154,946,808</u>
Current liabilities	7,597,780	6,456,488	67,503	69,700	7,665,283	6,526,188
Noncurrent liabilities	<u>40,610,138</u>	<u>41,114,257</u>			<u>40,610,138</u>	<u>41,114,257</u>
Total liabilities	<u>48,207,918</u>	<u>47,570,745</u>	<u>67,503</u>	<u>69,700</u>	<u>48,275,421</u>	<u>47,640,445</u>
Invested in capital assets, net of related debt	79,197,477	80,465,804	9,859,251	10,069,400	89,056,728	90,535,204
Restricted	313,063	313,063	24,357		337,420	313,063
Unrestricted	<u>16,742,638</u>	<u>16,210,418</u>	<u>268,614</u>	<u>247,678</u>	<u>17,011,252</u>	<u>16,458,096</u>
Total Net Assets	<u>\$ 96,253,178</u>	<u>\$ 96,989,285</u>	<u>\$ 10,152,222</u>	<u>\$ 10,317,078</u>	<u>\$ 106,405,400</u>	<u>\$ 107,306,363</u>

An additional portion of the Town of Tolland's total net assets, .32% or \$337,420, represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$17,011,252 is *unrestricted net assets* and may be used to meet the Town's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the Town of Tolland is able to report positive balances in all three categories of net assets, both for the Town as a whole, as well as for its separate governmental and business-type activities. The same held true in for the prior fiscal year.

There was an increase of \$24,357 in restricted net assets in the business-type activities and no change in the governmental activities from the previous year.

**TOWN OF TOLLAND CHANGES IN NET ASSETS  
JUNE 30, 2012 AND 2011**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
Revenues:						
Program revenues:						
Charges for services	\$ 2,266,262	\$ 3,357,372	\$ 640,629	\$ 493,871	\$ 2,906,891	\$ 3,851,243
Operating grants and contributions	17,243,381	15,742,394			17,243,381	15,742,394
Capital grants and contributions	1,959,937	1,589,041			1,959,937	1,589,041
General revenues:						
Property taxes	38,343,637	37,290,129			38,343,637	37,290,129
Grants and contributions not restricted to specific programs	357,609	771,764			357,609	771,764
Investment income	202,173	326,862	1,490	819	203,663	327,681
Miscellaneous	506,984	396,777		9,863	506,984	406,640
Total revenues	<u>60,879,983</u>	<u>59,474,339</u>	<u>642,119</u>	<u>504,553</u>	<u>61,522,102</u>	<u>59,978,892</u>
Expenses:						
Administration	1,170,393	1,152,320			1,170,393	1,152,320
Planning and community development	505,425	459,598			505,425	459,598
Community services	2,125,783	1,729,681			2,125,783	1,729,681
Public works	8,260,781	7,843,996			8,260,781	7,843,996
Public safety services	2,021,332	1,964,263			2,021,332	1,964,263
Records and financial services	1,029,158	1,038,972			1,029,158	1,038,972
Board of education	44,963,365	42,181,314			44,963,365	42,181,314
Interest expense	1,524,853	1,469,838			1,524,853	1,469,838
Sewer Fund			453,389	447,724	453,389	447,724
Water Fund			368,586	388,310	368,586	388,310
Total expenses	<u>61,601,090</u>	<u>57,839,982</u>	<u>821,975</u>	<u>836,034</u>	<u>62,423,065</u>	<u>58,676,016</u>
Excess (deficiency) before transfers	(721,107)	1,634,357	(179,856)	(331,481)	(900,963)	1,302,876
Transfers	<u>(15,000)</u>	<u>(1,099,411)</u>	<u>15,000</u>	<u>1,099,411</u>	<u>-</u>	<u>-</u>
Change in net assets	(736,107)	534,946	(164,856)	767,930	(900,963)	1,302,876
Net Assets - July 1	<u>96,989,285</u>	<u>96,454,339</u>	<u>10,317,078</u>	<u>9,549,148</u>	<u>107,306,363</u>	<u>106,003,487</u>
Net Assets - June 30	<u>\$ 96,253,178</u>	<u>\$ 96,989,285</u>	<u>\$ 10,152,222</u>	<u>\$ 10,317,078</u>	<u>\$ 106,405,400</u>	<u>\$ 107,306,363</u>

The Town of Tolland's overall net assets decreased \$900,963 from the prior fiscal year. The major changes in revenues and expenditures creating this overall decrease are discussed in the following sections for governmental activities and business-type activities. Governmental activities decreased the Town of Tolland's net assets by \$736,107 and business-type activities reduced it by \$164,856.

### **Governmental Activities**

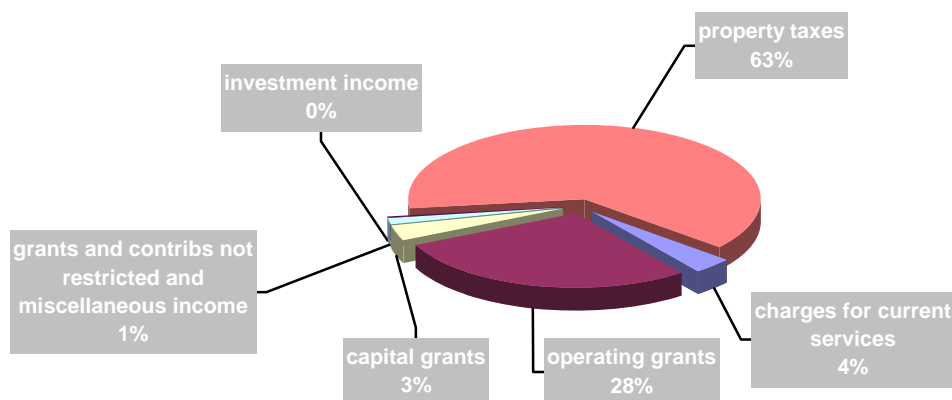
For governmental activities, approximately 63% of the revenues were derived from property taxes, followed by 32.1% in other intergovernmental revenues. These numbers reflect an increase in those categories as compared to the prior fiscal year where property taxes were 62.7% and other intergovernmental revenues were 30.4% of total revenues.



Major revenue factors included:

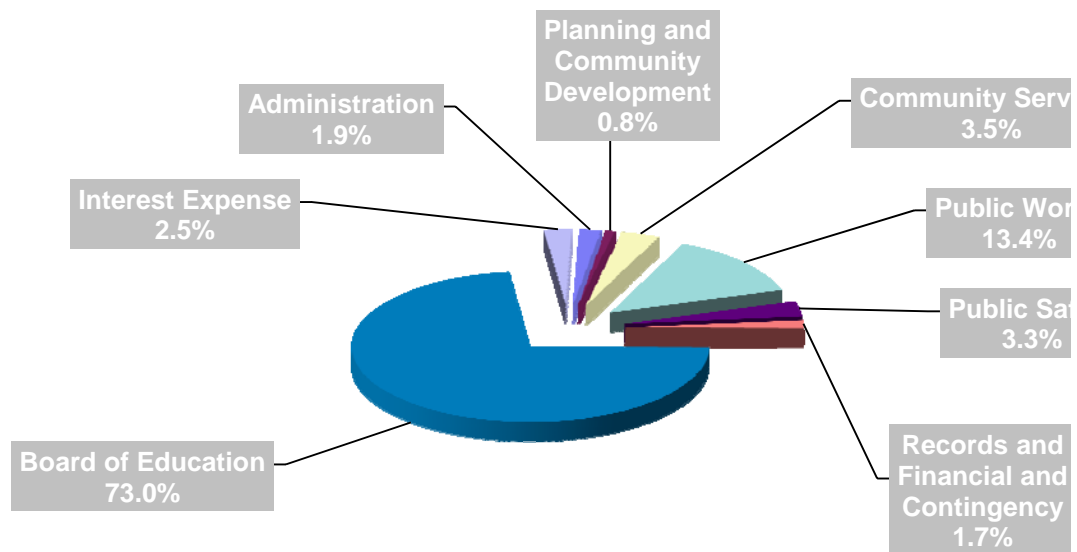
1. Property tax revenues recorded during fiscal year 2012 reflect a .58 mill increase in the mill rate for the current levy and the impact of a 1.1% growth in the grand list.
2. Charges for services were \$1,091,110 less than the prior year due to various one time revenues received in the prior fiscal year that were not received in the current year. Included in last year's revenues were one time payments for \$233,624 in assessment payments for the new Route 195 sewer; \$321,527 in accrued revenue for the Small Cities Loan fund and the balance were for other accrued revenue timing differences.
3. Capital grants and contributions reflected an increase of \$370,896 over the previous year due to final school construction grant payments being received after the completion of the audit of Birch Grove School as well as for other new infrastructure grants that the Town received.
4. Operating grants reflected an increase of \$1,500,987 mainly due to an accrual of revenue for FEMA funding for \$713,000 for Storms Irene and Alfred and \$733,104 for an increase in State Teachers Retirement funding payments from the State of Connecticut.

#### REVENUES BY SOURCE - GOVERNMENTAL ACTIVITIES



The largest component of revenue which is from property taxes, increased to 63% of total revenue in the current year as compared to 62.7% in the prior year.

## EXPENDITURES BY SOURCE - GOVERNMENTAL ACTIVITIES



For governmental activities, 73% of the Town's expenditures relate to education, 13.4% to public works, 3.3% to public safety, 3.5% to community services, 2.5% to interest payments on long-term debt, 1.9% to administration, 1.7% to records & financial services and contingency and 0.8% to planning and community development. The Board of Education expenditures increased due to a higher level of State Teacher's Retirement funding. The State Teacher's Retirement funding in the current year was \$3,446,968 or an increase of \$733,104 over the previous year's amount of \$2,713,864.

Changes in expenses ranged from a decrease of .94% for Records and Financial Services to an increase of 22.9% for Community services. Increases in service expenditures resulted from growth in population and thus growth in demand by the taxpayers.

**Business-type activities.** Business-type activities decreased the Town of Tolland's net assets by \$164,856. Key elements of this year's activities are as follows:

- Water Fund and Sewer Fund both experienced operating losses for a combined \$257,926. The non-operating revenues and capital contributions of Sewer Fund helped to offset the losses in both funds resulting in the reduction in net assets of \$164,856 at year end. The Water Commission and the Water Pollution Control Authority are addressing user fees and funding resources to eliminate future operating losses.

### Financial Analysis of the Government's Funds:

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

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

As of the end of the current fiscal year, the Town of Tolland's governmental funds reported combined ending fund balances of \$15,679,168, a decrease of \$435,271 from the previous year. This decrease resulted from a change in the fund balance of the capital nonrecurring projects of \$1,176,136. The nonrecurring fund balance decreased as a result of the expenditures for the Town's Geo-thermal project that had proceeds from the capital lease in the previous year. Some of the reduction was offset by a bond issuance and refunding.

The General Fund balance rose proportionally to the amount that revenues outpaced expenditures. The main contributor for this is due to the receipt of bond premiums and FEMA funding for non-cash costs associated with equipment use and volunteers. Fund balance for the bond premium for \$140,862 was restricted by Town Council and the IRS to be used to offset the next two years debt service costs and \$121,976 from the FEMA funding was recorded as assigned fund balance to be reallocated in the next fiscal year to an Emergency Storm Reserve Fund. The Sewer Assessment fund increased due to the bond proceeds for the Route 195 sewer line extension and the expenditures for that project being recorded in the prior year.

The overall amount of the **governmental fund** balances totals up to \$15,679,168. Of that amount the assigned fund balance is \$1,309,480 for encumbrances, the Emergency Storm Fund as mentioned above and funding for the subsequent budget. The restricted amount of the total fund balance is for future debt payments and restriction on spending grants in the amount of \$307,287. There are balances committed in the amount of \$7,126,927 for special commitments. An additional amount of \$349,238 represents the nonspendable portion of fund balance and the unassigned portion of fund balance is \$6,586,236 or 42% of total fund balance.

**The General Fund** is the chief operating fund of the Town of Tolland. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$6,588,695, while total fund balance was \$8,039,037. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 12% of total General Fund expenditures including transfers out. Total fund balance represents 14.2 % of that same amount. The unassigned portion of fund balance, when compared with unassigned last year portion for the General Fund had increased by \$379,363 while the total fund balance increased \$227,770. This increase resulted primarily from unanticipated revenue from FEMA and bond premiums and careful scrutiny of expenditures.

Key factors contributing to the surplus in General Fund were:

- All revenues, except interest income, increased over the prior year and exceeded expenditures therefore creating a surplus. Tax revenue grew over the prior year by \$1,089,272 due to new growth in the Grand List of 1.1% coupled with an increase in the mill rate of .58 mills. Aggressive tax collections included a potential tax sale of select properties which resulted with property owners paying off much of the outstanding taxes as well as the associated interest and liens. Prior year taxes received were \$147,342 more than the amount that was anticipated.
- Interest income continued to decline due to falling interest rates.
- Anticipation of possible revenue shortfalls for investment income and the uncertainty of a FEMA reimbursement for storm damage prompted a cautious spending early on, thus producing a surplus as revenues exceeded expectations.

The Sewer Assessment Fund had a decrease in its operating revenue by \$427,290 as compared to last year because there was a grant for \$200,000 and one-time assessment pre-payments for the Route 195 Sewer Line Extension last year. The fund balance did increase by \$688,972 as a result of a bond sale to provide funding for the previous year Route 195 Sewer Line construction costs coupled with the results of operations.

The CDBG Small Cities Fund qualified as a major fund again this year due to a new rehabilitation grant that produced expenditures of \$569,936 and grant revenues of \$466,083. There was a decrease in fund balance of \$61,324.

In the bonded capital project funds, revenues and other financing sources exceeded expenditures and other financing uses by \$149,971 due to the timing of the bond issue and grant receipts.

Capital nonrecurring funds were most affected by the expenditures for the installation of a geothermal heating and cooling system in the Town Hall. Funding preceded the expenditures last fiscal year.

**Proprietary funds.** The Town of Tolland's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Net assets of the water fund amounted to \$3,068,846 and \$7,083,376 for the sewer fund at year-end. This represented a decrease of \$30,831 for water and an increase of \$134,025 for sewer. These decreases in water and sewer are mainly due to the cost of depreciation for the year and less capital contributions. Both funds experienced operating losses. As mentioned earlier in the discussion of business-type activities, the Water Commission and the Water Pollution Control Authority are addressing user fees and other funding resources to eliminate future operating losses.

### General Fund Budgetary Highlights

Comparing the difference between the original budget and the final amended budget reveals an overall increase of \$641,530. During the year, actual revenues and other financing sources on a budgetary basis were \$51,445,521, which exceeded budgetary estimates by \$376,329. Actual tax revenues exceeded the budget by \$305,150 which in part represents an aggressive pursuit of delinquent taxes. Actual intergovernmental revenue exceeded the budget by \$721,847 with a majority of those revenues resulting from FEMA reimbursements of \$713,000 for Storms Irene and Alfred. Charges for services were \$88,547 above the budget due to increases in building permits issued, property tax conveyance collections and recycling fee collections being higher than anticipated. Investment income was \$41,449 under budget due to lower than expected interest rates during a tough economy. The budget for fiscal year 2012-13 was projected downward accordingly. Other financing sources included receipts for a bond premium of \$140,862 and \$15,520 for cancellation of previous year encumbrances. A budgetary increase for the use of fund balance for \$625,000 was approved by the Town Council to cover the costs of Storms Irene and Alfred but did not have to be used since FEMA funds were awarded.

Actual expenditures on a budgetary basis and other financing uses totaled \$50,950,296 which is less than budgeted by \$118,896. Savings resulted from a milder than average winter season and less need for overtime and storm supplies. There was also a spending freeze in place during part of the year in order to reserve funds to cover the Town's share of the FEMA costs for the storms. The Town ended up in a better financial position with all the FEMA costs being covered and was able to release some of the frozen funds closer to the end of the year.

### Capital Asset and Debt Administration

#### TOWN OF TOLLAND'S CAPITAL ASSETS (net of depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Land	\$ 13,762,065	\$ 13,670,299	\$ 50,858	\$ 50,858	\$ 13,812,923	\$ 13,721,157
Construction in progress	2,528,667	215,199			2,528,667	215,199
Buildings	75,598,864	77,680,820			75,598,864	77,680,820
Vehicles, furniture and equipment	5,074,376	4,871,413			5,074,376	4,871,413
Plant and pumping station			1,474,437	1,549,775	1,474,437	1,549,775
Water distribution system			8,333,956	8,468,767	8,333,956	8,468,767
Infrastructure	23,310,187	24,199,490			23,310,187	24,199,490
Total	<u>\$ 120,274,159</u>	<u>\$ 120,637,221</u>	<u>\$ 9,859,251</u>	<u>\$ 10,069,400</u>	<u>\$ 130,133,410</u>	<u>\$ 130,706,621</u>

**Capital assets.** The Town of Tolland's investment in capital assets for its combined governmental and business-type assets includes land, buildings and improvements, vehicles and equipment, roads, rights of way, water systems, dams, bridges and sewer lines. The total decrease in the Town of Tolland's investment in capital assets for the current fiscal year was \$573,211, or approximately .44%, with a decrease of \$363,062 for governmental activities and a decrease of \$210,149 for business-type activities.

Governmental activities capital assets decreased overall despite significant projects started in the current year such as a construction of geothermal system in the Town Hall building and purchase of an Excavator, two dump trucks, two plows and an ambulance #540 as well as the addition of .22 mile for the Industrial Park Road. Business type activities decreased due to the net effect of depreciation and a smaller in scope additions of the Merrow Road sewer extension and hydrants.

Additional information on the Town of Tolland's capital assets can be found in Note 3E on pages 39-40 of this report.

**Long-term debt.** At the end of the current fiscal year, the Town of Tolland had total bonded debt outstanding of \$37,760,000, all of which is backed by the full faith and credit of the Town.

Of this debt, \$26,411,598 is school related and \$11,348,402 is general obligation. In addition, the Town has an outstanding obligation of \$509,133 to the Town of Vernon to participate proportionately in the repayment of bonds for the wastewater treatment plant upgrade and the East Main Street sewer project. Tolland is hooked into Vernon's treatment plant and is allotted a certain capacity each month in exchange for user fees.

The Town of Tolland's total debt decreased by a net amount of \$630,000, which was the result of the new issue of \$4,910,000 in general obligation bonds on September 28, 2011, less \$5,540,000 which was retired or refunded during the fiscal year. There were no bond anticipation notes outstanding at June 30, 2012.

The last bond rating for the Town of Tolland was in August, 2012 and the Town maintained an "AA+" rating from Fitch and an "AA positive" rating from Standard and Poor's for general obligation debt. The positive outlook reflects that the Town has consistently strong, stable financial operations and has improved financial management policies and practices.

State statutes limit the amount of general obligation debt a governmental entity may issue to 2¼ to 4½ times total tax collections including interest and lien fees and the tax relief for the elderly freeze grant. The current debt limitation for the Town of Tolland is \$267,626,436, which is significantly in excess of the Town of Tolland's outstanding general obligation debt.

Additional information on the Town of Tolland's long-term debt can be found in Note 3H on pages 43-45 of this report.

### **Economic Factors and Next Year's Budget and Rates**

This past year has been highlighted by significant weather events which inflicted considerable damage on the community. During the fall and early winter two separate storm events left the entire town without power for as much as eight consecutive days. The Town's emergency operations personnel, Town Staff, hundreds of volunteers worked effortlessly throughout both events to ensure that our public was not in imminent danger from the storm damage and power outages. The Town is extremely proud of the manner in which we addressed the storm and the innovative methods we employed to service our residents while at the same time minimize costs. Towns all around us had costs four to ten times higher than ours for which they had to borrow to pay for expenses. One example of our efforts was a Neighbor Helping Neighbor Program which consisted of some 200 volunteers and town staff addressing the debris concerns of some 70 elderly residents. In addition we opened a debris center in one of our public parks which allowed residents to truck their storm debris at their own cost.

These activities allowed us to avoid having to implement a curbside collection of debris for which other towns paid millions to outside contractors. In response to trying to be more prepared financially for future storms the Town Council voted to create an Emergency Storm Reserve fund by local ordinance and appropriated excess Funds in December, 2012. Funds have been reserved to be used in the event of any future storm emergencies.

Local and State Governments throughout the country, including Tolland, are battling with the federal monetary crisis. As the economy worsens, citizens have been losing their jobs or absorbing wage reductions and are trying to pay their bills with lesser amounts of household income. The Town Council and staff have continued to address these issues while still trying to provide first rate services. The Town Council has formed several committees to review technology, energy and other areas where efficiencies can be identified in order to generate ideas for cost savings. The Town also performed a complete review of all revenue sources and identified appropriate user fees to self-fund 100% of noncore programs. There are continued efforts to grow the Town's tax base, retaining current businesses and increasing economic development opportunities.

The economic indicators for the past few years, and several other factors were taken into consideration when adopting the General Fund budget for fiscal year 2012/2013. Amounts available for appropriation in the General Fund budget are \$51,362,234, an increase of 1.85% over the fiscal year 2011 budget of \$50,427,662. A combination of increased costs for fixed items such as utilities, salaries, health benefits and other commodities along with no change in the percentage increase in State aid, particularly the Education Cost Sharing grant, had the biggest impact on the fiscal year 2012/2013 budget. The budget represents an increase of .26 mills or a 0.87% increase in the mill rate over the prior year. In order to achieve this budget level, cost cutting measures were employed such as changes to the Town's employee health insurance plan to a regionalized self-insurance fund and restructuring or elimination of positions.

In an attempt to meet the challenge of accomplishing the most with limited resources, the Town continued strong efforts to apply for several grant funding initiatives to address infrastructure and community needs. The Town was successful in obtaining grant funds to improve the Town Hall heating and cooling system, funds to do road improvements, community development grants (CDBG-Small Cities) and other social service grants.

### **Requests for Information**

This financial report is designed to provide a general overview of the Town of Tolland's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Director of Finance and Records, 21 Tolland Green, Tolland, CT 06084.

# Basic Financial Statements

## TOWN OF TOLLAND, CONNECTICUT

## STATEMENT OF NET ASSETS

JUNE 30, 2012

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
Assets:			
Cash and cash equivalents	\$ 16,203,537	\$ 194,468	\$ 16,398,005
Investments	1,567,734		1,567,734
Property taxes receivable	634,235		634,235
Intergovernmental receivable	2,774,745		2,774,745
Accounts and other receivables	2,285,964	184,944	2,470,908
Internal balances	18,938	(18,938)	-
Other assets	36,175		36,175
Deferred charges	189,406		189,406
Restricted cash and investments	313,063		313,063
Other post employment benefit asset	163,140		163,140
Capital assets, nondepreciable	16,290,732	50,858	16,341,590
Capital assets, net of accumulated depreciation	103,983,427	9,808,393	113,791,820
<b>Total assets</b>	<b>144,461,096</b>	<b>10,219,725</b>	<b>154,680,821</b>
Liabilities:			
Accounts payable	1,304,523	67,503	1,372,026
Accrued liabilities	488,826		488,826
Accrued interest payable	385,151		385,151
Unearned revenue	1,934,594		1,934,594
Noncurrent liabilities, due within one year	3,484,686		3,484,686
Noncurrent liabilities, due in more than one year	40,610,138		40,610,138
<b>Total liabilities</b>	<b>48,207,918</b>	<b>67,503</b>	<b>48,275,421</b>
Net Assets:			
Invested in capital assets, net of related debt	79,197,477	9,859,251	89,056,728
Restricted for:			
Commitments		24,357	24,357
Endowments - nonexpendable	20,800		20,800
Perpetual care - nonexpendable	292,263		292,263
Unrestricted	16,742,638	268,614	17,011,252
<b>Total Net Assets</b>	<b>\$ 96,253,178</b>	<b>\$ 10,152,222</b>	<b>\$ 106,405,400</b>

The accompanying notes are an integral part of the financial statements



## TOWN OF TOLLAND, CONNECTICUT

## STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2012

Functions/Programs	Expenses	Program Revenues			Net Revenues (Expenses) and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
Administration	\$ 1,170,393	\$	\$	\$	\$ (1,170,393)	\$	\$ (1,170,393)
Planning and community development	505,425	286,961		289,946	71,482		71,482
Community services	2,125,783	370,474	23,516	848,986	(882,807)		(882,807)
Public works	8,260,781	45,948	713,000	256,910	(7,244,923)		(7,244,923)
Public safety services	2,021,332	259,484			(1,761,848)		(1,761,848)
Record and financial services	1,029,158	122,561			(906,597)		(906,597)
Board of education	44,963,365	1,180,834	16,506,865	512,458	(26,763,208)		(26,763,208)
Interest expense	1,524,853			51,637	(1,473,216)		(1,473,216)
Total governmental activities	<u>61,601,090</u>	<u>2,266,262</u>	<u>17,243,381</u>	<u>1,959,937</u>	<u>(40,131,510)</u>	<u>-</u>	<u>(40,131,510)</u>
Business-Type Activities:							
Sewer Fund	453,389	303,144				(150,245)	(150,245)
Water Fund	368,586	337,485				(31,101)	(31,101)
Total business-type activities	<u>821,975</u>	<u>640,629</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(181,346)</u>	<u>(181,346)</u>
Total Primary Government	<u>\$ 62,423,065</u>	<u>\$ 2,906,891</u>	<u>\$ 17,243,381</u>	<u>\$ 1,959,937</u>	<u>(40,131,510)</u>	<u>(181,346)</u>	<u>(40,312,856)</u>
General revenues:							
Property taxes					38,343,637		38,343,637
Grants and contributions not restricted to specific programs					357,609		357,609
Investment income					202,173	1,490	203,663
Miscellaneous					506,984		506,984
Transfers:					(15,000)	15,000	-
Total general revenues and transfers					<u>39,395,403</u>	<u>16,490</u>	<u>39,411,893</u>
Change in net assets					(736,107)	(164,856)	(900,963)
Net Assets at Beginning of Year, as Restated					<u>96,989,285</u>	<u>10,317,078</u>	<u>107,306,363</u>
Net Assets at End of Year					<u>\$ 96,253,178</u>	<u>\$ 10,152,222</u>	<u>\$ 106,405,400</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF TOLLAND, CONNECTICUT**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**

**JUNE 30, 2012**

	<u>General</u>	<u>Sewer Assessment</u>	<u>CDBG Small Cities</u>	<u>Bonded Capital Projects</u>	<u>Capital Nonrecurring</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>							
Cash and cash equivalents	\$ 10,871,945	\$ 927,249	\$ 24,032	\$ 1,030,894	\$ 2,120,647	\$ 1,521,032	\$ 16,495,799
Investments					1,052,774	535,760	1,588,534
Receivables	1,279,659	1,180,288	944,332	259,205	132,153	82,451	3,878,088
Due from other funds	85,444			218,395			303,839
Other						36,175	36,175
Total Assets	<u>\$ 12,237,048</u>	<u>\$ 2,107,537</u>	<u>\$ 968,364</u>	<u>\$ 1,508,494</u>	<u>\$ 3,305,574</u>	<u>\$ 2,175,418</u>	<u>\$ 22,302,435</u>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Accounts and other payables	\$ 1,246,675	\$	\$ 505	\$	\$ 14,713	\$ 42,628	\$ 1,304,521
Accrued liabilities	476,286				12,539		488,825
Due to other funds	218,395					66,506	284,901
Deferred revenue	2,256,655	1,205,965	944,332		2,052	136,016	4,545,020
Total liabilities	<u>4,198,011</u>	<u>1,205,965</u>	<u>944,837</u>	<u>-</u>	<u>29,304</u>	<u>245,150</u>	<u>6,623,267</u>
Fund balances:							
Nonspendable						349,238	349,238
Restricted	140,862		23,527			142,898	307,287
Committed		901,572		1,508,494	3,276,270	1,440,591	7,126,927
Assigned	1,309,480						1,309,480
Unassigned	6,588,695					(2,459)	6,586,236
Total fund balances	<u>8,039,037</u>	<u>901,572</u>	<u>23,527</u>	<u>1,508,494</u>	<u>3,276,270</u>	<u>1,930,268</u>	<u>15,679,168</u>
Total Liabilities and Fund Balances	<u>\$ 12,237,048</u>	<u>\$ 2,107,537</u>	<u>\$ 968,364</u>	<u>\$ 1,508,494</u>	<u>\$ 3,305,574</u>	<u>\$ 2,175,418</u>	<u>\$ 22,302,435</u>

(Continued on next page)

## TOWN OF TOLLAND, CONNECTICUT

## BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)

JUNE 30, 2012

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

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

Total fund balances (Exhibit III)	\$ 15,679,168
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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	\$ 196,276,171	
Less accumulated depreciation	<u>(76,002,012)</u>	120,274,159

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

Property tax interest and lien accrual	105,805
Property tax, sewer use, water assessment and community development block grant receivable - accrual basis change	2,610,426
Other post employment benefit asset	163,140
School building grant receivable	1,720,572
Allowance for doubtful accounts on interest and liens	(9,523)
Bond issue costs	189,406

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

Bonds and sewer notes payable	(38,269,133)
Deferred amount in refunding	42,894
Compensated absences	(1,718,142)
Accrued interest payable	(385,151)
Capital lease	(3,600,000)
Bond premium	<u>(550,443)</u>

Net Assets of Governmental Activities (Exhibit I)	<u><u>\$ 96,253,178</u></u>
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The accompanying notes are an integral part of the financial statements

**TOWN OF TOLLAND, CONNECTICUT**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES - GOVERNMENTAL FUNDS**

**FOR THE YEAR ENDED JUNE 30, 2012**

	<u>General</u>	<u>Sewer Assessment</u>	<u>CDBG Small Cities</u>	<u>Bonded Capital Projects</u>	<u>Capital Nonrecurring</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:							
Property taxes	\$ 38,322,762	\$	\$	\$	\$	\$	\$ 38,322,762
Intergovernmental	16,850,972		466,083	503,115	130,287	1,517,545	19,468,002
Charges for services	580,757	135,955	42,439			1,550,778	2,309,929
Investment income	48,551	77,919	90		59,257	16,356	202,173
Other revenues	20,197	2,072		241,283	230,341	34,130	528,023
Total revenues	<u>55,823,239</u>	<u>215,946</u>	<u>508,612</u>	<u>744,398</u>	<u>419,885</u>	<u>3,118,809</u>	<u>60,830,889</u>
Expenditures:							
Current:							
Administration	2,456,691						2,456,691
Planning and community development	353,474						353,474
Community services	847,549		569,936			362,316	1,779,801
Public works	4,654,991					17,031	4,672,022
Public safety services	1,505,038					25,233	1,530,271
Record and financial services	803,047						803,047
Contingency and other	681,042						681,042
Board of Education	39,416,894					2,642,253	42,059,147
Capital outlay		87,495		1,461,691	3,258,067		4,807,253
Debt service	4,751,795	172,479			93,416		5,017,690
Total expenditures	<u>55,470,521</u>	<u>259,974</u>	<u>569,936</u>	<u>1,461,691</u>	<u>3,351,483</u>	<u>3,046,833</u>	<u>64,160,438</u>
Excess (Deficiency) of Revenues over Expenditures	<u>352,718</u>	<u>(44,028)</u>	<u>(61,324)</u>	<u>(717,293)</u>	<u>(2,931,598)</u>	<u>71,976</u>	<u>(3,329,549)</u>
Other Financing Sources (Uses):							
Bond issuance		733,000		584,636	1,357,364		2,675,000
Bond premiums	140,862				50,413		191,275
Issuance of refunding bonds					2,235,000		2,235,000
Payments to escrow agent					(2,345,417)		(2,345,417)
Premium on refunding bond issuance					153,420		153,420
Transfers in				297,628	329,682	3,500	630,810
Transfers out	(265,810)			(15,000)	(25,000)	(340,000)	(645,810)
Net other financing sources (uses)	<u>(124,948)</u>	<u>733,000</u>	<u>-</u>	<u>867,264</u>	<u>1,755,462</u>	<u>(336,500)</u>	<u>2,894,278</u>
Net Change in Fund Balances	227,770	688,972	(61,324)	149,971	(1,176,136)	(264,524)	(435,271)
Fund Balances at Beginning of Year, as Restated	<u>7,811,267</u>	<u>212,600</u>	<u>84,851</u>	<u>1,358,523</u>	<u>4,452,406</u>	<u>2,194,792</u>	<u>16,114,439</u>
Fund Balances at End of Year	<u>\$ 8,039,037</u>	<u>\$ 901,572</u>	<u>\$ 23,527</u>	<u>\$ 1,508,494</u>	<u>\$ 3,276,270</u>	<u>\$ 1,930,268</u>	<u>\$ 15,679,168</u>

(Continued on next page)

## TOWN OF TOLLAND, CONNECTICUT

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

FOR THE YEAR ENDED JUNE 30, 2012

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

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

Net change in fund balances - total governmental funds (Exhibit IV)	\$ (435,271)
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:

Capital outlay	3,252,958
Depreciation expense	(3,876,126)

Donations of capital assets increase net assets in the statement of activities, but do not appear in the governmental funds because they are not financial resources.	390,653
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The statement of activities reports losses arising from the trade-in of existing capital assets to acquire new capital assets. Conversely, governmental funds do not report any gain or loss on a trade-in of capital assets.	(130,547)
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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	(299,343)
Decrease in other post employment benefit asset	(28,594)
Decrease in property tax, sewer use, water assessment and community development block grant receivable - accrual basis change	(150,538)
Increase in property tax interest and lien revenue	23,033
Increase in property tax, sewer use and community development block grant allowance for doubtful accounts	(2,073)
Amortization of bond premiums	46,151

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

Issuance of bonds	(2,675,000)
Issuance of refunding bonds	(2,235,000)
Bond payments	5,540,000
Premium on bond issuance	(344,695)
Deferred bond issue costs	43,003
Deferred amount in refunding	45,417
Capital lease payments	68,014

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

Compensated absences	(63,816)
Change in accrued interest	(13,266)
Amortization of deferred amounts	(2,523)
Amortization of issuance costs	(15,915)
Note principal payments	127,371

Change in Net Assets of Governmental Activities (Exhibit II)	\$ <u>(736,107)</u>
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The accompanying notes are an integral part of the financial statements

## TOWN OF TOLLAND, CONNECTICUT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL - GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2012

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:				
Property taxes	\$ 38,017,612	\$ 38,017,612	\$ 38,322,762	\$ 305,150
Intergovernmental	11,578,495	11,595,025	12,316,872	721,847
Charges for services	492,210	492,210	580,757	88,547
Investment income	90,000	90,000	48,551	(41,449)
Other revenues	19,345	19,345	20,197	852
Total revenues	<u>50,197,662</u>	<u>50,214,192</u>	<u>51,289,139</u>	<u>1,074,947</u>
Expenditures:				
Current:				
Administrative	2,427,243	2,436,919	2,426,893	10,026
Planning and community development	358,618	356,131	354,477	1,654
Community services	857,537	870,235	860,832	9,403
Public works	4,586,531	4,568,670	4,529,746	38,924
Public safety services	1,538,056	1,545,562	1,530,589	14,973
Record and financial services	878,227	888,024	887,126	898
Contingency and other	119,987	717,658	675,877	41,781
Board of Education	34,662,357	34,668,387	34,667,151	1,236
Debt service	4,751,796	4,751,796	4,751,795	1
Total expenditures	<u>50,180,352</u>	<u>50,803,382</u>	<u>50,684,486</u>	<u>118,896</u>
Excess (Deficiency) of Revenues over Expenditures	<u>17,310</u>	<u>(589,190)</u>	<u>604,653</u>	<u>1,193,843</u>
Other Financing Sources (Uses):				
Cancellation of prior year encumbrances			15,520	15,520
Appropriation of fund balance	230,000	855,000		(855,000)
Transfers in			140,862	140,862
Transfers out	(247,310)	(265,810)	(265,810)	-
Net other financing sources (uses)	<u>(17,310)</u>	<u>589,190</u>	<u>(109,428)</u>	<u>(698,618)</u>
Excess of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	<u>\$ -</u>	<u>\$ -</u>	<u>495,225</u>	<u>\$ 495,225</u>
Fund Balance at Beginning of Year			<u>6,434,332</u>	
Fund Balance at End of Year			<u>\$ 6,929,557</u>	

The accompanying notes are an integral part of the financial statements

## TOWN OF TOLLAND, CONNECTICUT

## STATEMENT OF NET ASSETS

## PROPRIETARY FUNDS

JUNE 30, 2012

**Business-Type Activities**  
**Enterprise Funds**

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Total</u>
Assets:			
Current assets:			
Cash and cash equivalents	\$ 193,790	\$ 678	\$ 194,468
Accounts receivable	87,822	97,122	184,944
Total current assets	<u>281,612</u>	<u>97,800</u>	<u>379,412</u>
Noncurrent assets:			
Capital assets, nondepreciable:			
Land	50,858		50,858
Capital assets, net of accumulated depreciation:			
Plant and pumping station	460,016	1,014,421	1,474,437
Distribution system	2,310,330	6,023,626	8,333,956
Total noncurrent assets	<u>2,821,204</u>	<u>7,038,047</u>	<u>9,859,251</u>
Total assets	<u>3,102,816</u>	<u>7,135,847</u>	<u>10,238,663</u>
Liabilities:			
Current liabilities:			
Accounts payable	33,970	33,533	67,503
Due to other funds	18,938	18,938	18,938
Total current liabilities	<u>33,970</u>	<u>52,471</u>	<u>86,441</u>
Net Assets:			
Invested in capital assets	2,821,204	7,038,047	9,859,251
Restricted for commitments	24,357		24,357
Unrestricted	223,285	45,329	268,614
Total Net Assets	<u>\$ 3,068,846</u>	<u>\$ 7,083,376</u>	<u>\$ 10,152,222</u>

The accompanying notes are an integral part of the financial statements

## TOWN OF TOLLAND, CONNECTICUT

## STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

## PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2012

	Business-Type Activities Enterprise Funds		
	Water Fund	Sewer Fund	Total
Operating Revenues:			
Charges for services	\$ 337,485	\$ 220,151	\$ 557,636
Operating Expenses:			
Professional services	85,600	52,426	138,026
Repairs and maintenance	79,400	12,071	91,471
Service fees	3,380	130,114	133,494
Materials and supplies	29,462	26,974	56,436
Utilities	69,111	30,352	99,463
Depreciation	95,220	201,452	296,672
Total operating expenses	362,173	453,389	815,562
Operating Loss	(24,688)	(233,238)	(257,926)
Nonoperating Revenue (Expense):			
Investment income	270	1,220	1,490
Loss on disposal	(6,413)		(6,413)
Net nonoperating revenue (expense)	(6,143)	1,220	(4,923)
Capital Contribution		82,993	82,993
Loss Before Transfers	(30,831)	(149,025)	(179,856)
Transfers In		15,000	15,000
Change in Net Assets	(30,831)	(134,025)	(164,856)
Net Assets at Beginning of Year	3,099,677	7,217,401	10,317,078
Net Assets at End of Year	\$ 3,068,846	\$ 7,083,376	\$ 10,152,222

The accompanying notes are an integral part of the financial statements



## TOWN OF TOLLAND, CONNECTICUT

## STATEMENT OF CASH FLOWS

## PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2012

	Business-Type Activities Enterprise Funds		
	Water Fund	Sewer Fund	Total
Cash Flows from Operating Activities:			
Receipts from customers	\$ 322,607	\$ 239,094	\$ 561,701
Payments to suppliers	(244,391)	(255,313)	(499,704)
Net cash provided by (used in) operating activities	78,216	(16,219)	61,997
Cash Flows from Noncapital Financing Activities:			
Transfers in		15,000	15,000
Cash Flows from Capital and Related Financing Activities:			
Purchase of capital assets	(9,943)		(9,943)
Cash Flows from Investing Activities:			
Investment income	270	1,220	1,490
Net Increase in Cash	68,543	1	68,544
Cash at Beginning of Year	125,247	677	125,924
Cash at End of Year	\$ 193,790	\$ 678	\$ 194,468
Reconciliation of Operating Loss to Net Cash Provided by (Used in) Operating Activities:			
Operating loss	\$ (24,688)	\$ (233,238)	\$ (257,926)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:			
Depreciation expense	95,220	201,452	296,672
(Increase) decrease in accounts receivable	(14,878)	18,936	4,058
Increase (decrease) in due to/from other funds	21,386	(4)	21,382
Increase (decrease) in accounts payable	1,176	(3,365)	(2,189)
Net Cash Provided by (Used in) Operating Activities	\$ 78,216	\$ (16,219)	\$ 61,997
Noncash Financing and Investing Transactions:			
Donations and capital contributions	\$ -	\$ 82,993	\$ 82,993

The accompanying notes are an integral part of the financial statements

## TOWN OF TOLLAND, CONNECTICUT

## STATEMENT OF FIDUCIARY NET ASSETS

## FIDUCIARY FUNDS

JUNE 30, 2012

	<b>OPEB Trust Fund</b>	<b>Private Purpose Trust Fund Stevenson Scholarship</b>	<b>Agency Funds</b>
Assets:			
Cash and cash equivalents	\$	\$ 25,015	\$ 498,658
Investments:			
Mutual funds	371,574		
Total assets	<u>371,574</u>	<u>25,015</u>	<u>498,658</u>
Liabilities:			
Accounts payable			<u>498,658</u>
Net Assets:			
Held in Trust for Other Purposes	\$ <u>371,574</u>	\$ <u>25,015</u>	\$ <u>-</u>

The accompanying notes are an integral part of the financial statements

## TOWN OF TOLLAND, CONNECTICUT

## STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS

## FIDUCIARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2012

	<b>OPEB Trust Fund</b>	<b>Private Purpose Trust Fund Stevenson Scholarship</b>
Additions:		
Interest and dividends	\$	\$ 701
Contributions	491,000	
Net increase in the fair value of the investment	7,695	
Total additions	<u>498,695</u>	<u>701</u>
Deductions:		
Scholarships awarded		750
Benefits	491,000	
Total deductions	<u>491,000</u>	<u>750</u>
Change in Net Assets	7,695	(49)
Net Assets at Beginning of Year	<u>363,879</u>	<u>25,064</u>
Net Assets at End of Year	<u>\$ 371,574</u>	<u>\$ 25,015</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF TOLLAND, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The Town of Tolland, Connecticut (the Town), originally part of the Town of Windsor, was chartered in 1715 and incorporated in 1722. The Town maintains a Council-Manager form of government and provides the following services as authorized by its charter: public safety (police and fire), public works, education and social services.

As required by accounting principles generally accepted in the United States of America, these financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations; therefore, data from these units are combined with data of the primary government. Discretely presented component units are presented in a separate column in the government-wide financial statements to emphasize that they are legally separate from the government.

**B. Basis of Presentation**

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

**Government-Wide and Fund Financial Statements**

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

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

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

### **Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Agency Funds use the accrual basis of accounting but have no measurement focus since they report only assets and liabilities.

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

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

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

The Town reports the following major governmental funds:

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

The *Sewer Assessment Fund* accounts for the capital resources used for sewer capital improvements that benefit property owners in a limited area. A special assessment on the benefiting property owners imposes the recovery of the cost of the improvements. A special assessment debt is secured by anticipated payments from property owners with the option of paying in a lump sum or in interest bearing annual installments over the life of the bonds. The major source of revenue is derived from assessment fees and use charges.

The *CDBG Small Cities Fund* accounts for funds for rehabilitation loans to property owners. The major source of revenue for this fund is intergovernmental revenues and program income.

The *Bonded Capital Projects Fund* accounts for revenues to be used for major capital asset construction and/or purchases funded by debt issuances.

The *Capital Nonrecurring Fund* accounts for revenues to be used for major capital asset construction and/or purchases funded substantially by grants and General Fund appropriations.

The Town reports the following major proprietary funds:

The *Water Fund* accounts for activities of the government's water operations.

The *Sewer Fund* accounts for the maintenance and repair needs of the sewer system. The Town of Tolland does not own its own sanitary sewer treatment plant and contracts for treatment with the Town of Vernon. The Sewer Fund pays for treatment on the basis of volume of waste and in accordance with sewer usage fees of the Town of Vernon. The major source of revenue for this fund is the collection of sewer use fees.

Additionally, the Town reports the following fund types:

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

The *Private-Purpose Trust Fund* is used to account for resources legally held in trust for student scholarships. None of the resources of the fund, including any earnings on invested resources, can be used to support the Town's activities. The fund has a nonexpendable portion.

The *Agency Funds* account for monies held on behalf of students, employees and other community groups and amounts held for performance bonds.

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

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are charges to customers for services. The enterprise fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

### **C. Cash and Cash Equivalents**

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.

### **D. Investments**

Investments 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."

### **F. Restricted Assets**

The Cemetery Perpetual Care and Ratcliff Memorial School Funds are restricted to expenditure of the investment income only for the donor-designated purpose. Any appreciation of the funds is also restricted.

## **G. Capital Assets**

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$5,000 for equipment, \$25,000 for improvements and \$50,000 for infrastructure, and an estimated useful life of more than two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant and equipment of the primary government, as well as the component unit, is depreciated using the straight-line method over the following estimated useful lives.

<u>Assets</u>	<u>Years</u>
Buildings	50-75
Building improvements	50
Land/rights of way	-
Construction in progress	-
Land improvements	20-30
Roads	30-50
Bridges	30-50
Sewer transmission lines	50
Meters and hydrants	50
Vehicles	5-30
Machinery and equipment	3-10
Fire equipment	20-25

## **H. Compensated Absences**

Based on union contracts, certain Town and Board of Education employees may accumulate a certain amount of unused vacation and sick leave based upon length of employment. The amount recorded as a liability is based upon current salary levels. All vacation and sick pay is accrued when incurred in the government-wide, proprietary and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.



## **I. Long-Term Obligations**

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

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

## **J. Equity**

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

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

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

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

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

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

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

Committed Fund Balance - This represents amounts constrained for a specific purpose by a government using its highest level of decision-making authority (Tolland Town Council) through a resolution or council action.

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

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

The Town has a minimum fund balance policy that states that the unassigned fund balance of the Town must equal at least 10% of the Town's most recent approved operating budget.

## **K. Property Taxes**

Property taxes are assessed as of October 1 and billed the following July 1 and January 1. Interest at the rate of 1.5% per month accrues on all overdue taxes. Assessments for real and personal property, excluding motor vehicles, are computed at 70% of appraised market value. A lien is placed on the property if real estate taxes are unpaid as of June 30 following the payable date.

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

## **L. Accounting Estimates**

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

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

### **A. Budgetary Information**

The Town adheres to the following procedures in establishing the budgetary data included in the financial statements of the General Fund, the only fund with a legally adopted annual budget. The budget is prepared by the Town Manager and submitted to the Town Council in March. In April, the Town Council submits the proposed Town budget for the year commencing July 1 to the public for comment. In May, the Town budget is presented at referendum for approval. After approval, the Town Council meets to set the mill rate. The operating budget includes proposed expenditures and the means of financing them.

- The Town Council is authorized to transfer any budgeted amounts between departments and to approve additional appropriations up to \$40,000 in the aggregate in any one year. All additional appropriations in excess of \$40,000 in the aggregate must be subject to a public hearing. During the year, the Town Council approved \$641,530 in additional appropriations. Of these appropriations, \$16,530 was from revised revenue estimates and \$625,000 was additional appropriations from fund balance.
- Management is authorized to make budgetary transfers within departments but cannot approve additional appropriations.
- Formal budgetary integration is employed as a management control device during the year.
- The legal level of control (the level at which expenditures may not legally exceed appropriations) is at the department level within a function.
- The Board of Education, which is not a separate legal entity but a function of the Town, is authorized under State law to make any transfers required within their budget at their discretion. Any additional appropriations must have Board of Education and Town Council approval.
- Encumbrances are recognized as valid and proper charge against a budget appropriation in the year in which the purchase order, contract or other commitment is issued, and, accordingly, encumbrances outstanding at year end are reported in budgetary reports as expenditures in the current year. Generally, all unencumbered appropriations lapse at year end, except those for the Capital Project Funds. Appropriations for capital projects are continued until completion of applicable projects, even when projects extend more than one fiscal year.

A reconciliation of the accounting treatment required by GAAP and budgetary requirements at June 30, 2012 is as follows:

	<b><u>Revenues and Other Financing Sources</u></b>	<b><u>Expenditures and Other Financing Uses</u></b>	<b><u>Fund Balance</u></b>
Balance, budgetary basis	\$ 51,445,521	\$ 50,950,296	\$ 6,929,557
Prior year encumbrances liquidated		1,196,981	
Prior year encumbrances cancelled	(15,520)		
Prior year encumbrances still outstanding			159,434
Current year encumbrances		(950,046)	950,046
GASB 54 reclassification - 300 Celebration Fund		5,000	
State of Connecticut grants for Special Education Excess Costs, netted for budgetary purposes	1,087,132	1,087,132	
State Teachers' Retirement on-behalf payment	<u>3,446,968</u>	<u>3,446,968</u>	
Balance, GAAP basis	<u>\$ 55,964,101</u>	<u>\$ 55,736,331</u>	<u>\$ 8,039,037</u>

### **B. Deficit Fund Equity**

The Traffic Fund has a deficit fund balance of \$2,459 as of June 30, 2012, which will be funded through future grant receipts.

## **3. DETAILED NOTES ON ALL FUNDS**

### **A. Cash, Cash Equivalents, and Investments**

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

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

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

## Deposits

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

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$10,348,851 of the Town's bank balance of \$17,832,171 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 9,113,966
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name	<u>1,234,885</u>
Total Amount subject to Custodial Credit Risk	<u><u>\$ 10,348,851</u></u>

## Cash Equivalents

At June 30, 2012, the Town's cash equivalents amounted to \$348,494. 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.

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

## Investments

As of June 30, 2012, the Town had the following investments:

Investment Type	Credit Rating	Fair Value	Investment Maturities (Years)		
			Less Than 1	1 - 10	More than 10
Interest-bearing investments:					
Fixed income funds	N/A	\$ 739,088	\$ 739,088	\$	\$
U.S. Government Obligation					
National Mortgage Pool	N/A	1,287	1,287		
Corporate bonds	A1	30,963		30,963	
Corporate bonds	A2	24,859		24,859	
Corporate bonds	A3	25,022			25,022
Total		821,219	\$ 740,375	\$ 55,822	\$ 25,022
Other investments:					
Mutual funds		664,919			
Equities		473,970			
Total Investments		\$ 1,960,108			

**Investment Custodial Credit Risk** - Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value if its investment or collateral securities that are in the possession of an outside party. The Town does not have an investment policy for custodial credit risk. The Town does not hold any uninsured or unregistered securities at June 30, 2012.

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

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

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

The Town's investment policy, in conformity with applicable Connecticut General Statutes, authorizes investment in the State Treasurer's Short-Term Investment Fund (STIF) and MBIA Class Plus Investment. The value of the position in the pools is the same as the value of the pool shares. Regulatory oversight for the State Treasurer's Short-Term Investment Fund is provided quarterly by the Investment Advisory Council and the Treasurer's Cash Management Board. Regulatory oversight for MBIA Class Plus Investment is provided by an investment advisory council consisting of members appointed by the municipalities. Other authorized investments include pooled and joint investments meeting the requirements of the policy, excluding those pools investing in "derivative" securities; certificates of deposit; repurchase agreements; and obligations of the United States and agencies of the federal government.

## B. Endowments Received

	<b>Cemetery Perpetual Care Fund</b>	<b>Ratcliff Hicks Memorial School Fund</b>	<b>Total</b>
Original principal received	\$ 292,263	\$ 20,800	\$ 313,063
Net appreciation on investments	<u>1,741</u>	<u>514,960</u>	<u>516,701</u>
Total Value	<u>\$ 294,004</u>	<u>\$ 535,760</u>	<u>\$ 829,764</u>

The original principal received remains in the net assets and is restricted for the trust principal. The net appreciation on investments is included in unrestricted net assets and is spent based on the original criteria established by the trust. The Town's policy is to spend only investment income for the purposes of the trust.

## C. Receivables

Receivables as of year end for the Town's individual major funds and nonmajor and fiduciary funds in the aggregate are as follows:

	<b>General</b>	<b>Sewer Assessment</b>	<b>Bonded Capital Projects</b>	<b>Capital Non- recurring</b>	<b>CDBG Small Cities</b>	<b>Nonmajor and Other Funds</b>	<b>Water</b>	<b>Sewer</b>	<b>Total</b>
Receivables:									
Taxes	\$ 542,467	\$	\$	\$	\$	\$	\$	\$	\$ 542,467
Accounts and other	74,654	1,180,288	16,344	14,018	944,332	59,604	87,822	97,122	2,474,184
Intergovernmental	<u>667,055</u>		<u>242,861</u>	<u>118,135</u>		<u>22,847</u>			<u>1,050,898</u>
Gross receivables	1,284,176	1,180,288	259,205	132,153	944,332	82,451	87,822	97,122	4,067,549
Less: Allowance for collection losses	<u>4,517</u>								<u>4,517</u>
Net Total Receivables	<u>\$ 1,279,659</u>	<u>\$ 1,180,288</u>	<u>\$ 259,205</u>	<u>\$ 132,153</u>	<u>\$ 944,332</u>	<u>\$ 82,451</u>	<u>\$ 87,822</u>	<u>\$ 97,122</u>	<u>\$ 4,063,032</u>

#### D. Deferred and Unearned Revenue

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

	<u>Unavailable</u>	<u>Unearned</u>
General Fund:		
Delinquent property taxes receivable	\$ 426,202	\$
Advance tax collections		1,830,453
Capital Nonrecurring Fund:		
LOCIP funds		2,052
Sewer Assessment Fund:		
Assessment receivable	1,180,288	
Advance sewer collections		25,677
CDBG Small Cities Fund:		
Loan receivable	944,332	
Nonmajor Governmental Funds:		
Loan receivable	39,834	
Program fees		73,996
Cemetery operations	14,570	
Education grants		2,416
Permanent Funds:		
Cemetery perpetual care	<u>5,200</u>	<u></u>
Total Deferred/Unearned Revenue for Governmental Funds	\$ <u><u>2,610,426</u></u>	\$ <u><u>1,934,594</u></u>



## E. Capital Assets

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 13,274,017	\$ 87,840	\$	\$ 13,361,857
Rights of way	396,282	3,926		400,208
Construction in progress	215,199	2,347,048	33,580	2,528,667
Total capital assets not being depreciated	<u>13,885,498</u>	<u>2,438,814</u>	<u>33,580</u>	<u>16,290,732</u>
Capital assets being depreciated:				
Buildings and improvements	120,669,737	163,598		120,833,335
Vehicles, furniture and equipment	10,220,992	907,249	296,268	10,831,973
Infrastructure	48,186,181	133,950		48,320,131
Total capital assets being depreciated	<u>179,076,910</u>	<u>1,204,797</u>	<u>296,268</u>	<u>179,985,439</u>
Less accumulated depreciation for:				
Buildings and improvements	42,988,917	2,245,554		45,234,471
Vehicles, furniture and equipment	5,349,579	607,319	199,301	5,757,597
Infrastructure	23,986,691	1,023,253		25,009,944
Total accumulated depreciation	<u>72,325,187</u>	<u>3,876,126</u>	<u>199,301</u>	<u>76,002,012</u>
Total capital assets being depreciated, net	<u>106,751,723</u>	<u>(2,671,329)</u>	<u>96,967</u>	<u>103,983,427</u>
Governmental Activities Capital Assets, Net	<u>\$ 120,637,221</u>	<u>\$ (232,515)</u>	<u>\$ 130,547</u>	<u>\$ 120,274,159</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 50,858	\$	\$	\$ 50,858
Capital assets being depreciated:				
Plant and pumping stations	2,452,703			2,452,703
Water/sewer distribution system	10,675,819	92,936	10,130	10,758,625
Total capital assets being depreciated	<u>13,128,522</u>	<u>92,936</u>	<u>10,130</u>	<u>13,211,328</u>
Less accumulated depreciation for:				
Plant and pumping stations	902,928	75,338		978,266
Water/sewer distribution system	2,207,052	221,334	3,717	2,424,669
Total accumulated depreciation	<u>3,109,980</u>	<u>296,672</u>	<u>3,717</u>	<u>3,402,935</u>
Total capital assets being depreciated, net	<u>10,018,542</u>	<u>(203,736)</u>	<u>6,413</u>	<u>9,808,393</u>
Business-Type Activities Capital Assets, Net	<u>\$ 10,069,400</u>	<u>\$ (203,736)</u>	<u>\$ 6,413</u>	<u>\$ 9,859,251</u>

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

Governmental Activities:

Administration	\$ 37,908
Planning and community development	25,968
Community services	57,100
Public works	1,189,382
Public safety services	280,977
Record and financial services	14,801
Board of education	<u>2,269,990</u>

Total Depreciation Expense - Governmental Activities	<u><u>\$ 3,876,126</u></u>
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Business-type activities:

Water	\$ 75,338
Sewer	<u>221,334</u>
	<u><u>\$ 296,672</u></u>

**Donations**

The Sewer Fund received a capital asset donation of \$82,993 from the Sewer Assessment Fund.

**Construction Commitments**

The Town has active construction projects as of June 30, 2012. The projects include new construction. At year end, the government's commitments with contractors are as follows:

<u>Project</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Building Façade Cracks at T.I.S	\$ 19,325	\$ 193,413
Fiber Optics at BG and T.I.S	7,350	47,282
Generator at THS	3,980	21,020
Replacement Asbestos Floor at T.M.S	396,920	17,734
Excavator	112,792	27,207
Generators	25,315	84,684
Geothermal Heating System at Hicks Municipal Building	2,332,901	1,277,093
Construction of Sewer System	1,119,312	30,000
Elevator replacement at T.I.S.	<u>158,158</u>	<u>21,340</u>
	<u><u>\$ 4,176,053</u></u>	<u><u>\$ 1,719,773</u></u>

The commitments are being financed with general obligation bonds and state and federal grants.

## F. Interfund Receivables, Payables and Transfers

Interfund loans were generally used to transfer monies as a result of issuing bonds. The composition of interfund balances as of June 30, 2012 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 66,506
	Sewer Fund	18,938
		<u>85,444</u>
Bonded Capital Projects Fund	General Fund	<u>218,395</u>
		<u>\$ 303,839</u>

All balances are expected to be repaid within a year.

Interfund transfers are generally used to supplement revenues of other funds. The transfers that occurred during the year are as follows:

	<u>Transfers In</u>				<u>Total Transfers Out</u>
	<u>Bonded Capital Projects</u>	<u>Capital Nonrecurring Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Sewer Fund</u>	
Transfers out:					
General Fund	\$ 132,628	\$ 114,682	\$ 3,500	\$ 15,000	\$ 265,810
Bonded Capital		15,000			15,000
Capital Nonrecurring	25,000				25,000
Nonmajor	<u>140,000</u>	<u>200,000</u>			<u>340,000</u>
Total Transfers In	<u>\$ 297,628</u>	<u>\$ 329,682</u>	<u>\$ 3,500</u>	<u>\$ 15,000</u>	<u>\$ 645,810</u>

## G. Short-Term Obligations - Bond Anticipation Notes

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

Bond anticipation note transactions for the year ended June 30, 2012 were as follows:

Outstanding, Beginning of Year	\$ 825,000
New borrowings	-
Repayments	<u>825,000</u>
Outstanding, End of Year	<u>\$ -</u>

## H. Long-Term Debt

### Changes in Long-Term Liabilities

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds payable:					
General obligation bonds	\$ 38,390,000	\$ 4,910,000	\$ 5,540,000	\$ 37,760,000	\$ 3,125,000
Plus deferred amounts:					
Deferred charge on refunding		(45,417)	(2,523)	(42,894)	
Issuance premium	251,899	344,695	46,151	550,443	
Total bonds payable	<u>38,641,899</u>	<u>5,209,278</u>	<u>5,583,628</u>	<u>38,267,549</u>	<u>3,125,000</u>
Sewer notes	636,504		127,371	509,133	124,590
Capital lease	3,668,014		68,014	3,600,000	133,333
Compensated absences	<u>1,654,326</u>	<u>135,476</u>	<u>71,660</u>	<u>1,718,142</u>	<u>101,763</u>
Total Governmental Activities					
Long-Term Liabilities	<u>\$ 44,600,743</u>	<u>\$ 5,344,754</u>	<u>\$ 5,850,673</u>	<u>\$ 44,094,824</u>	<u>\$ 3,484,686</u>

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

### General Obligation Bonds

The Town issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for governmental activities. During the year, the Town issued \$2,675,000 of general obligation bonds. These bonds mature on October 1, 2024 and bear interest from 1.5% to 4%.

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.

### Refundings

On September 28, 2011, the Town issued \$2,235,000 in general obligation bonds, with an average interest rate of 3.20% to refund \$2,300,000 of outstanding 2003 general obligation bonds with an average rate of 4.12%. The net proceeds of \$2,345,417 (after payment of issuance costs of \$93,416) were deposited with an escrow agent in an irrevocable trust fund. The proceeds were used to buy a portfolio of direct obligations of, or obligations guaranteed by the United States of America, to provide all future debt service payments on the refunded bonds. The refunded bonds are considered defeased and the liability for those bonds has been removed from the statement of net assets. The transaction generated a cash flow savings of \$263,137 and a present value savings of \$237,274.

The Town has 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. At June 30, 2012, \$-0- of the defeased debt is outstanding.

### Sewer Notes

The Town entered into an agreement with the Town of Vernon, Connecticut (Vernon) for sewer construction along East Main Street. The Town will pay Vernon for its share of principal and interest payments on the sewer bonds issued by Vernon to fund this project. The bonds mature in 2013 and bear interest of 5-6.75%.

The Town entered into another agreement with Vernon for the upgrade of the Vernon Wastewater Treatment Plant. The Town will pay Vernon for its share of principal and interest payments on the State of Connecticut Clean Water loan issued by Vernon to fund this project. The loan matures in 2016 and bears interest at 2%.

General obligation bonds and long-term notes currently outstanding are as follows:

Description	Date of Issue	Maturity	Interest Rate (%)	Amount of Original Issue	Annual Principal	Balance Outstanding June 30, 2012
General purpose:						
General obligation	12/1/04	12/1/24	3.5-4.25	\$ 3,260,000	Various	\$ 2,099,200
General obligation	9/1/05	9/1/25	4-4.25	445,000	Various	324,000
General obligation	9/15/06	6/30/26	4-4.25	1,965,000	Various	1,503,522
General obligation	9/1/07	9/1/21	3.9-5	1,872,200	Various	1,661,000
General obligation	9/1/08	9/1/18	3.0-4.0	2,010,000	Various	1,630,000
General obligation	8/1/10	8/1/30	2.0-4.0	825,000	Various	825,000
General obligation refunding	10/1/11	10/1/26	2.0-3.0	3,334,864	Various	3,305,680
Total general purpose				<u>13,712,064</u>		<u>11,348,402</u>
School:						
School improvement	12/1/04	12/1/24	3.5-4.25	6,740,000	Various	4,460,800
School improvement	9/1/05	9/1/25	4-4.25	11,000,000	Various	7,776,000
School improvement - refunding	9/1/05	9/1/17	4-4.25	6,215,000	Various	3,305,000
School improvement	9/15/06	8/15/26	4-4.25	7,050,000	Various	5,511,478
School improvement	9/1/07	9/1/27	3.9-5	2,382,800	Various	2,114,000
School improvement	8/1/10	8/1/30	2.0-4.0	1,700,000	Various	1,700,000
School improvement	10/1/11	10/1/26	2.0-3.0	1,575,136	Various	1,544,320
Total school				<u>36,662,936</u>		<u>26,411,598</u>
Sewer notes:						
Vernon sewer	9/15/96	9/15/13	5-6.75	555,000	Various	57,000
Vernon wastewater	12/31/97	12/31/16	2	1,748,330	Various	452,133
Total sewer notes				<u>2,303,330</u>		<u>509,133</u>
Total Outstanding				<u>\$ 52,678,330</u>		<u>\$ 38,269,133</u>

Annual debt service requirements to maturity for general obligation bonds and long-term notes are as follows:

	<b>Bonds</b>		<b>Sewer Notes</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2013	\$ 3,125,000	\$ 1,386,920	\$ 124,590	\$ 11,506
2014	3,110,000	1,276,220	128,348	7,066
2015	3,165,000	1,165,564	100,945	4,202
2016	3,115,000	1,054,600	102,982	2,164
2017	3,120,000	936,436	52,268	305
2018-2022	10,515,000	2,646,325		
2023-2027	9,955,000	1,246,309		
2028-2031	1,655,000	102,970		
	<u>\$ 37,760,000</u>	<u>\$ 9,815,344</u>	<u>\$ 509,133</u>	<u>\$ 25,243</u>

#### **Authorized but Unissued Bonds**

The total of authorized but unissued bonds at June 30, 2012 is \$4,021,085. In most cases, interim financing is obtained through bond anticipation notes or other short-term borrowings until the issuance of long-term debt.

#### **Statutory Debt Limitation**

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

<b>Category</b>	<b>Debt Limitation</b>	<b>Net Indebtedness</b>	<b>Balance</b>
General purpose	\$ 86,022,785	\$ 10,657,474	\$ 75,365,311
Schools	172,045,571	26,913,039	145,132,532
Sewers	143,371,309	2,490,000	140,881,309
Urban renewal	124,255,134		124,255,134
Pension deficit	114,697,047		114,697,047

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, or \$267,626,436. All long-term debt obligations are retired through General Fund appropriations. The indebtedness reflected above includes bonds and notes outstanding in addition to the amounts of bonds authorized and unissued against which bond anticipation notes are issued and outstanding. School building grants receivable of \$1,720,572 is reflected as deductions in the computation of net indebtedness.

## Capital Lease

The Town is a lessee in a lease agreement for a fire truck. The lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of its future minimum lease payments as of the inception date. During 2011, the Town entered into a \$3,600,000 equipment taxable direct pay qualified energy conservation bond (QECB) lease/purchase agreement. The lease has an interest rate of 5.11%, a tax credit rate of 5.01% (70% of tax credit rate of 3.51%), and a net effective rate of 1.6% and matures on June 29, 2026. Principal and interest payments are made biannually and vary throughout the life of the lease. There were no principal lease payments made on the QECB lease during 2012, but lease interest payments were made in the amount of \$183,360.

The asset acquired through the capital lease is as follows:

	<b>Governmental Activities</b>
Asset:	
Vehicle	\$ 424,486
Less: accumulated depreciation	<u>146,819</u>
Total	<u><u>\$ 277,667</u></u>

In addition, approximately \$2,300,000 has been added under construction in progress for a geothermal HVAC system under the QECB lease.

The future minimum lease obligation and the net present value of the minimum lease payments as of June 30, 2012 were as follows:

<b>Fiscal Year Ending June 30,</b>	<b>Governmental Activities</b>
2013	\$ 317,293
2014	440,407
2015	426,780
2016	413,154
2017	399,527
Thereafter	<u>2,982,539</u>
Total lease payments	4,979,700
Less amount representing interest	<u>1,379,700</u>
Present Value of Future Minimum Lease Payments	<u><u>\$ 3,600,000</u></u>

#### 4. FUND BALANCE

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

	<u>General Fund</u>	<u>Sewer Assessment</u>	<u>CDBG Small Cities</u>	<u>Bonded Capital Projects</u>	<u>Capital Nonrecurring</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Fund balances:							
Nonspendable:							
Inventory	\$	\$	\$	\$	\$	\$ 36,175	\$ 36,175
Permanent fund principal						313,063	313,063
Restricted for:							
Capital projects						120,051	120,051
Community services			23,527				23,527
Education						22,847	22,847
Debt service	140,862						140,862
Committed to:							
Community services						997,116	997,116
Public works		901,572				161,962	1,063,534
Public safety services						14,585	14,585
Education						266,928	266,928
Capital projects				1,508,494	3,276,270		4,784,764
Assigned to:							
Community services	15,711						15,711
Planning and community development	6,678						6,678
Public safety services	684,705						684,705
Education	139,222						139,222
General government	76,640						76,640
Record and financial services	186,524						186,524
Contribution to next fiscal budget	200,000						200,000
Unassigned	<u>6,588,695</u>					<u>(2,459)</u>	<u>6,586,236</u>
Total Fund Balances	<u>\$ 8,039,037</u>	<u>\$ 901,572</u>	<u>\$ 23,527</u>	<u>\$ 1,508,494</u>	<u>\$ 3,276,270</u>	<u>\$ 1,930,268</u>	<u>\$ 15,679,168</u>

Significant encumbrances of \$1,109,480 at June 30, 2012 are contained in the above table in the assigned category of the General Fund.

#### 5. EMPLOYEE RETIREMENT PLANS

##### A. Pension Plan - Defined Contribution

The Town is the administrator of a single employer, defined contribution pension plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The plan covers substantially all Town and Board of Education employees except elected officials and certified teachers. Contributions are established and amended by the approval of the Town Council.

##### Summary Plan Description

All full-time Town employees who work at least 25 hours a week and all Board of Education employees who work 1,000 hours or more per year are required, as a condition of employment, to participate in the plan, except for elected officials and certified teachers. Eligible employees must be at least 18 years of age on or prior to their date of employment. Benefits vest 100% after five years. Any nonvested Town contributions and related interest



thereon of employees who leave employment are reserved in a forfeiture account to offset future Town contributions. Normal retirement date is age 65. Plan provisions and the authority to amend the provisions are established by Town ordinance.

### **Contribution Requirements/Contributions Made**

The employer contribution for Town and Board of Education employees for the plan year is 6% of earnings. The total Town contribution during the year ended June 30, 2012 was \$232,609 and represented 6% of covered payroll. The employees' required contributions were \$96,922 and represented 2.5% of covered payroll.

### **Employer and Employee Obligations**

Members are required to contribute 2.5% of their annual earnings. The Town is required to contribute 6% of the members' annual earnings.

### **B. Teachers' Retirement**

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

All certified teachers are eligible to participate in the plan and are required to contribute 7.25% of their annual earnings. The Board of Education does not contribute to the plan. Prior to July 1, 1989, teachers were vested in their contributions up to 5% of their earnings prior to five years of service. After five years of service, teachers were fully vested in their own contributions. After ten years of service, teachers are fully vested and entitled to a monthly pension benefit that is payable at the age of 60. The State of Connecticut contributes amounts based on the actuarial reserve basis described in C.G.S. Sections 10-183b(7). For the year ended June 30, 2012, teachers of the Town contributed \$1,216,852 to the plan, and covered payroll for the year was \$16,727,543. The State's contribution to the plan on behalf of the Town for the fiscal year ended June 30, 2012 was \$3,446,968 and is recognized in the governmental funds GAAP-basis income statement.

### **C. Annual OPEB Cost and Net OPEB Obligations**

#### **Summary of Significant Accounting Policies**

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

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

## Plan Description

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

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

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

	<b>Retiree Medical Program</b>
Retired members	75
Spouses of retired members	32
Active plan members	304
Total	411

## Funding Policy

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

		<b>2010-2011 Monthly COBRA Premiums</b>	
		<b>Employee</b>	<b>Spouse</b>
Medical - Town	Pre 65	\$ 446.57	\$ 362.71
	Post 65	289.94	289.94
Medical - BOE	Pre 65	743.42	742.34
	Post 65	289.94	289.94
Dental		37.91	53.89

Employer contributions to the plan of \$491,000 were made in accordance with actuarially determined requirements. Of this amount, \$491,000 represents premium payments, and \$-0- was contributed to prefund benefits.

## Annual OPEB Cost and Net OPEB Obligations

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

	<b>Retiree Medical Program</b>
Annual required contribution (ARC)	\$ 521,000
Interest on net OPEB obligation	(14,380)
Adjustment to annual required contribution	<u>12,974</u>
Annual OPEB Cost	519,594
Contributions made	<u>491,000</u>
Decrease in net OPEB asset	28,594
Net OPEB Asset - beginning of year	<u>(191,734)</u>
Net OPEB Asset - End of Year	<u><u>\$ (163,140)</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, 2012, 2011 and 2010, are presented below.

<b>Fiscal Year Ending</b>	<b>Annual OPEB Cost (AOC)</b>	<b>Actual Contribution</b>	<b>Percentage of AOC Contributed</b>	<b>Net OPEB Asset</b>
6/30/2010	\$ 460,365	\$ 521,000	113.17%	\$ 117,635
6/30/2011	484,901	559,000	115.28%	191,734
6/30/2012	519,594	491,000	94.50%	163,140

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.

## Funding Status and Funding Progress

The funded status of the plan as of July 1, 2010, the most recent actuarial valuation date, is as follows:

Schedule of Funding Progress						
Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	(Unfunded) AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll ( c )	UAAL as a % of Covered Payroll ((b-a)/c)
7/1/2008	\$ -	\$ 4,954,000	\$ (4,954,000)	0%	\$ n/a	n/a
7/1/2010	229,000	5,399,000	(5,170,000)	4%	n/a	n/a

Schedule of Employer Contributions			
Year Ended	Annual Required Contribution	Actual Contribution	Percentage Contributed
6/30/2010	\$ 461,000	\$ 521,000	113%
6/30/2011	486,000	559,000	115%
6/30/2012	521,000	491,000	94%

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, 2010 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions include a 7.5% investment rate of return, which is the rate of the expected long-term investment returns of plan assets calculated based on the funding policy of the plan at the valuation date. The annual healthcare cost trend rate is 6.7% initially, reduced by decrements to an ultimate rate of 4.7% after 71 years; imbedded within this trend rate is an estimate of the underlying inflation rate of 2.75%. Projected salary increases were 4%. The actuarial value of assets was determined using market value. The UAAL is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at June 30, 2012 was 23 years.

## **6. OTHER INFORMATION**

### **A. Risk Management**

The Town is exposed to various risks of loss related to public officials and police liability; Board of Education liability; torts; theft of, damage to and destruction of assets; error and omissions; injuries to employees; and natural disasters. The Town purchases commercial insurance for all risks of loss. Settled claims from these risks did not exceed commercial insurance coverage during the three years ended June 30, 2012. There have been no significant reductions in insurance coverage during the year.

### **B. Contingent Liabilities**

There are various lawsuits and claims pending against the Town, the ultimate effect of which, if any, cannot presently be determined; however, the ultimate resolution of these matters is not expected to have a material adverse effect on the financial condition of the Town.

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

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

### **C. Subsequent Events**

On August 29, 2012, the Town issued General Obligation Bonds in the amount of \$8,485,000 at a true interest cost of 2.73%, which reflects a premium of \$1,297,122 and an estimated issuance cost of \$104,250. This town issue is comprised of \$1,460,000 of bond proceeds and \$8,025,000 of bond refunding related to the 2004 and 2005 General Obligation Bonds. These bonds mature on September 1, 2027.

## **7. PRIOR PERIOD ADJUSTMENT**

### **A. Risk Management**

Management re-evaluated the Tolland Nonprofit Housing Unit Fund and the Tolland Library Foundation and found that they did not meet the requirements for inclusion in the Town financial statements as component units. As a result, net assets and fund balance have decreased by \$733,454.

**Supplemental, Combining  
and Individual Fund**

**Statements**

**and**

**Schedules**

## **General Fund**

The General Fund is the general operating fund of the Town. It is used to account for all unrestricted resources, except those required to be accounted for in another fund. It accounts for all activities in relation to the normal recurring operations of the Town. These activities are funded principally by property taxes, user fees and grants from other governmental units.

## TOWN OF TOLLAND, CONNECTICUT

## GENERAL FUND

SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES -  
BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Property Taxes:				
Current year levy	\$ 37,279,583	\$ 37,279,583	\$ 37,391,842	\$ 112,259
Prior year levy	200,000	200,000	347,342	147,342
Interest and lien fees	141,507	141,507	199,545	58,038
Motor vehicle supplement	362,022	362,022	351,389	(10,633)
Suspense	1,500	1,500	364	(1,136)
Telecommunications access line	33,000	33,000	32,280	(720)
Total property taxes	<u>38,017,612</u>	<u>38,017,612</u>	<u>38,322,762</u>	<u>305,150</u>
Intergovernmental:				
Education:				
Transportation	138,535	138,535	140,903	2,368
Adult education	9,627	9,627	9,804	177
Education equalization	10,759,283	10,759,283	10,778,986	19,703
Other grants		6,030	6,030	-
Total education	<u>10,907,445</u>	<u>10,913,475</u>	<u>10,935,723</u>	<u>22,248</u>
General government:				
Elderly circuit breaker	67,000	67,000	65,913	(1,087)
State property reimbursement	50,000	50,000	55,247	5,247
Interest subsidy	51,637	51,637	51,637	-
Bond subsidy	299,343	299,343	299,343	-
SDE/MH and AS/DEEP grants	24,105	34,105	34,218	113
Manufacturers' equipment	75,056	75,056	67,508	(7,548)
Boat tax reimbursement	10,500	10,500		(10,500)
Civil defense grant	5,000	5,000	5,000	-
Mashantucket Pequot	40,178	40,178	44,618	4,440
Miscellaneous grants	35,631	35,631	32,288	(3,343)
FEMA			713,000	713,000
Veterans	7,800	7,800	7,182	(618)
Town Clerk Preservation	3,000	3,500	3,500	-
Disability grant	1,800	1,800	1,695	(105)
Total general government	<u>671,050</u>	<u>681,550</u>	<u>1,381,149</u>	<u>699,599</u>
Total intergovernmental	<u>11,578,495</u>	<u>11,595,025</u>	<u>12,316,872</u>	<u>721,847</u>

(Continued on next page)



## TOWN OF TOLLAND, CONNECTICUT

## GENERAL FUND

SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES -  
BUDGET AND ACTUAL (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Charges for Services:				
Building permit fees	\$ 105,000	\$ 105,000	\$ 131,652	\$ 26,652
Fines, fees and penalties	2,000	2,000	1,142	(858)
Pistol permits	4,000	4,000	8,170	4,170
Zoning permit fees	6,000	6,000	6,800	800
Town clerk	14,500	14,500	22,619	8,119
Library fees	15,000	15,000	10,655	(4,345)
Counseling fees	2,000	2,000	2,032	32
Planning and zoning and IWWC	3,000	3,000	3,291	291
Rents/PILOT	11,005	11,005	11,318	313
Property conveyance tax	100,000	100,000	121,570	21,570
Document recording fees	90,000	90,000	86,857	(3,143)
Map and copy sales	11,000	11,000	13,085	2,085
Zoning board of appeals	3,000	3,000	2,020	(980)
Public safety services	1,500	1,500	2,191	691
Solid waste fees/sewer fees	25,500	25,500	43,162	17,662
Tuition			15,320	15,320
Town preservation	9,000	9,000	9,168	168
Ambulance	89,705	89,705	89,705	-
Total charges for services	<u>492,210</u>	<u>492,210</u>	<u>580,757</u>	<u>88,547</u>
Investment Income:				
General Fund	<u>90,000</u>	<u>90,000</u>	<u>48,551</u>	<u>(41,449)</u>
Other Revenues	<u>19,345</u>	<u>19,345</u>	<u>20,197</u>	<u>852</u>
Total Revenues	<u>50,197,662</u>	<u>50,214,192</u>	<u>51,289,139</u>	<u>1,074,947</u>
Other Financing Sources:				
Cancellation of prior year encumbrances			15,520	15,520
Appropriation of fund balance	230,000	855,000		(855,000)
Bond premium			140,862	140,862
Total other financing sources	<u>230,000</u>	<u>855,000</u>	<u>156,382</u>	<u>(698,618)</u>
Total Revenues and Other Financing Sources	<u>\$ 50,427,662</u>	<u>\$ 51,069,192</u>	<u>\$ 51,445,521</u>	<u>\$ 376,329</u>

## TOWN OF TOLLAND, CONNECTICUT

## GENERAL FUND

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -  
BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2012

	Original Budget	Final Budget	Actual	Variance With Final Budget
Administrative:				
Town council	\$ 34,957	\$ 36,503	\$ 36,501	\$ 2
Town manager	213,335	216,967	216,759	208
Economic development commission	4,800	4,430	3,655	775
Human resources and administrative services	1,929,561	1,934,429	1,928,215	6,214
Insurance	178,150	176,850	174,867	1,983
Legal services	57,000	58,300	57,486	814
Probate court	9,440	9,440	9,410	30
Total administrative	2,427,243	2,436,919	2,426,893	10,026
Planning and Community Development:				
Building inspection services	94,935	90,016	90,001	15
Zoning board of appeals	3,960	3,865	3,228	637
Environmental health services	66,470	66,852	66,852	-
Planning and zoning services	174,708	177,823	177,817	6
Inland wetlands commission	4,540	3,721	3,199	522
Conservation commission	9,315	9,164	4,565	4,599
Planning and zoning commission	4,690	4,690	8,815	(4,125)
Total planning and community development	358,618	356,131	354,477	1,654
Community Services:				
Elderly services	44,991	46,115	46,065	50
Human services	310,010	323,781	316,942	6,839
Library	385,989	381,845	379,333	2,512
Recreation and adult education	116,547	118,494	118,492	2
Total community services	857,537	870,235	860,832	9,403
Public Works:				
Public works administration	103,629	91,730	91,727	3
Parks and facilities	1,203,658	1,320,745	1,294,602	26,143
Refuse and recycling services	1,303,490	1,306,090	1,305,579	511
Sewage disposal	15,000	-	-	-
Streets and roads	1,960,754	1,850,105	1,837,838	12,267
Total public works	4,586,531	4,568,670	4,529,746	38,924
Public Safety Services:				
Water supply	74,000	75,848	75,847	1
Ambulance	261,912	261,725	253,838	7,887
Canine control	41,276	36,510	36,290	220.00
Civil preparedness	12,013	12,013	12,013	-
Fire prevention	27,138	29,267	28,352	915
Fire suppression	512,190	518,425	512,508	5,917
Law enforcement	609,527	611,774	611,741	33
Total public safety services	1,538,056	1,545,562	1,530,589	14,973
Record and Financial Services:				
Accounting services	289,232	292,057	292,053	4
Assessment services	236,657	239,211	238,970	241
Board of assessment appeals	850	850	728	122
Independent audit	27,500	27,500	27,500	-
Registrar of voters	34,010	33,802	33,801	1
Revenue services	160,693	156,754	156,752	2
Town clerk	129,285	137,850	137,322	528
Total record and financial services	878,227	888,024	887,126	898
Contingency and Other	119,987	717,658	675,877	41,781

(Continued on next page)

## TOWN OF TOLLAND, CONNECTICUT

## GENERAL FUND

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -  
BUDGET AND ACTUAL (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2012

	Original Budget	Final Budget	Actual	Variance With Final Budget
Board of Education:				
Language arts	\$ 98,376	\$ 98,376	\$ 92,846	\$ 5,530
Math	40,632	40,470	39,441	1,029
Social studies	19,700	15,882	11,993	3,889
Science	74,700	74,700	71,971	2,729
Art	28,992	28,992	25,805	3,187
Music	20,404	17,804	14,701	3,103
Physical education	13,238	13,238	15,349	(2,111)
World language	7,268	7,268	6,977	291
Family and consumer science	14,917	16,217	15,777	440
Technology education	21,128	22,428	18,196	4,232
Business education	6,472	6,472	6,146	326
Computer education	11,947	11,947	9,468	2,479
Skills for adolescence	750			-
Talc	1,345	1,345		1,345
Special services	1,805,875	1,805,875	1,979,111	(173,236)
Special education	82,574	82,574	84,570	(1,996)
Interdistrict programs	158,997	158,997	166,055	(7,058)
Student athletics	95,328	95,328	94,429	899
Student activities	17,025	23,959	17,074	6,885
Guidance and counseling	9,948	9,495	6,026	3,469
Nursing	16,601	16,601	13,056	3,545
Library	17,620	17,620	15,885	1,735
Audiovisual	5,914	5,414	5,096	318
Staff services	6,413,571	6,411,335	6,843,929	(432,594)
Communication/Insurance	195,161	195,161	195,573	(412)
Principals' offices	85,937	90,256	69,895	20,361
Transportation	2,347,622	2,314,503	2,216,416	98,087
Superintendent's office	20,384	20,384	16,397	3,987
Business office	182,558	182,474	177,453	5,021
Technology services	113,206	113,206	114,460	(1,254)
Custodial Services	173,518	173,518	177,584	(4,066)
Energy management	2,195	2,195	1,017	1,178
Energy management - utilities	1,347,820	1,347,820	1,144,594	203,226
Plant maintenance	378,703	399,053	380,497	18,556.00
BOE Payroll Clerk	1,240	1,240	552	688
Program/Professional development	52,993	52,993	70,115	(17,122)
Certified regular education payroll	12,366,268	12,325,080	12,228,285	96,795
Certified special education payroll	2,701,786	2,683,816	2,648,180	35,636
Noncertified payroll	1,148,115	1,175,884	1,134,541	41,343
Building operations	850,879	850,879	842,621	8,258
Building maintenance	175,337	175,337	170,213	5,124
Business services	287,675	286,468	286,413	55
Superintendent services	263,129	266,986	267,030	(44)
Principals' services	1,485,822	1,483,172	1,483,858	(686.00)
System-wide substitutes	354,612	395,800	469,640	(73,840)
System-wide services	1,033,362	1,036,876	947,819	89,057
Adult education	29,674	29,674	29,674	-
Board of Education	81,039	83,275	40,423	42,852
Total Board of Education	34,662,357	34,668,387	34,667,151	1,236
Debt Service	4,751,796	4,751,796	4,751,795	1
Total Expenditures	50,180,352	50,803,382	50,684,486	118,896
Other Financing Uses:				
Transfers out:				
Sewer fund		15,000	15,000	-
Capital improvements	247,310	247,310	247,310	-
Other governmental funds		3,500	3,500	-
Total other financing uses	247,310	265,810	265,810	-
Total Expenditures and Other Financing Uses	\$ 50,427,662	\$ 51,069,192	\$ 50,950,296	\$ 118,896

## TOWN OF TOLLAND, CONNECTICUT

## GENERAL FUND

## REPORT OF TAX COLLECTOR

## FOR THE YEAR ENDED JUNE 30, 2012

Grand List Year	Uncollected Taxes July 1, 2011	Lawful Corrections				Transfers to Suspense	Adjusted Amount Collectible	Collections			Uncollected Taxes June 30, 2012
		Supplement	Pro-Rates	Additions	Deductions			Taxes	Interest and Lien Fees	Total	
1997	\$	\$	\$	\$	\$	\$	\$ -	\$	\$	\$ -	\$ -
1998							-			-	-
1999							-			-	-
2000				76			76	76	141	217	-
2001				52			52	52	90	142	-
2002				83			83	83	126	209	-
2003	449			113			562	113	156	269	449
2004	1,656					36	1,620	111	124	235	1,509
2005	2,078			72	72	235	1,843	110	102	212	1,733
2006	11,897			339	69	461	11,706	3,921	1,345	5,266	7,785
2007	37,832			286		3,564	34,554	18,134	5,981	24,115	16,420
2008	98,339			1	32	4,940	93,368	50,632	16,938	67,570	42,736
2009	318,485			46,225	30,590	3,184	330,936	224,357	41,378	265,735	106,579
Total Prior Years	470,736	-	-	47,247	30,763	12,420	474,800	297,589	66,381	363,970	177,211
2010	37,813,505	431,925		41,568	186,540		38,100,458	37,735,202	133,177	37,868,379	365,256
Total	\$ 38,284,241	\$ 431,925	\$ -	\$ 88,815	\$ 217,303	\$ 12,420	\$ 38,575,258	\$ 38,032,791	\$ 199,558	\$ 38,232,349	\$ 542,467

# Nonmajor Governmental Funds

## SPECIAL REVENUE FUNDS

Special Revenue Funds account for the proceeds of specific revenue sources that are restricted by law or administrative action to expenditures for specified purposes.

**Dog Fund** - To account for the sales of dog tags and the expenditures of the dog warden and pound.

**Open Space Maintenance** - To account for maintenance expenditures at open space land.

**Stone Pond Sewer Escrow and Tolland Townhouse Sewer Escrow** - To account for accumulation of revenues from the housing projects to provide funds in the event of a failure of the on-site sewage disposal system.

**Lodge Activity Fund** - To account for the receipt of rental, constable and attendant fees for special activities held at the lodge. Donations are also recognized. Revenues are used to provide furnishings for the lodge.

**Open Space Fund** - To account for the receipt of payments from builders in lieu of land. Money will be accumulated to purchase land for open space.

**Tolland Business Park Fund** - To account for monies from property sales in the business park to be used for future improvements.

**Town Aid Road** - To account for state revenues and expenditures for maintenance of both improved and unimproved Town roads.

**Recreation** - To account for Town recreation programs.

**Water Assessment** - To account for water main assessments to defray the cost of borrowing.

**School Lunch** - To account for the operation of the school lunch program.

**State and Federal Education Grants** - To account for the expenditure of various state and federal education grants not accounted for in the General Fund.

**Before/After School Programs** - To account for the operation of the before and after school programs.

**Eviction Fund** - To account for the cost of storage for tenants' property until reimbursed.

**Cemetery Operations Fund** - To account for the operating expenditures and revenues of the Town cemeteries.

**Minnie Hicks Fund** - To account for prizes to graduating eighth grade students.

**Training Center Fund** - To account for user fees to provide for the replacement or repair of furniture and equipment at the training center.

**Conservation Green Grant** - To account for funds to maintain open space.

**Traffic Fund** - To account for the State of Connecticut Speed Enforcement Grant that overlaps two fiscal years.

**Field Maintenance** - To utilize donations for field maintenance.

**Veterans Memorial Fund** - To account for donations and expenditures for the repairs and upkeep of existing monuments and plaques and the addition of new ones.

**300th Celebration Fund** - To account for donations and sales and expenditures for the upcoming celebration of the 300<sup>th</sup> year of the town.

## **PERMANANENT FUNDS**

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government's programs.

**Cemetery Perpetual Care Fund** - To account for donations and proceeds from the sale of plots. The interest on the investment of funds is used for the perpetual care of those plots accounted for in a Special Revenue Fund.

**Ratcliffe Hicks Memorial School Fund** - To account for maintenance of the Hicks Memorial School Building, which now houses the Town offices. Interest earnings are available to defray costs of improvements and/or maintenance expenses.

## TOWN OF TOLLAND, CONNECTICUT

## NONMAJOR GOVERNMENTAL FUNDS

## COMBINING BALANCE SHEET

JUNE 30, 2012

	Special Revenue Funds									
	<u>Dog Fund</u>	<u>Open Space Maintenance</u>	<u>Stone Pond Sewer Escrow</u>	<u>Tolland Townhouse Sewer Escrow</u>	<u>Lodge Activity Fund</u>	<u>Open Space Fund</u>	<u>Tolland Business Park Fund</u>	<u>Town Aid Road</u>	<u>Recreation</u>	<u>Water Assessment</u>
<b>ASSETS</b>										
Cash	\$ 15,259	\$ 1,471	\$ 14,453	\$ 10,202	\$ 48,608	\$ 94,718	\$ 20,119	\$ 120,051	\$ 146,169	\$ 119,976
Investments										
Receivables										39,834
Due from other funds										
Other										
Total Assets	<u>\$ 15,259</u>	<u>\$ 1,471</u>	<u>\$ 14,453</u>	<u>\$ 10,202</u>	<u>\$ 48,608</u>	<u>\$ 94,718</u>	<u>\$ 20,119</u>	<u>\$ 120,051</u>	<u>\$ 146,169</u>	<u>\$ 159,810</u>
<b>LIABILITIES AND FUND BALANCES</b>										
Liabilities:										
Accounts and other payables/due to State	\$ 10,480	\$	\$	\$	\$ 7,555	\$	\$	\$	\$ 11,199	\$
Due to other funds										
Deferred revenue					2,030					39,834
Total liabilities	<u>10,480</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,585</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,199</u>	<u>39,834</u>
Fund balances:										
Nonspendable										
Restricted								120,051		
Committed	4,779	1,471	14,453	10,202	39,023	94,718	20,119		134,970	119,976
Unassigned										
Total fund balances	<u>4,779</u>	<u>1,471</u>	<u>14,453</u>	<u>10,202</u>	<u>39,023</u>	<u>94,718</u>	<u>20,119</u>	<u>120,051</u>	<u>134,970</u>	<u>119,976</u>
Total Liabilities and Fund Balances	<u>\$ 15,259</u>	<u>\$ 1,471</u>	<u>\$ 14,453</u>	<u>\$ 10,202</u>	<u>\$ 48,608</u>	<u>\$ 94,718</u>	<u>\$ 20,119</u>	<u>\$ 120,051</u>	<u>\$ 146,169</u>	<u>\$ 159,810</u>

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

**JUNE 30, 2012**

	<b>Special Revenue Funds</b>								
	<b>School Lunch</b>	<b>State and Federal Education Grants</b>	<b>Before/After School Programs</b>	<b>Eviction Fund</b>	<b>Cemetery Operations Fund</b>	<b>Minnie Hicks Fund</b>	<b>Training Center Fund</b>	<b>Conservation Green Grant</b>	<b>Traffic Fund</b>
<b>ASSETS</b>									
Cash	\$ 254,805	\$ 2,416	\$ 152,924	\$ 707	\$ 189,136	\$ 4,377	\$ 9,612	\$ 194	\$ 2,984
Investments									
Receivables	22,847				14,570				
Due from other funds									
Other	36,175								
Total Assets	<u>\$ 313,827</u>	<u>\$ 2,416</u>	<u>\$ 152,924</u>	<u>\$ 707</u>	<u>\$ 203,706</u>	<u>\$ 4,377</u>	<u>\$ 9,612</u>	<u>\$ 194</u>	<u>\$ 2,984</u>
<b>LIABILITIES AND FUND BALANCES</b>									
Liabilities:									
Accounts and other payables/due to State	\$ 6,706	\$	\$	\$	\$ 184	\$	\$	\$	\$ 5,443
Due to other funds	66,506				375				
Deferred revenue	31,201	2,416	40,765		14,570				
Total liabilities	<u>104,413</u>	<u>2,416</u>	<u>40,765</u>	<u>-</u>	<u>15,129</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,443</u>
Fund balances:									
Nonspendable	36,175								
Restricted	22,847								
Committed	150,392		112,159	707	188,577	4,377	9,612	194	
Unassigned									(2,459)
Total fund balances	<u>209,414</u>	<u>-</u>	<u>112,159</u>	<u>707</u>	<u>188,577</u>	<u>4,377</u>	<u>9,612</u>	<u>194</u>	<u>(2,459)</u>
Total Liabilities and Fund Balances	<u>\$ 313,827</u>	<u>\$ 2,416</u>	<u>\$ 152,924</u>	<u>\$ 707</u>	<u>\$ 203,706</u>	<u>\$ 4,377</u>	<u>\$ 9,612</u>	<u>\$ 194</u>	<u>\$ 2,984</u>

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

**JUNE 30, 2012**

	<u>Special Revenue Funds</u>			<u>Permanent Funds</u>			<u>Total</u>
	<u>Field</u>	<u>Veterans</u>	<u>300th</u>	<u>Cemetery</u>	<u>Ratcliff Hicks</u>		<u>Nonmajor</u>
	<u>Maintenance</u>	<u>Memorial</u>	<u>Anniversary</u>	<u>Perpetual</u>	<u>Memorial</u>	<u>Eliminations</u>	<u>Governmental</u>
		<u>Fund</u>	<u>Fund</u>	<u>Care</u>	<u>School Fund</u>		<u>Funds</u>
				<u>Fund</u>			
<b>ASSETS</b>							
Cash	\$ 16,921	\$ 185	\$ 2,116	\$ 293,629	\$	\$	\$ 1,521,032
Investments					535,760		535,760
Receivables				5,200			82,451
Due from other funds				375		(375)	-
Other							36,175
Total Assets	<u>\$ 16,921</u>	<u>\$ 185</u>	<u>\$ 2,116</u>	<u>\$ 299,204</u>	<u>\$ 535,760</u>	<u>\$ (375)</u>	<u>\$ 2,175,418</u>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Accounts and other payables/due to State	\$ 1,061	\$	\$	\$	\$	\$	\$ 42,628
Due to other funds						(375)	66,506
Deferred revenue				5,200			136,016
Total liabilities	<u>1,061</u>	<u>-</u>	<u>-</u>	<u>5,200</u>	<u>-</u>	<u>(375)</u>	<u>245,150</u>
Fund balances:							
Nonspendable				292,263	20,800		349,238
Restricted							142,898
Committed	15,860	185	2,116	1,741	514,960		1,440,591
Unassigned							(2,459)
Total fund balances	<u>15,860</u>	<u>185</u>	<u>2,116</u>	<u>294,004</u>	<u>535,760</u>	<u>-</u>	<u>1,930,268</u>
Total Liabilities and Fund Balances	<u>\$ 16,921</u>	<u>\$ 185</u>	<u>\$ 2,116</u>	<u>\$ 299,204</u>	<u>\$ 535,760</u>	<u>\$ (375)</u>	<u>\$ 2,175,418</u>

## TOWN OF TOLLAND, CONNECTICUT

## NONMAJOR GOVERNMENTAL FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES

FOR THE YEAR ENDED JUNE 30, 2012

	Special Revenue Funds									
	<u>Dog Fund</u>	<u>Open Space Maintenance</u>	<u>Stone Pond Sewer Escrow</u>	<u>Tolland Townhouse Sewer Escrow</u>	<u>Lodge Activity Fund</u>	<u>Open Space Fund</u>	<u>Tolland Business Park Fund</u>	<u>Town Aid Road</u>	<u>Recreation</u>	<u>Water Assessment</u>
Revenues:										
Intergovernmental	\$	\$	\$	\$	\$	\$	\$	\$ 169,946	\$ 1,901	\$
Charges for services	21,794				43,466	1,821			281,224	2,786
Investment income	8		21	18	8	152	29	317	150	583
Other	279						3,000		6,008	
Total revenues	<u>22,081</u>	<u>-</u>	<u>21</u>	<u>18</u>	<u>43,474</u>	<u>1,973</u>	<u>3,029</u>	<u>170,263</u>	<u>289,283</u>	<u>3,369</u>
Expenditures:										
Current:										
Community services					36,017	4,448	740		292,165	
Public works										
Public safety services	22,669									
Education										
Total expenditures	<u>22,669</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>36,017</u>	<u>4,448</u>	<u>740</u>	<u>-</u>	<u>292,165</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(588)</u>	<u>-</u>	<u>21</u>	<u>18</u>	<u>7,457</u>	<u>(2,475)</u>	<u>2,289</u>	<u>170,263</u>	<u>(2,882)</u>	<u>3,369</u>
Other Financing Sources (Uses):										
Transfers in	3,500									
Transfers out								(290,000)		
Net other financing sources (uses)	<u>3,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(290,000)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	2,912	-	21	18	7,457	(2,475)	2,289	(119,737)	(2,882)	3,369
Fund Balances at Beginning of Year, as Restated	<u>1,867</u>	<u>1,471</u>	<u>14,432</u>	<u>10,184</u>	<u>31,566</u>	<u>97,193</u>	<u>17,830</u>	<u>239,788</u>	<u>137,852</u>	<u>116,607</u>
Fund Balances at End of Year	\$ <u>4,779</u>	\$ <u>1,471</u>	\$ <u>14,453</u>	\$ <u>10,202</u>	\$ <u>39,023</u>	\$ <u>94,718</u>	\$ <u>20,119</u>	\$ <u>120,051</u>	\$ <u>134,970</u>	\$ <u>119,976</u>

(Continued on next page)

## TOWN OF TOLLAND, CONNECTICUT

## NONMAJOR GOVERNMENTAL FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2012

	Special Revenue Funds								
	School Lunch	State and Federal Education Grants	Before/After School Programs	Eviction Fund	Cemetery Operations Fund	Minnie Hicks Fund	Training Center Fund	Conservation Green Grant	Traffic Fund
Revenues:									
Intergovernmental	\$ 213,666	\$ 1,128,749	\$	\$	\$ 300	\$	\$	\$	\$ 2,983
Charges for services	751,868		415,168		30,755		1,520		
Investment income	306				277	99	16		1
Other									
Total revenues	965,840	1,128,749	415,168	-	31,332	99	1,536	-	2,984
Expenditures:									
Current:									
Community services					12,062				
Public works									5,443
Public safety services							2,257	307	
Education	1,043,441	1,128,749	469,865			198			
Total expenditures	1,043,441	1,128,749	469,865	-	12,062	198	2,257	307	5,443
Excess (Deficiency) of Revenues over Expenditures	(77,601)	-	(54,697)	-	19,270	(99)	(721)	(307)	(2,459)
Other Financing Sources (Uses):									
Transfers in					1,260				
Transfers out									
Net other financing sources (uses)	-	-	-	-	1,260	-	-	-	-
Net Change in Fund Balances	(77,601)	-	(54,697)	-	20,530	(99)	(721)	(307)	(2,459)
Fund Balances at Beginning of Year, as Restated	287,015	-	166,856	707	168,047	4,476	10,333	501	-
Fund Balances at End of Year	\$ 209,414	\$ -	\$ 112,159	\$ 707	\$ 188,577	\$ 4,377	\$ 9,612	\$ 194	\$ (2,459)

(Continued on next page)

## TOWN OF TOLLAND, CONNECTICUT

## NONMAJOR GOVERNMENTAL FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2012

	Special Revenue Funds			Permanent Funds			Total Nonmajor Governmental Funds
	Field Maintenance	Veterans Memorial Fund	300th Anniversary Fund	Cemetery Perpetual Care Fund	Ratcliff Hicks Memorial School Fund	Eliminations	
Revenues:							
Intergovernmental	\$	\$	\$	\$	\$	\$	\$ 1,517,545
Charges for services				376			1,550,778
Investment income	17		2	1,260	13,092		16,356
Other	18,200	585	6,058				34,130
Total revenues	<u>18,217</u>	<u>585</u>	<u>6,060</u>	<u>1,636</u>	<u>13,092</u>	<u>-</u>	<u>3,118,809</u>
Expenditures:							
Current:							
Community services		400	3,944		12,540		362,316
Public works	11,588						17,031
Public safety services							25,233
Education							2,642,253
Total expenditures	<u>11,588</u>	<u>400</u>	<u>3,944</u>	<u>-</u>	<u>12,540</u>	<u>-</u>	<u>3,046,833</u>
Excess (Deficiency) of Revenues over Expenditures	<u>6,629</u>	<u>185</u>	<u>2,116</u>	<u>1,636</u>	<u>552</u>	<u>-</u>	<u>71,976</u>
Other Financing Sources (Uses):							
Transfers in						(1,260)	3,500
Transfers out				(1,260)	(50,000)	1,260	(340,000)
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,260)</u>	<u>(50,000)</u>	<u>-</u>	<u>(336,500)</u>
Net Change in Fund Balances	6,629	185	2,116	376	(49,448)	-	(264,524)
Fund Balances at Beginning of Year, as Restated	<u>9,231</u>	<u>-</u>	<u>-</u>	<u>293,628</u>	<u>585,208</u>	<u>-</u>	<u>2,194,792</u>
Fund Balances at End of Year	<u>\$ 15,860</u>	<u>\$ 185</u>	<u>\$ 2,116</u>	<u>\$ 294,004</u>	<u>\$ 535,760</u>	<u>\$ -</u>	<u>\$ 1,930,268</u>

# Fiduciary Funds

## PRIVATE-PURPOSE TRUST FUNDS

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

**Stevenson Scholarship Fund** - To provide a scholarship to a graduating Tolland High School Senior who has exhibited a sincere interest in the study of local, school, state or national politics.

## AGENCY FUNDS

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

**Youth Center Reserve** - To accumulate student fundraising monies and donations, which are used to sponsor youth outings and camp scholarships.

**Student Activity Fund** - To collect monies from all sources outside the budget to be used to pay for various student activities.

**Senior Citizens Center** - To accumulate donations and fundraising monies to provide for the operations of the center.

**Tolland Public Library** - To accumulate money received from donations and ConnectiCard State funds for future capital and media purchases.

**Tolland Emergency Fund** - To help residents in crisis with food, fuel or medical relief. Private donations finance this effort.

**D.A.R.E.** - To accumulate donations to provide for the expenses of the D.A.R.E. program.

**Land Preservation Fund** - To account for maintenance of Town-owned open space.

**Permanent Celebration Fund** - To accumulate money to be used to fund various Town celebration activities throughout the year.

**Education Fund** - To account for Board of Education benefits and summer school activities.

**Board of Education - Section 125** - To account for the Internal Revenue Code Section 125 plan.

**Barn Restoration** - To account for donations received for painting of the barn on the Campbell farm.

## TOWN OF TOLLAND, CONNECTICUT

## AGENCY FUNDS

## COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

## FOR THE YEAR ENDED JUNE 30, 2012

	<b>Balance, July 1, 2011</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance, June 30, 2012</b>
Cash:				
Youth Center Reserve	\$ 63,541	\$ 25,276	\$ 31,751	\$ 57,066
Student Activity Fund	270,230	945,904	913,616	302,518
Senior Citizens Center	8,818	8,953	10,430	7,341
Tolland Public Library	85,672	15,114	36,850	63,936
Tolland Emergency Fund	23,903	17,809	4,733	36,979
D.A.R.E.	2,054			2,054
Land Preservation Fund	68			68
Permanent Celebration Fund	1		1	-
Education Fund	10,007	432,380	421,358	21,029
Board of Education - Section 125	8,578	29,118	30,058	7,638
Barn Restoration	29			29
Total Cash	<u>\$ 472,901</u>	<u>\$ 1,474,554</u>	<u>\$ 1,448,797</u>	<u>\$ 498,658</u>
Accounts Payable:				
Youth Center Reserve	\$ 63,541	\$ 25,276	\$ 31,751	\$ 57,066
Student Activity Fund	270,230	945,904	913,616	302,518
Senior Citizens Center	8,818	8,953	10,430	7,341
Tolland Public Library	85,672	15,114	36,850	63,936
Tolland Emergency Fund	23,903	17,809	4,733	36,979
D.A.R.E.	2,054			2,054
Land Preservation Fund	68			68
Permanent Celebration Fund	1		1	-
Education Fund	10,007	432,380	421,358	21,029
Board of Education - Section 125	8,578	29,118	30,058	7,638
Barn Restoration	29			29
Total Liabilities	<u>\$ 472,901</u>	<u>\$ 1,474,554</u>	<u>\$ 1,448,797</u>	<u>\$ 498,658</u>

# Statistical Section

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

<b>Contents</b>	<b>Page</b>
Financial Trends	64-67
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	68-70
These schedules contain information to help the reader assess the Town's most significant local revenue source, property taxes.	
Debt Capacity	71-73
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	74-75
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	76-78
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.	

TABLE 1

## TOWN OF TOLLAND, CONNECTICUT

## NET ASSETS BY COMPONENT

## LAST TEN FISCAL YEARS

		Fiscal Year									
		2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental Activities:											
Invested in capital assets, net of related debt	\$	52,421,259	\$ 57,937,228	\$ 64,001,051	\$ 85,563,227	\$ 81,254,819	\$ 80,889,930	\$ 80,876,436	\$ 81,360,747	\$ 80,465,804	\$ 79,197,477
Restricted		1,857,705	4,781,940	745,459	313,063	313,138	313,063	313,063	313,063	313,063	313,063
Unrestricted		11,664,156	7,382,139	14,637,431	7,315,984	11,812,235	15,252,055	16,283,861	15,413,879	16,943,872	16,742,638
Total governmental activities net assets		<u>65,943,120</u>	<u>70,101,307</u>	<u>79,383,941</u>	<u>93,192,274</u>	<u>93,380,192</u>	<u>96,455,048</u>	<u>97,473,360</u>	<u>97,087,689</u>	<u>97,722,739</u>	<u>96,253,178</u>
Business-Type Activities:											
Invested in capital assets, net of related debt		2,199,721	2,153,065	2,605,987	8,248,910	9,369,285	9,134,790	9,245,889	9,294,194	10,069,400	9,859,251
Restricted							16,100				24,357
Unrestricted		249,568	320,187	389,496	521,909	590,528	618,074	291,738	254,954	247,954	268,614
Total business-type activities net assets		<u>2,449,289</u>	<u>2,473,252</u>	<u>2,995,483</u>	<u>8,770,819</u>	<u>9,959,813</u>	<u>9,768,964</u>	<u>9,537,627</u>	<u>9,549,148</u>	<u>10,317,354</u>	<u>10,152,222</u>
Primary Government:											
Invested in capital assets, net of related debt		54,620,980	60,090,293	66,607,038	93,812,137	90,624,104	90,024,720	90,122,325	90,654,941	90,535,204	89,056,728
Restricted		1,857,705	4,781,940	745,459	313,063	313,138	329,163	313,063	313,063	313,063	337,420
Unrestricted		11,913,724	7,702,326	15,026,927	7,837,893	12,402,763	15,870,129	16,575,599	15,668,833	17,191,550	17,011,252
Total Primary Government Net Assets	\$	<u>68,392,409</u>	<u>72,574,559</u>	<u>82,379,424</u>	<u>101,963,093</u>	<u>103,340,005</u>	<u>106,224,012</u>	<u>107,010,987</u>	<u>106,636,837</u>	<u>108,039,817</u>	<u>106,405,400</u>



TABLE 2

**TOWN OF TOLLAND, CONNECTICUT  
CHANGES IN NET ASSETS  
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Expenses:										
Governmental activities:										
Administration	\$ 1,163,697	\$ 1,410,701	\$ 1,003,916	\$ 918,022	\$ 868,729	\$ 1,179,140	\$ 1,161,198	\$ 1,197,703	\$ 1,152,320	\$ 1,170,393
Planning and community development	452,727	827,146	505,293	492,192	510,916	535,217	494,459	437,811	459,598	505,425
Community services	2,172,167	1,953,817	1,773,869	1,771,273	1,917,465	2,039,569	2,436,453	2,241,062	1,756,255	2,125,783
Public works	5,319,581	5,351,486	5,712,790	5,849,385	6,533,106	6,691,773	7,627,881	7,327,481	7,843,996	8,260,781
Public safety services	1,269,536	1,324,320	1,438,062	1,531,744	1,689,193	1,875,910	2,018,465	1,476,762	1,967,888	2,021,332
Records and financial services	926,590	1,054,614	1,174,516	981,271	1,019,719	1,098,650	1,224,626	1,163,683	1,038,972	1,029,158
Board of education	29,148,911	30,575,507	32,289,056	34,120,009	40,523,002	48,761,510	41,413,090	42,227,879	42,181,314	44,963,365
Interest expense	680,525	698,863	808,455	1,690,346	1,756,875	1,856,342	1,785,519	1,601,756	1,469,838	1,524,853
Total governmental activities expenses	41,133,734	43,196,454	44,705,957	47,354,242	54,819,005	64,038,111	58,161,691	57,674,137	57,870,181	61,601,090
Business-type activities:										
Water	183,633	161,757	171,093	244,777	315,437	378,020	361,474	376,151	388,310	368,586
Sewer				246,901	262,121	352,643	316,824	309,562	447,724	453,389
Total business-type activities expenses	183,633	161,757	171,093	491,678	577,558	730,663	678,298	685,713	836,034	821,975
Total primary government expenses	41,317,367	43,358,211	44,877,050	47,845,920	55,396,563	64,768,774	58,839,989	58,359,850	58,706,215	62,423,065
Program Revenues:										
Governmental activities:										
Charges for services:										
Administration	40,552	39,835	24,426	33,468						
Planning and community development	233,254	347,298	358,608	308,758	294,081	427,071	226,064	272,661	296,752	286,961
Community services	387,537	441,468	466,098	542,351	649,450	632,107	449,231	489,934	721,398	370,474
Public works	131,098	125,967	355,727	2,025,275	114,177	103,175	247,389	34,725	495,316	45,948
Public safety services	65,070	72,955	73,825	72,866	275,718	102,882	373,317	154,448	490,783	259,484
Records and financial services	335,924	428,913	382,248	362,998	121,541	108,141	94,691	97,487	117,532	122,561
Board of education	629,423	678,576	683,133	740,835	1,136,808	1,245,530	1,206,132	1,299,973	1,235,591	1,180,834
Operating grants and contributions:										
Community services	152,889	469,742	258,205	108,972						23,516
Public works	387,482	186,212	306,498	150,197						713,000
Public safety services	2,000	2,000	2,000	2,000						
Board of education	10,733,596	11,133,782	9,973,203	12,364,381	12,142,535	24,146,095	15,560,242	15,676,752	15,742,394	16,506,865
Capital grants and contributions:										
Administration		325,680	550,012	159,320	571,630					
Planning and community development	3,432,280	2,766,367				631,245	212,265	749,762	1,227,483	289,946
Community services		52,250	170,657	482,162			1,178,000			848,986
Public works	287,141		9,144	469,897						256,910
Public safety services				216,825						
Board of education	2,526,223	1,693,922	8,763,636	15,569,354	956,886	450,762	421,147	364,361	301,946	512,458
Interest expense							102,793	67,925	59,612	51,637
Total governmental activities program revenues	19,040,469	18,764,967	22,377,420	33,609,659	16,262,826	27,847,008	20,071,271	19,208,028	20,688,807	21,469,580
Business-type activities:										
Charges for services:										
Water	171,465	180,036	185,481	221,176	231,115	222,541	227,024	199,308	225,340	303,144
Sewer				96,069	104,868	161,817	181,663	227,429	268,531	337,485
Capital grants and contributions:										
Water			500,000	77,000	107,440	114,345	10,066	159,047		
Sewer					139,169					
Total business-type activities program revenues	171,465	180,036	685,481	394,245	582,592	498,703	418,753	585,784	493,871	640,629
Total primary government program revenues	19,211,934	18,945,003	23,062,901	34,003,904	16,845,418	28,345,711	20,490,024	19,793,812	21,182,678	22,110,209
Net (expense) revenue:										
Governmental activities	(22,093,265)	(24,431,487)	(22,328,537)	(13,744,583)	(38,556,179)	(36,191,103)	(38,090,420)	(38,466,109)	(37,181,374)	(40,131,510)
Business-type activities	(12,168)	18,279	514,388	(97,433)	5,034	(231,960)	(259,545)	(99,929)	(342,163)	(181,346)
Total primary government net expense	(22,105,433)	(24,413,208)	(21,814,149)	(13,842,016)	(38,551,145)	(36,423,063)	(38,349,965)	(38,566,038)	(37,523,537)	(40,312,856)
General Revenues and Other Changes in Net Assets:										
Governmental activities:										
Property taxes	25,651,187	27,905,489	29,742,683	31,445,290	33,851,289	34,457,677	36,444,090	36,569,603	37,290,129	38,343,637
Unrestricted grants and contributions	354,609	332,527	372,418	347,899	1,355,620	1,442,362	1,273,901	574,468	771,764	357,609
Investment income	226,951	201,037	522,920	686,252	1,020,661	588,117	358,911	398,723	448,225	202,173
Donated asset					884,165	2,198,752	555,592			
Miscellaneous	207,382	153,421	973,150	307,857	802,499	576,945	496,238	641,127	405,717	506,984
Transfers		(2,800)		(2,219,170)	(30,000)	(20,000)	(20,000)	(103,483)	(1,099,411)	(15,000)
Total governmental activities	26,440,129	28,589,674	31,611,171	30,568,128	37,884,234	39,243,853	39,108,732	38,080,438	37,816,424	39,395,403
Business-type activities:										
Investment income	6,573	2,884	7,843	17,987	26,960	21,111	8,208	3,064	819	1,490
Miscellaneous								4,903	9,863	
Transfers		2,800		2,219,170	30,000	20,000	20,000	103,483	1,099,411	15,000
Total business-type activities	6,573	5,684	7,843	2,237,157	56,960	41,111	28,208	111,450	1,110,093	16,490
Total primary government	26,446,702	28,595,358	31,619,014	32,805,285	37,941,194	39,284,964	39,136,940	38,191,888	38,926,517	39,411,893
Change in Net Assets:										
Governmental activities	4,346,864	4,158,187	9,282,634	16,823,545	(671,945)	3,052,750	1,018,312	(385,671)	635,050	(736,107)
Business-type activities	(5,595)	23,963	522,231	2,139,724	61,994	(190,849)	(231,337)	11,521	767,930	(164,856)
Total Primary Government	\$ 4,341,269	\$ 4,182,150	\$ 9,804,865	\$ 18,963,269	\$ (609,951)	\$ 2,861,901	\$ 786,975	\$ (374,150)	\$ 1,402,980	\$ (900,963)

TABLE 3

**TOWN OF TOLLAND, CONNECTICUT**  
**FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**

		Fiscal Year									
		2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Fund:											
Reserved	\$	675,669	\$ 997,935	\$ 921,534	\$ 1,083,083	\$ 1,117,199	\$ 1,484,504	\$ 1,085,203	\$ 1,176,551	\$	
Unreserved		3,082,745	4,035,058	4,206,752	4,353,581	4,894,670	5,175,165	5,855,314	6,119,876		
Restricted											140,862
Assigned										1,601,935	1,309,480
Unassigned										6,209,332	6,588,695
Total General Fund	\$	<u>3,758,414</u>	<u>\$ 5,032,993</u>	<u>\$ 5,128,286</u>	<u>\$ 5,436,664</u>	<u>\$ 6,011,869</u>	<u>\$ 6,659,669</u>	<u>\$ 6,940,517</u>	<u>\$ 7,296,427</u>	<u>\$ 7,811,267</u>	<u>\$ 8,039,037</u>
All other governmental funds:											
Reserved	\$	1,182,036	\$ 3,784,005	\$ 1,353,978	\$ 6,886,690	\$ 235,642	\$ 642,654	\$ 794,358	\$ 329,059	\$	
Unreserved, reported in:											
Special Revenue Funds		1,248,213	1,184,514	1,537,946	2,329,034	2,349,434	2,690,894	2,932,590	2,836,172		
Capital Projects Funds		2,127,518	(4,303,486)	2,861,492	(9,734,439)	(3,706,449)	(483,411)	894,010	250,097		
Permanent Funds		114,813	163,648	107,148	503,184	574,396	523,715	442,255	781,822		
Nonspendable										350,896	349,238
Restricted										264,177	166,425
Committed										8,336,702	7,126,927
Unassigned											(2,459)
Total All Other Governmental Funds	\$	<u>4,672,580</u>	<u>\$ 828,681</u>	<u>\$ 5,860,564</u>	<u>\$ (15,531)</u>	<u>\$ (546,977)</u>	<u>\$ 3,373,852</u>	<u>\$ 5,063,213</u>	<u>\$ 4,197,150</u>	<u>\$ 8,951,775</u>	<u>\$ 7,640,131</u>

TABLE 4

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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues:										
Property taxes	\$ 25,694,514	\$ 27,890,790	\$ 29,784,967	\$ 31,414,813	\$ 33,785,185	\$ 34,338,609	\$ 36,412,114	\$ 36,529,867	\$ 37,233,490	\$ 38,322,762
Intergovernmental	15,457,261	14,590,998	22,124,010	30,159,758	15,315,428	26,828,386	18,947,374	17,210,059	17,912,905	19,468,002
Charges for services	1,886,199	2,163,820	2,276,052	2,767,669	2,622,418	2,765,424	2,573,103	2,575,458	2,568,392	2,309,929
Investment income	247,557	163,596	509,167	682,401	1,020,661	588,117	358,912	398,723	448,225	202,173
Net increase (decrease) in fair value of investment	(20,606)	37,441	13,753	3,851	7,277					
Contributions	635,997									
Other revenues	358,007	157,421	973,149	336,334	810,222	576,945	592,386	761,405	405,717	528,023
Total revenues	<u>44,258,929</u>	<u>45,004,066</u>	<u>55,681,098</u>	<u>65,364,826</u>	<u>53,561,191</u>	<u>65,097,481</u>	<u>58,883,889</u>	<u>57,475,512</u>	<u>58,568,729</u>	<u>60,830,889</u>
Expenditures:										
Administration	1,913,724	2,005,355	1,984,834	1,997,846	2,092,235	2,182,068	2,317,706	2,406,461	2,388,643	2,456,691
Planning and community development	354,598	356,573	362,361	385,289	390,443	430,956	370,967	353,395	357,485	353,474
Community services	1,477,058	1,648,754	1,550,788	1,528,215	1,647,115	1,688,501	2,169,528	1,976,783	1,482,441	1,779,801
Public works	3,249,081	3,652,614	4,095,039	3,633,670	4,188,154	4,413,376	4,766,504	4,758,619	4,588,172	4,672,022
Public safety services	971,892	1,022,943	1,101,353	1,261,595	1,353,132	1,406,752	1,460,169	942,775	1,402,161	1,530,271
Records and financial services	751,796	854,717	919,225	806,604	831,021	907,091	1,016,583	958,041	836,717	803,047
Contingency and other	38,791	74,993	46,713	43,979	41,193	42,154	41,734	48,783	106,293	681,042
Board of Education	27,754,018	29,275,253	30,670,813	32,882,552	34,667,352	46,345,151	39,122,338	39,905,194	39,894,224	42,059,147
Capital outlay	11,986,913	8,392,297	16,056,016	35,575,549	13,550,025	3,064,323	2,885,426	1,808,716	3,358,775	4,807,253
Debt service:										
Principal	1,445,297	1,288,324	3,014,754	2,866,629	2,273,331	2,460,067	2,961,839	3,118,640	3,300,490	3,445,310
Interest	648,521	736,300	752,026	1,497,019	1,670,476	1,845,519	1,823,321	1,700,016	1,572,380	1,572,380
Total expenditures	<u>50,591,689</u>	<u>49,308,123</u>	<u>60,553,922</u>	<u>82,478,947</u>	<u>62,704,477</u>	<u>64,785,958</u>	<u>58,936,115</u>	<u>57,977,423</u>	<u>59,287,781</u>	<u>64,160,438</u>
Excess of revenues over (under) expenditures	<u>(6,332,760)</u>	<u>(4,304,057)</u>	<u>(4,872,824)</u>	<u>(17,114,121)</u>	<u>(9,143,286)</u>	<u>311,523</u>	<u>(52,226)</u>	<u>(501,911)</u>	<u>(719,052)</u>	<u>(3,329,549)</u>
Other financing sources (uses):										
Proceeds from capital lease				424,486					3,600,000	
Bond issue proceeds		1,700,000	10,000,000	17,215,000	9,015,000	4,255,000	2,010,000		2,525,000	2,675,000
Bond anticipation notes proceeds	5,825,000									
Issuance of refunding bonds										2,235,000
Payments to escrow agents				(6,240,441)						(2,345,417)
Bond premium		37,537		221,442	68,882		32,435			191,275
Premium on refunding bond issuance										153,420
Transfers in	1,442,368	799,108	406,942	593,091	1,658,825	980,003	1,637,398	834,944	884,920	630,810
Transfers out	(1,442,368)	(801,908)	(406,942)	(650,438)	(1,658,825)	(1,000,003)	(1,657,398)	(843,186)	(936,552)	(645,810)
Total other financing sources (uses)	<u>5,825,000</u>	<u>1,734,737</u>	<u>10,000,000</u>	<u>11,563,140</u>	<u>9,083,882</u>	<u>4,235,000</u>	<u>2,022,435</u>	<u>(8,242)</u>	<u>6,073,368</u>	<u>2,894,278</u>
Net change in fund balances	(507,760)	(2,569,320)	5,127,176	(5,550,981)	(59,404)	4,546,523	1,970,209	(510,153)	5,354,316	(435,271)
Fund balance at beginning of year	<u>8,938,754</u> *	<u>8,430,994</u>	<u>5,861,674</u>	<u>11,105,277</u> *	<u>5,554,296</u>	<u>5,486,998</u> *	<u>10,033,521</u>	<u>12,003,730</u>	<u>11,493,577</u>	<u>16,114,439</u> *
Fund Balance at End of Year	<u>\$ 8,430,994</u>	<u>\$ 5,861,674</u>	<u>\$ 10,988,850</u>	<u>\$ 5,554,296</u>	<u>\$ 5,494,892</u>	<u>\$ 10,033,521</u>	<u>\$ 12,003,730</u>	<u>\$ 11,493,577</u>	<u>\$ 16,847,893</u>	<u>\$ 15,679,168</u>
Debt Service as a Percentage of Noncapital Expenditures	5.3%	5.0%	9.1%	9.6%	8.1%	7.7%	9.2%	8.5%	8.5%	8.2%

\* Fund balance restated

TABLE 5

## TOWN OF TOLLAND, CONNECTICUT

## ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

## LAST TEN FISCAL YEARS

<b>Fiscal Year Ended June 30</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>
2003	\$ 664,865,914	\$ 98,489,320	\$ 25,229,698	\$ 788,584,932	32.35	\$ 1,249,105,832	63.13%
2004	689,411,826	104,284,994	24,553,466	818,250,286	33.97	1,437,530,943	56.92%
2005	709,106,132	102,703,295	27,500,441	839,309,868	35.40	1,549,671,337	54.16%
2006	1,012,933,746	113,292,659	29,903,330	1,156,129,735	27.22	1,651,613,908	70.00%
2007	1,040,370,770	121,269,537	32,969,806	1,194,610,113	28.39	1,743,956,369	68.50%
2008	1,060,000,490	122,059,235	33,597,853	1,215,657,578	28.39	1,826,351,172	66.56%
2009	1,063,038,650	123,761,918	32,363,826	1,219,164,394	29.51	1,884,035,661	64.71%
2010	1,091,730,550	116,941,268	33,435,456	1,242,107,274	29.49	1,884,272,473	65.92%
2011	1,132,401,370	120,408,733	27,357,855	1,280,167,958	29.15	1,828,811,369	70.00%
2012	1,147,601,690	119,846,367	25,791,953	1,293,240,010	29.73	1,737,318,888	74.44%

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.

TABLE 6

## TOWN OF TOLLAND

## PRINCIPAL PROPERTY TAXPAYERS

## CURRENT YEAR AND NINE YEARS AGO

Taxpayer	2012			2003		
	Taxable Assessed Value	Rank	Percentage of Gross Taxable Assessed Grand List	Taxable Assessed Value	Rank	Percentage of Gross Taxable Assessed Grand List
Capitol Ventures	\$ 12,335,300	1	0.96%			
Connecticut Light & Power	8,010,750	2	0.62%	\$ 5,297,283	3	0.64%
MJB Realty	6,260,300	3	0.49%			
Summers and Summers Realty	4,128,000	4	0.32%	4,038,360	4	0.49%
Ivy Woods LLC	3,964,000	5	0.31%			
Gerber Scientific, Inc.	3,953,800	6	0.31%	5,714,120	1	0.69%
Carriage Crossing LLC	3,817,100	7	0.30%			
Norwegian Woods, Inc.	3,597,000	8	0.28%	2,899,100	9	0.35%
Dari Farms	2,847,140	9	0.22%	5,429,960	2	0.66%
Tomlen	2,798,500	10	0.22%			
NERAC				3,520,650	5	0.43%
Gerber Garment Technologies				3,412,831	6	0.41%
Interet Properties, Inc.				3,395,440	7	0.41%
SD Williams/Williams Construction				3,228,260	8	0.39%
Wilde, Daniel and Helen				2,552,110	10	0.31%
Total	\$ 51,711,890		4.03%	\$ 39,488,114		4.78%

Note: Based on net taxable grand list, October 1, 2010 and October 1, 2001.

TABLE 7

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

Fiscal Year Ended June 30	Mill Rate	Total Tax Levy for Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2003	32.35	\$ 25,447,564	\$ 25,285,340	99.36%	\$ 138,835	25,424,175	99.91%
2004	33.97	27,690,981	27,533,765	99.43%	102,601	27,636,366	99.80%
2005	35.40	29,567,650	29,424,763	99.52%	112,516	29,537,279	99.90%
2006	27.22	31,275,379	31,100,571	99.44%	129,604	31,230,175	99.86%
2007	28.39	33,675,313	33,433,237	99.28%	235,189	33,668,426	99.98%
2008	28.39	34,273,077	34,008,432	99.23%	199,043	34,207,475	99.81%
2009	29.51	36,178,846	35,855,624	99.11%	295,918	36,151,542	99.92%
2010	29.49	36,374,695	36,045,688	99.10%	204,086	36,249,774	99.66%
2011	29.15	37,022,472	36,753,059	99.27%	224,531	36,977,590	99.88%
2012	29.73	38,100,458	37,735,202	99.04%	-	37,735,202	99.04%

TABLE 8

**TOWN OF TOLLAND, CONNECTICUT**

**RATIOS OF NET GENERAL BONDED DEBT TO  
ASSESSED VALUE AND NET GENERAL BONDED DEBT 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>Sewer Notes</b>	<b>Capital Lease</b>	<b>Total Primary Government</b>	<b>Percentage of Personal Income (b)</b>	<b>Total Debt Per Capita</b>
	<b>General Obligation Bonds</b>	<b>Other Bonds</b>						
2003	\$ 12,175,000	n/a	1.5%	\$ 1,590,794	\$	\$ 13,765,794	3.27%	\$ 977
2004	18,525,000	n/a	2.3%	1,477,469		20,002,469	4.63%	1,385
2005	25,625,000	n/a	3.1%	1,362,508		26,987,508	6.25%	1,868
2006	34,090,000	n/a	2.9%	1,245,879	372,655	35,708,534	8.24%	2,463
2007	40,950,000	n/a	3.4%	1,127,548	316,165	42,393,713	9.68%	2,894
2008	42,865,000	n/a	3.6%	1,007,480	257,537	44,130,017	10.08%	3,012
2009	42,035,000	n/a	3.5%	885,641	196,693	43,117,334	9.81%	2,932
2010	39,040,000	n/a	3.2%	761,994	127,087	39,929,081	9.08%	2,688
2011	38,390,000	n/a	3.0%	636,504	3,668,014	42,694,518	9.71%	2,874
2012	37,760,000	n/a	2.9%	509,133	3,600,000	41,869,133	9.53%	2,752

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.

b: See Table 11 for personal income and population data.

These ratios are calculated using personal income and population for the prior calendar year.

## TOWN OF TOLLAND, CONNECTICUT

## SCHEDULE OF DEBT LIMITATION

JUNE 30, 2012

Total Tax Collections (Including Interest and Lien Fees) for the Year Ended June 30, 2012	\$ 38,232,349
Reimbursement for Revenue Loss: Tax relief for elderly freeze	<u>-</u>
Base for Debt Limitation Computation	<u>\$ 38,232,349</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	\$ 86,022,785	\$	\$	\$	\$
4 1/2 times base		172,045,571			
3 3/4 times base			143,371,309		
3 1/4 times base				124,255,134	
3 times base					114,697,047
	<u>86,022,785</u>	<u>172,045,571</u>	<u>143,371,309</u>	<u>124,255,134</u>	<u>114,697,047</u>
Total debt limitation	<u>86,022,785</u>	<u>172,045,571</u>	<u>143,371,309</u>	<u>124,255,134</u>	<u>114,697,047</u>
Indebtedness:					
Bonds payable	9,475,402	26,411,598	1,873,000		
Bond authorized but unissued	1,182,072	2,222,013	617,000		
Less: School building grants receivable	<u></u>	<u>(1,720,572)</u>	<u></u>	<u></u>	<u></u>
Net Indebtedness (1) (2)	<u>10,657,474</u>	<u>26,913,039</u>	<u>2,490,000</u>	<u>-</u>	<u>-</u>
Debt Limitation in Excess of Indebtedness	<u>\$ 75,365,311</u>	<u>\$ 145,132,532</u>	<u>\$ 140,881,309</u>	<u>\$ 124,255,134</u>	<u>\$ 114,697,047</u>

(1) The total of the above net indebtedness amounts to: \$ 40,060,513

In no event shall total indebtedness exceed seven times the base for debt limitation computation: \$ 267,626,443

(2) There is no overlapping debt.



TABLE 10

## TOWN OF TOLLAND, CONNECTICUT

## LEGAL DEBT MARGIN INFORMATION

## LAST TEN FISCAL YEARS

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Debt limit	\$ 179,071,781	\$ 194,940,326	\$ 206,909,829	\$ 219,545,501	\$ 235,696,293	\$ 240,090,690	\$ 253,980,272	\$ 255,521,231	\$ 260,406,559	\$ 267,626,436
Total net debt applicable to limit	<u>14,014,805</u>	<u>17,459,784</u>	<u>81,512,403</u>	<u>80,627,288</u>	<u>53,637,510</u>	<u>71,644,562</u>	<u>69,053,708</u>	<u>44,220,139</u>	<u>43,543,142</u>	<u>40,060,513</u>
Legal Debt Margin	<u>\$ 165,056,976</u>	<u>\$ 177,480,542</u>	<u>\$ 125,397,426</u>	<u>\$ 138,918,213</u>	<u>\$ 182,058,783</u>	<u>\$ 168,446,128</u>	<u>\$ 184,926,564</u>	<u>\$ 211,301,092</u>	<u>\$ 216,863,417</u>	<u>\$ 227,565,923</u>
Total net debt applicable to the limit as a percentage of debt limit	7.8%	9.0%	39.4%	36.7%	22.8%	29.8%	27.2%	17.3%	16.7%	15.0%

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 2012 debt limit can be found in the notes to the financial statements.

**TOWN OF TOLLAND, CONNECTICUT**

**DEMOGRAPHIC AND ECONOMIC STATISTICS**

**LAST TEN FISCAL YEARS**

<b>Fiscal Year</b>	<b>Population (3)</b>	<b>Personal Income</b>	<b>Per Capita Personal Income (1)</b>	<b>Median Age (4)</b>	<b>School Enrollment</b>	<b>Unemployment Rate (2)</b>
2003	14,084	\$ 420,998,928	\$ 29,892	37.4	2,963	3.8%
2004	14,446	431,819,832	29,892	37.4	3,053	3.6%
2005	14,446	431,819,832	29,892	37.4	3,103	3.4%
2006	14,500	433,434,000	29,892	37.4	3,181	3.3%
2007	14,650	437,917,800	29,892	37.4	3,142	3.1%
2008	14,699	439,382,508	29,892	40.0	3,131	4.2%
2009	14,705	439,561,860	29,892	40.0	3,149	6.2%
2010	14,853	443,985,876	29,892	40.0	3,149	6.3%
2011	15,052	449,934,384	29,892	40.0	3,020	6.5%
2012	15,216	503,771,328	33,108	38.0	2,977	6.1%

Sources:

- (1) U.S. Department of Commerce, Bureau of Census, 2000 Census
- (2) State of Connecticut, Department of Labor, Labor Market Information
- (3) Connecticut Department of Public Health
- (4) Connecticut Economic Resource Center (CERC) Town Profile

TABLE 12

## TOWN OF TOLLAND

## PRINCIPAL EMPLOYERS

## CURRENT YEAR AND NINE YEARS AGO

Employer	2012			2003		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Town of Tolland (1)	508	1	6.3%	495	2	6.1%
Gerber Garment Technologies	313	2	6.2%	500	1	5.4%
Woodlake at Tolland	215	3	2.5%	200	4	2.0%
Big Y	210	4	2.6%	N/A	N/A	N/A
Dari Farms	190	5	2.3%	170	5	2.3%
CNC Software	120	6	1.5%	N/A	N/A	N/A
Standard Register	91	7	1.3%	160	6	1.5%
NERAC, Inc.	62	8	1.1%	240	3	2.4%
Northeast Utilities	61	9	0.5%	N/A	N/A	N/A
Soldream, Inc.	55	10	0.7%	N/A	N/A	N/A
	<u>1,825</u>					

Notes:

(1): Full-time equivalents

TABLE 13

**TOWN OF TOLLAND, CONNECTICUT**

**TOWN GOVERNMENT EMPLOYEES BY FUNCTION**

**LAST TEN FISCAL YEARS**

<b>Function</b>	<b>Fiscal Year</b>									
	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Administration	4	5	4	4	4	4	4	4	4	4
Planning and community development	8	7	7	7	7	7	7	5	5	5
Community services	20	20	20	20	20	20	17	18	18	18
Public works	33	34	34	34	34	34	35	34	33	33
Public safety services	10	9	9	9	9	10	11	12	12	12
Records and financial services	16	16	16	16	16	15	14	14	14	14
Total	91	91	90	90	90	90	88	87	86	86

\*\*Based on head count

TABLE 14

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

<b>Function</b>	<b>Fiscal Year</b>									
	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Planning and community development:										
Residential permit inspections	84	98	65	66	40	50	20	9	6	8
Commercial permit inspections	8	3	12	24	23	20	25	12	22	11
Subdivision lots approved (P&Z Comm)	13	21	11	12	2	5	2	8	2	3
COs issued (P&Z Services)	303	250	268	283	277	350	700	131	146	212
Elderly services:										
Senior center attendance	7,872	8,000	9,000	9,750	9,500	7,239	8,000	8,568	7,792	8,029
Library:										
Total circulation	150,271	145,939	144,698	148,380	177,798	138,265	148,891	144,512	136,776	112,356
Attendance at library	80,642	93,950	109,588	108,872	87,477	83,698	94,723	97,219	91,294	70,000
Recreation:										
Youth programs and sports participation	3,025	3,525	3,311	3,009	2,991	3,108	3,221	2,553	2,243	2,213
Adult programs and sports participation	1,889	1,801	1,667	1,216	1,213	1,281	1,333	1,576	1,397	1,061
Refuse and recycling:										
Tons of refuse co-generated	6,223	6,295	6,427	6,554	6,864	6,864	5,970	4,595	4,557	4,806
Tons of single stream recycling	1,502	1,702	1,925	2,062	2,082	2,187	1,530	1,824	1,840	1,737
Public safety:										
Ambulance medical calls	732	775	807	815	823	868	954	1,031	1,095	1,183
Ambulance non-emergency calls	1,878	2,019	2,100	2,121	2,142	2,324	2,221	2,253	2,343	2,534
Fire calls	376	397	406	410	414	432	427	476	264	540
Fire medical calls	732	775	807	815	823	868	954	1,031	1,095	1,183
Fire non-emergency calls	1,878	2,019	2,100	2,121	2,142	2,234	2,221	2,253	2,343	2,534
Hazardous materials	93	48	63	64	65	66	43	43	44	51
Law enforcement:										
Criminal investigations	282	280	469	502	450	357	450	375	214	169
Motor vehicle accident investigations	348	330	347	350	340	279	350	286	252	255
Registrar of voters:										
Total registered voters	8,502	8,709	9,421	9,400	9,400	9,278	10,000	9,661	9,300	9,186
Revenue services:										
Total taxes collected	\$ 25,424,089	\$ 27,636,271	\$ 29,537,037	\$ 31,229,206	\$ 33,665,945	\$ 34,183,960	\$ 36,079,493	\$ 36,045,688	\$ 36,706,615	\$ 37,641,605

TABLE 15

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

<b><u>Function</u></b>	<b><u>Fiscal Year</u></b>									
	<b><u>2003</u></b>	<b><u>2004</u></b>	<b><u>2005</u></b>	<b><u>2006</u></b>	<b><u>2007</u></b>	<b><u>2008</u></b>	<b><u>2009</u></b>	<b><u>2010</u></b>	<b><u>2011</u></b>	<b><u>2012</u></b>
Fire stations	5	5	5	5	5	5	5	5	5	5
Municipal buildings	21	21	21	21	21	21	21	21	21	21
Schools	4	4	4	4	5	4	4	4	4	4
Parks and recreation:										
Fields - Municipal	13	16	16	16	16	16	16	16	16	16
Fields - Schools	10	10	10	10	16	16	16	16	16	16
Water:										
Water mains (Municipal) (miles)	56,791	56,791	59,191	66,591	67,560	66,591	66,991	66,991	66,991	66,991
Water mains (Private) (miles)	65,072	66,272	66,272	69,772	69,772	69,772	69,772	69,772	69,772	69,772
Fire hydrants (Public)	67	67	70	79	84	85	86	86	86	86
Fire hydrants (Private)	11	11	12	12	12	12	14	15	15	15
Wastewater:										
Sewer line (feet)	8,022	27,191	41,532	41,532	41,532	41,532	41,532	46,432	46,432	46,432
Highway:										
Paved miles	116.94	119.81	119.81	119.81	120.25	122.79	123.11	123.11	123.50	123.60
Unimproved miles	8.85	8.85	8.85	8.85	8.85	8.85	8.85	8.85	8.85	8.85