

TOWN OF PRESTON, CONNECTICUT
FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2013
with
SUPPLEMENTAL STATEMENTS AND SCHEDULES
and
INDEPENDENT AUDITOR'S REPORT

Sandra E. Welwood, LLC
Certified Public Accountants

TOWN OF PRESTON, CONNECTICUT

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INDEPENDENT AUDITOR'S REPORT

To the Board of Finance
Town of Preston, Connecticut

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis information on pages 3 through 8 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.

Other Information

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

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 26, 2013, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

Sandra E. Welwood, LLC

Danbury, Connecticut
October 26, 2013

TOWN OF PRESTON, CONNECTICUT

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

JUNE 30, 2013

Our discussion and analysis of the Town of Preston, Connecticut's (the "Town") financial performance provides an overview of the Town's financial activities for the fiscal year ended June 30, 2013. Please read it in conjunction with the Town's financial statements, which begin on page 9.

The Town's discussion and analysis is designed to:

1. Provide an overview of the Town's financial activity.
2. Assist the reader in focusing on significant financial issues.
3. Identify any material deviations from the financial plan (approved budget).
4. Identify changes in the Town's financial position, as well as its ability to address challenges in future years.

FINANCIAL HIGHLIGHTS

- The Town's Net Position (long-term health) increased by \$1,625,141 from last year.
- The Town's Fund Balances (short-term health) increased by \$2,335,391 from last year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the Town as a whole and present a longer-term view of the Town's finances. Fund financial statements start on page 11. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Town's operations in more detail than the government-wide statements by providing information about the Town's most significant funds. The remaining statements provide financial information about activities for which the Town acts solely as a trustee or agent for the benefit of those outside of the Town.

Government-Wide Financial Statements

One of the most important questions asked about the Town's finances is, "Is the Town as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the Town as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Town's net position and changes in its position. You can think of the Town's net position – the difference between assets and liabilities – as one way to measure the Town's financial health, or financial position. Over time, increases or decreases in the Town's net position are one indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the Town's property tax base and the condition of the Town's roads, to assess the overall health of the Town.

Town of Preston, Connecticut
Management's Discussion and Analysis (Unaudited) (continued)

In the Statement of Net Position and the Statement of Activities, the Town shows the Town's governmental activities. The Town's basic services are reported here, including the education, public works, and general administration. Property taxes, state and federal grants and local revenues such as fees and licenses finance most of these activities.

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds – not the government as a whole. Some funds are required to be established by State law and by bond covenants. However, the Board of Finance establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money.

Governmental Funds - The Town's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Town's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in a reconciliation at the bottom of the fund financial statements.

Fiduciary Funds - The Town is the trustee, or fiduciary, for the activity funds at the school. These funds do not belong to the Town. The Town's fiduciary activities are reported in separate Statement of Fiduciary Net Position. We exclude these activities from the Town's other financial statements because the Town cannot use these assets to finance its operations. The Town is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The Town's combined net position increased by \$1,625,141 from \$15,487,454 to \$17,112,595. The primary reason for this increase was the receipt of Federal grants for the redevelopment of the Riverwalk property.

Town of Preston, Connecticut
Management's Discussion and Analysis (Unaudited) (continued)

	Net Position		Total % Change
	2013	2012	
<u>Assets</u>			
Current and other assets	\$ 9,441,539	\$ 4,847,493	94.8%
Capital assets	<u>16,245,635</u>	<u>15,750,591</u>	3.1%
Total assets	<u>25,687,174</u>	<u>20,598,084</u>	24.7%
<u>Liabilities</u>			
Long-term debt	5,334,099	4,129,138	29.2%
Other liabilities	<u>3,240,480</u>	<u>981,492</u>	230.2%
Total liabilities	<u>8,574,579</u>	<u>5,110,630</u>	67.8%
<u>Net Position</u>			
Net investment in capital assets	11,407,896	12,070,482	-5.5%
Restricted:			
Expendable	424,769	432,610	-1.8%
Nonexpendable	25,463	45,422	-43.9%
Unrestricted	<u>5,254,467</u>	<u>2,938,940</u>	78.8%
Total net position	<u>\$ 17,112,595</u>	<u>\$ 15,487,454</u>	10.5%

	Changes in Net Position		Total % Change
	2013	2012	
<u>Revenues</u>			
Program revenues:			
Charges for services	\$ 610,316	\$ 392,309	55.6%
Operating grants and contributions	4,700,100	4,836,005	-2.8%
Capital grants and contributions	2,240,705	488,435	358.8%
General revenues:			
Property taxes	8,959,630	8,882,925	0.9%
Grants and contributions	2,162,140	2,062,914	4.8%
Effects of legal contract cost	-	912,000	-100.0%
Interest and investment earnings	3,306	3,391	-2.5%
Miscellaneous general revenues	<u>39,854</u>	<u>88,071</u>	-54.7%
Total revenues	<u>18,716,051</u>	<u>17,666,050</u>	5.9%
<u>Expenses</u>			
General government	1,695,763	1,263,716	34.2%
Public works	799,177	683,880	16.9%
Public safety	650,861	710,607	-8.4%
Health services	118,915	144,502	-17.7%
Public and social services	519,517	483,889	7.4%
Property redevelopment	1,165,486	421,622	176.4%
Education	11,953,439	12,467,871	-4.1%
Interest on long-term debt	<u>187,752</u>	<u>166,001</u>	13.1%
Total expenses	<u>17,090,910</u>	<u>16,342,088</u>	4.6%
Increase in net position	<u>\$ 1,625,141</u>	<u>\$ 1,323,962</u>	22.7%

Town of Preston, Connecticut
Management's Discussion and Analysis (Unaudited) (continued)

Net position increased by \$1,625,141 this year. Last year net position increased by \$1,323,962. The change from last year was a result of \$1,050,001 in increased revenue net of \$748,822 in increased expenditures. The details are summarized as follows:

- Charges for services increased \$218,007 because of additional building permit fees from new construction in the Town.
- Capital grants revenue increased primarily due to Federal funding for the Preston Redevelopment Agency projects, which will continue in the next several years.
- Property redevelopment expense increased because the projects related to remediation are continuing. Such costs are partially covered by Federal grants.

FINANCIAL ANALYSIS OF THE FUND FINANCIAL STATEMENTS

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

The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements.

At the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$6,116,375, an increase of \$2,335,391 from the prior year:

<u>Ending Fund Balance as of:</u>	<u>2013</u>	<u>2012</u>	<u>Change</u>
General Fund	\$ 3,117,091	\$ 2,562,361	\$ 554,730
Capital Nonrecurring Fund	507,402	481,129	26,273
Capital Projects Fund	1,705,788	-	1,705,788
Preston Redevelopment Agency Fund	302,272	141,917	160,355
Other Funds	<u>483,822</u>	<u>595,577</u>	<u>(111,755)</u>
Total	<u>\$ 6,116,375</u>	<u>\$ 3,780,984</u>	<u>\$ 2,335,391</u>

The General Fund is the operating fund of the Town. At the end of the current fiscal year, the Unassigned General Fund balance was \$2,193,494. As a measure of the General Fund's liquidity, it is useful to compare unassigned fund balance to total fund revenues. Unassigned General Fund balance represents 14.8% of total General Fund revenues (on a budgetary basis) in the current fiscal year.

The Town's total General Fund balance increased by \$554,730 during the current fiscal year for the following reasons:

- All revenue categories, which totaled \$15,862,316 were better than the prior year of \$15,644,869 and amounts anticipated in the 2012-2013 budget. This increase more than offset the increase in total General Fund expenses, which totaled \$14,884,066 compared to \$14,767,062 in the prior year.
- The transfers to the Preston Redevelopment Agency Fund in the current year were \$134,000 compared to \$105,096 in the prior year.

Town of Preston, Connecticut
Management's Discussion and Analysis (Unaudited) (continued)

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, the Board of Finance can revise the Town budget with additional appropriations and budget transfers. Additional appropriations increase the total budget. The Board of Finance is allowed by State Statute to make one additional appropriation up to \$20,000 per line item or department. A second additional appropriation or an appropriation over \$20,000 requires a Town Meeting. Transfers do not increase the total budget, but instead move appropriations from one department that needs additional funding from other departments that might have excess funding. State statutes allow these transfers to be made by the Board of Finance without a Town Meeting. Below is a summarized view of the final budget and actual results for the General Fund:

General Fund – Budget Summary

	<u>Final Budget</u>	<u>Actual</u>	<u>Better (Worse) Than Budget</u>
Revenues			
Property taxes	\$ 8,758,321	\$ 8,941,779	\$ 183,458
Intergovernmental	4,542,053	4,596,009	53,956
Local revenue	<u>988,258</u>	<u>1,288,713</u>	<u>300,455</u>
	<u>14,288,632</u>	<u>14,826,501</u>	<u>537,869</u>
Expenditures			
General government	3,690,351	3,516,171	174,180
Education	10,428,592	10,404,530	24,062
Debt service expenditures	<u>743,142</u>	<u>743,142</u>	<u>-</u>
	<u>14,862,085</u>	<u>14,663,843</u>	<u>198,242</u>
Increase (decrease) in budgetary fund balance	<u>\$ (573,453)</u>	<u>\$ 162,658</u>	<u>\$ 736,111</u>

The General Fund was budgeted (with additional appropriations) to spend \$573,453 more than revenues. In fact, the General Fund revenues were \$537,869 higher than expected and the expenditures were \$198,242 lower than expected. Instead of using \$573,453 of the Fund Balance, the Town added \$162,658 (budgetary basis) to the Fund Balance. This is a \$736,111 favorable swing. Significant variances are summarized as follows:

- Property taxes were \$183,458 better than budget because back taxes and related interest collected were greater than anticipated.
- Local revenues were better than budget by \$300,455 because construction permit fees were \$240,983 better than budget for unanticipated large construction.
- General government was \$174,180 better than budget primarily because of lower than expected insurance costs and public works expenditures.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of this year, the Town had \$16,245,635 in capital assets. This amount represents a net increase (including additions and deductions) of \$495,044 from last year. The Town capitalized \$1,246,340 of assets and recorded depreciation expense of \$751,296. More detailed information about the Town's capital assets is presented in Note 5 to the financial statements.

Long-Term Debt

At year end, the Town had \$4,828,000 in bonds outstanding. This is a net increase of \$1,159,234 from last year. The Town has a current bond rating of AA- by Standards and Poor. This is in the upper medium range. More detailed information about the Town's long-term liabilities is presented in Note 8 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Town's elected and appointed officials considered many factors when setting the 2013-14 fiscal year budget and tax rates.

The Town worked to keep the General Government budget as low as possible. The General Government budget for 2013-14 is \$192,037 or 6% lower than 2012-13. This was offset by an increase in Other General Fund expenses of \$283,820 or 37%. The increase in Other General Fund expenses was caused mostly by the addition of LoCIP expenses as well as an increase in Town Aid Road expenses.

The 2013-14 Education budget was passed with a \$193,644 increase or 2% over the prior year. This was the first time in five years there was a budgeted increase in the Education budget.

In total, the Town is anticipating using \$500,000 of its Unassigned Fund Balance to balance the 2013-14 budget, while approving a mill rate of 23.70. This is an increase from the 2012-13 mill rate of 19.43. The largest contributor to the increased mill rate was a revaluation of the grand list. The net taxable grand list decreased from \$456,812,558 in 2012-13 to \$381,810,241 in 2013-14. After using \$500,000 of its Unassigned Fund Balance to balance the budget, the Town is expecting to have Unassigned Fund Balance equal to 15% of its annual expenditures at the end of the 2013-14 fiscal year end.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Board of Finance at Town of Preston, Connecticut, 389 Route 2, Preston, CT 06365.

TOWN OF PRESTON, CONNECTICUT

STATEMENT OF NET POSITION
JUNE 30, 2013

<u>Assets</u>	
Cash and cash equivalents	\$ 8,579,897
Investments	36,631
Receivables:	
Taxes	205,081
Intergovernmental	68,661
Other	116,196
Restricted cash	226,505
Prepaid expenses	30,701
Inventory	5,105
Loans receivable, long-term	172,762
Capital assets:	
Capital assets, not being depreciated	1,941,489
Capital assets, net of accumulated depreciation	14,304,146
	<hr/>
Total assets	25,687,174
	<hr/>
<u>Liabilities</u>	
Accounts payable	695,149
Accrued wages and benefits	96,053
Due to others	282,857
Accrued interest	85,302
Unearned revenue	81,119
Bond anticipation notes	2,000,000
Noncurrent liabilities:	
Due within one year	530,360
Due in more than one year	4,803,739
	<hr/>
Total liabilities	8,574,579
	<hr/>
<u>Net Position</u>	
Net investment in capital assets	11,407,896
Restricted for enabling legislation:	
Expendable	424,769
Nonexpendable	25,463
Unrestricted	5,254,467
	<hr/>
Total net position	\$ 17,112,595
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The notes to the financial statements are an integral part of this statement.

TOWN OF PRESTON, CONNECTICUT

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

	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
Expenses	Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
Governmental Activities:					
General government	\$ (1,695,763)	\$ 374,524	\$ -	\$ -	\$ (1,321,239)
Public works	(799,177)	82,528	109,950	141,831	(464,868)
Public safety	(650,861)	-	-	-	(650,861)
Health services	(118,915)	-	-	-	(118,915)
Public and social services	(519,517)	63,688	80,060	-	(375,769)
Property redevelopment	(1,165,486)	21,086	-	2,098,874	954,474
Education	(11,953,439)	68,490	4,510,090	-	(7,374,859)
Interest on long-term debt	(187,752)	-	-	-	(187,752)
Total governmental activities	<u>\$ (17,090,910)</u>	<u>\$ 610,316</u>	<u>\$ 4,700,100</u>	<u>\$ 2,240,705</u>	<u>(9,539,789)</u>
General Revenues:					
Property taxes, interest, and lien and payments in lieu of taxes					8,959,630
Grants and contributions not restricted to specific programs					2,162,140
Interest and investment earnings					3,306
Miscellaneous revenues					39,854
Total general revenues					<u>11,164,930</u>
Change in net position					1,625,141
Net position, beginning of year					<u>15,487,454</u>
Net position, end of year					<u>\$ 17,112,595</u>

The notes to the financial statements are an integral part of this statement.

TOWN OF PRESTON, CONNECTICUT

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2013**

	General Fund	Capital and Nonrecurring Fund	Capital Projects Fund	Preston Re- development Agency Fund	Other Funds	Total
<u>Assets</u>						
Cash and cash equivalents	\$ 7,565,871	\$ 391,172	\$ -	\$ 270,312	\$ 352,542	\$ 8,579,897
Investments	-	-	-	-	36,631	36,631
Receivables:						
Taxes	198,942	-	-	-	6,139	205,081
Intergovernmental	-	-	-	-	68,661	68,661
Loans	-	-	-	-	172,762	172,762
Other	102,196	-	-	14,000	-	116,196
Due from other funds	42,298	116,230	1,705,788	2,017,960	7,474	3,889,750
Restricted cash	226,505	-	-	-	-	226,505
Prepaid expenses	30,701	-	-	-	-	30,701
Inventory	-	-	-	-	5,105	5,105
Total assets	\$ 8,166,513	\$ 507,402	\$ 1,705,788	\$ 2,302,272	\$ 649,314	\$ 13,331,289
<u>Liabilities</u>						
Accounts payable	\$ 672,359	\$ -	\$ -	\$ -	\$ 22,790	\$ 695,149
Accrued expenses	96,053	-	-	-	-	96,053
Unearned revenue	3,068	-	-	-	78,051	81,119
Bond anticipation notes	-	-	-	2,000,000	-	2,000,000
Due to other funds	3,825,099	-	-	-	64,651	3,889,750
Due to others	282,857	-	-	-	-	282,857
Total liabilities	4,879,436	-	-	2,000,000	165,492	7,044,928
<u>Deferred Inflows of Resources</u>						
Unavailable revenue - taxes	169,986	-	-	-	-	169,986
<u>Fund Balances</u>						
Nonspendable	30,701	-	-	-	174,827	205,528
Restricted	824	278,820	-	302,272	15,436	597,352
Committed	-	50,950	1,705,788	-	-	1,756,738
Assigned	892,072	177,632	-	-	311,583	1,381,287
Unassigned	2,193,494	-	-	-	(18,024)	2,175,470
Total fund balances	3,117,091	507,402	1,705,788	302,272	483,822	6,116,375
Total liabilities, deferred inflows of resources, and fund balances	\$ 8,166,513	\$ 507,402	\$ 1,705,788	\$ 2,302,272	\$ 649,314	
Amounts reported in the Statement of Net Position are different because:						
Capital assets used in governmental activities are not financial resources, and therefore are not reported in the funds						16,245,635
Other long-term assets are not available to pay for current period expenditures, and therefore are deferred in the funds						169,986
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:						
Bonds, notes, unamortized premiums on bond costs, and accrued interest						(4,923,041)
Landfill closure						(7,800)
Compensated absences, special termination benefits and other post-employment benefits						(488,560)
Net position						\$ 17,112,595

The notes to the financial statements are an integral part of this statement.

TOWN OF PRESTON, CONNECTICUT

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

	General Fund	Capital and Nonrecurring Fund	Capital Projects Fund	Preston Re- development Agency Fund	Other Funds	Total
Revenues:						
Property taxes	\$ 8,941,779	\$ -	\$ -	\$ -	\$ -	\$ 8,941,779
Intergovernmental	5,631,824	-	-	2,098,874	493,179	8,223,877
Local revenues	1,288,713	8,955	2,360	39,046	193,470	1,532,544
Total revenues	15,862,316	8,955	2,360	2,137,920	686,649	18,698,200
Expenditures:						
Current:						
General government	1,545,802	-	-	1,161,565	-	2,707,367
Public works	567,635	-	-	-	140,084	707,719
Public safety	572,484	-	-	-	12,221	584,705
Health services	110,975	-	-	-	3,073	114,048
Public and social services	326,825	-	-	-	118,596	445,421
Education	11,017,203	-	-	-	399,692	11,416,895
Capital outlay	-	208,610	47,500	950,000	168,606	1,374,716
Debt service	743,142	-	37,072	-	19,724	799,938
Total expenditures	14,884,066	208,610	84,572	2,111,565	861,996	18,150,809
Excess of revenues over (under) expenditures	978,250	(199,655)	(82,212)	26,355	(175,347)	547,391
Other Financing Sources (Uses):						
Proceeds from debt issue	-	-	1,788,000	-	-	1,788,000
Transfers in	-	225,928	-	134,000	63,592	423,520
Transfers out	(423,520)	-	-	-	-	(423,520)
Net change in fund balances	554,730	26,273	1,705,788	160,355	(111,755)	2,335,391
Fund balances, beginning of year	2,562,361	481,129	-	141,917	595,577	3,780,984
Fund balances, end of year	\$ 3,117,091	\$ 507,402	\$ 1,705,788	\$ 302,272	\$ 483,822	\$ 6,116,375

The notes to the financial statements are an integral part of this statement.

TOWN OF PRESTON, CONNECTICUT

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013**

Amounts reported for governmental activities in the Statement of Activities are different because:

Net change in fund balances - total governmental funds \$ 2,335,391

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 depreciation exceeded capital outlays in the current period:

Capital outlay	1,246,340
Depreciation expense	<u>(751,296)</u>
	<u>495,044</u>

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

Debt issued or incurred:	
Issuance of debt	(1,788,000)
Principal repayments:	
General obligation bonds	628,766
Post-closure landfill costs	<u>600</u>
	<u>(1,158,634)</u>

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

Revenues:	
Taxes, interest and liens	17,851
Expenses:	
Other post-employment benefits payable	(10,709)
Special termination benefits	(37,222)
Accrued interest payable	(18,184)
Amortization of bond premiums	<u>1,604</u>
	<u>(46,660)</u>

Change in net position \$ 1,625,141

The notes to the financial statements are an integral part of this statement.

TOWN OF PRESTON, CONNECTICUT

STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUND - STUDENT ACTIVITY FUND
JUNE 30, 2013

<u>Assets</u>	
Cash and cash equivalents	\$ 12,002
Total assets	<u>12,002</u>
<u>Liabilities</u>	
Due to student groups	<u>12,002</u>
Total liabilities	<u>12,002</u>
<u>Net Position</u>	
Total net position	<u>\$ -</u>

The notes to the financial statements are an integral part of this statement.

TOWN OF PRESTON, CONNECTICUT

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGETARY BASIS - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Revenues:				
Property taxes	\$ 8,758,321	\$ 8,758,321	\$ 8,941,779	\$ 183,458
Intergovernmental	4,542,053	4,542,053	4,596,009	53,956
Local	988,258	988,258	1,288,713	300,455
Total revenues	<u>14,288,632</u>	<u>14,288,632</u>	<u>14,826,501</u>	<u>537,869</u>
Expenditures:				
Current:				
General government	1,415,407	1,423,983	1,309,089	114,894
Land development and control	59,870	60,529	56,922	3,607
Public works	597,771	603,571	567,635	35,936
Public safety	572,259	586,948	578,174	8,774
Health services	129,853	129,903	110,975	18,928
Public and social services	354,700	354,700	326,825	27,875
Miscellaneous	382,330	530,717	566,551	(35,834)
Education	10,428,592	10,428,592	10,404,530	24,062
Debt service	645,150	743,142	743,142	-
Total expenditures	<u>14,585,932</u>	<u>14,862,085</u>	<u>14,663,843</u>	<u>198,242</u>
Net change in fund balance	<u>\$ (297,300)</u>	<u>\$ (573,453)</u>	162,658	<u>\$ 736,111</u>
Fund balance, beginning of year			<u>2,562,361</u>	
Fund balance, end of year			<u>\$ 2,725,019</u>	

The notes to the financial statements are an integral part of this statement.

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

Note 1 – Summary of Significant Accounting Policies

The Town of Preston, Connecticut (the “Town”) is a municipal corporation governed by a selectmen-town meeting form of government. Under this form of government, the town meeting is the legislative body. A town meeting is required to make appropriations, levy taxes and borrow money. The administrative branch is led by an elected three-member Board of Selectmen. The Selectmen oversee most of the activities not assigned specifically to another body. An elected Board of Education oversees the public school system. An elected Board of Finance is the budget making authority and supervises the Town's financial matters.

Reporting Entity

Accounting principles generally accepted in the United States of America require that the reporting entity include (1) the primary government, (2) organizations for which the primary government is financially accountable and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The reporting entity includes the primary government only. No component units meeting the criteria provided by the Government Accounting Standards Board exist.

Government-Wide and Fund Financial Statements

The government-wide financial statements report information on all of the nonfiduciary activities of the primary government. Fiduciary funds are excluded from the government-wide financial statements. For the most part, the effects of interfund activity have been removed from these statements.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues. Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

The various funds included in the financial statements are described below:

Governmental Funds

General Fund - the primary operating fund of the Town. This fund is used to account for all financial transactions and resources except those required to be accounted for in another fund. Revenues are derived primarily from property taxes, state and federal grants, licenses, permits, charges for services, and interest income.

Special Revenue Funds – account for revenue derived from specific sources (other than major capital projects) that are restricted by legal and regulatory provisions to finance specific activities.

Capital Project Funds – account for financial resources used for the acquisition or construction of major capital facilities for capital projects anticipated to last more than one year.

Town of Preston, Connecticut
Notes to Financial Statements (continued)

Permanent Funds – report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the Town’s programs.

Debt Service Fund – used to account for resources that are committed for specific debt service (payment of principal and interest of a specified debt).

Fiduciary Funds

Fiduciary Funds are used to account for assets held by the Town in a trustee capacity or as an agent for individuals, private organizations, and other governments. Fiduciary funds are not included in the government-wide statements. The fiduciary fund maintained by the Town is as follows:

Agency Fund – custodial in nature (assets equal liabilities) and does not involve the measurement of results of operations.

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 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.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, when levied for, licenses, and interest associated with the current fiscal period are considered to be susceptible to accrual and so 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 or specifically identified.

The Town reports the following major governmental funds:

The **General Fund** is the general operating fund of the Town government. All unrestricted resources, except those required to be accounted for in another fund, are accounted for in this fund. From this fund are paid general operating expenditures, fixed charges, principal and interest on long-term debt and capital improvement costs of the Town, which were not paid through a special fund.

Town of Preston, Connecticut
Notes to Financial Statements (continued)

The **Capital and Nonrecurring Fund** accounts for smaller, short term capital projects that are funded through capital grants or General Fund transfers.

The **Capital Projects Fund** is used to account for proceeds of bond anticipation notes and general obligation bonds used for authorized bonded projects such as acquisition and construction of capital facilities, except for those related to the redevelopment of the Preston Riverwalk.

The **Preston Redevelopment Agency Fund** was established to account for intergovernmental grants received and expended for the development of the Norwich Hospital Property, renamed the Preston Riverwalk.

Additionally, the Town reports the following fund:

The **Student Activity Fund** (an agency fund) accounts for monies held as a custodian for student groups.

Cash, Cash Equivalents and Investments

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Investments for the town are reported at fair value. Nonparticipating, interest-earning investment contracts are generally reported at cost plus accrued earnings.

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the Town deposits may not be returned to it. The Town's policy for custodial credit risk is to invest in obligations allowable under the Connecticut General Statutes. In general for most of the funds, this includes deposits in allowable banks, obligations of the United States of America and obligations of any State or political subdivision, which is tax exempt. Certain fiduciary funds are allowed more flexibility in investing.

Credit Risk – Credit risk is the risk that an issuer or other counterparty will not fulfill its specific obligation even without the entity's complete failure. The Town does not have a formal credit risk policy other than restrictions to obligations allowable under the Connecticut General Statutes.

Interest Rate Risk – Interest rate risk is the risk that the Town will incur losses in fair value caused by changing interest rates. 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. Generally, the Town does not invest in any long-term investment obligations.

Concentration of Credit Risk – Concentration of credit risk is the risk attributed to the magnitude of a government's investments in a single issuer. The Town follows the limitations specified in the Connecticut General Statutes. Generally, the Town's deposits cannot be 75% or more of the total capital of any one depository.

Town of Preston, Connecticut
Notes to Financial Statements (continued)

Receivables

Property taxes are assessed on property values as of October 1st. The tax levy is divided into two billings; the following July 1st and January 1st. The billings are considered due on those dates; however, the actual due date is based on a period ending 31 days after the tax bill. On these dates (August 1st and February 1st), the bill becomes delinquent at which time the applicable property is subject to lien, and penalties and interest are assessed.

Under State Statute, the Town has the right to impose a lien on a taxpayer if any personal property tax, other than a motor vehicle tax, due to the Town is not paid within the time limited by any local charter or ordinance. The lien shall be effective for a period of fifteen years from the date of filing unless discharged. A notice of tax lien shall not be effective if filed more than two years from the date of assessment for the taxes claimed to be due.

The Town establishes allowances for uncollectible taxes and interest based on historical collection experience and other factors. As of June 30, 2013, no allowance for uncollectible taxes and interest was considered necessary.

Loans Receivable

The Town administers a loan program for individuals and families in need. Repayment of the loans is deferred, but the loans become due and payable upon sale or transfer of the property, the owner's demise, or when the subject property is no longer the applicant's principal place of residence. The notes may be paid in full or in part by the borrower at any time without penalty. As of June 30, 2013, loans receivable totaled \$172,762 under this program.

Interfund Transactions

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds" (i.e. the current portion of interfund loans) or "advances to/from other funds" (i.e. the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds".

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

Capital Assets

Capital assets, which include property, equipment, and infrastructure assets (i.e., roads, bridges, sidewalks, and similar items), are reported in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than the capitalization threshold for that asset type and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost. 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 an asset or materially extend the asset life are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Town of Preston, Connecticut
Notes to Financial Statements (continued)

Land is considered inexhaustible and, therefore, is not depreciated. Property, equipment, and infrastructure of the Town are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>	<u>Threshold</u>
Buildings and improvements	50	\$ 3,000
Land improvements	20	3,000
Vehicles:		
Cars and light trucks	7	3,000
Heavy trucks and buses	10	3,000
Fire Trucks	20	3,000
Computers and computer equipment	5	3,000
Furniture, fixtures and equipment	5	3,000
Infrastructure:		
Drainage (per project)	20	2,500
Road (per mile)	20	5,000
Bridges	20	50,000

Unearned Revenue

In the government-wide and fund financial statements, this liability represents resources that have been received but not yet earned.

Deferred Outflows/Inflows of Resources

Deferred outflows of resources represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town has no items that qualify for reporting in this category.

Deferred inflows of resources represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town only has one type of item, which arises only under a modified accrual basis of accounting, which qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds Balance Sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the terms of the related debt.

In the governmental fund financial statements, bond premiums and discounts as well as bond issuance costs, are recognized during the current period. The face amount of the 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.

Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is utilized in the governmental funds. Encumbrances outstanding at year-end are reported as assigned fund balance as they do not constitute either expenditures or liabilities.

Fund Equity and Net Position

In the government-wide financial statements, net position is classified in the following categories:

Net investment in capital assets - This category groups all capital assets, including infrastructure, into one component of net assets. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce this category.

Restricted - This category presents external restrictions imposed by creditors, grantors, contributors and laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted - This category represents the net position of the Town, which is not restricted for any project or other purpose.

Governmental Accounting Standards Board Statement #54 (GASB 54) defines the different types of fund balances that the Town must use for its governmental funds. GASB 54 requires the fund balances to be properly reported within one of the following categories for financial reporting purposes.

Nonspendable – fund balance amounts associated with inventories, prepaids, and long-term receivables and payables.

Restricted – fund balance amounts that can be spent only for the specific purposes stipulated by external source providers or enabling legislation.

Committed – fund balance amounts that can be used only for specific purposes determined by a formal action of the Town’s highest level of decision-making authority.

Assigned – fund balance amounts intended to be used by the Town for specific purposes but do not meet the criteria to be classified as restricted or committed fund balances.

Unassigned – fund balance amounts remaining for the General Fund that are spendable or amounts necessary in other governmental funds to eliminate otherwise negative fund balance amounts in the other four categories.

The Town’s committed fund balance reporting is required when funds have been committed at a Town Meeting. The Town’s assigned fund balance reporting is required when funds have been assigned by the Town’s Board of Selectmen. The Town’s policy is to apply expenditures against the applicable fund balances in the following order: nonspendable, restricted, committed, assigned, and unassigned.

Town of Preston, Connecticut
Notes to Financial Statements (continued)

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure 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.

Note 2 – Budgeting and Budgetary Accounting

Budgetary Basis

A formal, legally approved, annual budget is adopted for the General Fund only. This budget is adopted on a basis consistent with Generally Accepted Accounting Principles (modified accrual basis) with the following exceptions:

- Teachers' Retirement – The Town does not recognize as revenue or expenditures payments made for the teacher's retirement by the State of Connecticut on the Town's behalf. The Governmental Accounting Standards Board's Statement 24 requires that the employer government recognize payments for salaries and fringe benefits paid on behalf of its employees.
- Encumbrances – Unless committed through a formal encumbrance (e.g., purchase orders, signed contracts), all annual appropriations lapse at fiscal year end. Encumbrances outstanding at year end are reported on the budgetary basis statements as expenditures.
- Excess Cost Grant – The State reimburses the Town for certain costs incurred for special educational needs of students. This reimbursement is the Excess Cost Grant – Student Based. Connecticut General Statute 10-76g states that this grant should reduce the education expenditures instead of being reported as revenue.

A reconciliation of General Fund operations presented in accordance with accounting principles generally accepted in the United States of America (“GAAP”) to the amounts presented on the budgetary basis is as follows:

	<u>Fund Balance</u> <u>Beginning</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Other Uses</u>	<u>Fund Balance</u> <u>Ending</u>
GAAP basis	\$ 2,562,361	\$ 15,862,316	\$ (14,884,066)	\$ (423,520)	\$ 3,117,091
Encumbrances					
June 30, 2013	-	-	(392,072)	-	(392,072)
Excess cost grant netted against expenditures	-	(383,897)	383,897	-	-
Other reclassifications	-	-	(423,520)	423,520	-
Teachers’ retirement system on behalf payments	-	(651,918)	651,918	-	-
Budgetary basis	<u>\$ 2,562,361</u>	<u>\$ 14,826,501</u>	<u>\$ (14,663,843)</u>	<u>\$ -</u>	<u>\$ 2,725,019</u>

Town of Preston, Connecticut
Notes to Financial Statements (continued)

Budget Calendar

The Boards of Selectmen and Education submit requests for appropriations to the Board of Finance. The budget is prepared by fund, function, and activity, and includes information on the past year, current year estimates and requested appropriations of the next fiscal year.

The Board of Finance holds a public hearing, at which itemized estimates of the expenditures of the Town for the next fiscal year are presented. At this time, individuals are able to recommend any appropriations which they desire the Board of Finance to consider. The Board of Finance then considers the estimates and any other matters brought to their attention at a public meeting held subsequent to the public hearing, and prior to the annual meeting. The Board of Finance prepares the proposed budget.

The Board of Finance's estimated and recommended budget reports are submitted at the Annual Town Meeting. The Annual Town Meeting takes action on this budget. After the Annual Town Meeting, the Board of Finance meets to levy a tax on the grand list which will be sufficient to cover, together with other income or revenue surplus which is appropriated, the amounts appropriated and any revenue deficit of the Town.

Budget Control

This legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level except expenditures for education, which are, by State Statutes, appropriated as one department.

The governing body may amend the annual budget subject to the requirements of the Connecticut General Statutes. The Board of Finance may make a one-time additional appropriation up to \$20,000 to any appropriations. A Town meeting must be called to make appropriations over \$20,000 or additional changes to previously adjusted appropriations.

Note 3 - Deposits and Investments

Cash and Cash Equivalents

The following is a summary of cash and cash equivalents at year end:

Governmental funds	\$ 8,579,897
Agency funds	<u>12,002</u>
Total cash and cash equivalents	<u>\$ 8,591,899</u>

Custodial Credit Risk on Deposits

As of June 30, 2013, the carrying amount of the Town's deposits with financial institutions was:

Deposits	\$ 7,245,705
Plus: External investment pools treated as cash and cash equivalents	1,609,330
Less: Restricted cash	(226,505)
Less: Certificates of deposit treated as investments	<u>(36,631)</u>
Total cash and cash equivalents	<u>\$ 8,591,899</u>

Town of Preston, Connecticut
Notes to Financial Statements (continued)

The bank balance of the deposits was \$7,129,078 and was exposed to custodial credit risk as follows:

Covered by Federal Depository Insurance	\$ 929,353
Uninsured and collateralized	892,476
Uninsured and uncollateralized	<u>5,307,249</u>
 Total Deposits	 <u>\$ 7,129,078</u>

External Investment Pools as Cash and Cash Equivalents

The pooled investment funds' risk category cannot be determined since the Town does not own identifiable securities but invests as a shareholder of the investment pool. The pool, Short-Term Investment Fund (STIF), is a money market investment pool managed by the Cash Management Division of the State Treasurer's Office created by Section 3-27 of the Connecticut General Statutes (CGTS). Pursuant to CGS 3-27a through 3-27f, the State, municipal entities, and political subdivisions of the State are eligible to invest in the fund. The fund is considered a "2a7-like" pool and, as such, reports its investments at amortized cost (which approximates fair value). A 2a7-like pool is not necessarily registered with the Security and Exchange Commission (SEC) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's rule 2a7 of the Investment Company Act of 1940 that allows money market mutual funds to use the amortized cost to report net assets. The pool is rated AAAM by Standard & Poor. This is the highest rating for money market funds and investment pools.

Investments

As of June 30, 2013, the Town's investments consisted of the following:

	<u>Other Funds</u>
Certificates of Deposit	\$ <u>36,631</u>

As of June 30, 2013, the range of maturities of the investments was as follows:

<u>Types of Investment</u>	<u>Avg. Credit Rating</u>	<u>Fair Value</u>	<u>Investment Maturity Less Than 1 Year</u>
Certificates of Deposit	NA	\$ <u>36,631</u>	\$ <u>36,631</u>

Town of Preston, Connecticut
Notes to Financial Statements (continued)

Note 4 – Operating Lease

The Town is the lessor in an operating lease for easement and access rights to certain Town property. The agreement commenced in February, 2000 for an initial period of 5 years with 3 optional 5-year extensions and a final optional 4 year extension. The lease termination date is February 2024. The lease provides for monthly lease payments with a possible 10% increase at each extension term. The total lease income from operating leases during the year amounted to \$17,424.

Note 5 - Capital Assets

Capital asset activity for the year was as follows:

	Balance at July 1, 2012	Increases	Decreases	Balance at June 30, 2013
Capital assets not being depreciated:				
Land	\$ 556,830	\$ -	\$ -	\$ 556,830
Construction in process	<u>434,659</u>	<u>950,000</u>	<u>-</u>	<u>1,384,659</u>
Total capital assets not being depreciated	<u>991,489</u>	<u>950,000</u>	<u>-</u>	<u>1,941,489</u>
Capital assets being depreciated:				
Buildings	15,420,320	58,736	-	15,479,056
Land improvements	3,668,746	-	-	3,668,746
Vehicles	3,374,825	30,600	-	3,405,425
Computer and computer equipment	244,250	13,679	-	257,929
Furniture, fixtures, and equipment	453,770	186,703	-	640,473
Infrastructure	<u>1,590,931</u>	<u>6,622</u>	<u>-</u>	<u>1,597,553</u>
Total capital assets being depreciated	<u>24,752,842</u>	<u>296,340</u>	<u>-</u>	<u>25,049,182</u>
Less accumulated depreciation:	<u>(9,993,740)</u>	<u>(751,296)</u>	<u>-</u>	<u>(10,745,036)</u>
Capital assets, net	<u>\$ 15,570,591</u>	<u>\$ 495,044</u>	<u>\$ -</u>	<u>\$ 16,245,635</u>

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

Education	\$ 488,613
Public works	91,458
Public and social services	74,096
Public safety	66,156
General government	22,184
Health services	4,867
Redevelopment	<u>3,922</u>
Total depreciation expense	<u>\$ 751,296</u>

Town of Preston, Connecticut
Notes to Financial Statements (continued)

Note 6 – Interfund Balances

The following are temporary borrowings between funds. These are either expected to be paid off within one year or have no agreed payment terms:

Due To:						
	General Fund	Capital and Nonrecurring Fund	Capital Projects Fund	Preston Re- development Agency Fund	Other Funds	Total
Due From:						
General Fund	\$ -	\$ 93,877	\$ 1,705,788	\$ 2,017,960	\$ 7,474	\$ 3,825,099
Other Funds	<u>42,298</u>	<u>22,353</u>	-	-	-	<u>64,651</u>
	<u>\$ 42,298</u>	<u>\$ 116,230</u>	<u>\$ 1,705,788</u>	<u>\$ 2,017,960</u>	<u>\$ 7,474</u>	<u>\$ 3,889,750</u>

Note 7 – Short-Term Obligations – Bond Anticipation Notes

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

Short-term obligation activity for the year ended June 30, 2013, was as follows:

	Balance <u>July 1, 2012</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2013</u>
Preston Redevelopment Project	\$ -	\$ 2,000,000	\$ -	\$ 2,000,000

At June 30, 2013, there was a bond anticipation note of \$2,000,000 outstanding with a maturity date of June 17, 2014, bearing an interest rate of 1.25%.

Note 8 - Long-Term Obligations

Changes In Long-Term Obligations

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
General obligation bonds:					
School refunding bonds	\$ 2,375,000	\$ -	\$ 310,000	\$ 2,065,000	\$ 305,000
Capital projects	1,125,000	1,788,000	150,000	2,763,000	150,000
Water project	18,766	-	18,766	-	-
Oil Spill BAN	150,000	-	150,000	-	-
Oil Spill BAN	-	-	-	-	-
Total bonds payable	<u>3,668,766</u>	<u>1,788,000</u>	<u>628,766</u>	<u>4,828,000</u>	<u>455,000</u>
Bond premiums	11,343	-	1,604	9,739	-
Other post employment benefits	340,600	126,800	53,600	413,800	-
Special termination benefits	100,029	40,709	65,978	74,760	74,760
Post closure landfill costs	<u>8,400</u>	<u>-</u>	<u>600</u>	<u>7,800</u>	<u>600</u>
	<u>\$ 4,129,138</u>	<u>\$ 1,955,509</u>	<u>\$ 750,548</u>	<u>\$ 5,334,099</u>	<u>\$ 530,360</u>

Town of Preston, Connecticut
Notes to Financial Statements (continued)

On May 1, 2013, the Town entered into an Assistance Agreement with the State of Connecticut in connection with the redevelopment of Preston Riverwalk. Such agreement provides Preston with a loan of up to \$2,000,000. The funds will be received based on the terms of the loan and the principal and interest will be payable beginning five years from the date of the receipt of the funds in monthly installments for twenty years. Annual interest on the loan is 1.5%. At June 30, 2013, no funds had been received from the State of Connecticut.

General Obligation Bonds

The Town issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the good faith and credit of the Town. These bonds generally are issued as 20-year serial bonds with equal amounts of principal maturing each year. Payments on these bonds have been made out of the General Fund and are charged to expenditures.

General obligation bonds currently outstanding are as follows:

<u>Purpose</u>	<u>Original Amount</u>	<u>Matures in Year Ending</u>	<u>Average Interest</u>	<u>Current Amount</u>
School Refunding Bonds	\$ 4,300,000	2020	3.74%	\$ 2,065,000
Capital Project Bonds	1,965,000	2020	4.07%	975,000
Capital Project Bonds	1,788,000	2033	3.00%	<u>1,788,000</u>
				<u>\$ 4,828,000</u>

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

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>
2014	\$ 455,000	\$ 170,605
2015	450,000	154,333
2016	538,000	137,114
2017	545,000	116,072
2018	540,000	93,025
2019-2033	<u>2,300,000</u>	<u>419,400</u>
	<u>\$ 4,828,000</u>	<u>\$ 1,090,549</u>

Post Closure Landfill Costs

The Town has a closed landfill with no further capacity or estimated useful life. State and federal laws and regulations require that the Town perform certain maintenance and monitoring functions on its closed landfill site for thirty years after closure. These costs will be paid through the General Fund each year. Total estimated costs based on the current actual costs are included in long-term obligations. The actual costs may vary based on actual events, inflation, changes in technology, and applicable laws and regulations. No costs were incurred in this fiscal year.

Special Termination Benefits

Periodically, the Board of Education offers retirement incentive packages to teachers that meet specified requirements. A teacher that meets the criterion must apply to the Superintendent for consideration. The balance due to them, at a discounted present value, is \$74,760. These employees will continue to receive benefits until 2014.

Town of Preston, Connecticut
Notes to Financial Statements (continued)

Note 9 – Net Position and Fund Balances

Restricted Net Position

Restrictions on Net Position at year end is summarized as follows:

	<u>Nonexpendable</u>	<u>Expendable</u>
Small cities block grants	\$ -	\$ 144,259
Preservation of records	-	824
Capital expenditures	-	278,820
Principal balances	25,463	-
Restricted donation for dog fund	-	866
	<u>\$ 25,463</u>	<u>\$ 424,769</u>

Fund Balances

Nonspendable Fund Balance is summarized as follows:

	<u>General Fund</u>	<u>Other Funds</u>
Not in spendable form:		
Prepaid expenses	\$ 30,701	\$ -
Inventory	-	5,105
Long-term receivables	-	144,259
Required to be maintained intact:		
Trust fund principal	-	25,463
	<u>\$ 30,701</u>	<u>\$ 174,827</u>

Restricted Fund Balance is summarized as follows:

	<u>General Fund</u>	<u>Capital and Nonrecurring Fund</u>	<u>Preston Re-development Agency Funds</u>	<u>Other Funds</u>
Preservation of records	\$ 824	\$ -	\$ -	\$ -
Capital expenditures	-	278,820	-	-
Property redevelopment	-	-	302,272	-
Special education grants	-	-	-	14,570
Restricted donations	-	-	-	866
	<u>\$ 824</u>	<u>\$ 278,820</u>	<u>\$ 302,272</u>	<u>\$ 15,436</u>

Committed Fund Balance is summarized as follows:

	<u>Capital and Nonrecurring Fund</u>	<u>Capital Projects Fund</u>
Capital expenditures	\$ 50,950	\$ 1,705,788
	<u>\$ 50,950</u>	<u>\$ 1,705,788</u>

Town of Preston, Connecticut
Notes to Financial Statements (continued)

Assigned Fund Balance is summarized as follows:

	<u>General Fund</u>	<u>Capital and Nonrecurring Fund</u>	<u>Other Funds</u>
To balance next year's budget	\$ 500,000	\$ -	\$ -
Encumbrances	392,072	-	-
Capital expenditures	-	177,632	80,114
Public and social service	-	-	92,972
Scholarships	-	-	25,238
General government	-	-	23,764
Education	-	-	2,327
Parks and recreation	-	-	56,669
Public safety	-	-	30,499
	<u>\$ 892,072</u>	<u>\$ 177,632</u>	<u>\$ 311,583</u>

Deficit Fund Balances

The Debt Service Fund has a deficit fund balance of \$18,024 and will require General Fund assistance in the future.

Note 10 – Employee Retirement Systems and Pension Plans

Teachers' Retirement System

Teachers within the Town's school system participate in a retirement plan administered by the Connecticut State Teachers Retirement Board.

Covered Employees

The Teachers' Retirement System is administered under the provisions of Chapter 167a of the Connecticut General Statutes (CGS). Participation in the plan is restricted to certified staff employed in the public schools of Connecticut and members of the professional staff of the State Department of Education or the board of Governors of Higher Education and their constituent units. Participation in the plan is mandatory for certified personnel of local boards of education who are employed for an average of at least one-half of a school day. Members of the professional staff of the State Department of Education or the Board of Governors of Higher Education and their constituent units may elect to participate in this system, the State Employees' Retirement System, or the Alternate Retirement Plan (TIAA-CREF).

Vesting Requirements

A member who completes 10 years of Connecticut public school service is eligible for a vested benefit commencing at age 60.

Town of Preston, Connecticut
Notes to Financial Statements (continued)

Pension Contribution Requirements/Amounts by State

The pension contributions made by the State to the plan are determined on an actuarial reserve basis as described in CGS Sections 10-1831 and 10-183z. For the fiscal year ended June 30, 2013, approximately \$651,918 was expended by the State on behalf of the Town to meet the State's funding requirements. The results of the State's actuarial valuation did not contain information, which would show the development of the State's actuarial cost by local districts. The State's appropriation represented 20.97% of the total estimated payroll.

Participants are required to contribute 7.25% of their annual salary rate to the system as required by CGS Section 10-183b (7). For the 2012/2013 school year, \$225,389 mandatory contributions were deducted from the salaries of teachers who were participants of the plan during that school year. The estimated covered payroll for the Town is \$3,108,814.

Connecticut Municipal Employees' Retirement System

Plan Description and Benefit Provisions

All full-time employees for the Town, except for certified board of education personnel, who are age 55 or younger at the date of hire participate in the Connecticut Municipal Employees' Retirement Fund B (MERF), a cost sharing multiple-employer public employee retirement system (PERS) established by the State of Connecticut and administered by the State Retirement Commission to provide retirement and disability benefits, annual cost of living adjustments and death benefits to the employees and beneficiaries of participating municipalities. Annual cost of living increases between 3% and 5% are paid to disabled members and nondisabled retired members who have reached age 65. All benefits vest after 5 years of continuous service or 15 years of active aggregate service. Vested members who retire after age 55 or after 25 years of service, irrespective of age, are entitled to an annual retirement benefit, payable monthly for life. Chapter 113, Part II of the General Statutes of Connecticut, which can be amended by legislative action, establishes PERS benefits, member contribution rates, and other plan provisions. MERF is considered to be a part of the State of Connecticut financial reporting entity and is included in the State's financial reports as a pension trust fund. Those reports may be obtained by writing to the State of Connecticut, Office of the State Comptroller, 55 Elm Street, Hartford, Connecticut 06106 or by calling (860) 702-3480.

Contributions

Plan members are required by State Statute to contribute 2 ¼ % of earnings upon which Social Security tax is paid plus 5% of earnings on which no Social Security tax is paid. Each participating municipality is required to contribute at an actuarially determined rate. The current rate is 11.79% of annual covered payroll. The contribution requirements of the Town are established and may be amended by the State Retirement Commission. The Town's contributions to the MERF for the year ended June 30, 2013 was \$89,842 and was equal to the required contribution for the year.

Town of Preston, Connecticut
Notes to Financial Statements (continued)

Note 11 – Other Post Employment Benefits (OPEB)

Plan Description

The Preston Public Schools OPEB is a single-employer defined benefit plan administered by the Town in accordance with various collective bargaining agreements. The plan does not issue a separate financial statement.

- Eligibility: Teachers and Certified Administrators – A teacher or certified administrator retiring under the Connecticut State Teachers Retirement System shall be eligible to receive health benefits for self and spouse.
- Cost Sharing: All retirees pay 100% of the premiums less the amount paid to the Town by the Teachers' Retirement Board.
- Plan of Coverage: Various medical, dental and pharmaceutical plans depending on whether retirement is prior to age 65 or after 65.

Actuarial Assumptions and Methods

- Latest Actuarial Date: July 1, 2011
- Actuarial Cost Method: Projected Unit Credit
- Discount Rate: 3.00%
- Payroll Growth Rate: N/A
- Medical Inflation: Initial rate of 10% grading down to an ultimate inflation rate of 5% in 2013 and later.
- Amortization Method: Level percentage of projected payroll
- Remaining amortization: 30 years, level dollar, open
- Mortality: As used in the Connecticut State Teachers' Retirement System 2006 Pension Valuation; age 61 and under use the pre-retirement rates, 62 and over use the post-retirement rates.
- Turnover: As used in the Connecticut State Teachers' Retirement System 2006 Pension Valuation
- Retirement: As used in the Connecticut State Teachers' Retirement System 2006 Pension Valuation
- Future Retiree Coverage: 100% are assumed to elect coverage at retirement
- Future Dependent Coverage: Male 50%; Female 30% with female spouses assumed to be 3 years younger than males

Schedule of Funding Progress

Schedule of Funding Progress				
Actuarial Valuation Date July 1,	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a÷b)
2011	\$ 0	\$ 1,964,800	\$ 1,964,800	0%
2008	0	3,057,300	3,057,300	0%

Town of Preston, Connecticut
Notes to Financial Statements (continued)

Schedule of Employer Contributions

Schedule of Employer Contributions			
Year Ended June 30,	Annual Required Contribution	Actual Contribution	Percentage Contributed
2013	\$ 133,900	\$ 53,600	40.0%
2012	132,900	69,700	52.4%
2011	211,300	129,400	61.2%
2010	209,600	119,800	57.2%
2009	208,000	90,500	43.5%

Annual OPEB Cost and Net OPEB Obligation

The following table shows the components of the annual OPEB cost for the year, the amount actually contributed to the plan, and the changes in the Town's net OPEB obligation (asset):

Annual required contribution (ARC)	\$ 133,900
Interest on net OPEB obligation	9,200
Adjustment to annual required contribution	<u>(16,900)</u>
Annual OPEB cost (AOC)	126,200
Contributions made	<u>(53,600)</u>
Increase in net OPEB obligation	72,600
Net OPEB obligation, beginning of year	<u>340,600</u>
 Net OPEB obligation, end of year	 <u>\$ 413,200</u>

Trend Information

Fiscal Year Ending	Annual OPEB Cost (AOC)	Actual Contribution Made	Percentage of AOC Contributed	Net OPEB Obligations
6/30/13	\$ 126,200	\$ 53,600	43%	\$ 413,200
6/30/12	127,400	69,700	55%	340,600
6/30/11	207,300	129,400	62%	282,900
6/30/10	207,300	119,800	58%	205,000

Note 12 – Risk Management

The Town is exposed to various risks of loss involving torts, theft of, damage to, and destruction of assets, errors and omissions, and natural disasters for which the Town carries commercial insurance. There have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or three prior years.

The Town currently is a member of the Connecticut Interlocal Risk Management Agency (CIRMA), a public entity risk pool established under the provisions of Connecticut General Statutes section 7-479a et. seq. for some of its insurance. The Town is liable only for contributions to the pool. Members do not retain the risk of loss, as they have transferred the risk by purchasing coverage with no deductible retention. A separate agreement states limits on the member's obligation to pay indemnification obligations and expenses should CIRMA be unable to do so.

Note 13 – Contingent Liabilities

Various Lawsuits

The Town is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the Town's counsel the resolution of these matters will not have a material adverse effect on the financial condition of the Town.

Grants

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the Town expects such amounts, if any, to be immaterial.

School Building Grants

Section 10-283(a)(3)(A) of the Connecticut General Statutes states that if the Town abandons, sells, leases, demolishes or otherwise redirects the use of a school building project authorized on or after July 1, 1996, paid partially with State funding, to other than a public school, it will owe a portion of the State funding back to the State.

For projects with a cost over two million dollars, the contingency will be amortized over twenty years. For smaller projects, the contingency will be amortized over ten years.

Note 14 – Preston Riverwalk

The Town purchased the former Norwich Hospital site and the buildings, structures, improvements and fixtures from the State of Connecticut for \$1 and the Town assumed responsibility for the environmental conditions at the property and completing the pollution remediation. However, the Town has the right and intends to transfer the property to a third party who accepts responsibility for the environmental conditions and remediation under certain conditions.

The Town had entered into two property disposition and development agreements with two different developers. Under the first property disposition and development agreement, the Town was scheduled to be reimbursed certain legal costs by the first developer. As of June 30, 2013, the Town had \$475,040 due from the first developer, which has not been recorded because collection is uncertain.

Legal costs related to this project, including amounts to be reimbursed from the first developer, had been included as accounts payable in the State Hospital Redevelopment fund in previous years. However effective July 2011, the Town has an agreement with the legal firm stipulating that the firm will not seek payment from the Town until certain events take place. In this regard, the agreement specifies the payment of the legal costs will be due when, and if, the Town sells the acreage. The legal costs will become due at \$5,700 per acre of the first 160 acres sold. In addition, the legal costs will be paid per the agreement solely from the proceeds of the sale of such acreage and not from the general revenues of the Town. Given these contract terms, the amount, if any, that will ultimately be paid is uncertain and cannot be determined at this time.

Town of Preston, Connecticut
Notes to Financial Statements (continued)

To date, expenditures are \$7,334,926 for pollution remediation. The remaining pollution remediation costs are estimated at \$11,000,000. These are based on the Town's remedial action plan. This estimate has been calculated for both fees and expenses using the expected cash flow technique in estimating the excavation, demolition, abatement, decontamination, disposal and cost cap insurance expected to be incurred through the Notice of Completion of Remediation. This is an estimate and subject to change resulting from price increases or reductions, technology, or changes in applicable laws or regulations. Because the property was acquired with known pollution that was expected to be remediated, the Town will capitalize the pollution remediation costs as areas are completed.

Note 15 - Subsequent Events

In August 2013, the Town received \$800,000 of the \$2,000,000 due from the State of Connecticut related to the loan agreement entered into in May 2013. See Note 8 for additional information.

**SUPPLEMENTAL
STATEMENTS AND SCHEDULES**

TOWN OF PRESTON, CONNECTICUT

GENERAL FUND
SCHEDULE OF REVENUES
(BUDGET AND ACTUAL)

FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual	Variance With
	Original	Final		Final Budget
				Positive (Negative)
Revenues:				
Property taxes	\$ 8,758,321	\$ 8,758,321	\$ 8,941,779	\$ 183,458
State of Connecticut revenues:				
Education Cost Sharing (ECS)	3,077,693	3,077,693	3,096,310	18,617
Mashantucket Pequot Grant	1,182,223	1,182,223	1,173,380	(8,843)
Pilot for state hospital and property	11,205	11,205	10,863	(342)
Public transportation	77,948	77,948	89,451	11,503
Town Aid Road	101,228	101,228	99,890	(1,338)
Youth service bureau grants	17,300	17,300	17,226	(74)
Elderly Tax Grant	20,000	20,000	26,669	6,669
FEMA Grant	-	-	10,060	10,060
Telephone / cable access	-	-	15,120	15,120
Judicial branch	1,500	1,500	2,695	1,195
Historic Document Preservation Grant	-	-	4,000	4,000
Veterans Tax Relief	1,000	1,000	868	(132)
Other grants	51,956	51,956	49,062	(2,894)
Totally disabled	-	-	299	299
Bingo	-	-	116	116
	<u>4,542,053</u>	<u>4,542,053</u>	<u>4,596,009</u>	<u>53,956</u>
Local revenues:				
Incinerator host town agreement	785,734	785,734	785,734	-
Town clerk fees	60,000	60,000	78,597	18,597
SCRRA - return of tipping fees	60,000	60,000	60,000	-
Construction permit fees	28,500	28,500	269,483	240,983
Paper, metal, and transfer station	22,000	22,000	22,528	528
Sprint antenna	17,424	17,424	17,424	-
Investment income	3,000	3,000	3,279	279
Miscellaneous fees	-	-	2,567	2,567
License and permit fees	2,500	2,500	3,810	1,310
Other local revenue	-	-	33,197	33,197
Preston Housing Authority	7,500	7,500	10,000	2,500
Farmland preservation fees	800	800	1,047	247
Historic document fees	800	800	1,047	247
	<u>988,258</u>	<u>988,258</u>	<u>1,288,713</u>	<u>300,455</u>
Total revenues	<u>\$ 14,288,632</u>	<u>\$ 14,288,632</u>	<u>\$ 14,826,501</u>	<u>\$ 537,869</u>

TOWN OF PRESTON, CONNECTICUT

**GENERAL FUND
SCHEDULE OF EXPENDITURES
(BUDGET AND ACTUAL)
FOR THE YEAR ENDED JUNE 30, 2013**

	Budgeted Amounts			Actual	Variance With Final Budget Positive (Negative)
	Original	Transfers	Final		
General Government:					
Salaries:					
First Selectman	\$ 67,834	\$ -	\$ 67,834	\$ 67,188	\$ 646
Selectmen	13,857	-	13,857	13,857	-
Town Clerk and Tax Collector	49,285	-	49,285	49,033	252
Assistant Town Clerk	54,201	-	54,201	54,380	(179)
Treasurer and assistants	26,686	-	26,686	26,418	268
Administrative assistant / clerical	129,741	(825)	128,916	124,790	4,126
Assessor	33,813	-	33,813	33,687	126
Zoning Enforcement Officer	9,190	-	9,190	9,469	(279)
Sanitation	17,871	-	17,871	17,266	605
Building Inspector	26,594	16,000	42,594	40,954	1,640
Registrar of Voters	13,390	-	13,390	12,360	1,030
Expenses Board of Selectmen	4,000	-	4,000	3,982	18
School Building Committee	1,400	-	1,400	635	765
Elections	14,330	-	14,330	11,693	2,637
Ethics commission	1,600	-	1,600	75	1,525
Mileage, dues and school meetings	10,744	365	11,109	9,967	1,142
Social security	86,608	-	86,608	80,243	6,365
Pension	114,490	-	114,490	107,301	7,189
Town insurance	124,103	-	124,103	118,950	5,153
Health insurance	320,629	(34,689)	285,940	245,985	39,955
Financial services	24,977	-	24,977	21,870	3,107
Legal fees and services	40,200	(200)	40,000	27,134	12,866
Engineering services	1,000	200	1,200	1,200	-
Legal notices	16,000	-	16,000	14,983	1,017
Town Hall maintenance	42,890	-	42,890	38,666	4,224
Maintenance, town owned buildings	14,900	-	14,900	13,592	1,308
Town Hall equipment	11,461	20,000	31,461	29,729	1,732
Town Hall supplies	18,513	1,950	20,463	20,414	49
Land records and statistics	32,095	-	32,095	31,430	665
Data processing	55,180	-	55,180	47,496	7,684
Board of Finance	36,325	5,775	42,100	33,603	8,497
Cemetery maintenance	500	-	500	234	266
Dog damage	100	-	100	-	100
Unemployment compensation	800	-	800	505	295
Veterans funerals	100	-	100	-	100
	1,415,407	8,576	1,423,983	1,309,089	114,894

TOWN OF PRESTON, CONNECTICUT

GENERAL FUND
 SCHEDULE OF EXPENDITURES (CONTINUED)
 (BUDGET AND ACTUAL)
 FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts			Actual	Variance With Final Budget Positive (Negative)
	Original	Transfers	Final		
Land development and control:					
Planning and zoning	\$ 5,095	\$ 1,024	\$ 6,119	\$ 5,967	\$ 152
Zoning Board of Appeals	450	(365)	85	75	10
Town and Regional Planning	38,659	-	38,659	38,575	84
Board of Tax Review	400	-	400	-	400
Economic Development	2,541	-	2,541	2,397	144
Inland Wetlands	9,600	-	9,600	8,545	1,055
Conservation Commission	2,625	-	2,625	863	1,762
Eastern Connecticut Conservation District	500	-	500	500	-
	<u>59,870</u>	<u>659</u>	<u>60,529</u>	<u>56,922</u>	<u>3,607</u>
Public Works:					
Salaries, public works	281,318	(19,900)	261,418	235,266	26,152
Highway maintenance	155,950	27,768	183,718	183,170	548
Town aid road	101,228	-	101,228	99,890	1,338
Highway equipment	8,000	(2,068)	5,932	5,932	-
Town garage	8,670	-	8,670	7,762	908
Gasoline and diesel	42,605	-	42,605	35,615	6,990
	<u>597,771</u>	<u>5,800</u>	<u>603,571</u>	<u>567,635</u>	<u>35,936</u>
Public Safety:					
Preston City Fire Department	173,203	4,585	177,788	173,175	4,613
Fire Chief / EMT expenses	186,042	359	186,401	182,106	4,295
Fire alarm systems	500	-	500	454	46
Police protection	190,770	9,745	200,515	199,807	708
Animal control officer	21,194	-	21,194	22,232	(1,038)
Public Safety Committee	550	-	550	400	150
	<u>572,259</u>	<u>14,689</u>	<u>586,948</u>	<u>578,174</u>	<u>8,774</u>
Health Services:					
Public health services	17,683	-	17,683	17,430	253
Health Director	6,000	-	6,000	6,000	-
Transfer station and fees, net	101,520	-	101,520	82,905	18,615
Waste disposal	450	50	500	500	-
Food inspections	4,200	-	4,200	4,140	60
	<u>129,853</u>	<u>50</u>	<u>129,903</u>	<u>110,975</u>	<u>18,928</u>
Public and Social Services:					
Public welfare	-	-	-	-	-
Parks and recreation	75,016	-	75,016	72,500	2,516
Youth Services Bureau	31,300	-	31,300	30,149	1,151
Senior Affairs	81,833	-	81,833	80,560	1,273
Preston Public Library	165,151	-	165,151	142,316	22,835
T.V.C.C.A.	1,000	-	1,000	1,000	-
Sexual Assault Crisis Center	100	-	100	-	100
Women's Center of SE CT	300	-	300	300	-
	<u>354,700</u>	<u>-</u>	<u>354,700</u>	<u>326,825</u>	<u>27,875</u>

TOWN OF PRESTON, CONNECTICUT

GENERAL FUND
 SCHEDULE OF EXPENDITURES (CONTINUED)
 (BUDGET AND ACTUAL)
 FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts			Actual	Variance With Final Budget Positive (Negative)
	Original	Transfers	Final		
Miscellaneous:					
Council of Small Towns	\$ 750	\$ -	\$ 750	\$ 725	\$ 25
CT Conference of Municipalities	3,400	-	3,400	3,362	38
Bates Foundation	60	-	60	-	60
Policy/procedure/fixed assets	1,500	-	1,500	1,000	500
Capital improvements	7,500	(5,800)	1,700	-	1,700
Environmental monitoring	750	-	750	-	750
Revaluation	50,600	-	50,600	50,600	-
Public street lighting	8,700	-	8,700	7,651	1,049
Water Commission	1,000	-	1,000	990	10
The Last Green Valley	250	-	250	-	250
Former state hospital state property redevelopment	289,820	-	289,820	287,466	2,354
Future capital projects	18,000	-	18,000	18,000	-
Historical restoration	-	-	-	6,200	(6,200)
Fire protection clothing purchase	-	19,301	19,301	19,301	-
School van purchase	-	30,600	30,600	30,600	-
School responder units purchase	-	13,708	13,708	13,708	-
School playscape purchase	-	90,578	90,578	90,578	-
EMS capital improvement	-	-	-	21,043	(21,043)
Pump House expense	-	-	-	15,327	(15,327)
	<u>382,330</u>	<u>148,387</u>	<u>530,717</u>	<u>566,551</u>	<u>(35,834)</u>
Debt Service:					
New school debt	399,275	-	399,275	399,275	-
Oil spill - PVMS short-term note	55,000	97,992	152,992	152,992	-
Board of Education 15 year capital projects	99,255	-	99,255	99,255	-
General government 15 year capital projects	91,620	-	91,620	91,620	-
	<u>645,150</u>	<u>97,992</u>	<u>743,142</u>	<u>743,142</u>	<u>-</u>
Education	<u>10,428,592</u>	<u>-</u>	<u>10,428,592</u>	<u>10,404,530</u>	<u>24,062</u>
Total expenditures	<u>\$ 14,585,932</u>	<u>\$ 276,153</u>	<u>\$ 14,862,085</u>	<u>\$ 14,663,843</u>	<u>\$ 198,242</u>

TOWN OF PRESTON, CONNECTICUT

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2013

	Special Revenue Funds	Capital Project Fund - Local Capital Improvement Fund	Permanent Funds	Debt Service Fund	Total
<u>Assets</u>					
Cash and cash equivalents	\$ 279,363	\$ 42,745	\$ 29,886	\$ 548	\$ 352,542
Investments	36,631	-	-	-	36,631
Receivables	181,701	59,722	-	6,139	247,562
Inventory	5,105	-	-	-	5,105
Due from other funds	7,474	-	-	-	7,474
Total assets	\$ 510,274	\$ 102,467	\$ 29,886	\$ 6,687	\$ 649,314
<u>Liabilities and Fund Balances</u>					
Liabilities:					
Accounts payable	\$ 22,790	\$ -	\$ -	\$ -	\$ 22,790
Unearned revenue	72,840	-	-	5,211	78,051
Due to other funds	22,448	22,353	350	19,500	64,651
Total liabilities	118,078	22,353	350	24,711	165,492
Fund Balances:					
Nonspendable	149,364	-	25,463	-	174,827
Restricted	15,436	-	-	-	15,436
Assigned	227,396	80,114	4,073	-	311,583
Unassigned	-	-	-	(18,024)	(18,024)
Total fund balances	392,196	80,114	29,536	(18,024)	483,822
Total liabilities and fund balances	\$ 510,274	\$ 102,467	\$ 29,886	\$ 6,687	\$ 649,314

TOWN OF PRESTON, CONNECTICUT

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

	Special Revenue Funds	Capital Project Fund - Local Capital Improvement Fund	Permanent Funds	Debt Service Fund	Total
Revenues:					
Intergovernmental	\$ 351,348	\$ 141,831	\$ -	\$ -	\$ 493,179
Local	171,576	3,141	12,614	6,139	193,470
Total revenues	<u>522,924</u>	<u>144,972</u>	<u>12,614</u>	<u>6,139</u>	<u>686,649</u>
Expenditures:					
Current expenditures:					
General government	-	-	-	-	-
Public works	-	140,084	-	-	140,084
Public safety	12,221	-	-	-	12,221
Health services	3,073	-	-	-	3,073
Public and social services	118,596	-	-	-	118,596
Education	398,992	-	700	-	399,692
Capital outlay	168,606	-	-	-	168,606
Debt service expenditures	-	-	-	19,724	19,724
Total expenditures	<u>701,488</u>	<u>140,084</u>	<u>700</u>	<u>19,724</u>	<u>861,996</u>
Excess of revenues over (under) expenditures	(178,564)	4,888	11,914	(13,585)	(175,347)
Other Financing Sources (Uses):					
Transfers in (out)	88,104	(3,141)	(21,371)	-	63,592
Net change in fund balances	(90,460)	1,747	(9,457)	(13,585)	(111,755)
Fund balances, beginning of year	<u>482,656</u>	<u>78,367</u>	<u>38,993</u>	<u>(4,439)</u>	<u>595,577</u>
Fund balances, end of year	<u>\$ 392,196</u>	<u>\$ 80,114</u>	<u>\$ 29,536</u>	<u>\$ (18,024)</u>	<u>\$ 483,822</u>

TOWN OF PRESTON, CONNECTICUT

CONBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
JUNE 30, 2013

	Education Grants	School Lunch Fund	Dog Fund	Winter Energy Plan	Small Cities Fund	Seniors' Health Fund	Parks and Recreation
Assets							
Cash and cash equivalents	\$ 35,882	\$ 9,417	\$ 4,686	\$ 3,085	\$ 123,231	\$ 7,092	\$ 18,514
Investments	-	-	-	-	-	-	36,631
Receivables	2,332	6,607	-	-	172,762	-	-
Inventory	-	5,105	-	-	-	-	-
Due from other funds	4,391	-	3,083	-	-	-	-
Total assets	\$ 42,605	\$ 21,129	\$ 7,769	\$ 3,085	\$ 295,993	\$ 7,092	\$ 55,145
Liabilities and Fund Balances							
Liabilities:							
Accounts payable	\$ 12,486	\$ 5,347	\$ 2,997	\$ -	\$ -	\$ -	\$ -
Unearned revenue	1,461	-	-	-	71,379	-	-
Due to other funds	14,088	8,350	-	-	-	-	-
Total liabilities	28,035	13,697	2,997	-	71,379	-	-
Fund Balances:							
Nonspendable	-	5,105	-	-	144,259	-	-
Restricted	14,570	-	866	-	-	-	-
Assigned	-	2,327	3,906	3,085	80,355	7,092	55,145
Total fund balances	14,570	7,432	4,772	3,085	224,614	7,092	55,145
Total liabilities and fund balances	\$ 42,605	\$ 21,129	\$ 7,769	\$ 3,085	\$ 295,993	\$ 7,092	\$ 55,145

(continued on page 43)

TOWN OF PRESTON, CONNECTICUT

COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS (CONTINUED)

JUNE 30, 2013

	Food Bank Fund	Various Cemetery	Bates Fountain	EMS Capital Improvement Fund	Youth Services	Education Scholarships	Total
Assets							
Cash and cash equivalents	\$ 3,721	\$ 21,324	\$ 2,450	\$ 26,593	\$ 1,997	\$ 21,371	\$ 279,363
Investments	-	-	-	-	-	-	36,631
Receivables	-	-	-	-	-	-	181,701
Inventory	-	-	-	-	-	-	5,105
Due from other funds	-	-	-	-	-	-	7,474
Total assets	<u>\$ 3,721</u>	<u>\$ 21,324</u>	<u>\$ 2,450</u>	<u>\$ 26,593</u>	<u>\$ 1,997</u>	<u>\$ 21,371</u>	<u>\$ 510,274</u>
Liabilities and Fund Balances							
Liabilities:							
Accounts payable	\$ 1,487	\$ -	\$ -	\$ -	\$ 473	\$ -	\$ 22,790
Unearned revenue	-	-	-	-	-	-	72,840
Due to other funds	-	10	-	-	-	-	22,448
Total liabilities	<u>1,487</u>	<u>10</u>	<u>-</u>	<u>-</u>	<u>473</u>	<u>-</u>	<u>118,078</u>
Fund Balances:							
Nonspendable	-	-	-	-	-	-	149,364
Restricted	-	-	-	-	-	-	15,436
Assigned	2,234	21,314	2,450	26,593	1,524	21,371	227,396
Total fund balances	<u>2,234</u>	<u>21,314</u>	<u>2,450</u>	<u>26,593</u>	<u>1,524</u>	<u>21,371</u>	<u>392,196</u>
Total liabilities and fund balances	<u>\$ 3,721</u>	<u>\$ 21,324</u>	<u>\$ 2,450</u>	<u>\$ 26,593</u>	<u>\$ 1,997</u>	<u>\$ 21,371</u>	<u>\$ 510,274</u>

TOWN OF PRESTON, CONNECTICUT

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2013**

	Education Grants	School Lunch Fund	Dog Fund	Winter Energy Plan	Small Cities Fund	Seniors' Health Fund	Parks and Recreation
Revenues:							
Intergovernmental	\$ 243,955	\$ 44,559	\$ -	\$ -	\$ 58,049	\$ 2,500	\$ -
Local	-	68,490	6,658	8	16	1	51,571
Total revenues	<u>243,955</u>	<u>113,049</u>	<u>6,658</u>	<u>8</u>	<u>58,065</u>	<u>2,501</u>	<u>51,571</u>
Expenditures:							
Current expenditures:							
Public safety	-	-	12,221	-	-	-	-
Health services	-	-	-	-	-	1,586	-
Public and social services	-	-	-	-	37,522	-	67,838
Education	245,699	153,293	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Total expenditures	<u>245,699</u>	<u>153,293</u>	<u>12,221</u>	<u>-</u>	<u>37,522</u>	<u>1,586</u>	<u>67,838</u>
Excess of revenues over (under) expenditures	(1,744)	(40,244)	(5,563)	8	20,543	915	(16,267)
Other Financing Sources (Uses):							
Transfers in (out)	-	40,000	5,690	-	-	-	-
Net change in fund balances	(1,744)	(244)	127	8	20,543	915	(16,267)
Fund balances, beginning of year	<u>16,314</u>	<u>7,676</u>	<u>4,645</u>	<u>3,077</u>	<u>204,071</u>	<u>6,177</u>	<u>71,412</u>
Fund balances, end of year	<u>\$ 14,570</u>	<u>\$ 7,432</u>	<u>\$ 4,772</u>	<u>\$ 3,085</u>	<u>\$ 224,614</u>	<u>\$ 7,092</u>	<u>\$ 55,145</u>

(continued on page 45)

TOWN OF PRESTON, CONNECTICUT

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2013**

	Food Bank Fund	Various Cemetery	Bates Fountain	EMS Capital Improvement Fund	Youth Services	Education Scholarships	Total
Revenues:							
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 2,285	\$ -	\$ 351,348
Local	1,252	1,433	2	30,028	12,117	-	171,576
Total revenues	<u>1,252</u>	<u>1,433</u>	<u>2</u>	<u>30,028</u>	<u>14,402</u>	<u>-</u>	<u>522,924</u>
Expenditures:							
Current expenditures:							
Public safety	-	-	-	-	-	-	12,221
Health services	1,487	-	-	-	-	-	3,073
Public and social services	-	-	-	-	13,236	-	118,596
Education	-	-	-	-	-	-	398,992
Capital outlay	-	-	-	168,606	-	-	168,606
Total expenditures	<u>1,487</u>	<u>-</u>	<u>-</u>	<u>168,606</u>	<u>13,236</u>	<u>-</u>	<u>701,488</u>
Excess of revenues over (under) expenditures	(235)	1,433	2	(138,578)	1,166	-	(178,564)
Other Financing Sources (Uses):							
Transfers in (out)	-	-	-	21,043	-	21,371	88,104
Net change in fund balances	(235)	1,433	2	(117,535)	1,166	21,371	(90,460)
Fund balances, beginning of year	<u>2,469</u>	<u>19,881</u>	<u>2,448</u>	<u>144,128</u>	<u>358</u>	<u>-</u>	<u>482,656</u>
Fund balances, end of year	<u>\$ 2,234</u>	<u>\$ 21,314</u>	<u>\$ 2,450</u>	<u>\$ 26,593</u>	<u>\$ 1,524</u>	<u>\$ 21,371</u>	<u>\$ 392,196</u>

TOWN OF PRESTON, CONNECTICUT

COMBINING BALANCE SHEET
PERMANENT FUNDS
JUNE 30, 2013

	Brewster Cemetery	Downing Library	Educational Funds		Total
			Various Scholarships	Zachem Athletics	
Assets					
Cash and cash equivalents	\$ 6,820	\$ 1,029	\$ 22,037	\$ -	\$ 29,886
Total assets	<u>\$ 6,820</u>	<u>\$ 1,029</u>	<u>\$ 22,037</u>	<u>\$ -</u>	<u>\$ 29,886</u>
Liabilities and Fund Balances					
Liabilities:					
Due to other funds	\$ 350	\$ -	\$ -	\$ -	\$ 350
Total liabilities	<u>350</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>350</u>
Fund Balances:					
Nonspendable	6,265	1,028	18,170	-	25,463
Assigned	<u>205</u>	<u>1</u>	<u>3,867</u>	<u>-</u>	<u>4,073</u>
Total fund balances	<u>6,470</u>	<u>1,029</u>	<u>22,037</u>	<u>-</u>	<u>29,536</u>
Total liabilities and fund balances	<u>\$ 6,820</u>	<u>\$ 1,029</u>	<u>\$ 22,037</u>	<u>\$ -</u>	<u>\$ 29,886</u>

TOWN OF PRESTON, CONNECTICUT

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
PERMANENT FUNDS
FOR THE YEAR ENDED JUNE 30, 2013**

	Brewster Cemetery	Downing Library	Educational Funds		
			Various Scholarships	Zachem Athletics	Total
Revenues:					
Local	\$ 182	\$ -	\$ 12,294	\$ 138	\$ 12,614
Total revenues	<u>182</u>	<u>-</u>	<u>12,294</u>	<u>138</u>	<u>12,614</u>
Expenditures:					
Education	-	-	700	-	700
Total expenditures	<u>-</u>	<u>-</u>	<u>700</u>	<u>-</u>	<u>700</u>
Excess of revenues over expenditures	<u>182</u>	<u>-</u>	<u>11,594</u>	<u>138</u>	<u>11,914</u>
Other Financing Sources (Uses):					
Transfers in (out)	-	-	(9,228)	(12,143)	(21,371)
Net change in fund balances	182	-	2,366	(12,005)	(9,457)
Fund balances, beginning of year	<u>6,288</u>	<u>1,029</u>	<u>19,671</u>	<u>12,005</u>	<u>38,993</u>
Fund balances, end of year	<u>\$ 6,470</u>	<u>\$ 1,029</u>	<u>\$ 22,037</u>	<u>\$ -</u>	<u>\$ 29,536</u>

TOWN OF PRESTON, CONNECTICUT

**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS - STUDENT ACTIVITY FUND
FOR THE YEAR ENDED JUNE 30, 2013**

	Beginning Balance	Additions	Deductions	Ending Balance
Assets:				
Cash	\$ 9,659	\$ 39,195	\$ (36,852)	\$ 12,002
Total assets	<u>\$ 9,659</u>	<u>\$ 39,195</u>	<u>\$ (36,852)</u>	<u>\$ 12,002</u>
Liabilities:				
Due to student groups	\$ 9,659	\$ 39,195	\$ (36,852)	\$ 12,002
Total liabilities	<u>\$ 9,659</u>	<u>\$ 39,195</u>	<u>\$ (36,852)</u>	<u>\$ 12,002</u>

TOWN OF PRESTON, CONNECTICUT

SCHEDULE OF CHANGES IN FUND BALANCE BY PROJECT
CAPITAL AND NONRECURRING FUND
FOR THE YEAR ENDED JUNE 30, 2013

	Beginning Balance	Transfers In	Other Revenues	Internal Transfers	Annual Expenditures	Ending Balance
Restricted fund balance:						
Open Space	\$ 272,380	\$ -	\$ 8,860	\$ -	\$ (2,420)	\$ 278,820
Total restricted fund balance	<u>272,380</u>	<u>-</u>	<u>8,860</u>	<u>-</u>	<u>(2,420)</u>	<u>278,820</u>
Committed fund balance:						
<i>General government:</i>						
Vehicles and equipment:						
Fire protection clothing	-	19,301	-	-	(16,133)	3,168
Additional compactor (1)	20,000	-	-	-	-	20,000
Board of Finance contingency (1)	2,000	-	-	-	-	2,000
Other:						
Revaluation	8,000	50,600	-	-	(55,600)	3,000
Town Clerk	19,212	3,141	-	-	-	22,353
<i>Board of Education:</i>						
Vehicles and equipment:						
Van for school	-	30,600	-	-	(30,600)	-
Responder units	-	13,708	-	-	(13,679)	29
Playground	-	90,578	-	-	(90,178)	400
Total committed fund balance	<u>49,212</u>	<u>207,928</u>	<u>-</u>	<u>-</u>	<u>(206,190)</u>	<u>50,950</u>
Assigned fund balance:						
Assigned to future projects	159,537	18,000	95	-	-	177,632
Total assigned fund balance	<u>159,537</u>	<u>18,000</u>	<u>95</u>	<u>-</u>	<u>-</u>	<u>177,632</u>
Total fund balance	<u>\$ 481,129</u>	<u>\$ 225,928</u>	<u>\$ 8,955</u>	<u>\$ -</u>	<u>\$ (208,610)</u>	<u>\$ 507,402</u>

(1) Approved September 4, 2004 town meeting. The Board of Finance may transfer unspent portions to other projects as long as the amended budget for the specific project is not more than 10% over the original balances.

TOWN OF PRESTON, CONNECTICUT
STATEMENT OF DEBT LIMITATION
CONNECTICUT GENERAL STATUTES SECTION 7.374(B)
FOR THE YEAR ENDED JUNE 30, 2013

Total tax collection including interest and
 lien fees for the year ended June 30, 2013 \$ 9,001,771

Reimbursement for revenue loss on:
 Tax relief for elderly (CGS 12-129d) 26,669

Base \$ 9,028,440

	<u>General</u>	<u>Schools</u>	<u>Sewers</u>	<u>Urban Renewal</u>	<u>Pension Deficit</u>
Debt Limitation:					
2 1/4 times base	\$ 20,313,990	\$	\$	\$	\$
4 1/2 times base		40,627,980			
3 3/4 times base			33,856,650		
3 1/4 times base				29,342,430	
3 times base					<u>27,085,320</u>
Total debt limitation	<u>20,313,990</u>	<u>40,627,980</u>	<u>33,856,650</u>	<u>29,342,430</u>	<u>27,085,320</u>
Indebtedness:					
School refunding bonds		2,065,000			
Bond anticipation notes	2,000,000				
Capital projects	<u>1,723,000</u>	<u>1,040,000</u>			
Total indebtedness	<u>3,723,000</u>	<u>3,105,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt limitation in excess of outstanding and authorized debt	<u><u>\$ 16,590,990</u></u>	<u><u>\$ 37,522,980</u></u>	<u><u>\$ 33,856,650</u></u>	<u><u>\$ 29,342,430</u></u>	<u><u>\$ 27,085,320</u></u>

TOWN OF PRESTON, CONNECTICUT

**REPORT OF THE TAX COLLECTOR
FOR THE YEAR ENDED JUNE 30, 2013**

Grand List October 1,	Taxes Receivable July 1, 2012	Lawful Corrections		Suspense Transfers	Adjusted Taxes Receivable	Collections			Taxes Receivable June 30, 2013
		Additions	Deductions			Taxes	Interest and Liens	Total	
2011	\$ 8,902,701	\$ 10,214	\$ 22,935	\$ -	\$ 8,889,980	\$ 8,737,571	\$ 33,391	\$ 8,770,962	\$ 152,409
2010	179,323	499	3,551	-	176,271	134,406	31,885	166,291	41,865
2009	60,565	-	2,540	(8,580)	49,445	49,057	14,236	63,293	388
2008	347	-	-	-	347	-	-	-	347
2007	1,106	-	-	-	1,106	1,149	76	1,225	(43)
2006	238	-	-	-	238	-	-	-	238
2005	2,024	-	-	-	2,024	-	-	-	2,024
2004	3,097	-	-	-	3,097	-	-	-	3,097
2003	634	-	-	-	634	-	-	-	634
2002	(269)	-	-	(6)	(275)	-	-	-	(275)
2001	(20)	-	-	-	(20)	-	-	-	(20)
2000	(768)	-	-	-	(768)	-	-	-	(768)
1999	(544)	-	-	-	(544)	-	-	-	(544)
1998	(393)	-	-	-	(393)	-	-	-	(393)
1997	(17)	-	-	-	(17)	-	-	-	(17)
	<u>\$ 9,148,024</u>	<u>\$ 10,713</u>	<u>\$ 29,026</u>	<u>\$ (8,586)</u>	<u>\$ 9,121,125</u>	<u>\$ 8,922,183</u>	<u>\$ 79,588</u>	<u>\$ 9,001,771</u>	<u>\$ 198,942</u>