Town of Bethel , Connecticut

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED

JUNE 30, 2010

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COMPREHENSIVE

ANNUAL FINANCIAL REPORT

of the

TOWN OF BETHEL,

CONNECTICUT

FOR THE YEAR ENDED

JUNE 30, 2010

PREPARED BY:
THE FINANCE DEPARTMENT

ROBERT V. KOZLOWSKI, COMPTROLLER

TOWN OF BETHEL, CONNECTICUT

COMPREHENSIVE ANNUAL FINANCIAL REPORT

AS OF AND FOR THE YEAR ENDED JUNE 30, 2010

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Introductory Section

TOWN OF BETHEL, CONNECTICUT

LIST OF PRINCIPAL OFFICIALS
JUNE 30, 2010

BOARD OF SELECTMEN

Matthew S. Knickerbocker, First Selectman
Richard C. Straiton
Paul R. Szatkowski

BOARD OF FINANCE

J. Philip Gallagher, Chairman
William Kingston
John Dietter
Gary Regan
James Roden
Timothy Draper
William Slifkin

FINANCE DEPARTMENT

Robert V. Kozlowski, Comptroller
Ann M. Scacco, Tax Collector
Ann Marie Heering, Assessor

TREASURER'S DEPARTMENT

Robert V. Kozlowski, Treasurer

TOWN DEPARTMENTS

Lisa Bergh, Town Clerk
Gary Boughton, Chief Building Official
Steven J. Palmer, Planning and Zoning Official
Jeffrey W. Finch, Chief of Police
Thomas Galliford, Fire Marshal
Laura L. Vasile, Director of Health
Eileen T. Earle, Parks and Recreation Director
Thomas Galliford, Emergency Management Director
Gary M. Chesley, Superintendent of Schools
Theresa Yonski, Director of Education Fiscal Services

TOWN ATTORNEYS

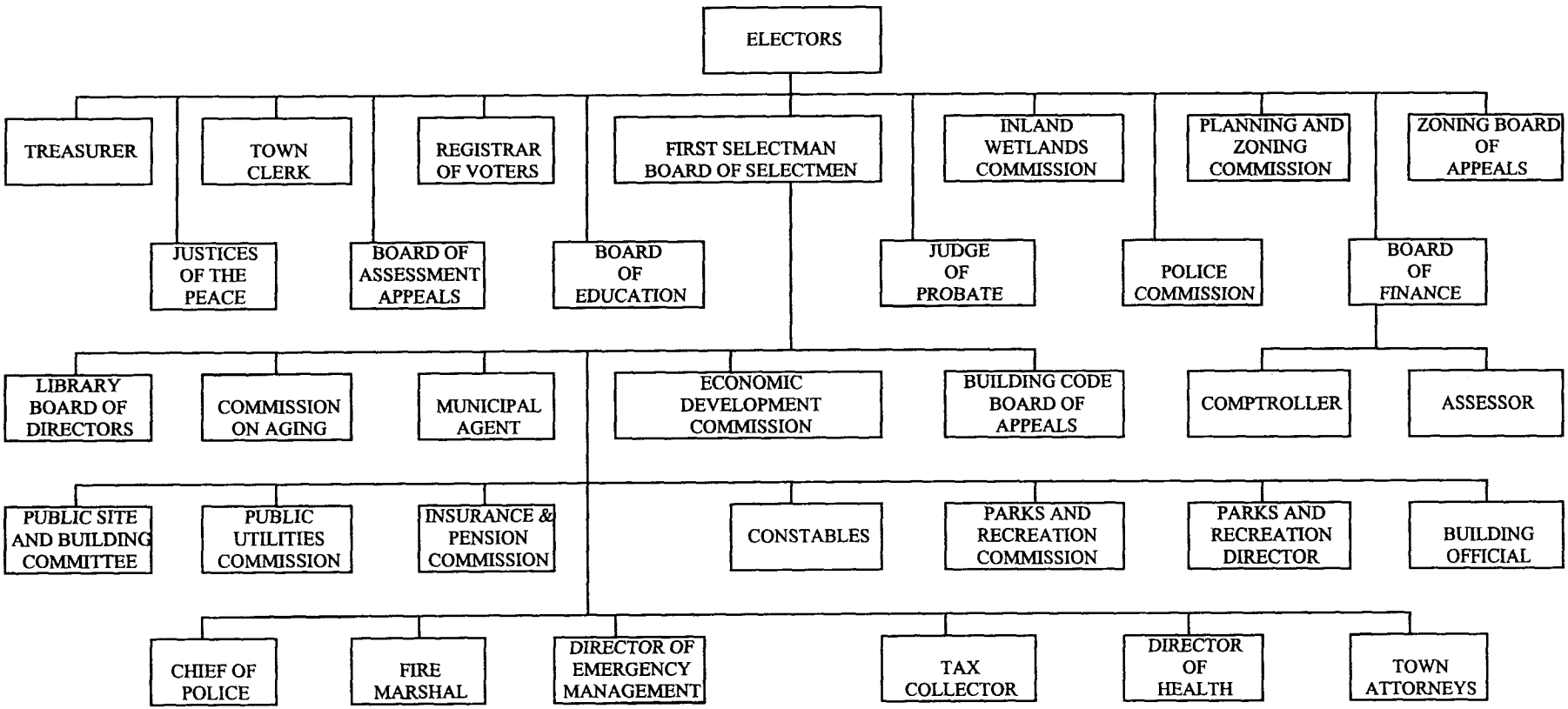
Martin J. Lawler, Jr., Town Counsel
Frank B. Cleary, Bond Counsel
John P. Shea, Labor Counsel

AUDITORS

Kostin, Ruffkess & Company, LLC

TOWN OF BETHEL, CONNECTICUT

ORGANIZATIONAL CHART



Financial Section

KOSTIN, RUFFKESS & COMPANY, LLC
Business Advisors and Certified Public Accountants

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Springfield, MA

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76 Batterson Park Road
Farmington, CT 06032-2571

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Toll Free: (800) 286-KRCO
Fax: (860) 678-6110
Web: www.kostin.com

INDEPENDENT AUDITORS' REPORT

Board of Finance
Town of Bethel, Connecticut

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Bethel, Connecticut, as of and for the year ended June 30, 2010, which collectively comprise the Town's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the Town's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Bethel, Connecticut, as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated January 27, 2011, 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, 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The Management Discussion and Analysis, Schedule of Funding Progress and Employer Contributions - Bethel Retirement System, and Schedule of Funding Progress and Employer Contributions - Bethel Other Post Employment Benefit Plan on pages 5 through 13 and pages 59 through 62, respectively, are not a required part of the basic financial statements but are supplementary information required by Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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KOSTIN, RUFFKESS & COMPANY, LLC

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Bethel, Connecticut's basic financial statements. The introductory section and the accompanying financial information listed as supplemental schedules and the statistical section in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining fund financial statements and other schedules as listed in the table of contents have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Kostin, Ruffkess & Company, LLC

Farmington, Connecticut
January 27, 2011

COMPTROLLER'S OFFICE

C.J. Hurgin Municipal Center
1 School Street, Bethel, CT 06801 (203) 794-8512

Robert V. Kozlowski, Comptroller

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2010

As management of the Town of Bethel, we offer readers of the Town of Bethel's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2010.

Financial Highlights

- On a government-wide basis, the Town's total net assets grew by $2,758,726 for the fiscal year, $3,337,486 of which was generated by governmental activities and ($578,760) from business-type activities. The most significant reason for such growth is due to the extent that capital asset activity (including assets contributed) exceeded depreciation expense for the governmental activities ($153,208) and the effect of debt service principal payments and the refunding of bonds during the year ($2,374,073). Business activities reported a decrease in net assets of $578,760 due to the increase in cost of contracted services for operation of the sewer system.

- The Town's combined net assets total $84,395,597 at June 30, 2010. Of this amount, $12,232,383 is available (unrestricted) to finance ongoing programs, $8,122,511 in governmental activities and $4,109,872 for business activities.

- At year end the unreserved undesignated fund balance for the general fund was $6,444,053 or 10.52% of total general fund expenditures.

- The Town's total long-term debt decreased by $1,144,967. This was due to the scheduled debt service payments of $3,479,967, offset by the issuance of $2,710,000 of new debt issued for the Sewer Fund.

Overview of the Basic Financial Statements

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

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

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

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

Both of the government-wide financial statements distinguish functions of the Town of Bethel that are principally supported by taxes and intergovernmental revenues *(governmental activities)* from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Town include general government, public safety, health and welfare, use, public works, library and education. The business-type activities of the Town are for Water, Sewer and Transfer Station operations.

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

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

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

The Town maintains 18 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the two funds considered to be major funds. Data from the other 16 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in Schedules 4 & 5 of this report.

The Town adopts an annual budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget. The basic governmental fund financial statements can be found on Exhibits C, D and F.

Proprietary funds. The Town of Bethel maintains three enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses enterprise funds to account for its Water, Sewer and Transfer Station operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statement provides information for the Water, Sewer and Transfer Station operations. Water and Sewer are considered to be major funds of the Town and the Transfer Station a nonmajor fund.

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

Notes to the basic financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

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

The combining statements and supplemental schedules referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information on pensions.

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a Town's financial position. In the case of the Town, assets exceeded liabilities by $84,395,597 at the close of the fiscal year.

Town of Bethel
Summary Statement of Net Assets
June 30, 2010 and 2009

	Governmental Activities		Business-Type Activities		Totals	
	2010	2009	2010	2009	2010	2009
Current and other assets	$15,483,500	$14,910,268	$6,245,132	$7,439,494	$21,728,632	$22,349,762
Capital assets (net)	102,875,292	102,756,839	31,977,106	29,167,824	134,852,398	131,924,663
TOTAL ASSETS	118,358,792	117,667,107	38,222,238	36,607,318	156,581,030	154,274,425
Long-term liabilities outstanding	40,166,644	40,687,190	20,221,836	18,863,746	60,388,480	59,550,936
Other liabilities	7,478,450	9,603,705	4,318,503	3,482,913	11,796,953	21,400,658
TOTAL LIABILITIES	47,645,094	50,290,895	24,540,339	22,346,659	72,185,433	80,951,594
Net assets:						
Invested in capital assets, net of related debt	62,262,355	59,884,103	9,572,027	8,535,419	71,834,382	68,419,522
Restricted	328,832	328,253			328,832	328,253
Unrestricted	8,122,511	7,163,856	4,109,872	5,725,240	12,232,383	12,889,096
TOTAL NET ASSETS	$ 70,713,698	$ 67,376,212	$ 13,681,899	$ 14,260,659	$ 84,395,597	$ 81,636,871

The largest portion of the Town's net assets (85.1%) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment, infrastructure); less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Town's net assets (.4%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets in the amount of $12,232,383 may be used to meet the Town's ongoing obligations to citizens and creditors.

The Town's net assets increased by $2,758,726 during the current fiscal year. This increase is due to the extent that capital asset activity (including assets contributed) exceeded depreciation expense for the governmental activities ($153,208), and the effect of debt service principal payments and the refunding of bonds during the year ($2,374,073) and a contribution for the building of a high school track ($642,624). This was offset by the business activities reporting a decrease in net assets of $578,760 due to the increase in cost of contracted services for operation of the sewer system.

Governmental activities. Already noted was the statement of activities' purpose in presenting information in how the Town's net assets changed during the most recent fiscal year. For the fiscal year, net assets increased $3,337,486. The increase in assets in governmental activities is related in great part to construction of assets and accrual accounting for debt service activity, rather than accumulation of cash or other liquid assets. The reader should remember that the basis of accounting used in the government-wide statement of activities excludes capital expenditures while its revenues include general taxes whose primary purpose is for the construction of those very assets or their related debt service.

Town of Bethel
Changes in Net Assets
For the Years Ended June 30, 2010 and 2009

	Governmental Activities		Business-Type Activities		Totals	
	2010	2009	2010	2009	2010	2009
REVENUES:						
Program revenues:						
Charges for services	$ 2,511,914	$ 2,022,919	$ 3,430,180	$ 8,391,861	$ 5,942,094	$ 10,414,780
Operating grants and contributions	14,593,517	15,215,831			14,593,517	15,215,831
Capital grants and contributions	2,060,657	4,415,067	225,000		2,285,657	4,415,067
General revenues:						
Property taxes	49,449,036	48,919,291			49,449,036	48,919,291
Grants and contributions not restricted to specific programs	521,325	537,292			521,325	537,292
Investment income	217,919	311,866	145,721	185,556	363,640	497,422
Miscellaneous	55,065	49,916			55,065	49,916
TOTAL REVENUES	69,409,433	71,472,182	3,800,901	8,577,417	73,210,334	80,049,599
EXPENSES:						
General government	6,668,996	7,680,008			6,668,996	7,680,008
Public safety	6,983,966	6,533,552			6,983,966	6,533,552
Public works	3,293,443	4,103,553			3,293,443	4,103,553
Health and welfare	454,253	517,223			454,253	517,223
Library	1,381,052	1,186,394			1,381,052	1,186,394
Education	46,830,139	45,093,618			46,830,139	45,093,618
Interest expense	460,098	1,216,231			460,098	1,216,231
Water department			1,151,148	1,017,085	1,151,148	1,017,085
Sewer department			2,898,833	1,920,281	2,898,833	1,920,281
Transfer station			329,680	304,203	329,680	304,203
TOTAL EXPENSES	66,071,947	66,330,579	4,379,661	3,241,569	70,451,608	69,572,148
CHANGE IN NET ASSETS	3,337,486	5,141,603	(578,760)	5,335,848	2,758,726	10,477,451
NET ASSETS - JULY 1	67,376,212	62,234,609	14,260,659	8,924,811	81,636,871	71,159,420
NET ASSETS - JUNE 30	$ 70,713,698	$ 67,376,212	$ 13,681,899	$ 14,260,659	$ 84,395,597	$ 81,636,871

Governmental Activities - Revenues

The significant changes in revenues for governmental activities for the fiscal year ended June 30, 2010, were as follows:

- Charges for services increased $488,995 due to an increase in the ambulance charges, and small increases in general government related fees, school lunch revenues and the after school program.

- Capital grants and contributions decreased by $2,354,410 substantially due to reduction in the amount of school construction progress payments received as compared to the prior year. The project was substantially completed at the end of the prior fiscal year.

Governmental Activities - Expenses

The significant changes in expenses for governmental activities for the fiscal year ended June 30, 2010, were as follows:

- General government expenses decreased by $1,011,012 due to a decrease in amounts spent for utilities of approximately $300,000, intergovernmental agencies of approximately $175,000 and miscellaneous charges of approximately $200,000.

- Public works expenses decreased by $810,110 due to decreases in the amount of non capitalized capital improvements.

- Education expenses increased by $1,736,521 substantially due to normal budgetary increases for salaries and benefits.

Business-Type Activities

Revenues

- Charges for services decreased by $4,961,681 due to the sewer assessment billed for the Stony Hill Sewer project in the prior fiscal year.

- Capital grants and contributions increased by $225,000 due to the receipt of a STEAP grant which was used toward the repaving of the roads that were affected by the Stony Hill sewer installation.

Expenses

- Sewer department expenses increased by $978,552 due to the increase in costs for the contractual services for the cost of sewer operations.

Financial Analysis of the Town's Funds

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

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

The combined fund balances of governmental funds for the fiscal year ended June 30, 2010, is $9,415,608 representing a reserve for encumbrances in the amount of $521,093, $61,987 for long-term receivables, and debt service of $328,832. The unreserved undesignated portion consists of the general fund in the amount of $6,444,053, the special revenue funds of $2,160,918, and the capital projects funds of $(101,275) for a total of $8,503,696.

General Fund

The general fund is the operating fund of the Town. The fund balance of the general fund increased by $37,206 for the current fiscal year. Revenues decreased by $823,444, led by intergovernmental revenues at $1,300,658. This was due to the ARRA Stabilization monies (ECS replacement) being recorded and spend in the Education Grants fund of $1,163,838. Use of money and property decreased $22,345, and charges for services increased by $70,575. Property tax revenues increased by $432,062.

Bonded Projects Fund

The bonded project fund's net change in fund balance was an increase of $527,666 for the fiscal year. This is a result of the receipt of school progress payments related to the High School construction project and the transfer from the general fund for the pay down of the bond anticipation notes.

Proprietary funds. The Town's proprietary funds provide the same information found in the government-wide financial statements, but in more detail. The Town's enterprise funds posted an overall decrease in net assets of $578,760 for the fiscal year ended June 30, 2010 detailed as follows:

Water Department

Net assets of the water department at the end of the year amounted to $675,832, a decrease of $320,047.

Sewer Department

Net assets of the sewer department at the end of the year amounted to $13,659,587, a decrease of $148,927.

Transfer Station

Net assets of the transfer station at the end of the year amounted to $(653,520), a decrease of $109,786.

General Fund Budgetary Highlights

A detailed budgetary comparison schedule for the fiscal year ended June 30, 2010 is on Exhibit F. A summary of that schedule follows:

	Budget			Variance with
	Original	Final	Actual	Final Budget
Revenues and Other Financing Sources				
Property taxes	$ 49,225,156	$ 49,225,156	$ 49,385,189	$ 160,033
Intergovernmental, Charges for Services, Other and cancellation of encumbrances.	10,746,231	10,746,231	9,574,016	(1,172,215)
Totals	59,971,387	59,971,387	58,959,205	(1,012,182)
Expenditures and Other Financing Uses				
Expenditures	59,376,221	59,376,221	58,005,516	1,370,705
Transfers out	595,166	595,166	595,166	-
Totals	59,971,387	59,971,387	58,600,682	1,370,705
Change in Fund Balance	$ -	$ -	$ 358,523	$ 358,523

The total final budget was not amended from the original approved budget.

Capital Assets and Debt Administration

At June 30, 2010, the Town of Bethel's investment in capital assets in both governmental and business-type activities amounted to $134,852,398, net of depreciation. This includes land, intangible assets, buildings, equipment, and infrastructure (roads and bridges). Capital assets for governmental activities increased by .1% and business-type capital assets increased by 9.6%.

The most significant changes included the following:

- Construction in progress for government activities decreased by $33,185,870 due substantially to the completion of construction of the high school renovation project and a downtown sidewalk project.
- For the business-type activities, the construction in progress increased by $3,177,744 due to the continued construction of sewer lines.

Capital Assets and Debt Administration (continued)

Town of Bethel
Capital Assets - Net
June 30, 2010 and 2009

	Governmental Activities		Business-Type Activities		Totals	
	2010	2009	2010	2009	2010	2009
Land	$ 5,206,075	$ 5,206,075	$ 157,072	$ 157,072	$ 5,363,147	$ 5,363,147
Construction in progress	163,595	33,349,465	13,320,043	10,142,299	13,483,638	43,491,764
Land improvements	507,848	528,075	2,205	3,315	510,053	531,390
Intangible assets	128,553		7,718,182		7,846,735	-
Buildings	74,490,190	43,581,488	627,828	672,344	75,118,018	44,253,832
Building improvements	6,962,838	5,943,951	341,486	8,221,549	7,304,324	14,165,500
Distribution, collection, and treatment			9,668,944	9,857,759	9,668,944	9,857,759
Machinery and equipment	1,975,949	1,634,137	126,334	97,042	2,102,283	1,731,179
Vehicles	3,132,303	3,141,836	15,012	16,444	3,147,315	3,158,280
Infrastructure	10,307,941	9,371,812			10,307,941	9,371,812
TOTAL	$ 102,875,292	$ 102,756,839	$ 31,977,106	$ 29,167,824	$ 134,852,398	$ 131,924,663

Additional information on the Town's capital assets can be found in Note III C.

Long-term Debt

For the year ended June 30, 2010, the Town's long-term debt decreased by $1,144,967 mainly due to scheduled debt service payments offset by additional debt issued in the sewer fund. At the end of the current fiscal year, the Town had total bonded and loan debt outstanding of $58,874,898. Of this amount, $420,002 will be funded from state grants resulting in net outstanding debt in the amount of $58,454,896, which is backed by the full faith and credit of the Town of Bethel.

TOWN OF BETHEL
OUTSTANDING DEBT
GENERAL OBLIGATION AND SEWER BONDS AND CLEAN WATER NOTES

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
General purpose bonds	$ 8,777,000	$10,110,000	$ 19,990,000	$ 4,850,000	$28,767,000	$14,960,000
School bonds	28,628,000	7,590,000			28,628,000	7,590,000
Sewer and clean water loans			1,479,898	1,959,865	1,479,898	1,959,865
Bond anticipation notes		22,760,000		12,750,000		35,510,000
Total	$ 37,405,000	$ 40,460,000	$ 21,469,898	$19,559,865	$ 58,874,898	$ 60,019,865

The Town maintains an "AA2" rating from Moody's and an "AA+" from Standard and Poor's and Fitch for general obligation debt.

State statutes limit the amount of general obligation debt a governmental entity may issue to 2 ¼ to 4 ½ times total tax collections including interest and lien fees and the tax relief for the elderly freeze grant. The current debt limitation for the Town is $346,600,331, which is significantly in excess of the Town's outstanding general obligation debt.

Additional information on the Town's long-term debt can be found in Note III.F.

Next Year's Budgets and Rates

Town officials considered many factors when setting the fiscal year 2011 budget. The Town decided that it was important to continue the support of the school system and adopt a budget designed to promote long-term fiscal stability. In order to meet the objectives of the budget, the Town recognized the need to continue its pattern of conservative budgeting while at the same time providing excellent services to our residents and taxpayers.

The 2011 general fund budget is $62,225,789, an increase of 3.76% over the prior year. Non-tax revenue remained relatively consistent.

Requests for Information

This financial report is designed to familiarize citizens, taxpayers and customers with the Town's finances and to demonstrate the Town's fiscal accountability for its operation. Questions concerning this report, or request for additional financial information, should be directed to Mr. Robert V. Kozlowski, Comptroller, Bethel Municipal Center, 1 School Street, Bethel, Connecticut 06801. Telephone (203) 794-8512.

Basic Financial Statements

TOWN OF BETHEL, CONNECTICUT

STATEMENT OF NET ASSETS
JUNE 30, 2010

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Current assets:			
Cash	$ 4,342,779	$ 1,215,736	$ 5,558,515
Investments	5,773,125	2,864,597	8,637,722
Receivables:			
Property taxes	663,031		663,031
Assessments		168,819	168,819
Intergovernmental	1,043,745	200,000	1,243,745
Other	354,658	248,519	603,177
Internal balances	2,927,649	(2,927,649)	-
Other assets	5,164	9,928	15,092
Total current assets	15,110,151	1,779,950	16,890,101
Noncurrent assets:			
Receivables (net):			
Property taxes	202,765		202,765
Assessments		4,465,182	4,465,182
Intergovernmental	10,011		10,011
Total receivables (net)	212,776	4,465,182	4,677,958
Other noncurrent assets	160,573		160,573
Capital assets (net of accumulated depreciation):			
Land	5,206,075	157,072	5,363,147
Construction in progress	163,595	13,320,043	13,483,638
Land improvements	507,848	2,205	510,053
Intangible assets	128,553	7,718,182	7,846,735
Buildings	74,490,190	627,828	75,118,018
Building improvements	6,962,838	341,486	7,304,324
Distribution and collection system		9,668,944	9,668,944
Machinery and equipment	1,975,949	126,334	2,102,283
Vehicles	3,132,303	15,012	3,147,315
Infrastructure	10,307,941		10,307,941
Total capital assets (net of accumulated depreciation)	102,875,292	31,977,106	134,852,398
Total noncurrent assets	103,248,641	36,442,288	139,690,929
TOTAL ASSETS	118,358,792	38,222,238	156,581,030

(Continued)

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

TOWN OF BETHEL, CONNECTICUT

STATEMENT OF NET ASSETS
JUNE 30, 2010

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
LIABILITIES			
LIABILITIES:			
Current liabilities:			
Accounts payable	$ 1,064,367	$ 1,773,908	$ 2,838,275
Accrued payroll and related liabilities	285,933	61,355	347,288
Accrued interest payable	261,474	159,233	420,707
Unearned revenue	879,783	15,500	895,283
Bond anticipation notes	2,096,460	903,540	3,000,000
Bond and notes payable	2,420,000	1,404,967	3,824,967
Capital lease payable	104,660		104,660
Compensated absences	365,773		365,773
Total current liabilities	7,478,450	4,318,503	11,796,953
Noncurrent liabilities:			
Bonds and notes payable and related liabilities	35,548,380	20,096,572	55,644,952
Capital lease payable	443,437		443,437
Compensated absences	764,514		764,514
Net pension obligation	2,370,077	79,079	2,449,156
Net OPEB obligation	1,040,236	46,185	1,086,421
Total noncurrent liabilities	40,166,644	20,221,836	60,388,480
TOTAL LIABILITIES	47,645,094	24,540,339	72,185,433
NET ASSETS			
Invested in capital assets, net of related debt	62,262,355	9,572,027	71,834,382
Restricted for:			
Debt service	328,832		328,832
Unrestricted	8,122,511	4,109,872	12,232,383
TOTAL NET ASSETS	$ 70,713,698	$ 13,681,899	$ 84,395,597

(Concluded)

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

EXHIBIT B

TOWN OF BETHEL, CONNECTICUT

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2010

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES: CHARGES FOR SERVICES	PROGRAM REVENUES: OPERATING GRANTS AND CONTRIBUTIONS	PROGRAM REVENUES: CAPITAL GRANTS AND CONTRIBUTIONS	NET REVENUES (EXPENSES) AND CHANGES IN NET ASSETS: GOVERNMENTAL ACTIVITIES	NET REVENUES (EXPENSES) AND CHANGES IN NET ASSETS: BUSINESS-TYPE ACTIVITIES	NET REVENUES (EXPENSES) AND CHANGES IN NET ASSETS: TOTAL
GOVERNMENTAL ACTIVITIES:							
General government	$ 6,668,996	$ 1,350,782	$ 27,275	$ 1,387,304	$ (3,903,635)	$	$ (3,903,635)
Public safety	6,983,966	339,020	3,966	34,421	(6,606,559)		(6,606,559)
Public works	3,293,443	80,371	273,075		(2,939,997)		(2,939,997)
Health and welfare	454,253		219,815		(234,438)		(234,438)
Library	1,381,052	18,601	100,434		(1,262,017)		(1,262,017)
Education	46,830,139	723,140	13,968,952	638,932	(31,499,115)		(31,499,115)
Interest expense	460,098				(460,098)		(460,098)
TOTAL GOVERNMENTAL ACTIVITIES	66,071,947	2,511,914	14,593,517	2,060,657	(46,905,859)	-	(46,905,859)
BUSINESS-TYPE ACTIVITIES:							
Water Department	1,151,148	831,091				(320,057)	(320,057)
Sewer Department	2,898,833	2,379,195		225,000		(294,638)	(294,638)
Transfer Station	329,680	219,894				(109,786)	(109,786)
TOTAL BUSINESS-TYPE ACTIVITIES	4,379,661	3,430,180	-	225,000	-	(724,481)	(724,481)
TOTAL	$ 70,451,608	$ 5,942,094	$ 14,593,517	$ 2,285,657	$ (46,905,859)	$ (724,481)	$ (47,630,340)
GENERAL REVENUES:							
Property taxes					$ 49,449,036	$	$ 49,449,036
Grants and contributions not restricted to specific programs					521,325		521,325
Investment income					217,919	145,721	363,640
Miscellaneous					55,065		55,065
TOTAL GENERAL REVENUES					50,243,345	145,721	50,389,066
CHANGE IN NET ASSETS					3,337,486	(578,760)	2,758,726
NET ASSETS - JULY 1, 2009					67,376,212	14,260,659	81,636,871
NET ASSETS - JUNE 30, 2010					$ 70,713,698	$ 13,681,899	$ 84,395,597

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

TOWN OF BETHEL, CONNECTICUT

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2010

	GENERAL	BONDED PROJECTS	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS				
Cash	$ 697,326	$ 549,108	$ 2,639,692	$ 3,886,126
Investments	4,722,270	441,586	609,269	5,773,125
Receivables, net:				
Property taxes	908,706			908,706
Intergovernmental	586,600		32,829	619,429
Other	259,310		95,348	354,658
Due from other funds	2,966,805	39,382	694,518	3,700,705
Other	5,164			5,164
TOTAL ASSETS	$ 10,146,181	$ 1,030,076	$ 4,071,656	$ 15,247,913
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	$ 645,504	$ 79,265	$ 115,353	$ 840,122
Accrued payroll	285,933			285,933
Due to other funds	812,102	59,898	59,801	931,801
Deferred and unearned revenue	1,375,509		302,480	1,677,989
Bond anticipation notes		1,616,460	480,000	2,096,460
Total Liabilities	3,119,048	1,755,623	957,634	5,832,305
Fund Balances:				
Reserved for:				
Encumbrances	521,093			521,093
Receivables	61,987			61,987
Debt service			328,832	328,832
Unreserved, reported in:				
General fund	6,444,053			6,444,053
Special revenue funds			2,160,918	2,160,918
Capital projects funds		(725,547)	624,272	(101,275)
Total Fund Balances	7,027,133	(725,547)	3,114,022	9,415,608
TOTAL LIABILITIES AND FUND BALANCES	$ 10,146,181	$ 1,030,076	$ 4,071,656	$ 15,247,913

(Continued)

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

TOWN OF BETHEL, CONNECTICUT

RECONCILIATION OF FUND BALANCE
TO NET ASSETS OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2010

AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET ASSETS (EXHIBIT A) ARE DIFFERENT FROM THE GOVERNMENTAL FUND BALANCE SHEET. THE DETAILS OF THIS DIFFERENCE ARE AS FOLLOWS:	
TOTAL FUND BALANCE (EXHIBIT C, PAGE 1)	$ 9,415,608
CAPITAL ASSETS USED IN GOVERNMENTAL ACTIVITIES ARE NOT FINANCIAL RESOURCES AND, THEREFORE, ARE NOT REPORTED IN THE FUNDS:	
Beginning capital assets	102,756,839
Capital assets additions	2,113,280
Depreciation expense	(1,960,072)
Disposal of capital assets	(34,755)
OTHER LONG-TERM ASSETS ARE NOT AVAILABLE TO PAY FOR CURRENT PERIOD EXPENDITURES AND, THEREFORE, ARE DEFERRED IN THE FUNDS:	
Property tax, interest and lien accrual	187,090
Property tax receivable - accrual basis change	798,206
School building grant receivable	434,327
Allowance for doubtful accounts	(230,000)
Other	160,573
INTERNAL SERVICE FUNDS ARE USED BY MANAGEMENT TO CHARGE THE COST OF MEDICAL INSURANCE PREMIUMS TO INDIVIDUAL DEPARTMENTS:	
The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets	391,153
SOME LIABILITIES, INCLUDING BONDS PAYABLE, ARE NOT DUE AND PAYABLE IN THE CURRENT PERIOD AND, THEREFORE, ARE NOT REPORTED IN THE FUNDS:	
Bond and notes payable	(37,405,000)
Premium	(1,084,498)
Deferred charges	521,118
Capital lease payable	(548,097)
Compensated absences	(1,130,287)
Net pension obligation	(2,370,077)
Net OPEB obligation	(1,040,236)
Accrued interest payable	(261,474)
NET ASSETS OF GOVERNMENTAL ACTIVITIES	$ 70,713,698

(Concluded)

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

EXHIBIT D

TOWN OF BETHEL, CONNECTICUT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	GENERAL	BONDED PROJECTS	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES:				
Property taxes	$ 49,385,189	$	$	$ 49,385,189
Intergovernmental	11,350,228	576,547	4,273,673	16,200,448
Charges for services	926,843		1,585,317	2,512,160
Use of money and property	162,763	44,961	10,195	217,919
Contributions		62,385	1,350,595	1,412,980
Other	46,838		8,227	55,065
TOTAL REVENUES	61,871,861	683,893	7,228,007	69,783,761
EXPENDITURES:				
Current:				
General government	10,355,640		88,849	10,444,489
Public safety	4,067,679		446,302	4,513,981
Public works	2,968,461			2,968,461
Health and welfare	295,336		-	295,336
Library	737,487		174,412	911,899
Education	38,917,838		5,350,256	44,268,094
Debt service	3,897,048	33,914	127,738	4,058,700
Capital outlay		422,479	747,049	1,169,528
TOTAL EXPENDITURES	61,239,489	456,393	6,934,606	68,630,488
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	632,372	227,500	293,401	1,153,273
OTHER FINANCING SOURCES (USES):				
Issuance of refunding debt			8,425,000	8,425,000
Payment to refunded bond escrow agent			(9,343,492)	(9,343,492)
Bond premium			1,045,057	1,045,057
Capital lease			443,437	443,437
Transfers in		300,166	295,000	595,166
Transfers out	(595,166)			(595,166)
NET OTHER FINANCING SOURCES (USES)	(595,166)	300,166	865,002	570,002
NET CHANGE IN FUND BALANCES	37,206	527,666	1,158,403	1,723,275
FUND BALANCES - JULY 1, 2009	6,989,927	(1,253,213)	1,955,619	7,692,333
FUND BALANCES - JUNE 30, 2010	$ 7,027,133	$ (725,547)	$ 3,114,022	$ 9,415,608

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

TOWN OF BETHEL, CONNECTICUT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2010

AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES (EXHIBIT B) ARE DUE TO:	
NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS (EXHIBIT D)	$ 1,723,275
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:	
Capital outlay	2,113,280
Depreciation expense	(1,960,072)
Total	153,208
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins and donations) is to increase net assets. In the Statement of Activities, only the *loss* on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the capital assets sold:	
Loss on disposal of assets	(34,755)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds and revenues recognized in the Fund Financial Statements are not recognized in the Statement of Activities:	
School building grant receipts	(437,929)
Change in property tax receivable - accrual basis change	103,852
Change in property tax interest and lien revenue	(60,251)
Change in property tax allowance for doubtful accounts	20,000
Total	(374,328)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. The details of these differences in the treatment of long-term debt and related items are as follows:	
Debt issued or incurred:	
Issuance of refunding bonds	(8,425,000)
Capital lease	(443,437)
Bond premium	(927,733)
Deferred charges	521,118
Other	70,274
Principal repayments:	
General obligation bonds	2,705,000
Refunded bonds	8,775,000
Capital lease	98,851
Total	2,374,073

(Continued)

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

TOWN OF BETHEL, CONNECTICUT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2010

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:	
Compensated absences	$ (304,966)
Net pension obligation	(767,954)
Net OPEB obligation	(476,747)
Accrued interest payable	654,527
Total	(895,140)
Internal Service Funds are used by management to charge costs of medical insurance premiums to individual departments	391,153
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES (EXHIBIT B)	$ 3,337,486

(Concluded)

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

EXHIBIT F

TOWN OF BETHEL, CONNECTICUT

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES:				
Property taxes	$ 49,225,156	$ 49,225,156	$ 49,385,189	$ 160,033
Intergovernmental	9,570,557	9,570,557	8,347,216	(1,223,341)
Charges for services	932,458	932,458	926,843	(5,615)
Use of money and property	222,586	222,586	162,763	(59,823)
Other	20,630	20,630	46,838	26,208
TOTAL REVENUES	59,971,387	59,971,387	58,868,849	(1,102,538)
EXPENDITURES:				
Current:				
General government	10,636,511	10,650,764	10,346,459	304,305
Public safety	4,097,160	4,042,874	4,042,874	-
Health and welfare	318,899	306,402	306,402	-
Public works	2,865,353	2,880,888	2,880,888	-
Library	737,618	737,012	737,012	-
Education	36,903,823	36,861,233	35,794,833	1,066,400
Debt service	3,816,857	3,897,048	3,897,048	-
TOTAL EXPENDITURES	59,376,221	59,376,221	58,005,516	1,370,705
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	595,166	595,166	863,333	268,167
OTHER FINANCING SOURCES (USES):				
Cancellation of prior year encumbrances			90,356	90,356
Transfers out	(595,166)	(595,166)	(595,166)	-
NET OTHER FINANCING SOURCES (USES)	(595,166)	(595,166)	(504,810)	90,356
NET CHANGE IN FUND BALANCES	$ -	$ -	358,523	$ 358,523
FUND BALANCE, JULY 1, 2009			6,433,450	
FUND BALANCE, JUNE 30, 2010			$ 6,791,973	

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

EXHIBIT G

TOWN OF BETHEL, CONNECTICUT

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2010

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS				
	MAJOR FUNDS		NONMAJOR FUND		INTERNAL SERVICE FUND
	WATER DEPARTMENT	SEWER DEPARTMENT	TRANSFER STATION	TOTALS	
ASSETS					
Current assets:					
Cash	$ 237,901	$ 937,541	$ 40,294	$ 1,215,736	$ 456,653
Investments		2,864,597		2,864,597	
Receivables (net):					
Assessments		168,819		168,819	
Intergovernmental		200,000		200,000	
Other	65,102	182,725	692	248,519	
Other assets	921	9,007		9,928	
Total current assets	303,924	4,362,689	40,986	4,707,599	456,653
Noncurrent assets:					
Receivables:					
Assessments		4,465,182		4,465,182	
Capital assets (net):					
Land	24,123	132,949		157,072	
Construction in progress	63,329	13,256,714		13,320,043	
Land improvements			2,205	2,205	
Intangible assets	9,340	7,708,842		7,718,182	
Buildings		626,551	1,277	627,828	
Building improvements	335,825	5,661		341,486	
Distribution and collection systems	2,193,345	7,475,599		9,668,944	
Machinery and equipment	41,250	80,790	4,294	126,334	
Vehicles	15,012			15,012	
Total capital assets (net)	2,682,224	29,287,106	7,776	31,977,106	-
Total noncurrent assets	2,682,224	33,752,288	7,776	36,442,288	-
TOTAL ASSETS	2,986,148	38,114,977	48,762	41,149,887	456,653
LIABILITIES					
Current liabilities:					
Accounts payable	108,452	1,665,456		1,773,908	
Accrued payroll and benefits	28,818	23,612	8,925	61,355	
Accrued interest payable	4,492	154,741		159,233	
Due to other funds	1,591,041	686,057	650,551	2,927,649	
Claims payable				-	65,500
Unearned revenue			15,500	15,500	
Bond anticipation notes payable	515,540	388,000		903,540	
Bonds, notes and loans payable		1,404,967		1,404,967	
Total current liabilities	2,248,343	4,322,833	674,976	7,246,152	65,500
Noncurrent liabilities:					
Bonds, notes and loans payable and related liabilities		20,096,572		20,096,572	
Net pension obligation	39,540	19,770	19,769	79,079	
Net OPEB obligation	22,433	16,215	7,537	46,185	
Total noncurrent liabilities	61,973	20,132,557	27,306	20,221,836	-
TOTAL LIABILITIES	2,310,316	24,455,390	702,282	27,467,988	65,500
NET ASSETS					
Invested in capital assets, net of related debt	2,166,684	7,397,567	7,776	9,572,027	
Unrestricted	(1,490,852)	6,262,020	(661,296)	4,109,872	391,153
TOTAL NET ASSETS	$ 675,832	$ 13,659,587	$ (653,520)	$ 13,681,899	$ 391,153

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

EXHIBIT H

TOWN OF BETHEL, CONNECTICUT

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS				
	MAJOR FUNDS		NONMAJOR FUND		INTERNAL SERVICE FUND
	WATER DEPARTMENT	SEWER DEPARTMENT	TRANSFER STATION	TOTALS	
OPERATING REVENUES:					
Charges for services	$ 831,091	$ 2,379,195	$ 219,894	$ 3,430,180	$ 1,406,910
OPERATING EXPENSES:					
Personnel services	463,857	333,894	199,927	997,678	
Repairs and maintenance	281,524	153,298		434,822	
Contracted services	84,266	1,700,754	110,397	1,895,417	
Materials and supplies	65,177	21,686	7,467	94,330	
Utilities	113,308	64,397	477	178,182	
Insurance	29,859	25,420	8,238	63,517	
Claims incurred				-	1,013,479
Administration				-	2,278
Depreciation and amortization	111,151	310,963	3,174	425,288	
TOTAL OPERATING EXPENSES	1,149,142	2,610,412	329,680	4,089,234	1,015,757
OPERATING INCOME (LOSS)	(318,051)	(231,217)	(109,786)	(659,054)	391,153
NONOPERATING REVENUES (EXPENSES):					
Intergovernmental revenue		225,000		225,000	
Investment income	10	145,711		145,721	
Interest expense	(2,006)	(288,421)		(290,427)	
NET NONOPERATING REVENUES (EXPENSES	(1,996)	82,290	-	80,294	-
NET INCOME (LOSS)	(320,047)	(148,927)	(109,786)	(578,760)	391,153
TOTAL NET ASSETS - JULY 1, 2009	995,879	13,808,514	(543,734)	14,260,659	
TOTAL NET ASSETS - JUNE 30, 2010	$ 675,832	$ 13,659,587	$ (653,520)	$ 13,681,899	$ 391,153

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

EXHIBIT I

TOWN OF BETHEL, CONNECTICUT

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS				
	MAJOR FUNDS		NONMAJOR FUND		INTERNAL SERVICE FUND
	WATER DEPARTMENT	SEWER DEPARTMENT	TRANSFER STATION	TOTALS	
CASH FLOWS FROM OPERATING ACTIVITIES:					
Receipts from customers	$ 832,026	$ 2,636,273	$ 300,228	$ 3,768,527	$ 1,406,910
Payments to suppliers	(233,137)	(965,671)	(137,569)	(1,336,377)	
Payments to employees	(433,013)	(316,162)	(183,945)	(933,120)	
Claims paid				-	(947,979)
Administration paid				-	(2,278)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	165,876	1,354,440	(21,286)	1,499,030	456,653
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Purchase of capital assets	(47,164)	(3,187,406)		(3,234,570)	
Receipts from grants		25,000		25,000	
Bond anticipation notes issued		2,710,000		2,710,000	
Issuance of debt		3,335,000		3,335,000	
Principal payments (bonds and bond anticipation notes)	(121,000)	(4,182,967)		(4,303,967)	
Interest payments	(2,004)	(515,319)		(517,323)	
NET CASH PROVIDED BY (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES	(170,168)	(1,815,692)	-	(1,985,860)	-
CASH FLOWS FROM INVESTING ACTIVITIES:					
Investment income	10	145,711		145,721	
NET CHANGE IN CASH AND EQUIVALENTS	(4,282)	(315,541)	(21,286)	(341,109)	456,653
CASH AND CASH EQUIVALENTS - JULY 1, 2009	242,183	4,117,679	61,580	4,421,442	
CASH AND CASH EQUIVALENTS - JUNE 30, 2010	$ 237,901	$ 3,802,138	$ 40,294	$ 4,080,333	$ 456,653
RECONCILIATION TO EXHIBIT G - CASH:					
CASH AND CASH EQUIVALENTS PER ABOVE	$ 237,901	$ 3,802,138	$ 40,294	$ 4,080,333	$ 456,653
CASH AND CASH EQUIVALENTS REPORTED AS INVESTMENTS		(2,864,597)		(2,864,597)	
CASH - EXHIBIT G	$ 237,901	$ 937,541	$ 40,294	$ 1,215,736	$ 456,653
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:					
Operating income (loss)	$ (318,051)	$ (231,217)	$ (109,786)	$ (659,054)	$ 391,153
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation and amortization	111,151	310,963	3,174	425,288	
(Increase) decrease in:					
Receivables	936	257,078		258,014	
Increase (decrease) in:					
Accounts and other payables	81,682	535,569	(4,800)	612,451	65,500
Accrued payroll and benefits	9,754	8,388		18,142	
Due to other funds	259,315	464,315	80,334	803,964	
Deferred revenue			(6,190)	(6,190)	
Net pension obligation	10,329	735	11,678	22,742	
Net OPEB obligation	10,761	8,609	4,304	23,674	
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	$ 165,876	$ 1,354,440	$ (21,286)	$ 1,499,030	$ 456,653

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

EXHIBIT J

TOWN OF BETHEL, CONNECTICUT

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2010

	PENSION TRUST FUNDS	PRIVATE PURPOSE TRUST FUNDS	AGENCY FUNDS
ASSETS			
Cash	$	$ 29,745	$ 360,952
Investments:			
Money market mutual funds	617,062	99,440	
Fixed income mutual funds		6,502	
Certificates of deposit	951,554	1,642	519,609
Corporate bonds	4,457,682		
U.S. Government obligations	6,144,334		
U.S. Government agency securities	1,406,707	147,628	
Common stock	4,632,132		
Equity mutual funds	1,283,402	7,054	
Total investments	19,492,873	262,266	519,609
Prepaid benefits and fees	308,317		
Due from other funds	16,034		142,711
TOTAL ASSETS	19,817,224	292,011	1,023,272
LIABILITIES			
LIABILITIES:			
Accounts payable			1,023,272
NET ASSETS			
Held in trust for:			
Employees' pension benefits	19,817,224		
Individuals		292,011	
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS AND OTHER PURPOSES	$ 19,817,224	$ 292,011	$ -

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

EXHIBIT K

TOWN OF BETHEL, CONNECTICUT

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	PENSION TRUST FUNDS	PRIVATE PURPOSE TRUST FUNDS
ADDITIONS:		
Contributions:		
Employer	$ 1,555,777	$
Plan members	453,039	
Private contributions		46,805
Total contributions	2,008,816	46,805
Investment income (loss):		
Change in fair value of investments	1,168,446	19,419
Interest and dividends	675,805	12,380
Total investment income (loss)	1,844,251	31,799
Less investment expenses	166,364	
Net investment income (loss)	1,677,887	31,799
TOTAL ADDITIONS	3,686,703	78,604
DEDUCTIONS:		
Benefits	1,330,913	
Administration	41,669	705
Scholarships awarded		52,909
TOTAL DEDUCTIONS	1,372,582	53,614
CHANGES IN NET ASSETS	2,314,121	24,990
NET ASSETS - JULY 1, 2009	17,503,103	267,021
NET ASSETS - JUNE 30, 2010	$ 19,817,224	$ 292,011

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

TOWN OF BETHEL, CONNECTICUT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010

HISTORY AND ORGANIZATION

The Town of Bethel was incorporated in 1855 and covers an area of 17 square miles. The Town operates under a Selectmen-Town Meeting form of government as prescribed by the Connecticut General Statutes and its charter, which was adopted November 6, 1973. The Town provides the following services as authorized by its charter: public safety (police and fire), public works (streets and highways), public health and social services, sewers and water, a free public library, and education encompassing grades PreK-12.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Government-Wide and Fund Financial Statements

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

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

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

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting,* as are the proprietary fund and fiduciary fund financial statements. Agency funds do not have a measurement focus but are accounted for on the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

I. *SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)*

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

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, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Town.

The Town reports the following major governmental funds:

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

The *Bonded Projects Fund* accounts for the financial revenues to be used for major capital asset construction and/or purchases.

The Town reports the following major proprietary funds:

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

The *Sewer Department Fund* accounts for the activities of the Town's sewer operations.

Additionally, the Town reports the following fund types:

The *Internal Service Fund* accounts for risk financing activities for prescription benefits.

The Hennessey, Menegay and Education Scholarship Funds are *Private-Purpose Trust Funds* and are used to account for resources legally held in trust for various scholarships. All resources of the fund, including any earnings on invested resources, may not be used to support the Town's activities. For the Education Scholarships, there is no requirement that any portion of these resources be preserved as capital.

The *Pension Trust Funds* account for the activities of the Bethel Employees Retirement System, which accumulates resources for pension benefit payments to qualified employees.

The *Agency Funds* account for monies held on behalf of students and amounts held for performance bonds.

I. *SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)*

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the Town's sewer, water and transfer station operations and various other functions of the Town. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

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

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed.

C. Assets, Liabilities, and Net Assets or Equity

1. Deposits and Investments

Deposits - The Town's cash and cash equivalents consist of cash on hand, demand deposits, money market accounts and short-term investments with original maturities of three months or less from the date of acquisition.

I. *SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)*

C. Assets, Liabilities, and Net Assets or Equity (Continued)

1. *Deposits and Investments (Continued)*

Investments - In general, State of Connecticut Statutes allow the Town to invest in obligations of the United States of America or United States government sponsored corporations, in shares or other interests in any custodial arrangement, pool, or no-load, open-end management type investment company or investment trust (as defined), in obligations of any state or political subdivision rated within the top two rating categories of any nationally recognized rating service, or in obligations of the State of Connecticut or political subdivision rated within the top three rating categories of any nationally recognized rating service. For the capital nonrecurring fund, not more than 31% can be invested in equity securities. Investment income is recorded in the fund in which it was earned.

The Town's pension funds do not have an investment policy; however, the Town has agreements with the investment advisors, who manage the investment portfolios and have full authority for the investment and reinvestment of pension fund assets.

Investments for the Town are reported at fair value. State Treasurers Investment Fund is an investment pool managed by the State of Connecticut Office of the State Treasurer. Investments must be made in instruments authorized by Connecticut General Statutes 3-27c - 3-27e. Investment guidelines are adopted by the State Treasurer. The fair value of the position in the pool is the same as the value of the pool shares.

2. *Receivables and Payables*

a. *Interfunds*

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

b. *Property Taxes and Other Receivables*

In the government-wide financial statements, all trade, property tax, and water and sewer use are shown net of an allowance for uncollectibles. Allowance percentages range from 3 to 43% of outstanding receivable balances and are calculated upon prior collection history.

In the fund financial statements, all property taxes receivable at June 30, which have not been collected within sixty days of June 30, have been recorded as deferred revenue, since they are not considered to be available to finance expenditures of the current year. Taxes collected during the sixty day period have been recorded as revenue.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, and Net Assets or Equity (Continued)

2. Receivables and Payables (Continued)

b. Property Taxes and Other Receivables (Continued)

Property taxes are assessed on property as of October 1. Taxes are billed in the following July and are due in four installments, July 1, October 1, January 1 and April 1. Personal property and motor vehicle taxes are billed in July and are due in one installment, July 1. Liens are effective on the assessment date and are continued by filing before the end of the year following the due date.

3. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than $5,000 for equipment, $20,000 for improvements and $100,000 for infrastructure, and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The total interest expense incurred by the water and sewer departments during the current fiscal year was $2,006 and $288,421, respectively. None of this amount was capitalized.

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

Assets	Years
Buildings	50-75
Building improvements	50
Land improvements	50
Roads	75
Bridges	50
Sewer plant	50
Sewer lines	40-50
Water lines and pumping stations	50-100
Vehicles	7-25
Equipment	10-25
Intangible assets	15-75

I. *SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)*

C. Assets, Liabilities, and Net Assets or Equity (Continued)

4. *Compensated Absences*

All employees, except those specified below, are granted vacation and sick time based upon contractual provisions. At anniversary year end, unused vacation and sick time do not accumulate or vest; therefore, in the event of termination or retirement, employees are not compensated for unused vacation and sick time.

The Board of Education employees are paid vacation on a fiscal year basis; therefore, unused vacation lapses at June 30. The Town employees are paid vacation on an anniversary date basis; therefore, a liability for unused vacation has been recorded. The liability for compensated absences has also been recorded in the enterprise funds' financial statements as a current liability.

Certified employees at the Board of Education may accumulate up to 150 days of unused sick time. Only upon retirement are they entitled to receive 50% reimbursement. Retirement amounts are included in the current year budget to reimburse current year retirees.

5. *Long-Term Obligations*

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

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

6. *Fund Equity and Net Assets*

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

In the government-wide financial statements, net assets are classified into the following categories:

Invested in Capital Assets, Net of Related Debt

This category presents the net assets that reflect capital assets net of only the debt applicable to the acquisition or construction of these assets. Debt issued for non-capital purpose is excluded.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, and Net Assets or Equity (Continued)

6. Fund Equity and Net Assets (Continued)

Restricted Net Assets

This category presents the net assets restricted by external parties (creditors, grantors, contributors or laws and regulations).

Unrestricted Net Assets

This category presents the net assets of the Town which are not restricted.

7. Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities including disclosures of contingent assets and liabilities and reported revenues, expenses and expenditures during the fiscal year.

8. Reclassifications

Comparative total data for the prior year have been presented only for the internal service fund and the individual enterprise funds in the fund financial statements in order to provide an understanding of the changes in the financial position and operations of these funds. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgets and Budgetary Accounting

The Town adheres to the following procedures in establishing the budgetary data included in the general fund financial statements:

1. In April, the Board of Finance submits to a public hearing, at which taxpayer comments are obtained, the proposed operating budget of the general fund (the only fund for which a legal budget is adopted) for the year commencing July 1. The budget, which is prepared by function and department, includes proposed expenditures and the means of financing them.

2. The Board of Finance submits its proposed budget to the annual Town Meeting, which is held on one of the first seven days in May. Those in attendance at the annual Town Meeting may, by majority vote, decrease any appropriations or approve the appropriations as presented. Appropriations may not be increased. The final budget is then automatically referred to a machine vote for approval. The date of the machine vote is also established by the annual Town Meeting, which must be held not less than seven nor more than fourteen days from the date of the annual Town Meeting. Those citizens registered to vote or who have property assessments in excess of $1,000 are eligible to vote.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

A. Budgets and Budgetary Accounting (Continued)

3. The Board of Finance, in accordance with the provisions of the Charter and the Connecticut General Statutes, is authorized to transfer unexpended balances from one appropriation to another, with the exception of the wage contingency account. Authority to transfer budgeted funds is vested in the Comptroller for settlement of union contracts and general salary increases approved by the First Selectman only. Management may not authorize any additional appropriations. All additional appropriations less than $10,000 require Board of Selectmen and Board of Finance approval. Those in excess of $10,000 require full legislative approval (Town Meeting). During the year there were no additional appropriations.

4. Formal budgetary integration is employed as a management control device during the year.

5 The legal level of control, the level at which expenditures may not exceed appropriations, is at the department level.

6. The Board of Education, which is not a separate legal entity but a function of the Town, is authorized under State law to make any transfers required within their budget at their discretion.

7. Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order, contract or other commitment is issued and, accordingly, encumbrances outstanding at year end are reported in budgetary reports (Exhibit F) as expenditures in the current year. Generally, aside from the Capital Projects Fund, all unencumbered appropriations lapse at year end. Appropriations for capital projects are continued until completion of applicable projects, even when projects extend more than one fiscal year.

B. Budget - GAAP Reconciliation

A reconciliation of revenues, expenditures, and fund balance between the accounting treatment required by GAAP (Exhibit D), and budgetary requirements (Exhibit F), is as follows:

	REVENUES	EXPENDITURES	FUND BALANCE
BALANCE, BUDGETARY BASIS, EXHIBIT F - JUNE 30, 2010	$ 58,868,849	$ 58,005,516	$ 6,791,973
Encumbrances outstanding at June 30, 2009 liquidated during the year ended June 30, 2010		643,242	
Encumbrances outstanding at June 30, 2009 and 2010			42,320
Encumbrances outstanding at June 30, 2010 charged to budgetary expenditures		(478,773)	478,773
Accrued payroll		66,492	(285,933)
State Teachers' Retirement on-behalf payment	3,003,012	3,003,012	
BALANCE, GAAP BASIS, EXHIBIT D - JUNE 30, 2010	$ 61,871,861	$ 61,239,489	$ 7,027,133

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

C. Donor Restricted Endowments

The Town has received certain endowments for various scholarship purposes. The amounts are reflected in net assets as restricted for endowments. Investment income, including appreciation of $8,375 for the Hennessy Scholarship fund, $47,628 for the Menegay Scholarship fund and $-0- for the Education Scholarship fund, is approved for expenditure by the individual Boards of the benefiting activities.

D. Capital Projects Authorizations

The following is a summary of certain projects recorded in the Bonded Projects Fund at June 30, 2010:

PROJECT NAME	PROJECT AUTHORIZATION	CUMULATIVE EXPENDITURES	PROJECT BALANCE
High School Renovation Project.....	$ 32,338,000	$ 31,664,155	$ 673,845

E. Deficit Fund Balance

The following individual funds had a deficit fund balance at June 30, 2010:

Small Cities Program	$ 8,507
Paramedic Intercept	32,009

The deficit should be reduced in future years as amounts are received for charges for services.

III. DETAILED NOTES

A. Cash and Investments

Deposits - Custodial Credit Risk - Custodial credit risk is the risk that, in the event of a bank failure, the Town's deposits may not be returned to it. The Town does not have a deposit policy for custodial credit risk. As of June 30, 2010, $9,237,608 of the Town's bank balance of $14,567,484 (including certificates of deposit and money market accounts) was exposed to custodial credit risk as follows:

Uninsured and uncollateralized.....	$ 8,348,416
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name	889,192
Total amount subject to custodial credit risk.....	$ 9,237,608

On October 3, 2008, the Emergency Economic Stabilization Act of 2008 increased the insurance coverage offered by the Federal Deposit Insurance Corporation (FDIC) from $100,000 to $250,000 per depositor. This limit is anticipated to return to $100,000 after December 31, 2013. Additionally, under the FDIC's Temporary Liquidity Guarantee Program (TAG), amounts held in non-interest bearing transaction accounts at participating institutions are fully guaranteed by the FDIC through December 31, 2010. Participation in the TAG program by a financial institution is optional, and therefore, not all financial institutions currently participate in the program. This guarantee is anticipated to be reduced to the $250,000 limit on January 1, 2011, and the $100,000 limit on January 1, 2014. The Town had amounts in excess of $250,000 in a single bank during the year. Amounts over $250,000 are not insured by the FDIC. These balances fluctuate during the year and can exceed this $250,000 limit. Management regularly monitors the financial institution, together with its cash balances, and tries to keep this potential risk to a minimum.

III. DETAILED NOTES (CONTINUED)

A. Cash and Investments (Continued)

At June 30, 2010, the Town's investments (including restricted investments) consisted of the following:

TYPE OF INVESTMENT	FAIR VALUE	INVESTMENT MATURITIES (IN YEARS) N/A	LESS THAN 1	1-5 YEARS	5-10 YEAR	OVER 10
Mutual Funds:						
Equity Mutual Funds	$ 1,290,455	$ 1,290,455	$	$	$	$
Fixed Income Mutual Funds	6,502		6,502			
Money Market Mutual Funds	716,502		716,502			
Certificates of Deposit	1,801,151		1,801,151			
Bank Money Market Accounts	5,817,691		5,817,691			
U.S. Government Obligations	8,636,020		307,545	3,935,805	3,964,742	427,928
U.S. Government Agency Securities	1,554,335		1,061,079	345,628		147,628
Common Stock	4,632,132	4,632,132				
Corporate Bonds	4,457,682			2,060,421	2,397,261	
TOTAL	$28,912,470	$ 5,922,587	$ 9,710,470	$ 6,341,854	$ 6,362,003	$ 575,556

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

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

The Town's investments subject to credit risk had average ratings as follows by Standard & Poor's.

AVERAGE RATING	FIXED INCOME MUTUAL FUND	MONEY MARKET MUTUAL FUND	U.S. GOVERNMENT OBLIGATIONS	U.S. GOVERNMENT AGENCY SECURITIES	CORPORATE BONDS
AAA	$	$	$ 8,636,020	$ 1,554,335	$ 691,197
AA		716,502			1,756,277
A					444,458
BBB					1,565,750
Unrated	6,502				
TOTAL	$ 6,502	$ 716,502	$ 8,636,020	$ 1,554,335	$ 4,457,682

Custodial credit risk - Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party.

III. DETAILED NOTES (CONTINUED)

A. Cash and Investments (Continued)

The Town has certain investments, which are covered by the Securities Investor Protection Corporation (SIPC) up to $500,000, including $100,000 of cash from sale or for purchase of investments, but not cash held solely for the purpose of earning interest. SIPC protects securities such as notes, stocks, bonds, debentures, certificates of deposit and money funds.

The Town's investments are subject to custodial credit risk as follows:

	TOTAL	LESS INSURED AMOUNTS	AMOUNT SUBJECT TO CUSTODIAL CREDIT RISK
U.S. Government Obligations	$ 8,636,020	$ 1,000,000	$ 7,636,020
U.S. Government Agency Securities	1,554,335	647,628	906,707
Common Stock	4,632,132		4,632,132
Corporate Bonds	4,457,682		4,457,682
TOTAL	$19,280,169	$ 1,647,628	$17,632,541

B. Receivables

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

	PROPERTY TAXES		
	TAXES	INTEREST & LIEN FEES	TOTAL
Current Portion	$ 569,486	$ 93,545	$ 663,031
Long-term Portion	$ 339,220	$ 93,545	$ 432,765
Less Allowance for Uncollectibles	(150,000)	(80,000)	(230,000)
Net Long-term Portion	$ 189,220	$ 13,545	$ 202,765
Total Receivable	$ 758,706	$ 107,090	$ 865,796

	USE CHARGE RECEIVABLES	
	WATER DEPARTMENT	SEWER DEPARTMENT
Gross Receivable	$ 67,102	$ 187,725
Less Allowance for Uncollectibles	(2,000)	(5,000)
Net Receivable	$ 65,102	$ 182,725

III. DETAILED NOTES (CONTINUED)

B. Receivables (Continued)

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

	UNAVAILABLE	UNEARNED	TOTAL
Delinquent property taxes receivable	$ 789,772	$	$ 789,772
Advance taxes collections		467,567	467,467
Notes receivable	8,434		8,434
Charges for services		109,736	109,736
Grant draw downs prior to meeting all eligibility requirements		302,480	302,480
Totals	$ 798,206	$ 879,783	$1,677,989

C. Capital Assets

Capital asset activity for the year ended June 30, 2010 was as follows:

	BALANCE JULY 1, 2009	INCREASES	DECREASES	BALANCE JUNE 30, 2010
Governmental Activities:				
Capital Assets, not being Depreciated:				
Land	$ 5,206,075	$	$	$ 5,206,075
Construction in progress	33,349,465	340,044	33,525,914	163,595
Total Capital Assets, not being Depreciated	38,555,540	340,044	33,525,914	5,369,670
Capital Assets, being Depreciated:				
Land improvements	767,768	11,475		779,243
Buildings	57,151,719	31,910,925		89,062,644
Buildings improvements	9,215,503	1,346,567		10,562,070
Machinery and equipment	3,106,314	566,527	14,600	3,658,241
Intangible assets		131,849		131,849
Vehicles	4,787,174	232,697	67,321	4,952,550
Infrastructure	11,867,328	1,099,110		12,966,438
Total Capital Assets, being Depreciated	86,895,806	35,299,150	81,921	122,113,035
Total Capital Assets	125,451,346	35,639,194	33,607,835	127,482,705
Less Accumulated Depreciation for:				
Land improvements	239,693	31,702		271,395
Buildings	13,570,231	1,002,223		14,572,454
Buildings improvements	3,271,552	327,680		3,599,232
Machinery and equipment	1,472,177	223,255	13,140	1,682,292
Intangible assets		3,296		3,296
Vehicles	1,645,338	208,935	34,026	1,820,247
Infrastructure	2,495,516	162,981		2,658,497
Total Accumulated Depreciation	22,694,507	1,960,072	47,166	24,607,413
Total Capital Assets, being Depreciated, net	64,201,299	33,339,078	34,755	97,505,622
Governmental Activities Capital Assets, net	$ 102,756,839	$33,679,122	$33,560,669	$102,875,292

III. DETAILED NOTES (CONTINUED)

C. Capital Assets (Continued)

	BALANCE JULY 1, 2009	INCREASES	DECREASES	BALANCE JUNE 30, 2010
Business-Type Activities:				
Capital Assets, not being Depreciated:				
Land	$ 157,072	$	$	$ 157,072
Construction in progress	10,142,299	3,177,744		13,320,043
Total Capital Assets, not being Depreciated	10,299,371	3,177,744	-	13,477,115
Capital Assets, being Depreciated:				
Land improvements	14,595			14,595
Intangible assets	12,125,200	19,324		12,144,524
Buildings	3,348,380			3,348,380
Buildings improvements	982,382			982,382
Distribution and collections system	14,286,561			14,286,561
Machinery and equipment	893,942	37,502		931,444
Vehicles	141,084			141,084
Total Capital Assets, being Depreciated	31,792,144	56,826	-	31,848,970
Total Capital Assets	42,091,515	3,234,570	-	45,326,085
Less Accumulated Depreciation for:				
Land improvements	11,280	1,110		12,390
Intangible assets	4,267,677	162,313		4,429,990
Buildings	2,672,388	44,516		2,720,552
Buildings improvements	622,004	18,892		640,896
Distribution and collections system	4,428,802	188,815		4,617,617
Machinery and equipment	796,900	8,210		805,110
Vehicles	124,640	1,432		126,072
Total Accumulated Depreciation	12,923,691	425,288	-	13,348,979
Total Capital Assets, being Depreciated, net	18,868,453	(368,462)		18,499,991
Business-Type Capital Assets, net	$29,167,824	$ 2,809,282	$ -	$31,977,106

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

Governmental Activities:	
General government	$ 127,141
Public safety	275,232
Public works	284,822
Libraries	144,796
Parks and recreation	17,495
Education	1,110,586
Total Depreciation Expense - Governmental Activities	$ 1,960,072

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

Business-Type Activities:	
Water	$ 111,151
Sewer	310,963
Transfer station	3,174
Total Depreciation/Amortization Expense - Business-Type Activities	$ 425,288

Construction Commitments

The Town has substantially completed the active major construction projects and other projects as of June 30, 2010.

III. DETAILED NOTES (CONTINUED)

D. Interfund Accounts

1. Interfund Payables and Receivables

A summary of interfund balances as of June 30, 2010 is as follows:

	CORRESPONDING FUND	DUE FROM	DUE TO
MAJOR FUNDS:			
GENERAL FUND:			
Historic Documents	N/A	$	$ 10,747
Water Department	N/A	1,591,041	
Sewer Department	N/A	686,057	
Transfer Station	N/A	634,517	
Bonded Projects	N/A		39,382
Small Cities	N/A	1,099	
Health Department Grants	N/A		31,533
Public Safety Grants	N/A		23,077
Education Grants	N/A		523,321
High School Security	N/A		23,982
Railroad Station	N/A	300	
Land Acquisition	N/A		17,349
Paramedic Intercept	N/A	50,000	
Capital and Nonrecurring	N/A	3,791	
Performance Bonds	N/A		142,711
TOTAL GENERAL FUND		2,966,805	812,102
MAJOR - BONDED PROJECTS:			
Bonded Projects - Bond Issue	Capital Nonrecurring		59,898
Bonded Projects - Bond Clearing Account	General Fund	39,382	
TOTAL MAJOR - BONDED PROJECTS		39,382	59,898
MAJOR - WATER:			
Water Department	General Fund		1,591,041
MAJOR - SEWER:			
Sewer Department	General Fund		686,057
NONMAJOR FUNDS:			
Small Cities	General Fund		1,099
Health Department Grants	General Fund	31,533	
Public Safety Grants	General Fund	23,077	
Education Grants	General Fund	547,303	300
Railroad Station	General Fund		4,611
Railroad Station	Capital Nonrecurring		
Land Acquisition	General Fund	17,349	
Paramedic Intercept	General Fund		50,000
Historic Documents	General Fund	10,747	
Capital Nonrecurring	Railroad Station	4,611	
Capital Nonrecurring	Bonded Projects	59,898	
Capital Nonrecurring	General Fund		3,791
TOTAL NONMAJOR FUNDS		694,518	59,801

III. DETAILED NOTES (CONTINUED)

D. Interfund Accounts (Continued)

1. Interfund Payables and Receivables (Continued)

	CORRESPONDING FUND	DUE FROM	DUE TO
NONMAJOR - TRANSFER STATION:			
Transfer Station	Town Employee Pension Fund	$	$ 16,034
Transfer Station	General Fund		634,517
TOTAL NONMAJOR - TRANSFER STATION		-	650,551
FIDUCIARY FUNDS:			
Town Employee Pension Fund	Transfer Station	16,034	
Performance Bonds	General Fund	142,711	
TOTAL FIDUCIARY FUNDS		158,745	-
GRAND TOTAL		$ 3,859,450	$ 3,859,450

All interfund balances result from time lag between the dates payments occur between funds for short-term internal financing.

2. Interfund Transfers

A summary of interfund transfers as of June 30, 2010 is as follows:

	CORRESPONDING FUND	TRANSFERS IN	TRANSFERS OUT
GENERAL FUND:			
Capital Nonrecurring	N/A	$	$ 295,000
Bonded Projects	N/A		300,166
TOTAL GENERAL FUND		-	595,166
MAJOR - BONDED PROJECTS:			
Bond Issue 2006	General Fund	300,166	
NONMAJOR FUNDS:			
Capital Nonrecurring	General Fund	295,000	
GRAND TOTAL		$ 595,166	$ 595,166

Transfers are used to account for the financing by the general fund of various programs and activities in other funds.

III. DETAILED NOTES (CONTINUED)

E. Short-Term Obligations - Bond Anticipation Notes

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

Short-term obligation activity for the year ended June 30, 2010 was as follows:

GOVERNMENTAL ACTIVITIES:

PROJECT	BALANCE JULY 1, 2009	ADDITIONS	REDUCTIONS	BALANCE JUNE 30, 2010
General Purpose	$ 354,000	$	$ 178,000	$ 176,000
High School Renovation	235,834	654,166	240,000	650,000
Berry School Building Project	335,000			335,000
Fire Truck	457,730		92,000	365,730
General Purpose - Accounting Software	119,896		30,166	89,730
Bethel Firehouse Renovations	550,000		70,000	480,000
TOTAL GOVERNMENTAL ACTIVITIES	$ 2,052,460	$ 654,166	$ 610,166	$ 2,096,460

The BANs carry an interest rate of 1.5% and mature in November 2010.

In November 2010, the Town issued $2,600,000 in bond anticipation notes at an interest rate of 1.25%. These bond anticipation notes were issued for the projects noted above.

BUSINESS-TYPE ACTIVITIES:

The Town has issued bond anticipation notes (BANS) for certain enterprise fund projects.

PROJECT	BALANCE JULY 1, 2009	ADDITIONS	REDUCTIONS	BALANCE JUNE 30, 2010
Water Department	$ 636,540	$	$ 121,000	$ 515,540
Sewer Department	436,000	2,710,000	2,758,000	388,000
TOTAL BUSINESS-TYPE ACTIVITIES	$ 1,072,540	$ 2,710,000	$ 2,879,000	$ 903,540

The bond anticipation notes carry an interest rate of 1.5% and mature in November 2010.

III. DETAILED NOTES (CONTINUED)

F. Changes in Long-Term Obligations

1. Summary of Changes

The following is a summary of changes in long-term obligations during the fiscal year:

DESCRIPTION	ORIGINAL AMOUNT	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE JULY 1, 2009	ADDITIONS	DEDUCTIONS	REFUNDED	BALANCE JUNE 30, 2010	CURRENT PORTION
GENERAL PURPOSE:										
Improvement bonds...	$3,925,000	07/01/98	07/01/13	4.00-6.00	$ 1,300,000	$	$ 260,000	$	$1,040,000	$ 260,000
Improvement bonds...	3,041,000	11/01/02	11/01/22	3.00-5.00	2,200,000		150,000	2,050,000	-	-
Improvement bonds...	9,415,000	11/01/04	05/01/20	2.75-4.75	6,610,000		700,000	1,950,000	3,960,000	670,000
Refunding bonds.....	1,785,000	04/28/10	17/15/20	4.00-5.00		1,785,000			1,785,000	-
Refunding bonds.....	1,992,000	04/28/10	07/15/20	3.00-5.00		1,992,000			1,992,000	81,000
Total General Purpose.....					10,110,000	3,777,000	1,110,000	4,000,000	8,777,000	1,011,000
SCHOOL:										
Improvement bonds...	15,960,000	02/15/91	02/15/11	6.00-8.00	2,440,000		1,220,000		1,220,000	1,220,000
Improvement bonds...	7,259,000	11/01/02	11/01/22	3.00-5.00	5,150,000		375,000	4,775,000	-	-
Improvement bonds...	22,760,000	11/15/09	11/15/34	2.25-4.25	22,760,000				22,760,000	-
Refunding bonds.....	4,648,000	04/28/10	07/15/20	3.00-5.00		4,648,000			4,648,000	189,000
Total School.....					30,350,000	4,648,000	1,595,000	4,775,000	28,628,000	1,409,000
TOTAL BONDS					40,460,000	8,425,000	2,705,000	8,775,000	37,405,000	-
PREMIUM					156,765	1,045,057	117,324		1,084,498	-
DEFERRED CHARGES						(568,492)	(47,374)		(521,118)	-
TOTAL BONDS AND NOTES AND RELATED LIABILITIES.....					40,616,765	8,901,565	2,774,950	8,775,000	37,968,380	2,420,000
CAPITAL LEASE PAYABLE					203,511	443,437	98,851		548,097	104,660
COMPENSATED ABSENCES					825,321	1,468,490	1,163,524		1,130,287	365,773
NET PENSION OBLIGATION.....					1,602,123	2,716,506	1,948,552		2,370,077	-
NET OTHER POST EMPLOYMENT BENEFITS OBLIGATION					563,489	947,833	471,086		1,040,236	-
TOTAL LONG-TERM OBLIGATIONS					$43,811,209	$ 14,477,831	$ 6,456,963	$ 8,775,000	$43,057,077	$ 2,890,433

All long-term liabilities are generally liquidated by the General Fund.

III. DETAILED NOTES (CONTINUED)

F. Changes in Long-Term Obligations (Continued)

1. Summary of Changes (Continued)

ENTERPRISE FUNDS (1):

DESCRIPTION	ORIGINAL AMOUNT	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE JULY 1, 2009	ADDITIONS	DEDUCTIONS	REFUNDED	BALANCE JUNE 30, 2010	CURRENT PORTION
LONG-TERM OBLIGATIONS										
General Obligation Bonds	$ 2,430,000	07/01/95	07/01/15	4.7-5.9	$ 900,000	$	$ 120,000	$ 650,000	$ 130,000	$ 130,000
General Obligation Bonds	4,300,000	08/01/06	08/01/31	4.125-5.5	3,950,000		175,000		3,775,000	175,000
General Obligation Bonds	15,460,000	11/15/09	11/15/34	2.25-4.25	12,750,000	2,710,000			15,460,000	620,000
Refunding Bonds	625,000	04/28/10	07/15/20	3.00-5.00		625,000			625,000	-
TOTAL BONDS					17,600,000	3,335,000	295,000	650,000	19,990,000	925,000
Clean Water Loan CWF#103-C2	9,159,368	07/29/94	07/29/94	2.00	1,959,865		479,967		1,479,898	479,967
PREMIUM						78,660	6,555		72,105	
DEFERRED CHARGES						(44,143)	(3,679)		(40,464)	
TOTAL BONDS AND NOTES AND RELATED LIABILITIES					19,559,865	3,369,517	777,843	650,000	21,501,539	1,404,967
NET PENSION OBLIGATION					56,337	83,006	60,264		79,079	-
NET OTHER POST EMPLOYMENT BENEFITS OBLIGATION					22,511	42,588	18,914		46,185	-
TOTAL ENTERPRISE FUNDS					$19,638,713	$ 3,495,111	$ 857,021	$ 650,000	$ 21,626,803	$1,404,967

(1) The sewer improvement bonds are supported by means of an assessment program. The clean water loans will be supported by sewer use charges. All obligations are backed by the full faith and credit of the Town.

III. DETAILED NOTES (CONTINUED)

F. Changes in Long-Term Obligations (Continued)

1. Summary of Changes (Continued)

The following is a summary of amounts to be provided by the State of Connecticut for the retirement of school bonds and of debt maturities:

YEAR ENDING JUNE 30,	SCHOOL BUILDING GRANTS		DEBT MATURITIES				
	PRINCIPAL	INTEREST	BONDS	GENERAL PURPOSE INTEREST	SEWER NOTES	SEWER BONDS	SEWER INTEREST
2011	$ 410,624	$ 13,690	$ 2,420,000	$ 1,339,499	$ 479,967	$ 925,000	$ 736,972
2012	4,689	422	2,420,000	1,322,425	479,967	895,000	710,896
2013	4,689	213	2,390,000	1,233,906	479,967	930,000	681,671
2014			2,045,000	1,150,606	39,997	925,000	646,571
2015			1,775,000	1,085,638		925,000	613,121
2016			1,780,000	1,025,826		925,000	582,127
2017			1,785,000	960,450		795,000	552,840
2018			1,790,000	892,451		790,000	527,014
2019			1,795,000	821,826		790,000	501,381
2020			1,795,000	750,482		790,000	475,254
2021			1,800,000	679,450		790,000	448,267
2022			1,800,000	605,761		790,000	418,525
2023			1,800,000	528,511		790,000	386,351
2024			1,275,000	464,183		790,000	354,092
2025			1,275,000	412,574		790,000	321,812
2026			950,000	367,668		790,000	289,447
2027			950,000	329,668		790,000	256,997
2028			945,000	291,768		785,000	224,647
2029			945,000	253,968		785,000	192,397
2030			945,000	216,168		785,000	160,147
2031			945,000	178,368		785,000	127,812
2032			945,000	139,978		785,000	95,007
2033			945,000	100,407		615,000	65,344
2034			945,000	60,241		615,000	39,207
2035			945,000	20,081		615,000	13,069
TOTALS	$ 420,002	$ 14,325	$ 37,405,000	$ 15,231,903	$ 1,479,898	$ 19,990,000	$ 9,420,968

The State of Connecticut provides reimbursement for construction of schools based upon demographics of the Town.

2. Statutory Debt Limitations

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

CATEGORY	DEBT LIMIT	NET INDEBTEDNESS	BALANCE
General purpose	$ 111,407,249	$ 9,888,460	$ 101,518,789
Schools	222,814,499	29,192,998	193,621,501
Sewers	185,678,749		185,678,749
Urban renewal	160,921,582		160,921,582
Pension deficit	148,542,999		148,542,999

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, $346,600,331.

III. DETAILED NOTES (CONTINUED)

F. Changes in Long-Term Obligations (Continued)

2. Statutory Debt Limitations (Continued)

The indebtedness reflected above includes bonds outstanding in addition to the amount of bonds authorized and unissued against which bond anticipation notes are issued and outstanding. School building grants receivable of $420,002 for bond principal is reflected as deductions in the computation of net indebtedness.

3. Capital Leases

At June 30, 2010, the Town is committed under a capital lease for computers. This lease agreement qualifies as a capital lease for accounting purposes (title transfers at the end of the lease term) and; therefore, has been recorded at the present value of the future minimum lease payments as of the date of their inception.

Computers totaling $1,360,045 are recorded under capital leases as of June 30, 2010.

The following is a schedule of the future minimum lease payments under this capital lease, and the present value of the net minimum lease payments as of June 30, 2010:

YEAR ENDING JUNE 30,	
2011	$ 231,079
2012	126,419
2013	126,419
2014	126,420
Less: amount representing interest	(62,240)
Present value of minimum lease payments	$ 548,097

4. Authorized/Unissued Bonds

The amounts of authorized, unissued bonds are as follows:

General Purpose	$ 19,798,249
Schools	7,006,000
Sewer (Enterprise Fund)	7,519,896
Water (Enterprise Fund)	1,449,000
TOTAL	$ 35,773,145

5. Current Year Advance Refunding

In April 2010, the Town issued $8,425,000 of general obligation refunding bonds and $625,000 of sewer refunding bonds with an average interest rate of 4.805%. These refunding bonds were issued to advance refund and defease bonds issued in 1995, 2002 and 2004. The refunding resulted in an economic gain of $361,320, with a total savings of $436,285.

IV. OTHER INFORMATION

A. Risk Management

The Town is exposed to various risks of loss related to public official liability, police liability, Board of Education legal liability, theft or impairment of assets, errors and omissions, injury to employees and natural disasters. The Town purchases commercial insurance for all other risks of loss, including blanket and umbrella policies. Settled claims have not exceeded commercial coverage in any of the past three years, and there have not been any significant reductions in insurance coverage from amounts held in prior year.

The Town utilizes a risk management fund (the Internal Service Fund) to account for and finance its uninsured risks of loss for pharmacy claims. The fund records all claim expenditures and liabilities when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated.

The Board of Education is charged premiums by the Internal Service Fund, which are included in expenditures, to cover the estimated cost of claims payment based on historical cost estimates of the amounts needed to pay prior and current year claims. Claims liabilities include an estimate of claims incurred but not reported and are the Town's best estimate based on available information.

The claims liability reported in the internal service fund is based on the requirements of GASB Statements No. 10 and 30, which require that a liability for estimated claims incurred but not reported be recorded. The amount of claim accrual is based on the ultimate costs of settling the claim, which include past experience data, inflation and other future economic and societal factors and incremental claim adjustment expenses, net of estimated subrogation recoveries. The claim accrual does not include other allocated or unallocated claims adjustment expenses.

The following is a summary of changes in the claims liabilities:

	CLAIMS PAYABLE JULY 1	CURRENT YEAR CLAIMS AND CHANGES IN ESTIMATES	CLAIMS PAID	CLAIMS PAYABLE JUNE 30
2009-2010	$	$ 1,013,479	$ 947,979	$ 65,500

B. Commitments and Litigation

Construction and other significant commitments have been reported as reserve for commitments in the fund equity section of the balance sheet.

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

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

IV. OTHER INFORMATION (CONTINUED)

C. Pension Plans

1. Plan Description

Summary

The Town administers two single employer, contributory, defined benefit pension plans (Town of Bethel and Town of Bethel Police Department). The Town plan was adopted in 1968 and revised in 2000. The Police plan was established by a memorandum of understanding effective July 1, 1997. The Pension Commission makes recommendations for plan provisions, which are approved by the Board of Finance. Both plans are part of the Town's reporting entity and are included in the Town's financial report as two pension trust funds. The plans do not issue separate, stand alone financial reports.

2. Summary of Significant Accounting Policies and Plan Asset Matters

a. Basis of Accounting

The Town's pension trust funds' financial statements are prepared on the accrual basis of accounting. Revenues (contributions and investment income) are recognized when they are earned and expenses (benefits, administration and refunds) are recognized when they are due and payable in accordance with the terms of the plan.

b. Valuation of Investments

Investments are valued at fair value. Both the Town and Police plan have investments of greater than 5% in Federal National Mortgage Association bonds of $726,109 and $334,970, respectively.

3. Classes of Employees Covered

As of July 1, 2010, the plans' membership consists of the following:

	TOWN	POLICE
Retirees and beneficiaries currently receiving benefits	90	8
Terminated employees entitled to benefits but not yet receiving them	8	
Active plan members	143	34
TOTALS	241	42

IV. OTHER INFORMATION (CONTINUED)

C. Pension Plans (Continued)

4. Benefit Provisions

Town

Each employee may enter the plan on the January 1 coincident with or the next following the date of employment. For employees hired on or after January 1, 2001, participation in the contributory plan is mandatory. The plan covers substantially all noncertified Board of Education and all regular Town employees except police personnel. The Board of Selectmen, upon recommendation from the Insurance and Pension Committee, established benefit provisions and the employee and employer obligations.

Police

Participation of all full time regular police officers is mandatory as of hire date. The benefit was established by a plan adopted in 2001. The plan contains a cost of living adjustment of 1% per year.

Contributions

The Town's contributions are actuarially determined on an annual basis using the frozen initial liability cost method for the Town plan and the Police plan. The Town's contributions were 17.8% and 25.5% of covered payroll, respectively, for the Town and Police plans. Administration costs are financed from investment earnings.

5. Funded Status and Funding Progress

The funded status of the plan as of July 1, 2010 was as follows:

ACTUARIAL VALUATION DATE	(A) ACTUARIAL VALUE OF ASSETS	(B) ACTUARIALLY ACCRUED LIABILITY (AAL) PROJECTED UNIT CREDIT	(A-B) OVER/ (UNDER) FUNDED AAL	(A/B) FUNDED AAL RATIO	(C) COVERED PAYROLL	[(A-B)/C] OVER (UNDER) FUNDED AAL AS A PERCENTAGE OF COVERED PAYROLL
TOWN PLAN						
July 1, 2010	$14,418,477	$25,321,090	$(10,902,613)	56.9%	$ 7,503,503	(145.3)%
POLICE PLAN						
July 1, 2010	$ 5,398,747	$ 8,826,293	$(3,427,546)	61.2%	$ 2,180,272	(157.2)%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress, immediately following the notes to the financial statements (RSI) presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time, relative to the actuarial accrued liability for benefits.

IV. OTHER INFORMATION (CONTINUED)

C. Pension Plans (Continued)

6. Actuarial Assumptions

The information presented as historical trend information was determined as part of the actuarial valuation as of the date indicated in the tabulation. Additional information as of the latest valuation is as follows:

	TOWN	POLICE
VALUATION DATE	JULY 1, 2010	JULY 1, 2010
ACTUARIAL COST METHOD	FROZEN INITIAL LIABILITY COST METHOD	FROZEN INITIAL LIABILITY COST METHOD
ASSET VALUATION METHOD	FAIR VALUE	FAIR VALUE
ACTUARIAL ASSUMPTIONS:		
Investment Rate of Return	8.00%	7.00%
PROJECTED SALARY INCREASES:		
Merit	1.50%	2.50%
Inflation	1.50%	2.00%
AMORTIZATION METHOD	CLOSED LEVEL DOLLAR 30 YEARS	CLOSED LEVEL DOLLAR 30 YEARS
REMAINING AMORTIZATION PERIOD	21 YEARS	18 YEARS

7. Annual Pension Cost and Net Pension Obligation (NPO)

The changes in the net pension obligation (asset) as of June 30, 2010, were as follows:

	TOWN	POLICE
Annual required contribution	$ 2,089,781	$ 579,929
Interest on net pension obligation	109,679	20,123
Annual pension cost	2,199,460	600,052
Contribution made	1,593,424	415,392
Change in net pension obligation	606,036	184,660
Net pension obligation - July 1, 2009	1,370,987	287,473
Net pension obligation - June 30, 2010	$ 1,977,023	$ 472,133

IV. OTHER INFORMATION (CONTINUED)

C. Pension Plans (Continued)

8. Three Year Trend Information

YEAR ENDING	ANNUAL PENSION COST (APC)	PERCENTAGE OF APC CONTRIBUTED	NET PENSION OBLIGATION (ASSET)
JUNE 30 TOWN PLAN			
2010	$ 2,199,460	72.5%	$ 1,977,023
2009	1,811,890	87.6%	1,370,987
2008	1,589,066	100.0%	1,145,423
JUNE 30 POLICE PLAN			
2010	$ 600,052	69.2%	$ 472,133
2009	491,658	78.4%	287,473
2008	445,826	76.9%	191,334

IV. OTHER INFORMATION (CONTINUED)

C. Pension Plans (Continued)

9. Plan Statements

COMBINING STATEMENT OF FIDUCIARY NET ASSETS
PENSION TRUST FUNDS
JUNE 30, 2010

	TOWN EMPLOYEE PENSION FUND	POLICE PENSION FUND	TOTAL PENSION TRUST FUNDS
ASSETS			
Investments:			
Money market mutual funds	$ 421,503	$ 195,559	$ 617,062
Certificates of deposit	911,518	40,036	951,554
Corporate bonds	3,219,281	1,238,401	4,457,682
U.S. Government obligations	4,398,839	1,745,495	6,144,334
U.S. Government agency securities	1,071,737	334,970	1,406,707
Common stock	3,221,778	1,410,354	4,632,132
Equity mutual funds	908,484	374,918	1,283,402
Total investments	14,153,140	5,339,733	19,492,873
Prepaid benefits and fees	249,303	59,014	308,317
Due from other funds	16,034		16,034
TOTAL ASSETS	14,418,477	5,398,747	19,817,224
LIABILITIES			
Due to (from) other funds	4,291	(4,291)	-
NET ASSETS			
Held in trust for:			
Employees' pension benefits	$ 14,414,186	$ 5,403,038	$ 19,817,224

IV. OTHER INFORMATION (CONTINUED)

C. Pension Plans (Continued)

9. Plan Statements (Continued)

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
PENSION TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	EMPLOYEE PENSION FUND	POLICE PENSION FUND	TOTAL PENSION TRUST FUNDS
ADDITIONS:			
Contributions:			
Employer	$ 1,300,000	$ 255,777	$ 1,555,777
Plan members	293,424	159,615	453,039
Total Contributions	1,593,424	415,392	2,008,816
Investment income (loss):			
Change in fair value of investments	731,848	436,598	1,168,446
Interest and dividends	489,207	186,598	675,805
Total Investment income (loss)	1,221,055	623,196	1,844,251
Less investment expenses	131,116	35,248	166,364
Net Investment income (loss)	1,089,939	587,948	1,677,887
TOTAL ADDITIONS	2,683,363	1,003,340	3,686,703
DEDUCTIONS:			
Benefits	1,067,846	263,067	1,330,913
Administration	31,923	9,746	41,669
TOTAL DEDUCTIONS	1,099,769	272,813	1,372,582
CHANGES IN NET ASSETS	1,583,594	730,527	2,314,121
NET ASSETS - JULY 1, 2009	12,830,592	4,672,511	17,503,103
NET ASSETS - JUNE 30, 2010	$ 14,414,186	$ 5,403,038	$ 19,817,224

IV. OTHER INFORMATION (CONTINUED)

D. Other Post-Employment Benefits Plan

1. Plan Description

The Town administers three single-employer, post retirement healthcare plans for the Town, Police, and Board of Education, for the Town of Bethel Other Post Employment Benefits (OPEB). The Town and Police and Fire plans provide medical, dental and life insurance benefits for eligible retirees and their spouses. The Board of Education plan provides medical and dental benefits to eligible retirees and their spouses.

2. Classes of Employees Covered

As of July 1, 2009 for Town, Police and Fire and July 1, 2009 for Board of Education, the plans' membership consisted of:

	TOWN	POLICE	BOARD OF EDUCATION
Retirees and beneficiaries currently receiving benefits	15	1	55
Active plan members	76	34	258
TOTAL	91	35	313

3. Benefit Provisions

a. Benefit Provisions

The Town plan provides for medical, dental and life insurance benefits for all eligible Town, Police, and Fire retirees and their spouses. The Board of Education plan provides medical and dental benefits for all Board of Education retirees and their spouses. Benefits and contributions are established by contract and may be amended by union negotiations.

b. Employer Contributions

The Town's contributions are actuarially determined on an annual basis using the projected unit credit method. The Town, Police, and Board of Education's total plan contribution was $490,000.

c. Employee Contributions

There are no employee contributions to the plan.

IV. OTHER INFORMATION (CONTINUED)

D. Other Post-Employment Benefits Plan (Continued)

4. Funded Status and Funding Progress

The funded status of the plan as of July 1, 2010 was as follows:

ACTUARIAL VALUATION DATE	(A) ACTUARIAL VALUE OF ASSETS	(B) ACTUARIALLY ACCRUED LIABILITY (AAL) PROJECTED UNIT CREDIT	(A-B) OVER/ (UNDER) FUNDED AAL	(A/B) FUNDED AAL RATIO	(C) COVERED PAYROLL	[(A-B)/C] OVER (UNDER) FUNDED AAL AS A PERCENTAGE OF COVERED PAYROLL
TOWN						
JULY 1, 2009	$ -	$ 4,144,000	$(4,144,000)	0.0%	N/A	N/A
POLICE						
JULY 1, 2009	$ -	$ 2,994,000	$(2,994,000)	0.0%	N/A	N/A
BOARD OF EDUCATION						
JULY 1, 2009	$ -	$ 5,922,000	$(5,922,000)	0.0%	N/A	N/A

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress, immediately following the notes to the financial statements (RSI) presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time, relative to the actuarial accrued liability for benefits.

5. Actuarial Methods and Assumptions

Projections of benefits are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the employer and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future. Actuarial calculations reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarially accrued liabilities and the actuarial value of assets.

IV. OTHER INFORMATION (CONTINUED)

D. Other Post-Employment Benefits Plan (Continued)

5. *Actuarial Methods and Assumptions (Continued)*

The data presented in the schedules of funding progress and schedules of contributions were determined as part of the actuarial valuation at the date indicated. Additional information for all plans as of the latest valuation date is as follows:

VALUATION DATE	July 1, 2009
ACTUARIAL COST METHOD	Projected Unit Credit
AMORTIZATION METHOD	Level Dollar
REMAINING AMORTIZATION PERIOD:	
Town	30 years closed
Police	30 years closed
Board of Education	30 years closed
ASSET VALUATION METHOD	Fair Value
ACTUARIAL ASSUMPTIONS:	
Investment rate of return - all plans	4.0%
Healthcare inflation rate:	
Initial	6.6%
Ultimate	4.4%

6. *Annual OPEB Cost and Net OPEB Obligation (NOO)*

The changes in the NOO were as follows:

	TOWN	POLICE	BOARD OF EDUCATION
Annual required contribution	$ 328,000	$ 318,000	$ 342,000
Interest on net OPEB obligation	7,638	175	15,627
Adjustment to annual required contribution	(25,306)	(31,986)	36,273
Annual OPEB cost	310,332	286,189	393,900
Contributions made	159,677	3,657	326,666
Change in net OPEB obligation	150,655	282,532	67,234
Net OPEB obligation - July 1, 2009	197,000	315,000	74,000
Net OPEB obligation - June 30, 2010	$ 347,655	$ 597,532	$ 141,234

IV. OTHER INFORMATION (CONTINUED)

D. Other Post-Employment Benefits Plan (Continued)

7. Two Year Trend Information

YEAR ENDING JUNE 30	ANNUAL OPEB COST (AOC)	PERCENTAGE OF AOC CONTRIBUTED	NET OPEB OBLIGATION
TOWN			
2010	$ 310,332	51.5%	$ 347,655
2009	328,000	39.9%	197,000
POLICE			
2010	$ 286,189	1.3%	$ 597,532
2009	318,000	.9%	315,000
BOARD OF EDUCATION			
2010	$ 393,901	82.9%	$ 141,234
2009	342,000	78.4%	74,000

E. On-Behalf Payments

The amount of the State Teachers' Retirement Plan contribution recognized in the General Fund intergovernmental revenues and education expenditures for contributions made by the State on-behalf of the Town's teachers was $3,003,012.

Required Supplementary Information

TOWN OF BETHEL, CONNECTICUT

REQUIRED SUPPLEMENTARY INFORMATION

BETHEL RETIREMENT SYSTEMS
SCHEDULE OF FUNDING PROGRESS

TOWN PLAN

ACTUARIAL VALUATION DATE	A ACTUARIAL VALUE OF ASSETS	B ACTUARIALLY ACCRUED LIABILITY (AAL) PROJECTED UNIT CREDIT	(A-B) OVER (UNDER) FUNDED AAL	(A/B) FUNDED AAL RATIO	C COVERED PAYROLL	[(A-B)/C] OVER/UNDER FUNDED AAL AS A PERCENTAGE OF COVERED PAYROLL
JULY 1,						
2005	$ 10,722,749	$ 19,411,275	$ (8,688,526)	55.2%	$ 5,976,798	(145.4%)
2006	11,085,204	20,719,691	(9,634,487)	53.5%	6,320,397	(152.4%)
2007	12,339,560	22,034,510	(9,694,950)	56.0%	6,633,769	(146.1%)
2008	12,749,472	23,093,246	(10,343,774)	55.2%	6,925,811	(149.4%)
2009	12,835,835	24,607,570	(11,771,735)	52.2%	7,219,991	(163.0%)
2010	14,414,186	25,321,090	(10,906,904)	56.9%	7,503,503	(145.4%)

POLICE PLAN

ACTUARIAL VALUATION DATE	A ACTUARIAL VALUE OF ASSETS	B ACTUARIALLY ACCRUED LIABILITY (AAL) PROJECTED UNIT CREDIT	(A-B) OVER (UNDER) FUNDED AAL	(A/B) FUNDED AAL RATIO	C COVERED PAYROLL	[(A-B)/C] OVER/UNDER FUNDED AAL AS A PERCENTAGE OF COVERED PAYROLL
JULY 1,						
2005	$ 4,188,857	$ 5,148,259	$ (959,402)	81.4%	$ 1,834,711	(52.3%)
2006	4,347,326	6,590,664	(2,243,338)	66.0%	2,011,476	(111.5%)
2007	4,962,253	7,321,518	(2,359,265)	67.8%	1,983,690	(118.9%)
2008	4,871,965	7,552,796	(2,680,831)	64.5%	2,116,480	(126.7%)
2009	4,667,268	8,304,102	(3,636,834)	56.2%	2,242,755	(162.2%)
2010	5,403,038	8,826,293	(3,423,255)	61.2%	2,180,272	(157.0%)

TOWN OF BETHEL, CONNECTICUT

REQUIRED SUPPLEMENTARY INFORMATION

BETHEL RETIREMENT SYSTEMS
SCHEDULE OF EMPLOYER CONTRIBUTIONS

TOWN PLAN

YEAR ENDED JUNE 30,	ANNUAL REQUIRED CONTRIBUTION	ACTUAL CONTRIBUTION	PERCENTAGE CONTRIBUTED
2005	$ 784,948	$ 781,948	99.6%
2006	1,126,030	1,001,859	89.0%
2007	1,484,138	1,132,355	76.3%
2008	1,498,830	1,589,648	106.1%
2009	1,720,256	1,586,326	92.2%
2010	2,089,781	1,593,424	76.2%

POLICE PLAN (1)

YEAR ENDED JUNE 30,	ANNUAL REQUIRED CONTRIBUTION	ACTUAL CONTRIBUTION	PERCENTAGE CONTRIBUTED
2005	$ 255,932	$ 246,363	96.3%
2006	280,668	256,147	91.3%
2007	446,156	341,526	76.5%
2008	444,905	342,643	77.0%
2009	478,265	395,519	82.7%
2010	579,929	415,392	71.6%

(1) Includes employee contributions

TOWN OF BETHEL, CONNECTICUT

REQUIRED SUPPLEMENTARY INFORMATION

BETHEL OTHER POST EMPLOYMENT BENEFIT PLANS
SCHEDULE OF FUNDING PROGRESS

TOWN OTHER POST EMPLOYMENT BENEFIT PLAN

ACTUARIAL VALUATION DATE	A ACTUARIAL VALUE OF ASSETS	B ACTUARIALLY ACCRUED LIABILITY (AAL) PROJECTED UNIT CREDIT	(A-B) OVER (UNDER) FUNDED AAL	(A/B) FUNDED AAL RATIO	C COVERED PAYROLL	[(A-B)/C] OVER/UNDER FUNDED AAL AS A PERCENTAGE OF COVERED PAYROLL
JULY 1, 2009	$ -	$ 4,144,000	$ (4,144,000)	0.0%	N/A	N/A
2010	N/A	N/A	N/A	N/A	N/A	N/A

POLICE OTHER POST EMPLOYMENT BENEFIT PLAN

ACTUARIAL VALUATION DATE	A ACTUARIAL VALUE OF ASSETS	B ACTUARIALLY ACCRUED LIABILITY (AAL) PROJECTED UNIT CREDIT	(A-B) OVER (UNDER) FUNDED AAL	(A/B) FUNDED AAL RATIO	C COVERED PAYROLL	[(A-B)/C] OVER/UNDER FUNDED AAL AS A PERCENTAGE OF COVERED PAYROLL
JULY 1, 2009	$ -	$ 2,994,000	$ (2,994,000)	0.0%	N/A	N/A
2010	N/A	N/A	N/A	N/A	N/A	N/A

BOARD OF EDUCATION OTHER POST EMPLOYMENT BENEFIT PLAN

ACTUARIAL VALUATION DATE	A ACTUARIAL VALUE OF ASSETS	B ACTUARIALLY ACCRUED LIABILITY (AAL) PROJECTED UNIT CREDIT	(A-B) OVER (UNDER) FUNDED AAL	(A/B) FUNDED AAL RATIO	C COVERED PAYROLL	[(A-B)/C] OVER/UNDER FUNDED AAL AS A PERCENTAGE OF COVERED PAYROLL
JULY 1, 2009	$ -	$ 5,922,000	$ (5,922,000)	0.0%	N/A	N/A
2010	N/A	N/A	N/A	N/A	N/A	N/A

N/A - No valuation for fiscal year 2010

TOWN OF BETHEL, CONNECTICUT

REQUIRED SUPPLEMENTARY INFORMATION

BETHEL OTHER POST EMPLOYMENT BENEFIT PLANS
SCHEDULE OF EMPLOYER CONTRIBUTIONS

TOWN OTHER POST EMPLOYMENT BENEFIT PLAN

YEAR ENDED JUNE 30,	ANNUAL REQUIRED CONTRIBUTION	ACTUAL CONTRIBUTION	PERCENTAGE CONTRIBUTED
2009	$ 328,000	$ 131,000	39.9%
2010	328,000	159,677	48.7%

POLICE OTHER POST EMPLOYMENT BENEFIT PLAN

YEAR ENDED JUNE 30,	ANNUAL REQUIRED CONTRIBUTION	ACTUAL CONTRIBUTION	PERCENTAGE CONTRIBUTED
2009	$ 318,000	$ 3,000	0.9%
2010	318,000	3,657	1.2%

BOARD OF EDUCATION OTHER POST EMPLOYMENT BENEFIT PLAN

YEAR ENDED JUNE 30,	ANNUAL REQUIRED CONTRIBUTION	ACTUAL CONTRIBUTION	PERCENTAGE CONTRIBUTED
2009	$ 342,000	$ 268,000	78.4%
2010	342,000	326,667	95.5%

Supplemental Schedules

General Fund

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

TOWN OF BETHEL, CONNECTICUT

GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
PROPERTY TAXES:				
Property taxes	$ 48,796,656	$ 48,796,656	$ 48,911,934	$ 115,278
Interest and lien fees	257,500	257,500	336,847	79,347
Telephone access tax	130,000	130,000	73,989	(56,011)
PILOT- Augustana			16,517	16,517
PILOT- Reynolds Ridge	41,000	41,000	45,902	4,902
TOTAL PROPERTY TAXES	49,225,156	49,225,156	49,385,189	160,033
INTERGOVERNMENTAL:				
Equal cost sharing	8,157,837	8,157,837	6,987,511	(1,170,326)
Transportation	165,264	165,264	108,078	(57,186)
Continuing education	10,266	10,266	10,790	524
Health and welfare	7,185	7,185	7,273	88
Town aid roads	159,948	159,948	158,659	(1,289)
Boat registration	2,411	2,411	1,235	(1,176)
School building grants	437,929	437,929	437,929	-
PILOT - State owned property	53,852	53,852	47,341	(6,511)
PILOT - Augustana			37,370	37,370
Elderly tax freeze	1,106	1,106		(1,106)
Elderly home owners exemption	115,000	115,000	114,500	(500)
Disability tax loss	1,165	1,165	1,363	198
Veterans tax relief	6,800	6,800	7,256	456
LOCIP	118,327	118,327	114,416	(3,911)
Mashantucket Pequot fund	88,467	88,467	42,945	(45,522)
PILOT - manufacturers	240,000	240,000	252,137	12,137
Miscellaneous State revenue	5,000	5,000	18,413	13,413
TOTAL INTERGOVERNMENTAL	9,570,557	9,570,557	8,347,216	(1,223,341)
CHARGES FOR SERVICES:				
Canine receipts	27,000	27,000	2,133	(24,867)
Planning and zoning	20,000	20,000	9,032	(10,968)
Zoning board of appeals	3,000	3,000	2,449	(551)
Recreational programs	304,858	304,858	219,552	(85,306)
Conveyance tax	240,000	240,000	224,529	(15,471)
Recording fees	90,000	90,000	97,731	7,731
Police reports	2,000	2,000	1,314	(686)
Police other	8,000	8,000	3,784	(4,216)
Town clerk fees	27,000	27,000	38,131	11,131
Library fees	15,000	15,000	18,601	3,601
Miscellaneous licenses and permits	189,800	189,800	306,237	116,437
Parking fines	5,800	5,800	3,350	(2,450)
TOTAL CHARGES FOR SERVICES	932,458	932,458	926,843	(5,615)
USE OF MONEY AND PROPERTY:				
Interest	181,000	181,000	128,193	(52,807)
Property leases	41,586	41,586	34,570	(7,016)
TOTAL USE OF MONEY AND PROPERTY	222,586	222,586	162,763	(59,823)
MISCELLANEOUS REVENUE	20,630	20,630	46,838	26,208
TOTAL REVENUES	59,971,387	59,971,387	58,868,849	(1,102,538)
OTHER FINANCING SOURCES:				
Cancellation of prior year encumbrances			90,356	90,356
TOTAL REVENUES AND OTHER FINANCING SOURCES	$ 59,971,387	$ 59,971,387	$ 58,959,205	$ (1,012,182)

TOWN OF BETHEL, CONNECTICUT

GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
GENERAL GOVERNMENT:				
Selectmen	$ 187,187	$ 192,560	$ 192,560	$ -
Treasurer	6,750	6,742	6,742	-
Finance department	336,216	336,216	313,038	23,178
Town clerk	211,832	200,289	200,289	-
Assessor	185,407	173,831	173,831	-
Tax collector	181,525	170,302	170,302	-
Legal department	176,380	256,260	256,260	-
Probate court	2,650	5,632	5,632	-
Data processing	134,388	149,132	149,132	-
Town insurance	759,699	740,933	740,933	-
Planning and zoning	201,184	196,781	196,781	-
Registrar of voters	77,486	71,275	71,275	-
Town boards and commissions	108,017	91,644	91,644	-
Parks and recreation	902,166	925,124	925,124	-
Employee benefits	4,441,154	4,290,854	4,290,854	-
Intergovernmental agency subsidies	383,085	375,585	374,913	672
Utilities, charges and services	2,115,227	2,008,880	2,008,880	-
Miscellaneous charges	95,574	333,264	52,809	280,455
Senior center	130,584	125,460	125,460	-
TOTAL GENERAL GOVERNMENT	10,636,511	10,650,764	10,346,459	304,305
PUBLIC SAFETY:				
Building and inspection	206,059	202,761	202,761	-
Emergency management	28,500	13,174	13,174	-
Fire marshal	86,310	91,777	91,777	-
Bethel fire department	180,200	177,021	177,021	-
Stony Hill fire department	140,450	121,121	121,121	-
Police department	3,455,641	3,437,020	3,437,020	-
TOTAL PUBLIC SAFETY	4,097,160	4,042,874	4,042,874	-
HEALTH AND WELFARE:				
Social services	58,188	56,779	56,779	-
Health department	260,711	249,623	249,623	-
TOTAL HEALTH AND WELFARE	318,899	306,402	306,402	-
PUBLIC WORKS:				
Fleet maintenance	314,751	326,371	326,371	-
Public works administration	297,287	290,714	290,714	-
Highway department	1,549,351	1,541,895	1,541,895	-
Building maintenance	619,564	639,913	639,913	-
Tree warden	84,400	81,995	81,995	-
TOTAL PUBLIC WORKS	2,865,353	2,880,888	2,880,888	-

(Continued)

TOWN OF BETHEL, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES (CONCLUDED)

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
LIBRARY	$ 737,618	$ 737,012	$ 737,012	$ -
EDUCATION:				
Board of Education	36,567,417	36,468,958	35,402,558	1,066,400
Education maintenance	336,406	392,275	392,275	-
TOTAL EDUCATION	36,903,823	36,861,233	35,794,833	1,066,400
DEBT SERVICE	3,816,857	3,897,048	3,897,048	-
TOTAL EXPENDITURES	59,376,221	59,376,221	58,005,516	1,370,705
OTHER FINANCING USES:				
Transfers out	595,166	595,166	595,166	-
TOTAL EXPENDITURES AND OTHER FINANCING USES	$ 59,971,387	$ 59,971,387	$ 58,600,682	$ 1,370,705

(Concluded)

SCHEDULE 3

TOWN OF BETHEL, CONNECTICUT

REPORT OF TAX COLLECTOR
FOR THE YEAR ENDED JUNE 30, 2010

GRAND LIST YEAR	UNCOLLECTED TAXES JULY 1, 2009	CURRENT YEAR LEVY	LAWFUL CORRECTIONS		TRANSFERS TO SUSPENSE	ADJUSTED AMOUNT COLLECTIBLE	COLLECTIONS					UNCOLLECTED TAXES JUNE 30, 2010
			ADDITIONS	DEDUCTIONS			TAXES	OVER-PAYMENTS & SUSPENSE	NET TAXES COLLECTED	INTEREST, LIENS & OTHER FEES	TOTAL	
1993	$ 1,898	$	$	$ 1,898	$	$ -	$	$	$	$	$ -	$ -
1994	1,897			32		1,865					-	1,865
1995	1,984			33		1,951					-	1,951
1996	2,102			35		2,067					-	2,067
1997	2,201			36		2,165					-	2,165
1998	7,543		88			7,631	3,991		3,991	3,436	7,427	3,640
1999	9,220					9,220	5,389		5,389	7,118	12,507	3,831
2000	10,763		155			10,918	6,813		6,813	9,457	16,270	4,105
2001	11,365		140			11,505	7,007		7,007	8,180	15,187	4,498
2002	14,491		101			14,592	11,409		11,409	11,969	23,378	3,183
2003	15,693		94			15,787	11,661		11,661	10,567	22,228	4,126
2004	18,101		82	998	2,807	14,378	10,513	911	9,602	14,187	23,789	4,776
2005	40,769		342	852	4,377	35,882	27,467	89	27,378	10,370	37,748	8,504
2006	129,829		3,971	1,442	37,840	94,518	82,406	3,835	78,571	27,428	105,999	15,947
2007	706,792		31,165	25,604	40,305	672,048	515,854	7,099	508,755	107,818	616,573	163,293
SUSPENSE				29,595	(79,339)	49,744	50,021	277	49,744	35,991	85,735	-
TOTAL PRIOR YEARS	974,648	-	36,138	60,525	5,990	944,271	732,531	12,211	720,320	246,521	966,841	223,951
2008		49,290,711	58,485	227,231	31,805	49,090,160	48,455,629	50,224	48,405,405	142,087	48,547,492	684,755
TOTAL ALL YEARS	$ 974,648	$ 49,290,711	$ 94,623	$ 287,756	$ 37,795	$ 50,034,431	$49,188,160	$ 62,435	$ 49,125,725	$ 388,608	$ 49,514,333	$ 908,706

Nonmajor Governmental Funds

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

BENNETT PROPERTY

This fund is used to account for the activities associated with the care and maintenance of the Bennett Park Property.

SMALL CITIES PROGRAM

This fund is used to account for the activities associated with the Community Development Block Grant Program.

HEALTH DEPARTMENT GRANTS

This fund is used to account for the activities associated with the State of Connecticut, Department of Health Grants administered by the Bethel Health Department.

PUBLIC SAFETY GRANTS

This fund is used to account for the activities associated with the Drug Awareness Program, Drug Enforcement Program and the Police Equipment Grant.

EDUCATION GRANTS

This fund is used to account for the activities of various State and Federal educational related grant programs, primarily those grants received from the State of Connecticut, Department of Education.

SCHOOL LUNCH PROGRAM

This fund is used to account for the activities associated with the operations of the School Lunch Program.

LIBRARY

This fund is used to account for the non-tax funded activities of the Bethel Public Library.

RAILROAD STATION

This fund is used to account for the activities associated with the operation and maintenance of the railroad station.

RAILROAD STATION RENOVATION

This fund is used to account for the renovation of the railroad station.

Nonmajor Governmental Funds (Continued)

SPECIAL REVENUE FUNDS (CONTINUED)

LAND ACQUISITION FUND

This fund is used to account for the proceeds from the sale of Town properties and the purchase of additional properties.

TEEN CENTER

This fund is used to account for the activities associated with the Youth Commission programs.

INSURANCE RESERVE

This fund is used to account for receipts from insurance companies and disbursements for insurance claims.

P & Z SERVICE FUND

This fund is used to account for the service fees collected by the Planning and Zoning Commission, which are used to pay the costs for professional service to assist the Commission.

PARAMEDIC INTERCEPT

This fund is used to account for the service fees collected by ambulance services, which are used to pay the cost of those services.

HISTORIC DOCUMENTS

This fund is used to account for fees collected by the Town Clerk and related grants to preserve historic documents.

DEBT SERVICE FUND

This fund is used to account for the accumulation of resources for, and the payment of, long-term debt, principal, interest and related costs.

CAPITAL PROJECTS FUND

Capital projects fund is used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

CAPITAL AND NONRECURRING

This fund is used to account for activities associated with major capital improvements and equipment purchased with non-financed funding sources.

TOWN OF BETHEL, CONNECTICUT

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2010

	SPECIAL REVENUE FUNDS								
	BENNETT PROPERTY	SMALL CITIES PROGRAM	HEALTH DEPARTMENT GRANTS	PUBLIC SAFETY GRANTS	EDUCATION GRANTS	SCHOOL LUNCH PROGRAM	LIBRARY	RAILROAD STATION	RAILROAD STATION RENOVATION
ASSETS									
Cash	$ 4,879	$ 11,312	$ 626	$	$	$ 46,672	$ 4,841	$ 30,000	$ 39,364
Investments						51,803	270,120	160,134	
Receivables:									
Intergovernmental						32,829			
Other					21,256				
Due from other funds			31,533	23,077	547,303				
TOTAL ASSETS	$ 4,879	$ 11,312	$ 32,159	$ 23,077	$ 568,559	$ 131,304	$ 274,961	$ 190,134	$ 39,364
LIABILITIES AND FUND BALANCES									
LIABILITIES:									
Accounts payable	$	$ 18,720	$ 8,739	$	$	$ 45,766	$	$ 176	$ 337
Due to other funds		1,099						4,911	
Deferred and unearned revenue					302,480				
TOTAL LIABILITIES	-	19,819	8,739	-	302,480	45,766	-	5,087	337
FUND BALANCES:									
Unreserved and undesignated	4,879	(8,507)	23,420	23,077	266,079	85,538	274,961	185,047	39,027
TOTAL LIABILITIES AND FUND BALANCES	$ 4,879	$ 11,312	$ 32,159	$ 23,077	$ 568,559	$ 131,304	$ 274,961	$ 190,134	$ 39,364

(Continued)

TOWN OF BETHEL, CONNECTICUT
COMBINING BALANCE SHEET (CONCLUDED)
NONMAJOR GOVERNMENTAL FUNDS

SCHEDULE 4
(2 of 2)

	SPECIAL REVENUE FUNDS							CAPITAL PROJECTS	
	LAND ACQUISITION FUND	TEEN CENTER	P&Z SERVICE FUND	PARAMEDIC INTERCEPT	HISTORIC DOCUMENTS	TOTAL SPECIAL REVENUE	DEBT SERVICE FUND	CAPITAL AND NONRECURRING	TOTAL NONMAJOR GOVERNMENTAL FUNDS
ASSETS									
Cash	$ 1,125,455	$ 2,329	$ 81,586	$ 6,381	$	$ 1,353,445	$ 328,832	$ 957,415	$ 2,639,692
Investments						482,057		127,212	609,269
Receivables:									
Intergovernmental	61,940					32,829			32,829
Other	17,349			12,152		95,348			95,348
Due from other funds					10,747	630,009		64,509	694,518
TOTAL ASSETS	$ 1,204,744	$ 2,329	$ 81,586	$ 18,533	$ 10,747	$ 2,593,688	$ 328,832	$ 1,149,136	$ 4,071,656
LIABILITIES AND FUND BALANCES									
LIABILITIES:									
Accounts payable	$	$	$	$ 542	$	$ 74,280	$	$ 41,073	$ 115,353
Due to other funds				50,000		56,010		3,791	59,801
Deferred and unearned revenue						302,480			302,480
Bond anticipation notes payable						-		480,000	480,000
TOTAL LIABILITIES	-	-	-	50,542	-	432,770	-	524,864	957,634
FUND BALANCES:									
Reserved for debt service						-	328,832		328,832
Unreserved and undesignated	1,204,744	2,329	81,586	(32,009)	10,747	2,160,918		624,272	2,785,190
TOTAL FUND BALANCES	1,204,744	2,329	81,586	(32,009)	10,747	2,160,918	328,832	624,272	3,114,022
TOTAL LIABILITIES AND FUND BALANCES	$ 1,204,744	$ 2,329	$ 81,586	$ 18,533	$ 10,747	$ 2,593,688	$ 328,832	$ 1,149,136	$ 4,071,656

(Concluded)

TOWN OF BETHEL, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	SPECIAL REVENUE FUNDS								
	BENNETT PROPERTY	SMALL CITIES PROGRAM	HEALTH DEPARTMENT GRANTS	PUBLIC SAFETY GRANTS	EDUCATION GRANTS	SCHOOL LUNCH PROGRAM	LIBRARY	RAILROAD STATION	RAILROAD STATION RENOVATION
REVENUES:									
Intergovernmental	$	$	$ 212,542	$ 34,421	$ 3,596,539	$ 261,787	$ 5,084	$	$
Charges for services					388,257	726,036		80,371	
Use of money and property						279	5,053	517	135
Contributions	6,475			3,966			95,350		
Other			721				772		
TOTAL REVENUES	6,475	-	213,263	38,387	3,984,796	988,102	106,259	80,888	135
EXPENDITURES:									
Current:									
General government	6,473	19,819						45,031	337
Public safety				48,873					
Health and welfare			174,412						
Library							15,568		
Education					4,026,802	973,639			
TOTAL EXPENDITURES	6,473	19,819	174,412	48,873	4,026,802	973,639	15,568	45,031	337
NET CHANGE IN FUND BALANCES	2	(19,819)	38,851	(10,486)	(42,006)	14,463	90,691	35,857	(202)
FUND BALANCES, JULY 1, 2009	4,877	11,312	(15,431)	33,563	308,085	71,075	184,270	149,190	39,229
FUND BALANCES, JUNE 30, 2010	$ 4,879	$ (8,507)	$ 23,420	$ 23,077	$ 266,079	$ 85,538	$ 274,961	$ 185,047	$ 39,027

(Continued)

TOWN OF BETHEL, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONCLUDED)
NONMAJOR GOVERNMENTAL FUNDS

	SPECIAL REVENUE FUNDS								CAPITAL PROJECTS	
	LAND ACQUISITION FUND	TEEN CENTER	INSURANCE RESERVE	P&Z SERVICE FUND	PARAMEDIC INTERCEPT	HISTORIC DOCUMENTS	TOTAL SPECIAL REVENUE	DEBT SERVICE FUND	CAPITAL AND NONRECURRING	TOTAL NONMAJOR GOVERNMENTAL FUNDS
REVENUES:										
Intergovernmental	$ 15,800	$	$	$	$	$ 5,000	$ 4,131,173	$	$ 142,500	$ 4,273,673
Charges for services	3,476			55,000	328,439	3,738	1,585,317			1,585,317
Use of money and property							5,984	1,752	2,459	10,195
Contributions	642,624						748,415		602,180	1,350,595
Other							1,493		6,734	8,227
TOTAL REVENUES	661,900	-	-	55,000	328,439	8,738	6,472,382	1,752	753,873	7,228,007
EXPENDITURES:										
Current:										
General government	3,400			1,978		11,811	88,849			88,849
Public safety					397,429		446,302			446,302
Health and welfare							-			-
Library							174,412			174,412
Education			334,247				5,350,256			5,350,256
Debt service							-	127,738		127,738
Capital outlay							-		747,049	747,049
TOTAL EXPENDITURES	3,400	-	334,247	1,978	397,429	11,811	6,059,819	127,738	747,049	6,934,606
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	658,500	-	(334,247)	53,022	(68,990)	(3,073)	412,563	(125,986)	6,824	293,401
OTHER FINANCING SOURCES (USES):										
Issuance of refunding debt							-	8,425,000		8,425,000
Payment to refunded bond escrow agent							-	(9,343,492)		(9,343,492)
Premium							-	1,045,057		1,045,057
Capital lease							-		443,437	443,437
Transfers in							-		295,000	295,000
NET OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	-	126,565	738,437	865,002
NET CHANGE IN FUND BALANCES	658,500	-	(334,247)	53,022	(68,990)	(3,073)	412,563	579	745,261	1,158,403
FUND BALANCES, JULY 1, 2009	546,244	2,329	334,247	28,564	36,981	13,820	1,748,355	328,253	(120,989)	1,955,619
FUND BALANCES, JUNE 30, 2010	$ 1,204,744	$ 2,329	$ -	$ 81,586	$ (32,009)	$ 10,747	$ 2,160,918	$ 328,832	$ 624,272	$ 3,114,022

(Concluded)

Fiduciary Funds

Fiduciary funds are used to account for assets held by the Town in a trustee capacity for individuals, private organizations, other governments, and/or other funds. These include nonexpendable trust, pension trust and agency funds.

PENSION TRUST FUNDS

TOWN EMPLOYEE PENSION FUND

To account for contributions made by the Town and its employees for pension benefits for all non-certified and non-police personnel.

POLICE PENSION FUND

To account for contributions made by the Town and its employees for pension benefits for all uniformed members of the Police Department.

PRIVATE-PURPOSE TRUST FUNDS

HENNESSEY SCHOLARSHIP FUND

To account for the initial restricted contribution and investment earnings, which are used to provide scholarships to eligible students as determined by the Board of Education.

MENEGAY SCHOLARSHIP FUND

To account for the initial restricted contribution and partially restricted investment earnings, which are used to provide scholarships to eligible students as determined by the Board of Education.

EDUCATION SCHOLARSHIPS

To account for the activities associated with the DeSantis, Shaker and Henry Williams scholarship funds administered by the Board of Education.

AGENCY FUNDS

PERFORMANCE BONDS

To account for cash bonds and other cash and investments held by the Town to ensure compliance with specifications and regulations with respect to various building projects and improvements.

STUDENT ACTIVITIES

To account for various activities as defined by State Statutes undertaken by students of the public school system.

SCHEDULE 6

TOWN OF BETHEL, CONNECTICUT

COMBINING STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2010

	PRIVATE - PURPOSE TRUST FUNDS				
	HENNESSEY SCHOLARSHIP FUND	MENEGAY SCHOLARSHIP FUND	EDUCATION SCHOLARSHIPS	TOTAL PRIVATE - PURPOSE TRUST FUNDS	AGENCY FUNDS
ASSETS					
Cash	$	$ 5,948	$ 23,797	$ 29,745	$ 360,952
Investments:					
Money market mutual funds	99,440			99,440	
Fixed income mutual funds			6,502	6,502	
Certificates of deposit			1,642	1,642	519,609
U.S. Government agency securities		147,628		147,628	
Equity mutual funds			7,054	7,054	
Total investments	99,440	147,628	15,198	262,266	519,609
Due from other funds				-	142,711
TOTAL ASSETS	99,440	153,576	38,995	292,011	1,023,272
LIABILITIES					
LIABILITIES:					
Accounts payable				-	1,023,272
NET ASSETS					
Held in trust for:					
Individuals	$ 99,440	$ 153,576	$ 38,995	$ 292,011	$ -

SCHEDULE 7

TOWN OF BETHEL, CONNECTICUT

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	PRIVATE - PURPOSE TRUST FUNDS			
	HENNESSEY SCHOLARSHIP FUND	MENEGAY SCHOLARSHIP FUND	EDUCATION SCHOLARSHIPS	TOTAL PRIVATE - PURPOSE TRUST FUNDS
ADDITIONS:				
Contributions	$	$	$ 46,805	$ 46,805
Investment income (loss):				
Change in fair value of investments	9,317	8,744	1,358	19,419
Interest and dividends	4,393	7,433	554	12,380
Total Investment income (loss)	13,710	16,177	1,912	31,799
TOTAL ADDITIONS	13,710	16,177	48,717	78,604
DEDUCTIONS:				
Administration	300	100	305	705
Scholarships awarded	1,500	6,600	44,809	52,909
TOTAL DEDUCTIONS	1,800	6,700	45,114	53,614
CHANGES IN NET ASSETS	11,910	9,477	3,603	24,990
NET ASSETS - JULY 1, 2009	87,530	144,099	35,392	267,021
NET ASSETS - JUNE 30, 2010	$ 99,440	$ 153,576	$ 38,995	$ 292,011

SCHEDULE 8

TOWN OF BETHEL, CONNECTICUT

AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2010

	BALANCE JULY 1, 2009	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2010
ASSETS				
CASH:				
Performance bonds	$ 317,726	$ 22,159	$ 53,868	$ 286,017
Flex benefit account	32,306	123,872	118,142	38,036
Student activities	21,253	813,150	797,504	36,899
TOTAL CASH	371,285	959,181	969,514	360,952
INVESTMENTS:				
Student activities	525,177		5,568	519,609
DUE FROM OTHER FUNDS:				
Performance bonds	138,808	28,547	24,644	142,711
TOTAL ASSETS	$ 1,035,270	$ 987,728	$ 999,726	$ 1,023,272
LIABILITIES				
ACCOUNTS PAYABLE:				
Performance bonds	$ 456,534	$ 50,706	$ 78,512	$ 428,728
Flex benefit account	32,306	123,872	118,142	38,036
Student activities	546,430	813,150	803,072	556,508
TOTAL LIABILITIES	$ 1,035,270	$ 987,728	$ 999,726	$ 1,023,272

Statistical Section

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

Contents

FINANCIAL TRENDS (TABLES 1 - 4)

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

REVENUE CAPACITY (TABLES 5 - 7)

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

DEBT CAPACITY (TABLES 8 - 11)

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

DEMOGRAPHIC AND ECONOMIC INFORMATION (TABLES 12 - 13)

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

OPERATING INFORMATION (TABLES 14 - 16)

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

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

TABLE 1

TOWN OF BETHEL, CONNECTICUT

NET ASSETS BY COMPONENT
LAST EIGHT YEARS (1)
(UNAUDITED)

	FISCAL YEAR ENDED							
	2010	2009	2008	2007	2006	2005	2004	2003
GOVERNMENTAL ACTIVITIES:								
Invested in capital assets, net of related debt	$ 62,262,355	$ 59,884,103	$ 54,094,588	$ 45,591,122	$ 43,595,254	$ 40,757,470	$ 39,033,847	$ 32,388,156
Restricted	328,832	328,253	3,754,080	9,303,085	1,367,892	1,147,782	6,229,511	3,914,491
Unrestricted	8,122,511	7,163,856	4,385,941	(94,775)	8,042,615	10,297,570	4,388,938	11,406,501
TOTAL GOVERNMENTAL ACTIVITIES NET ASSETS	70,713,698	67,376,212	62,234,609	54,799,432	53,005,761	52,202,822	49,652,296	47,709,148
BUSINESS-TYPE ACTIVITIES:								
Invested in capital assets, net of related debt	9,572,027	8,535,419	5,441,473	7,309,321	9,825,127	11,256,476	9,814,918	19,376,618
Unrestricted	4,109,872	5,725,240	3,483,338	1,454,542	(547,979)	(1,716,364)	(41,964)	(10,470,518)
TOTAL BUSINESS-TYPE ACTIVITIES NET ASSETS	13,681,899	14,260,659	8,924,811	8,763,863	9,277,148	9,540,112	9,772,954	8,906,100
TOTAL NET ASSETS:								
Invested in capital assets, net of related debt	71,834,382	68,419,522	59,536,061	52,900,443	53,420,381	52,013,946	48,848,765	51,764,774
Restricted	328,832	328,253	3,754,080	9,303,085	1,367,892	1,147,782	6,229,511	3,914,491
Unrestricted	12,232,383	12,889,096	7,869,279	1,359,767	7,494,636	8,581,206	4,346,974	935,983
TOTAL NET ASSETS	$ 84,395,597	$ 81,636,871	$ 71,159,420	$ 63,563,295	$ 62,282,909	$ 61,742,934	$ 59,425,250	$ 56,615,248

(1) Less than ten years of data due to the implementaton date of GASB 34.

TABLE 2
(1 of 2)

TOWN OF BETHEL, CONNECTICUT

CHANGES IN NET ASSETS
LAST EIGHT YEARS (1)
(UNAUDITED)

	FISCAL YEAR ENDED							
	2010	2009	2008	2007	2006	2005	2004	2003
EXPENSES:								
Governmental activities:								
General government	$ 6,668,996	$ 7,680,008	$ 6,091,815	$ 6,124,727	$ 5,841,298	$ 5,246,730	$ 5,136,551	$ 4,798,399
Public safety	6,983,966	6,533,552	6,111,876	5,957,113	5,265,683	5,202,528	4,730,500	4,540,088
Public works	3,293,443	4,103,553	4,102,646	3,115,013	3,184,930	3,050,076	3,196,649	3,110,928
Health and welfare	454,253	517,223	595,196	496,248	542,406	455,022	619,691	408,248
Library	1,381,052	1,186,394	1,284,906	1,236,081	1,084,553	746,960	759,655	754,060
Education	46,830,139	45,093,618	50,778,375	41,184,490	39,069,230	36,355,664	34,278,200	32,758,152
Interest expense	460,098	1,216,231	1,119,908	1,364,944	1,803,685	1,298,658	931,248	3,051,325
Total Governmental activities expenses	66,071,947	66,330,579	70,084,722	59,478,616	56,791,785	52,355,638	49,652,494	49,421,200
Business-type activities:								
Water Department	1,151,148	1,017,085	1,122,067	1,060,049	1,084,008	867,011	855,218	882,563
Sewer Department	2,898,833	1,920,281	1,853,177	1,963,696	1,866,953	1,661,092	1,306,166	1,384,212
Transfer Station	329,680	304,203	294,459	299,113	296,208	309,080	271,742	354,613
Total Business-type activities expenses	4,379,661	3,241,569	3,269,703	3,322,858	3,247,169	2,837,183	2,433,126	2,621,388
TOTAL EXPENSES	70,451,608	69,572,148	73,354,425	62,801,474	60,038,954	55,192,821	52,085,620	52,042,588
PROGRAM REVENUES:								
Governmental activities:								
Charges for services:								
General government	1,350,782	825,472	1,145,786	1,335,235	1,228,473	1,199,839	993,933	1,109,794
Public safety	339,020	55,064	23,751	18,424	24,242	28,544	289,154	17,734
Public works	80,371	78,266	75,495	71,801	50,582	58,361	49,275	43,629
Health and welfare			1,600	450				
Library	18,601	18,914	17,481	16,988	13,420	11,890	11,259	10,331
Education	723,140	1,045,203	1,014,033	1,030,072	1,063,221	862,492	961,774	838,477
Operating grants and contributions	14,593,517	15,215,831	20,481,329	11,236,538	11,325,570	10,950,422	9,512,221	10,420,540
Capital grants and contributions	2,060,657	4,415,067	5,005,491	1,118,600	287,931	301,597	326,898	3,482,348
Total Governmental activities program revenues	19,166,088	21,653,817	27,764,966	14,828,108	13,993,439	13,413,145	12,144,514	15,922,853

(Continued)

TABLE 2
(2 of 2)

TOWN OF BETHEL, CONNECTICUT

CHANGES IN NET ASSETS
LAST EIGHT YEARS (1)
(UNAUDITED)

	FISCAL YEAR ENDED							
	2010	2009	2008	2007	2006	2005	2004	2003
Business-type activities:								
Charges for services:								
Water Department	$ 831,091	$ 878,936	$ 664,775	$ 642,263	$ 686,610	$ 617,742	$ 639,238	$ 625,810
Sewer Department	2,379,195	7,290,414	1,797,548	1,631,729	1,679,952	1,602,454	2,319,593	1,683,900
Transfer Station	219,894	222,511	208,189	244,612	266,131	273,115	288,006	242,059
Capital grants and contributions	225,000		500,000		50,000		32,000	27,540
Total Business-type activities program revenues	3,655,180	8,391,861	3,170,512	2,518,604	2,682,693	2,493,311	3,278,837	2,579,309
TOTAL PROGRAM REVENUES	22,821,268	30,045,678	30,935,478	17,346,712	16,676,132	15,906,456	15,423,351	18,502,162
NET (EXPENSE) / REVENUE:								
Governmental activities	(46,905,859)	(44,676,762)	(42,319,756)	(44,650,508)	(42,798,346)	(38,942,493)	(37,507,980)	(33,498,347)
Business-type activities	(724,481)	5,150,292	(99,191)	(804,254)	(564,476)	(343,872)	845,711	(42,079)
TOTAL NET (EXPENSE) / REVENUE	(47,630,340)	(39,526,470)	(42,418,947)	(45,454,762)	(43,362,822)	(39,286,365)	(36,662,269)	(33,540,426)
GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS:								
Governmental activities:								
Property taxes	49,449,036	48,919,291	48,311,972	44,931,511	42,501,489	40,354,781	38,510,789	36,956,150
Grants and contributions not restricted to specific programs	521,325	537,292	531,947	515,514	292,334	359,067	590,727	934,954
Investment income	217,919	311,866	824,942	915,522	731,049	423,481	279,453	583,839
Miscellaneous	55,065	49,916	86,072	81,632	76,413	355,690	70,159	85,665
Total Governmental activities	50,243,345	49,818,365	49,754,933	46,444,179	43,601,285	41,493,019	39,451,128	38,560,608
Business-type activities:								
Investment income	145,721	185,556	260,139	290,969	301,512	111,030	21,143	17,003
TOTAL GENERAL REVENUES	50,389,066	50,003,921	50,015,072	46,735,148	43,902,797	41,604,049	39,472,271	38,577,611
CHANGE IN NET ASSETS:								
Governmental activities	3,337,486	5,141,603	7,435,177	1,793,671	802,939	2,550,526	1,943,148	5,062,261
Business-type activities	(578,760)	5,335,848	160,948	(513,285)	(262,964)	(232,842)	866,854	(25,076)
TOTAL CHANGE IN NET ASSETS	$ 2,758,726	$ 10,477,451	$ 7,596,125	$ 1,280,386	$ 539,975	$ 2,317,684	$ 2,810,002	$ 5,037,185

(Concluded)

(1) Less than ten years of data due to the implementaton date of GASB 34.

TABLE 3

TOWN OF BETHEL, CONNECTICUT

FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

	FISCAL YEAR ENDED JUNE 30									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
GENERAL FUND:										
Reserved	$ 583,080	$ 837,905	$ 919,552	$ 991,628	$ 546,617	$ 729,114	$ 554,085	$ 691,204	$ 634,784	$ 483,045
Unreserved:										
Undesignated	6,444,053	6,152,022	5,937,527	5,260,264	5,166,717	5,601,331	5,111,783	5,021,438	4,311,789	3,112,088
TOTAL GENERAL FUND	7,027,133	6,989,927	6,857,079	6,251,892	5,713,334	6,330,445	5,665,868	5,712,642	4,946,573	3,595,133
ALL OTHER GOVERNMENTAL FUNDS										
Reserved:										
Commitments			3,754,080	9,303,085	883,262	480,655	5,737,413	3,296,273	5,464,710	588,237
Debt Service funds	328,832	328,253	380,866	369,998						
Unreserved reported in:										
Special Revenue funds	2,160,918	1,748,355	1,376,901	1,122,995	1,097,840	1,131,038	807,014	519,004	611,197	537,856
Capital Project funds	(101,275)	(1,374,202)	(26,019,096)	(15,757,940)	424,795	1,149,393	(4,620,693)	(3,455,983)	(5,334,206)	(2,892,475)
TOTAL ALL OTHER GOVERNMENTAL FUNDS	2,388,475	702,406	(19,924,169)	(4,961,862)	2,405,897	2,761,086	1,923,734	359,294	741,701	(1,766,382)
GRAND TOTAL	$ 9,415,608	$ 7,692,333	$ (13,067,090)	$ 1,290,030	$ 8,119,231	$ 9,091,531	$ 7,589,602	$ 6,071,936	$ 5,688,274	$ 1,828,751

TABLE 4

TOWN OF BETHEL CONNECTICUT

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN YEARS
(UNAUDITED)

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
REVENUES:										
Property taxes	$ 49,385,189	$ 48,953,127	$ 48,320,481	$ 44,990,513	$ 42,643,654	$ 40,092,643	$ 38,708,898	$ 36,506,447	$ 33,859,500	$ 31,103,200
Intergovernmental	16,200,448	20,053,407	26,368,297	12,398,163	12,156,869	11,793,154	10,857,960	15,216,898	11,594,745	11,803,695
Charges for services	2,512,160	2,023,233	2,269,152	2,472,970	2,379,938	2,161,126	2,305,395	2,019,965	1,790,639	1,391,208
Use of money and property	217,919	311,866	824,942	915,522	667,669	423,481	275,193	494,614	928,020	624,746
Contributions	1,412,980	565,986	118,378	47,382	60,365	325,960	93,080	158,541	44,512	32,167
Other	55,065	49,916	86,072	81,632	76,413	355,690	70,159	85,665	614,615	900,124
TOTAL REVENUES	69,783,761	71,957,535	77,987,322	60,906,182	57,984,908	55,152,054	52,310,685	54,482,130	48,832,031	45,855,140
EXPENDITURES:										
Current:										
General government	10,444,489	11,560,072	10,415,596	9,337,771	8,766,054	7,941,533	7,745,704	7,331,507	6,630,652	5,980,808
Public safety	4,513,981	4,005,255	3,943,333	3,802,471	3,559,894	3,494,212	3,402,758	3,091,544	2,794,308	2,718,560
Public works	2,968,461	2,849,994	3,027,474	2,276,788	2,481,584	2,200,568	2,531,345	2,138,925	2,001,902	2,562,538
Health and welfare	295,336	387,124	490,179	363,468	402,645	387,286	357,181	261,505	235,020	231,993
Library	911,899	750,271	813,154	773,418	706,201	664,637	700,088	596,734	638,707	620,611
Education	44,268,094	43,057,343	48,945,929	38,654,025	37,211,772	35,227,328	33,007,184	32,550,822	30,532,106	29,186,081
Debt service	4,058,700	4,042,927	3,842,837	4,146,715	4,103,668	3,297,880	3,066,320	2,732,333	2,726,709	2,860,301
Capital outlay	1,169,528	6,722,046	21,449,020	8,380,727	1,788,770	7,993,009	2,833,939	5,617,451	9,689,922	2,027,269
TOTAL EXPENDITURES	68,630,488	73,375,032	92,927,522	67,735,383	59,020,588	61,206,453	53,644,519	54,320,821	55,249,326	46,188,161
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,153,273	(1,417,497)	(14,940,200)	(6,829,201)	(1,035,680)	(6,054,399)	(1,333,834)	161,309	(6,417,295)	(333,021)
OTHER FINANCING SOURCES (USES):										
Issuance of debt	8,425,000	22,760,000				6,563,500	2,851,500		10,300,000	
Payment to refunded bond escrow agent	(9,343,492)									
Bond premium	1,045,057				63,380	76,216		222,353		
Capital lease	443,437					448,272				
Transfers in	595,166	1,646,500	453,000	1,947,762	1,062,520	610,500	1,123,920	902,000	1,210,801	597,920
Transfers out	(595,166)	(1,646,500)	(453,000)	(1,947,762)	(1,062,520)	(610,500)	(1,123,920)	(902,000)	(1,210,801)	(597,920)
NET OTHER FINANCING SOURCES (USES)	570,002	22,760,000	-	-	63,380	7,087,988	2,851,500	222,353	10,300,000	-
NET CHANGE IN FUND BALANCES	$ 1,723,275	$ 21,342,503	$ (14,940,200)	$ (6,829,201)	$ (972,300)	$ 1,033,589	$ 1,517,666	$ 383,662	$ 3,882,705	$ (333,021)
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	6.10%	6.06%	5.38%	6.99%	7.17%	6.20%	6.03%	5.61%	5.98%	6.48%

TABLE 5

TOWN OF BETHEL, CONNECTICUT

TAX RATES, LEVIES AND CASH COLLECTIONS
LAST TEN YEARS
(UNAUDITED)

YEAR ENDED JUNE 30	(1) MILL RATE	TOTAL ADJUSTED TAX LEVY	NET CURRENT LEVY TAX COLLECTIONS	PERCENTAGE OF CURRENT TAXES COLLECTED	COLLECTIONS IN SUBSEQUENT YEARS	TOTAL COLLECTIONS	PERCENT OF LEVY COLLECTED	CURRENT DELINQUENT BALANCE
2001	28.00	$ 30,978,843	$ 30,402,345	98.15%	$ 572,667	$ 30,975,012	99.99%	$ 3,831
2002	29.99	33,627,134	33,003,148	98.15%	619,881	33,623,029	99.99%	4,105
2003	31.44	35,964,255	35,260,477	98.05%	699,280	35,959,757	99.99%	4,498
2004	24.55	37,768,058	37,158,834	98.40%	606,041	37,764,875	99.99%	3,183
2005	25.48	39,755,646	39,174,873	98.55%	576,647	39,751,520	99.99%	4,126
2006	26.48	42,083,634	41,607,383	98.88%	471,475	42,078,858	99.99%	4,776
2007	27.75	44,581,196	44,094,785	98.92%	477,907	44,572,692	99.98%	8,504
2008	28.15	47,942,582	47,368,484	98.81%	558,151	47,926,635	99.97%	15,947
2009	21.28	48,529,233	47,822,441	98.55%	543,499	48,365,940	99.66%	163,293
2010	21.64	49,090,160	48,405,405	98.62%		48,405,405	98.61%	684,755

Source: Town audit reports.

(1) This represents the Town's mill rate per $1,000 of taxable property. There are no overlapping tax rates.

TABLE 6

TOWN OF BETHEL, CONNECTICUT

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS
(UNAUDITED)

	REAL ESTATE		PERSONAL PROPERTY			TOTALS				
YEAR ENDED JUNE 30	(1) (4) ASSESSED VALUE	(2) ESTIMATED VALUE	(1) NET MOTOR VEHICLE ASSESSED VALUE	(1) NET PERSONAL PROPERTY ASSESSED VALUE	NET TOTAL MOTOR VEHICLE AND PERSONAL PROPERTY ASSESSED VALUE	(3) TOTAL MOTOR VEHICLE AND PERSONAL PROPERTY ESTIMATED ACTUAL VALUE	(1) TOTAL ASSESSED VALUE	TOTAL ESTIMATED ACTUAL VALUE	(2) PERCENTAGE OF TOTAL ASSESSED VALUE TO TOTAL ESTIMATED ACTUAL VALUE	TOTAL DIRECT TAX RATE
2001	$ 937,851,017	$ 1,442,847,718	$ 102,485,690	$ 60,288,850	$ 162,774,540	$ 232,535,057	$ 1,100,625,557	$ 1,675,382,775	65.69%	28.00
2002	954,519,310	1,791,851,350	107,599,512	58,909,760	166,509,272	237,870,389	1,121,028,582	2,029,721,739	55.23%	29.99
2003	970,300,568	1,852,434,713	110,620,650	62,780,720	173,401,370	247,716,240	1,143,701,930	2,100,150,950	54.46%	31.44
2004	1,365,296,580	1,950,423,680	115,351,560	57,168,610	172,520,170	246,457,386	1,537,816,750	2,196,881,066	70.00%	24.55
2005	1,392,006,110	2,577,789,093	112,568,500	61,377,880	173,946,380	248,494,829	1,565,524,900	2,826,283,922	55.39%	25.48
2006	1,407,859,027	2,815,718,054	120,067,280	67,395,210	187,462,790	267,803,956	1,595,321,817	3,083,522,010	51.74%	26.48
2007	1,418,745,302	3,002,635,560	127,409,171	67,466,650	194,875,827	278,394,039	1,613,621,129	3,281,029,599	49.18%	27.75
2008	1,430,108,340	2,987,483,476	129,597,440	112,751,228	242,348,668	346,212,383	1,672,457,008	3,333,695,859	50.17%	28.15
2009	2,021,769,589	2,888,242,270	132,950,190	137,535,300	270,485,490	386,407,842	2,292,255,079	3,274,650,112	70.00%	21.28
2010	2,035,958,530	2,577,162,696	124,381,260	126,476,510	250,857,770	358,368,243	2,286,816,300	2,935,530,939	77.90%	21.64

(1) Assessed values taken from the Board of Assessment Appeals corrected abstracts for the respective year.

(2) Ratios are predicated on the State of Connecticut Office of Policy and Management sales/assessment ratio.

(3) Personal property value based on a 70% assessment ratio.

TABLE 7

TOWN OF BETHEL, CONNECTICUT

PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)

		2010			2001		
NAME	NATURE OF BUSINESS	ASSESSED VALUE	RANK	PERCENTAGE NET TAXABLE GRAND LIST (1)	ASSESSED VALUE	RANK	PERCENTAGE NET TAXABLE GRAND LIST (1)
CONNECTICUT LIGHT AND POWER (RELATED COMPANIES AND LEASED EQUIPMENT)	UTILITY	$ 72,652,380	1	3.18%	N/A	N/A	N/A
GILLETTE (DURACELL) INC.	BATTERIES	60,411,250	2	2.64%	N/A	N/A	N/A
STEINER INC. (AND RELATED COMPANIES)	REAL ESTATE - DEVELOPER	25,793,630	3	1.13%	N/A	N/A	N/A
BETHEL ASSOCIATES, INC.	HEALTH CARE	14,807,300	4	0.65%	N/A	N/A	N/A
TARGET	RETAIL	11,630,310	5	0.51%	N/A	N/A	N/A
CE BETHEL, LLC	REAL ESTATE - HOTEL	11,530,660	6	0.50%	N/A	N/A	N/A
BFM LIMITED PARTNERSHIP	SHOPPING PLAZA	7,177,960	7	0.31%	N/A	N/A	N/A
SHEPARDS, INC.	WAREHOUSING	6,512,310	8	0.28%	N/A	N/A	N/A
TONYS RESTAURANT, INC.	REAL ESTATE - HOTEL	5,798,250	9	0.25%	N/A	N/A	N/A
C&P REAL ESTATE	SHOPPING PLAZA	4,266,640	10	0.19%	N/A	N/A	N/A
TOTAL		$ 220,580,690		9.64%	$ -		0.00%
(1) Based on October 1, 2008 and 1999 net taxable Grand List of :		$ 2,286,816,300			$ 1,100,625,557		

Source: Town Assessor Department.

N/A - Information not available.

TABLE 8

TOWN OF BETHEL, CONNECTICUT

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN YEARS
(UNAUDITED)

	GOVERNMENTAL ACTIVITES			BUSINESS-TYPE ACTIVITIES					
YEAR ENDED JUNE 30	GENERAL OBLIGATION BONDS	CAPITAL LEASE PAYABLE	TOTAL	SEWER BONDS	CLEAN WATER NOTE PAYABLE	TOTAL	GRAND TOTAL	PERCENTAGE OF PERSONAL INCOME	DEBT PER CAPITA
2001	$ 15,770,000	$	$ 15,770,000	$ 2,500,000	$ 5,971,094	$ 8,471,094	$ 24,241,094	0.28%	$ 1,342
2002	24,470,000		24,470,000	2,285,000	5,469,691	7,754,691	32,224,691	0.21%	1,785
2003	22,975,000		22,975,000	2,070,000	4,968,287	7,038,287	30,013,287	0.23%	1,627
2004	23,981,500		23,981,500	1,860,000	4,466,883	6,326,883	30,308,383	0.23%	1,632
2005	28,535,000	448,272	28,983,272	1,650,000	3,965,480	5,615,480	34,598,752	0.20%	1,846
2006	25,820,000	812,604	26,632,604	5,740,000	3,464,076	9,204,076	35,836,680	0.19%	1,910
2007	23,110,000	620,115	23,730,115	5,530,000	2,962,672	8,492,672	32,222,787	0.21%	1,729
2008	20,400,000	417,271	20,817,271	5,145,000	2,461,269	7,606,269	28,423,540	0.24%	1,535
2009	17,700,000	203,511	17,903,511	4,850,000	1,959,865	6,809,865	24,713,376	0.28%	1,340
2010	37,405,000	548,097	37,953,097	19,990,000	1,479,898	21,469,898	59,422,995	0.12%	3,206

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

TABLE 9

TOWN OF BETHEL, CONNECTICUT

RATIOS OF GENERAL DEBT OUTSTANDING
LAST TEN YEARS
(UNAUDITED)

YEAR ENDED JUNE 30	GENERAL DEBT OUTSTANDING			PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	DEBT PER CAPITA
	GENERAL OBLIGATION BONDS	CAPITAL LEASE PAYABLE	TOTAL		
2001	$ 15,770,000	$	$ 15,770,000	0.94%	$ 873
2002	24,470,000		24,470,000	1.21%	1,356
2003	22,975,000		22,975,000	1.09%	1,245
2004	23,981,500		23,981,500	1.09%	1,292
2005	28,535,000	448,272	28,983,272	1.03%	1,546
2006	25,820,000	812,604	26,632,604	0.86%	1,420
2007	23,110,000	620,115	23,730,115	0.72%	1,273
2008	20,400,000	417,271	20,817,271	0.62%	1,124
2009	17,700,000	203,511	17,903,511	0.55%	971
2010	37,405,000	548,097	37,953,097	1.29%	2,048

TABLE 10

TOWN OF BETHEL, CONNECTICUT

SCHEDULE OF DEBT LIMITATION
CONNECTICUT STATUTES, SECTION 7-374(b)
FOR THE YEAR ENDED JUNE 30, 2010
(UNAUDITED)

TAX BASE:
Total tax collections (including interest and lien fees) ..... $ 49,514,333

	GENERAL PURPOSE	SCHOOLS	SEWER	URBAN RENEWAL	PENSION DEFICIT
DEBT LIMITATION:					
2 1/4 times base	$ 111,407,249				
4 1/2 times base		$ 222,814,499			
3 3/4 times base			$ 185,678,749		
3 1/4 times base				$ 160,921,582	
3 times base					$ 148,542,999
TOTAL LIMITATIONS	111,407,249	222,814,499	185,678,749	160,921,582	148,542,999
INDEBTEDNESS:					
Bonds	8,777,000	28,628,000			
Bond anticipation notes	1,111,460	985,000			
Less school building grants		(420,002)			
TOTAL INDEBTEDNESS	9,888,460	29,192,998	-	-	-
DEBT LIMITATION IN EXCESS OF OUTSTANDING DEBT	$ 101,518,789	$ 193,621,501	$ 185,678,749	$ 160,921,582	$ 148,542,999

The total net indebtedness above amounts to: $ 39,081,458

In no event shall total indebtedness exceed seven time the base for debt limitation computation: $ 346,600,331

There is no overlapping debt for the Town of Bethel.

TABLE 11

TOWN OF BETHEL, CONNECTICUT

LEGAL DEBT MARGIN INFORMATION
LAST TEN YEARS
UNAUDITED

YEAR ENDED JUNE 30	DEBT LIMIT	NET DEBT APPLICABLE TO LIMIT	LEGAL DEBT MARGIN	TOTAL NET DEBT APPLICABLE
2001	$ 520,431,411	$ 19,148,000	$ 501,283,411	3.68%
2002	565,299,519	30,801,706	534,497,813	5.45%
2003	607,358,417	24,899,650	582,458,767	4.10%
2004	639,236,364	23,447,931	615,788,433	3.67%
2005	668,599,566	29,519,217	639,080,349	4.42%
2006	710,447,230	32,449,504	677,997,726	4.57%
2007	750,066,089	30,363,791	719,702,298	4.05%
2008	807,852,334	42,039,808	765,812,526	5.20%
2009	814,964,232	41,686,187	773,278,045	5.12%
2010	829,365,078	39,081,458	790,283,620	4.71%

TABLE 12

TOWN OF BETHEL, CONNECTICUT

DEMOGRAPHIC STATISTICS
LAST TEN YEARS
(UNAUDITED)

YEAR ENDED JUNE 30	(1) POPULATION	(5) PERSONAL INCOME	(2) PER CAPITA INCOME	(2) MEDIAN AGE	EDUCATION LEVEL OF SCHOOLING: HIGH SCHOOL GRADUATE OR HIGHER	EDUCATION LEVEL OF SCHOOLING: BACHELOR'S DEGREE OR HIGHER	(3) SCHOOL ENROLLMENT	(4) UNEMPLOYMENT PERCENTAGE
2001	18,067	$ 68,891	$ 35,051	37.1	88.9%	36.8%	3,229	2.40%
2002	18,052	68,891	28,927	37.1	88.9%	36.8%	3,254	3.40%
2003	18,449	68,891	28,927	37.1	88.9%	36.8%	3,253	3.50%
2004	18,566	68,891	28,927	37.1	88.9%	36.8%	3,281	2.50%
2005	18,742	68,891	28,927	37.1	88.9%	36.8%	3,258	3.60%
2006	18,760	68,891	28,927	37.1	88.9%	36.8%	3,254	3.70%
2007	18,634	68,891	28,927	37.1	88.9%	36.8%	3,170	3.20%
2008	18,514	68,891	28,927	37.1	88.9%	36.8%	3,171	5.10%
2009	18,438	68,891	28,927	37.1	88.9%	36.8%	3,104	7.10%
2010	18,534	68,891	28,927	43.8	88.9%	36.8%	2,964	7.2%

(1) Source: State of Connecticut, Department of Health, 2000 Population - U.S. Bureau of Census.

(2) PER CAPITA INCOME AND MEDIAN AGE - Figures obtained from the State of Connecticut Census Data Center, U.S. Census Bureau and the Housatonic Council of Elected Officials.

(3) SCHOOL ENROLLMENT - Bethel Board of Education.

(4) CONNECTICUT LABOR DEPARTMENT - Research and Statistics.

TABLE 13

TOWN OF BETHEL, CONNECTICUT

PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)

	2010			2000		
EMPLOYER	EMPLOYEES	RANK	PERCENTAGE OF TOTAL TOWN EMPLOYEMENT	EMPLOYEES	RANK	PERCENTAGE OF TOTAL CITY EMPLOYEMENT
ABILITY BEYOND DISABILITY	950	1	9.49%	N/A	N/A	N/A
BETHEL HEALTH CARE	380	2	3.80%	N/A	N/A	N/A
P&G GILLETTE	370	3	3.70%	N/A	N/A	N/A
BETHEL FOOD	150	4	1.50%	N/A	N/A	N/A
EATON CORPORATION	135	5	1.35%	N/A	N/A	N/A
CANNONDALE CORPORATION	125	6	1.25%	N/A	N/A	N/A
MEMRY CORP	125	7	1.25%	N/A	N/A	N/A
BEAVER BROOK CIRCUITS	100	8	1.00%	N/A	N/A	N/A
KANTHAL	100	9	1.00%	N/A	N/A	N/A
TOTAL.....	2,435		24.34%	-		-

Source: State Department of Labor

N/A - Information not readily available

TABLE 14

TOWN OF BETHEL, CONNECTICUT

FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN YEARS
(UNAUDITED)

	FULL -TIME EQUIVALENT EMPLOYEES AS OF JUNE 30									
FUNCTION / PROGRAM	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
GENERAL GOVERNMENT:										
Finance	5.0	5.0	4.5	4.5	4.5	4.5	5.0	5.0	5.0	5.0
Planning and zoning	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5
Parks and recreation department	7.0	7.0	7.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Other	10.0	9.5	9.5	9.5	8.0	8.0	8.0	8.0	8.0	8.0
PUBLIC SAFETY:										
Building and inspection	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Fire Marshall	1.5	1.5	1.5	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Fire:										
Firefighters (volunteer)	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Police:										
Uniformed employees	36.0	36.0	36.0	36.0	36.0	36.0	36.0	36.0	34.0	34.0
Others	12.0	12.0	12.0	12.0	12.0	13.0	13.0	13.0	13.0	12.0
PUBLIC WORKS:										
Engineering	2.5	2.5	2.5	2.5	2.5	2.0	2.0	2.0	2.0	2.0
Highway department	17.0	17.0	17.0	17.0	16.0	16.0	16.0	16.0	16.0	16.0
Building maintenance	6.0	6.0	6.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
HEALTH AND WELFARE	2.5	2.5	2.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5
LIBRARY	8.0	8.0	8.0	8.0	8.0	8.0	6.0	6.0	6.0	6.0
EDUCATION	437.0	441.0	444.0	432.0	435.0	445.0	445.0	439.0	430.0	432.0
WATER	4.5	3.5	3.5	4.5	5.0	5.0	5.0	5.0	5.0	5.0
SEWER	3.5	3.5	3.5	2.5	4.0	4.0	4.0	4.0	4.0	4.0
TRANSFER STATION	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
TOTAL	661.0	663.5	666.0	652.5	655.0	665.5	664.0	658.0	647.0	648.0

Source: Town and Board of Education's payroll departments.

TABLE 15

TOWN OF BETHEL, CONNECTICUT

OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN YEARS
(UNAUDITED)

FUNCTION / PROGRAM	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
GOVERNMENTAL ACTIVITIES										
GENERAL GOVERNMENT:										
Parks and recreation:										
Programs	323	248	254	254	254	254	254	254	254	254
PUBLIC SAFETY:										
Building permits issued	729	699	1,316	1,340	N/A	1,707	916	930	1,363	1,281
LIBRARY:										
Volumes and audio visual materials in collection	118,847	95,000	95,000	95,000	95,000	95,000	95,000	95,000	95,000	94,123
EDUCATION:										
Enrollment:										
Grades Pre-K-5	1,296	1,359	1,365	1,406	1,392	1,453	1,474	1,484	1,474	1,511
Grades 6-8	684	706	743	761	804	801	820	826	822	794
Grades 9-12	959	1,010	1,034	1,063	1,026	1,005	960	919	925	894
Special Education	25	29	29	31	32	32	27	24	33	30
BUSINESS-TYPE ACTIVITIES										
WATER:										
Customers served	3,309	3,264	3,239	3,222	3,195	3,113	3,113	3,390	3,390	3,222
SEWER:										
Customers served	3,842	3,787	3,634	3,599	3,386	3,250	3,250	3,250	3,250	3,140

Source: Various Town Departments.

N/A - Information not availalble.

TABLE 16

TOWN OF BETHEL, CONNECTICUT

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN YEARS
(UNAUDITED)

FUNCTION / PROGRAM	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
GOVERNMENTAL ACTIVITIES										
GENERAL GOVERNMENT:										
Parks and recreation:										
Acreage	307	307	307	307	307	307	307	307	307	307
Park facilities	11	11	11	11	11	11	11	11	11	10
Community centers	2	2	2	2	2	2	2	2	2	2
PUBLIC SAFETY:										
Fire Stations	2	2	2	2	2	2	2	2	2	2
Police Stations	1	1	1	1	1	1	1	1	1	1
HEALTH AND WELFARE:										
PUBLIC WORKS:										
Highway department;										
Streets (miles)	88	88	88	88	88	87	87	85	85	85
LIBRARY	1	1	1	1	1	1	1	1	1	1
EDUCATION:										
Number of high schools	1	1	1	1	1	1	1	1	1	1
Number of middle schools	1	1	1	1	1	1	1	1	1	1
Number of elementary schools	3	3	3	3	3	3	3	3	3	3
BUSINESS-TYPE ACTIVITIES										
WATER:										
Treatment plants	3	2	2	2	2	2	2	2	2	2
Miles of lines	38.1	38.1	38.1	38.1	38.1	38.1	38.1	38.1	38.1	38.1
Reservoirs	2	3	3	3	3	3	3	3	3	3
Pump stations	4	8	8	8	8	8	8	8	8	8
Hydrants	254	254	254	242	242	242	242	242	242	242
Wells	2	2	2	2	2	2	2	2	2	2
SEWER:										
Pump stations	9	6	6	6	6	6	6	6	6	6
Miles of sewers	58	43	43	33	32	32	32	31	30	30

Source: Town capital asset records and various Town Departments.