

**Town of Coventry, Connecticut
Comprehensive Annual Financial Report**

**For the Fiscal Year Ended
June 30, 2011**

**Department of Finance
Elizabeth Bauer
Finance Director**

TOWN OF COVENTRY, CONNECTICUT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2011

TABLE OF CONTENTS

| Introductory Section | | Page |
|---|--|-------------|
| Letter of Transmittal | | i-v |
| General Government Organizational Chart | | vi |
| Listing of Principal Officials | | vii |
| GFOA Certificate of Achievement | | viii |
| Financial Section | | |
| Independent Auditors' Report | | 1-2 |
| Management's Discussion and Analysis | | 3-11 |
| <u>Exhibit</u> | | |
| <u>Basic Financial Statements</u> | | |
| <u>Government-Wide Financial Statements</u> | | |
| I | Statement of Net Assets | 12 |
| II | Statement of Activities | 13 |
| <u>Fund Financial Statements</u> | | |
| <u>Governmental Funds:</u> | | |
| III | Balance Sheet | 14-15 |
| IV | Statement of Revenues, Expenditures and Changes in Fund Balances | 16-17 |
| <u>Proprietary Funds:</u> | | |
| V | Statement of Net Assets | 18 |
| VI | Statement of Revenues, Expenses and Changes in Fund Net Assets | 19 |
| VII | Statement of Cash Flows | 20 |
| <u>Fiduciary Funds:</u> | | |
| VIII | Statement of Fiduciary Net Assets | 21 |
| IX | Statement of Changes in Plan Net Assets - Pension Trust Fund | 22 |
| | <u>Notes to Financial Statements</u> | 23-42 |
| <u>Required Supplementary Information</u> | | |
| RSI-1 | Schedule of Revenues and Other Financing Sources Budget and Actual - Budgetary Basis - General Fund | 43-44 |
| RSI-2 | Schedule of Expenditures and Other Financing Uses - Budget to Actual - Budgetary Basis - General Fund | 45-46 |

Combining and Individual Fund Statements and Schedules

| | | |
|-----|--|-------|
| | <u>General Fund</u> | |
| A-1 | Comparative Balance Sheet | 47 |
| A-2 | Schedule of Property Taxes Levied, Collected and Outstanding | 48 |
| | <u>Nonmajor Governmental Funds</u> | |
| B-1 | Combining Balance Sheet | 49-51 |
| B-2 | Combining Statement of Revenues, Expenditures and Changes in Fund Balances | 52-54 |
| | <u>Agency Funds</u> | |
| C-1 | Combining Statement of Fiduciary Assets and Liabilities | 55 |
| C-2 | Combining Statement of Changes in Fiduciary Assets and Liabilities | 56 |
| | <u>Capital Projects</u> | |
| D-1 | Schedule of Expenditures Budget and Actual (Non-GAAP Budgetary Basis) | 57 |

Statistical Section**Table**

| | | |
|----|--|----|
| | Financial Trends: | |
| 1 | Net Assets by Component - Last Nine Fiscal Years | 58 |
| 2 | Changes in Net Assets - Last Nine Fiscal Years | 59 |
| 3 | Fund Balances of Governmental Funds - Last Ten Fiscal Years | 60 |
| 4 | Changes in Fund Balances of Governmental Funds - Last Ten Fiscal Years | 61 |
| | Revenue Capacity: | |
| 5 | Assessed Value and Estimated Actual Value of Taxable Property - Last Ten Fiscal Years | 62 |
| 6 | Principal Property Tax Payers - Current Year and Nine Years Ago | 63 |
| 7 | Property Tax Levies and Collections - Last Ten Fiscal Years | 64 |
| | Debt Capacity: | |
| 8 | Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years | 65 |
| 9 | Ratio of Outstanding Debt by Type - Last Ten Fiscal Years | 66 |
| 10 | Schedule of Debt Limitation | 67 |
| 11 | Legal Debt Margin Information - Last Ten Fiscal Years | 68 |
| | Demographic and Economic Statistics: | |
| 12 | Demographic and Economic Statistics - Last Ten Fiscal Years | 69 |
| 13 | Principal Employers - Current Year and Nine Years Ago | 70 |
| | Operating Information: | |
| 14 | Full-Time Equivalent Town Government Employees by Function/Program - Last Ten Fiscal Years | 71 |
| 15 | Operating Indicators by Function/Program - Last Ten Fiscal Years | 72 |
| 16 | Capital Asset and Infrastructure Statistics by Function/Program - Last Ten Fiscal Years | 73 |

Introductory Section



Town of Coventry

1712 Main Street • Coventry, CT 06238 • Fax (860) 742-8911

December 9, 2011

To the Members of the Town Council, Board of Education, Superintendent of Schools and Citizens of the Town of Coventry:

State law requires that all local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to the requirement, we hereby issue the Comprehensive Annual Financial Report of the Town of Coventry for the fiscal year ended June 30, 2011.

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

The Town of Coventry's financial statements have been audited by Blum, Shapiro and Company, P.C., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town of Coventry for the fiscal year ended June 30, 2011 are free of material misstatement. The independent audit involved examining, on a test basis, evidence to support the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based on the audit, that there was a reasonable basis for rendering an unqualified opinion that the Town of Coventry's financial statements for the fiscal year ended June 30, 2011 are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

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

Profile of the Town of Coventry

Incorporated in 1712 and named after the City of Coventry in Warwickshire, England, the Town encompasses approximately 37.3 square miles within Tolland County, with an estimated population of 12,500. The Town is located within Tolland County, and is known as the “gateway to the quiet corner.” Bounded by the Towns of Vernon and Bolton on the west, Mansfield on the east, Tolland on the north and Andover and Columbia on the south, the Town is located 19 miles east of Hartford and 6 miles northwest of Willimantic.

Coventry traditionally has been both an agricultural and industrial community, as there are several mills along the rivers of the Town which were active in the 19th and early 20th centuries. Little industry remains in Town. During the early part of this century, the Town became a tourist destination when many vacation homes were developed along the shores of Coventry Lake (Lake Wangambug). The Town currently enjoys two public beaches and a public boat launch on this 375-acre lake. Also in town are two 18-hole golf courses. The Town has seen a great deal of residential growth in recent years but possesses strong rural and historic character, honoring our status as the birthplace of revolutionary war hero Nathan Hale.

The Town adopted its first charter on October 2, 1967, effective November 4, 1969. A seven-member Town Council with a Chief Administrative Officer replaced a three-person Board of Selectmen, Board of Finance form of government. Revisions to the Charter were adopted on November 6, 1973, at which time the title of Chief Administrative Office was changed to Town Manager. Policy-making and legislative authority are vested in the governing Town Council. The Council elects a Council Chair, and appoints a Town Manager to administer the non-educational functions of the Town. An elected Board of Education appoints a Superintendent of Schools to administer the Town’s school system. An organizational chart outlining the town government, as well as a listing of principal town officials, can be found later in this section.

The Town of Coventry provides its residents with a complete level of municipal services in the functional areas of police, public works, health and social services, recreations and parks, planning and zoning and a K-12 public education system. In addition, the Town is the primary support for two volunteer fire services and the Booth and Dimock Library. Sewers are provided to approximately 1,000 homeowners and businesses primarily in the area around Coventry Lake. The Town contracts for refuse and recyclable collection, as well as health and sanitation services available from membership in the Eastern Highland Health district.

The annual budget serves as the foundation for the Town’s financial planning and control. Budgetary controls are maintained with the objective to ensure compliance with legal provisions embodied in the annual appropriated budget, approved by budget referendum. The Town maintains an encumbrance accounting system as one technique of accomplishing budgetary controls. As seen in the schedules in the financial section of this report, the Town continues to meet its responsibility for sound financial management. In addition to budgetary schedules, Note 2 in the Notes to the Financial Statements describes the budget process used by the Town.

Local Economy

Coventry offers a comfortable mix of residential rural living while providing easy access to the full spectrum of conveniences and opportunities available in the diverse marketplace found east of the Connecticut River. The Town's commitment to economic development has been realized by recent significant improvements to zoning regulations, which include new and expanded districts to accommodate the needs of the community and new mechanisms for clear and streamlined processes. The Town has a diversity of land and property to support future growth and development, while at the same time taking care to maintain the character of the community.

The Town has several focus areas for development. One is the Route 44 corridor with convenient access to routes 1-84 and 1-384, and a traffic count of 20,000 per day. The other area is the historic Coventry Village with its multiple mill sites, shops and restaurants, and access to water and sewer. Currently, the economic base is primarily dominated by home-based businesses.

The Town offers affordable land and housing, and maintains a stronger housing market than other area communities. The Grand List continues to show growth and is expected to increase in the next year. The Building Department reports steady permit activity, reflecting the continued prosperity of the tax base.

A profile generated by the Connecticut Economic Resource Center shows the Town of Coventry has a median household income (2010) of \$80,308, much higher than the state level of \$65,686. The Town is served by two banks, several bed and breakfast facilities, one grocery store and two chain pharmacies.

Long-Term Financial Planning

The Fiscal Management Policy adopted by the Town Council sets an undesignated fund balance goal equal to 5% of General Fund expenditures. This has been underscored by the current Town Council, who included reaching the target of 10% in their annual goals. No use of Undesignated General Fund resources was included in the 2011/12 budget.

The Town of Coventry prepares a six-year capital improvement plan to assist management and policy decision makers in the capital budget setting process. The capital budget is funded through a combination of current operating appropriation, long-term bonding, short-term borrowing, and grants and contributions. Management has been very successful in acquiring grants to reduce the burden on the local property tax base. In FY 10/11, the Town of Coventry used grant funding to purchase video equipment to broadcast public meetings; to install bleachers at the athletic fields; for bridge repair, youth services programming, and a housing incentives study; to construct a sand/salt shed; to purchase a 12-passenger van; for transportation for the elderly and installation of sidewalks; and for housing rehab. Opportunities for grant funding are pursued whenever they are presented.

Financial Planning and Policies

During FY 10/11, the Town of Coventry invested its available cash in short-term certificates of deposit, in municipal money markets and in the Connecticut State Treasury Short Term Investment Fund (STIF). STIF is an investment pool managed by the State of Connecticut, Office of the State Treasurer. These options were chosen because they offer liquidity of investments and competitive yields, and offer the combination with low risk. This is compliant with the guidelines set forth in the Investment Policy adopted by the Town Council.

Interest income for the General Fund in FY 10/11 totaled \$59,097 compared to \$61,184 in 2010. Interest rates continue at very low levels.

Major Initiatives

During FY 10/11, the Town began several projects. The voters approved bonding to pay for roof replacement at three town schools and the construction of a new Public Works facility. The Public Works facility is a replacement of a facility built in 1825 in need of significant repair. The new facility allows for consolidation of remote storage, is centrally located and will provide many opportunities for energy conservation.

Additional projects that have reached substantial completion are noted in Exhibit D-1 of the Financial Statements.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Coventry for its comprehensive annual financial report for the fiscal year ended June 30, 2010. This was the third year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the Town published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

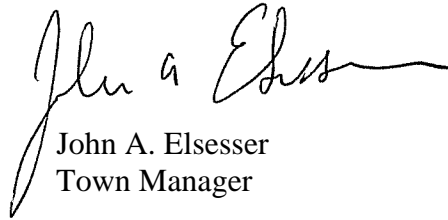
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Programs requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report could not have been accomplished without the dedicated services of the entire staff of the Finance Department, in particular Town Accountant Donna Ferree and Assistant to the Town Accountant Marcia Biase. Recognition is also due to the School Business Manager for the Board of Education, Gregg Blackstone and his staff, Cindy Amelotte, Karen Leamon and Barbara LeClair. A special note of thanks goes to the audit team of Blum, Shapiro & Company, P.C., for their guidance and assistance. Due credit should also be given to the Superintendent of Schools, the Town Council and the Board of Education for their interest and support in planning and conducting the operations of the government in a responsible and progressive manner.

Respectfully submitted,

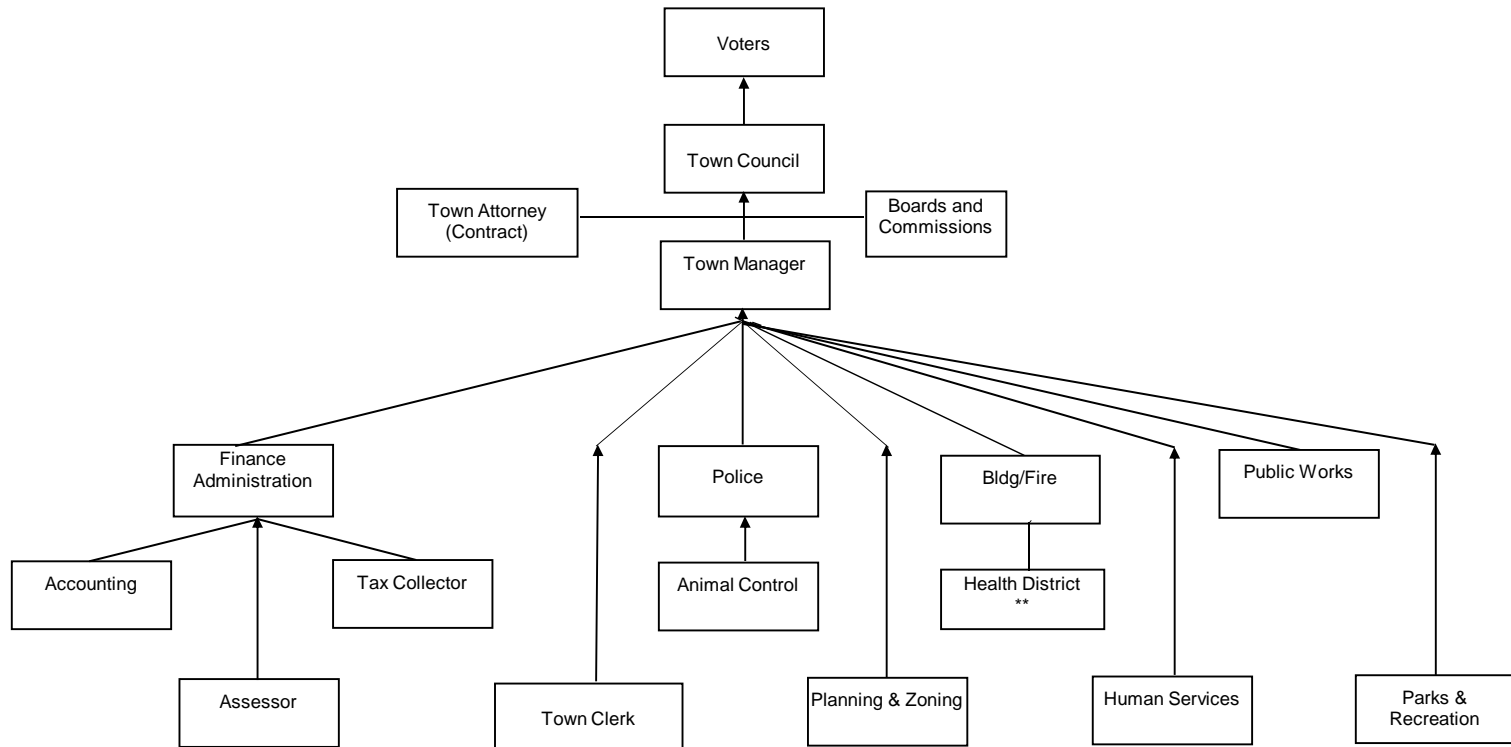


Elizabeth E. Bauer
Finance Director



John A. Elsesser
Town Manager

Organization Chart
Town of Coventry, Connecticut
 FY 2010/11



**Employee of Eastern Highlands Health District

TOWN OF COVENTRY, CONNECTICUT

Listing of Principal Officials

Town Council

| | |
|---------------------------------|-----------------------|
| Elizabeth Woolf (Council chair) | Lisa Thomas |
| William J. Zenko (Vice chair) | Valdis Vinkels |
| Julie A. Blanchard (Secretary) | Richard Williams, Jr. |
| Steven Hall | |

| | |
|---------------------|-------------|
| Registrar of Voters | Inge Pope |
| | Marge Roach |

| | |
|--------------------------------------|-------------------|
| Town Manager | John Elsesser |
| Finance Director | Elizabeth Bauer |
| Town Accountant | Donna Ferree |
| Tax Assessor | Michael D'Amicol |
| Collector of Revenue | Linda Greenbacker |
| Building Official | Joe Callahan |
| Fire Marshal | Noel Waite |
| Human Services Director | Courtney Chan |
| Youth Services Coordinator | Crystal Morawitz |
| Police Chief | Mark Palmer |
| Public Works Director | Tim Webb |
| Town Engineer | Todd Penney |
| Parks and Recreation Director | Wendy Rubin |
| Director of Planning and Development | Eric Trott |
| Zoning Enforcement Officer | Bonnie Potocki |
| Town Clerk | Susan Cyr |

Board of Education

| | |
|-----------------------------------|-----------------|
| Cheryl Trudon, Chairman | Mary Kortmann |
| Jenifer Beausoleil, Vice-Chairman | Mark Malcolm |
| Mary Ann Emanuele, Secretary | Eugene Marchand |
| John Barrett | |
| Interim Superintendent of Schools | Paul Smotas |

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Town of Coventry Connecticut

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2010

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



Linda C. Davison

President

Jeffrey R. Emer

Executive Director

Financial Section



Accounting | Tax | Business Consulting

Independent Auditors' Report

To the Town Council
Town of Coventry, Connecticut

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2011 on our consideration of the Town of Coventry, Connecticut's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's discussion and analysis on pages 3 through 11, and the budgetary comparison information on pages 43 through 46, are not required parts of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

Blum, Shapiro & Company, P.C.

December 9, 2011

**TOWN OF COVENTRY, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2011**

This discussion and analysis of the Town of Coventry, Connecticut's (the Town) financial performance is provided by management to provide an overview of the Town's financial activities for the fiscal year ended June 30, 2011. Please read this MD&A in conjunction with the Town's financial statements, Exhibits I to IX.

Financial Highlights

- Net assets of the Town of Coventry's governmental activities increased by \$.6 million. This increase is due to the start of construction for the School Roof replacement and the Public Works facility.
- During the year, the Town had \$45.6 million in tax and other revenues for governmental programs.
- Total cost of all of the Town's programs was \$44.9 million with no new programs added this year.
- The Town's total general obligation bonded debt increased by \$3.4 million or 25.8%. The increase was the result of bonds issued in March 2011 to support the costs to replace roofs on three of the four Town schools, and the construction of a Public Works Garage.
- The General Fund reported a GAAP fund balance this year of \$3,064,463 less an assigned balance for encumbrances of \$235,582, nonspendable balance of \$37,612 reserved for prepaid items and committed balance of \$4,352 for matching funds, leaving an undesignated fund balance of \$2,788,992. The Fiscal Management policy of the Town Council requires a minimum fund balance of 5%. The Town's bond rating agency has suggested a target of 10% to preserve the Town's bond rating. At the close of the current fiscal year, unreserved fund balance for the General Fund when expressed as a percentage of final budget appropriation is 7.9%.
- The State of Connecticut contributed \$1,774,856 on behalf of Coventry certified staff to the teachers' retirement fund. This amount is reflected in both expenditures and revenues.

Overview of the Financial Statements

This annual report consists of a series of financial statements. The statement of net assets and the statement of activities (Exhibits I and II, respectively) provide information about the activities of the Town as a whole and present a longer-term view of the Town's finances. Fund financial statements are presented in Exhibits III to IX. For governmental activities, these statements tell how these services were financed in the short term, as well as what remains for future spending. Fund financial statements also report the Town's operations in more detail than the government-wide statements by providing information about the Town's most significant funds. The remaining statements provide financial information about activities for which the Town acts solely as a trustee or agent for the benefit of those outside of the government.

Government-Wide Financial Statements

The analysis of the Town as a whole begins on Exhibits I and II. The statement of net assets and the statement of activities report information about the Town and about its activities for the current period. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

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

The government-wide financial statements distinguish functions of the Town 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, public works, human services, culture and recreation, insurance and sundry and education. The Town has no business-type activities.

Fund Financial Statements

The fund financial statements begin with Exhibit III and provide detailed information about the most significant funds, not the Town as a whole. Some funds are required to be established by Charter. However, the Town establishes many other funds to help control and manage financial activities for particular purposes (such as the Coventry Regional Farmers Market) or to show that it is meeting legal responsibilities for using grants and other money (like grants received from the State of Connecticut). The Town's funds are divided into three categories: governmental, proprietary and fiduciary.

- *Governmental Funds (Exhibits III and IV)* - Most of the Town's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Town's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. The relationship (or differences) between governmental activities (reported in the statement of net assets and the statement of activities) and governmental funds is described in a reconciliation at the bottom of the fund financial statements.
- *Proprietary Funds (Exhibits V to VII)* - When the Town charges customers for the services it provides, whether to outside customers or to other units of the Town, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the statement of net assets and the statement of activities. The Town's proprietary funds consist of the Town's internal service fund used to report activities to pay for the dental self-insurance costs.
- *Fiduciary Funds (Exhibits VIII and IX)* - The Town is the trustee, or fiduciary, for its employees' pension plans. It is also responsible for other assets that, because of a trust arrangement, can be used only for the trust beneficiaries. The Town self insures dental insurance for employees. All of the Town's fiduciary activities are reported in separate statements of fiduciary net assets and changes in fiduciary net assets. These activities are excluded from the Town's other financial statements because the Town cannot use these assets to finance its operations. The Town is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Government-Wide Financial Analysis

The Town's combined net assets increased from a year ago. The analysis below focuses on the net assets (Table 1) and changes in net assets (Table 2) of the Town's governmental activities.

**TABLE 1
NET ASSETS**

| | Governmental Activities | |
|---|------------------------------------|-----------------------|
| | 2011 | 2010 |
| Current assets | \$ 19,971,220 | \$ 17,091,995 |
| Capital assets, net of accumulated depreciation | 117,234,088 | 115,568,692 |
| Total assets | <u>137,205,308</u> | <u>132,660,687</u> |
| Long-term liabilities outstanding | 27,270,485 | 24,204,404 |
| Other liabilities | 3,064,108 | 2,176,468 |
| Total liabilities | <u>30,334,593</u> | <u>26,380,872</u> |
| Net Assets: | | |
| Invested in capital assets, net of related debt | 94,777,800 | 94,010,187 |
| Restricted | 3,224 | 2,469 |
| Unrestricted | <u>12,089,691</u> | <u>12,267,159</u> |
| Total Net Assets | <u>\$ 106,870,715</u> | <u>\$ 106,279,815</u> |

Overall, net assets increased by \$.6 million or .6% over the prior year net assets, as adjusted (\$106.9 million compared to \$106.3 million). Unrestricted net assets - the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements - changed from \$12.267 million at June 30, 2010 to \$12.090 million at the end of this year. The largest portion of the Town of Coventry's net assets (\$94.8 million or 89%) reflects its investment in capital assets (e.g., land, buildings, vehicles, furniture and equipment, water systems and infrastructure) less related debt used to acquire those assets that is still outstanding. These capital assets are a fundamental part of our service delivery to our citizens but are not available for future spending since the capital assets themselves cannot be used to liquidate these liabilities.

Changes in governmental net assets can be explained as follows:

- Increase in current net assets of \$590,900 as outlined in Exhibit II is due to an increase in cash on hand, an increase in investments, an increase in receivables and an increase in the value of capital assets. These increases are related to the start of construction of the Public Works facility and the School Roof replacement for three of the four schools in town.
- Capital assets increased during the fiscal year. The added value of the Public Works facility exceeded the depreciation of existing capital assets.
- Long-term and other liabilities increased because of the sale of \$4.9 million in bonds to fund the construction of the Public Works facility and the School Roof project. This addition to long-term debt exceeded the amount paid to reduce existing debt. This increase also includes an increase in the other post employment benefit obligation from \$1,013,228 to \$1,406,123.
- Other liabilities increased with higher than normal accounts payable due to construction expenses.

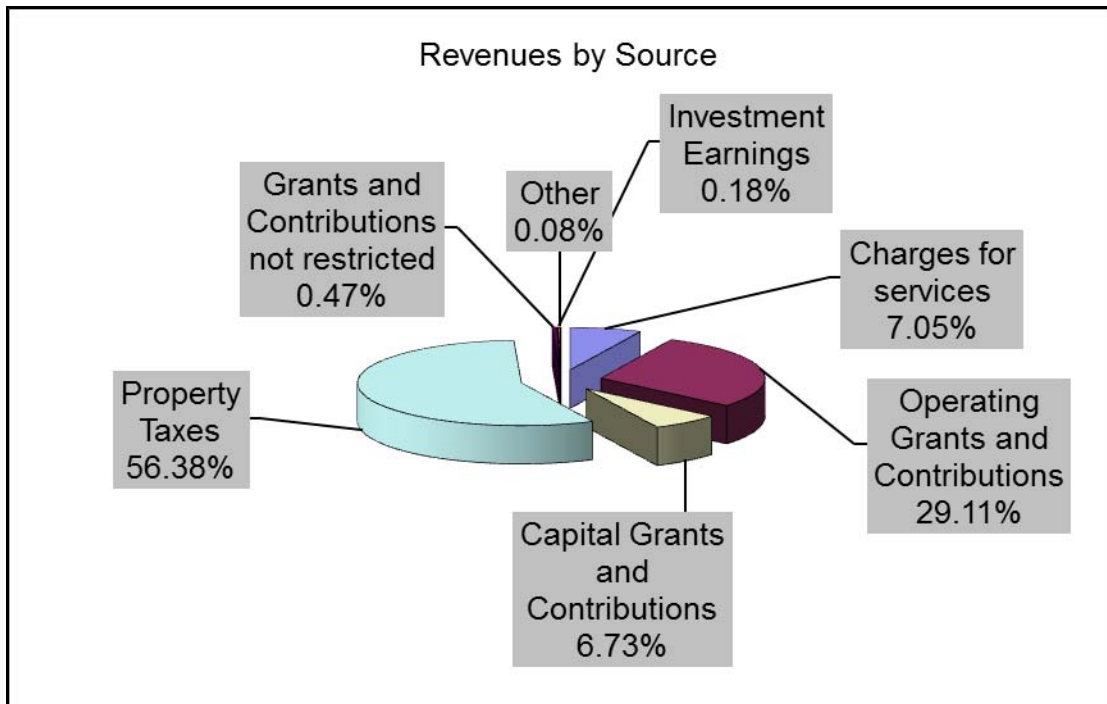
**TABLE 2
CHANGE IN NET ASSETS**

| | Governmental Activities | |
|---|------------------------------------|--------------|
| | 2011 | 2010 |
| Revenues: | | |
| Program revenues: | | |
| Charges for services | \$ 3,212,371 | \$ 2,983,777 |
| Operating grants and contributions | 13,269,107 | 13,279,083 |
| Capital grants and contributions | 3,066,858 | 1,354,230 |
| General revenues: | | |
| Property taxes | 25,699,911 | 24,824,120 |
| Grants and contributions not restricted to specific purposes | 215,403 | 218,729 |
| Unrestricted investment earnings | 83,872 | 81,947 |
| Other general revenues | 38,407 | 75,581 |
| Total revenues | 45,585,929 | 42,817,467 |
| Expenses: | | |
| General government | 1,944,976 | 1,947,349 |
| Public safety | 3,175,894 | 2,903,254 |
| Public works | 6,311,688 | 5,675,470 |
| Human services | 1,305,469 | 776,674 |
| Culture and recreation | 991,766 | 910,242 |
| Sundry | | |
| Education | 30,525,168 | 28,845,981 |
| Debt service | 740,068 | 1,039,693 |
| Total expenses | 44,995,029 | 42,098,663 |
| Increase in Net Assets | \$ 590,900 | \$ 718,804 |

Revenues

The Town's total revenues were \$45.6 million. Major revenue changes include the following:

- Program revenues: Charges for services increased 7.6%. The Town changed the trash collection from a pay-as-you-throw to a tipper barrel system and the funding mechanism shifted from a use-driven bag purchase to a yearly billing. The Town received an insurance reimbursement of \$214,533. This is a one-time addition to our revenue. Without this entry charges for services would be essentially even with the charges for services in FY 2009/10.
- Capital grants increased by \$1.7 million. The largest part of the increase (\$1.2 million) is due to the School Roof project. A portion of these costs will be reimbursed by the State of Connecticut. Other new capital grants include a sidewalk installation, new bleachers at the high school, upgrade to the HVAC system at the Town Hall, installation of video equipment at the Town Hall, construction of a permanent sand/salt shed and a road/sewer installation.
- Property tax revenue increased over the previous year by \$.88 million.
- Other general revenues decreased due to receipt of one-time revenues in the prior fiscal period.



Expenditures

The total cost of all programs and services was \$44.9 million. The following is an explanation of the major changes:

- Net OPEB liability increased by \$392,895.
- Education expenditures increased by \$1,679,187 reflecting the receipt of several ARRA grants.
- Total interest on long-term debt decreased by \$299,625. These savings were the result of a bond refunding in the prior fiscal year.
- Human services decreased by \$528,795 due to the completion of a CDBG grant project.

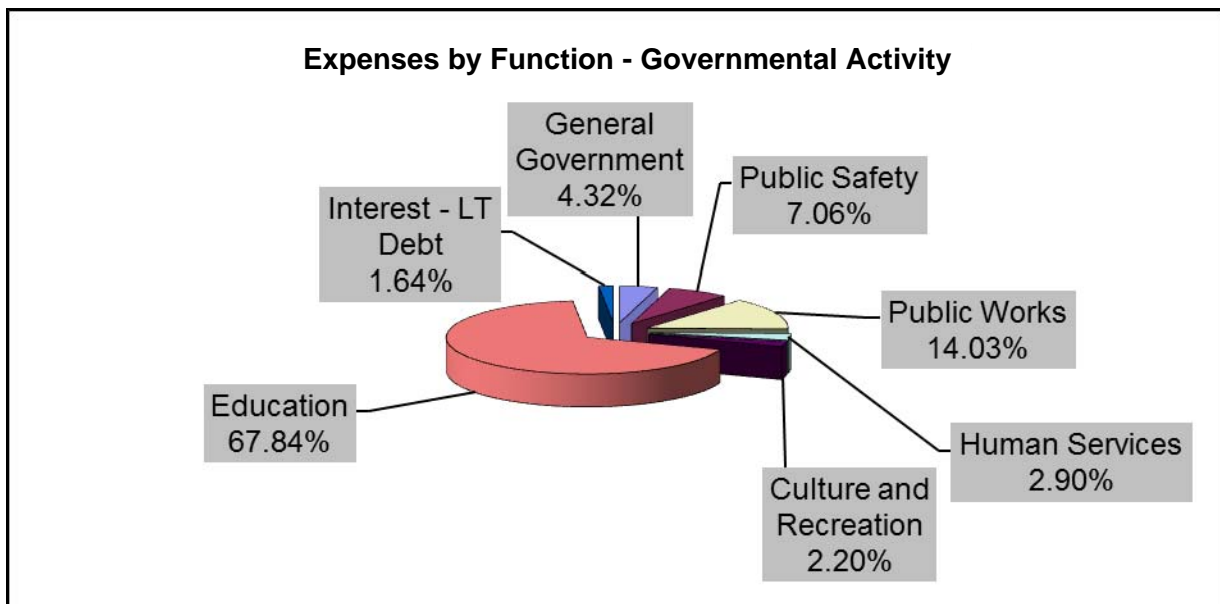


Table 3 presents the cost of each of the Town's programs - general government, public safety, public works, human services, culture and recreation, education and debt service - as well as each program's net cost (total cost less revenues generated by the activities). The net cost shows the financial burden that was placed on the Town's taxpayers by each of these functions.

The general government function includes expenses related to overall governmental administration, and includes recording of legally required documents, computer system management, finance system management, assessment and collection of taxes, elections, land use planning and economic development.

Public safety encompasses a full service police department, volunteer fire services and an ambulance service with contracted paramedic services.

Public works includes the maintenance of Town roadways, repairs of the town fleet, maintenance at town parks and athletic facilities, management of the Town's cemeteries, code enforcement and engineering services. The solid waste program is supported by user fees. This program is self supporting and reduces the overall burden on the property tax.

Human services includes general family services, youth services and elderly services. In addition, this function incorporates the Community Development Block Grant program, which provides grants and no-interest loans for home improvement and community construction projects.

Culture and recreation funds a grant to the Booth-Dimock Memorial Library and provides support for the full parks and recreation program. The General Fund provided 26% of the costs of recreation and park maintenance. The balance is supported by the fees charged for a variety of programs offered to Town residents, summer camps for youth, full waterfront services at Coventry Lake and miscellaneous programs offered at the Town parks.

**TABLE 3
GOVERNMENTAL ACTIVITIES**

| | <u>Total Cost of Services</u> | | <u>Net Cost of Services</u> | |
|------------------------|-------------------------------|----------------------|-----------------------------|------------------------|
| | <u>2011</u> | <u>2010</u> | <u>2011</u> | <u>2010</u> |
| General government | \$ 1,944,976 | \$ 1,947,349 | \$ (1,160,600) | \$ (1,181,959) |
| Public safety | 3,175,894 | 2,903,254 | (3,098,636) | (2,829,657) |
| Public works | 6,311,688 | 5,675,470 | (2,875,607) | (3,171,611) |
| Human services | 1,305,469 | 776,674 | (317,502) | (209,178) |
| Culture and recreation | 991,766 | 910,242 | (632,479) | (554,472) |
| Education | 30,525,168 | 28,845,981 | (16,625,866) | (15,507,200) |
| Debt service | 740,068 | 1,039,693 | (736,003) | (1,027,496) |
| Total | \$ 44,995,029 | \$ 42,098,663 | \$ (25,446,693) | \$ (24,481,573) |

Town Funds Financial Analysis

Governmental Funds

At the close of the fiscal year the Town of Coventry reported (as presented in the balance sheet - Exhibit III) a combined fund balance of \$8.5 million, which is an increase from last year's total of \$6.4 million. The changes are explained as follows:

- General Fund fund balance increased \$23,081 a .8% increase over last year's balance. Revenues exceeded budget estimates, which offset increases in expenditures caused by snow related costs.
- Sewer Assessment fund balance decreased \$162,733 or (14.6)%. Upon the completion of the sewer expansion project around the lake, increased debt service requirements will cause this fund to shrink until all assessments have been collected and all debt has been paid.
- CDBG fund balance decreased \$14,077 or (36.5)%. This fund uses grant monies to support its projects. This year a project was funded to renovate and replace windows at Orchard Hills, an elderly low-income housing complex.
- Capital Projects fund balance increased by \$2,513,121. This year the Town of Coventry started construction on a new Public Works Facility. In addition, roofs on three of the four Town schools were replaced, having reached the end of their life expectancy.
- Nonmajor Governmental Funds fund balance decreased \$230,022 or (12.4)%. Town Aid Road spent funds saved from the previous year and fund balance dropped by 30%. School Lunch increased fund balance by 34%. Miscellaneous Highway decreased fund balance by 35%, spending the proceeds of prior year sale of goods and beginning a radio system upgrade. COVRRRA fund balance reduced by (14)% as the new tipper barrel system is implemented. Recreation decreased fund balance by 47.5% as program expenditures exceeded program revenues. The Sewer Operating fund balance decreased by (10)% as several major maintenance projects were begun to improve the sewer infrastructure.

The most significant expenditures were:

| | |
|---------------------|-------------|
| Public Works Garage | \$1,787,229 |
| School Roofs | 1,280,521 |
| Sidewalks | 428,521 |
| Sand/Salt Shed | 350,000 |
| Summer Road Program | 255,000 |
| Bleachers | 190,370 |
| Kings Road | 150,627 |
| Town Hall HVAC | 106,514 |

General Fund Budget Highlights

Overall, revenues exceeded budget expectations by \$67,686. Tax revenues fell short by \$90,056 primarily due to a drop in delinquent collections. Local building permit and conveyance tax revenues also fell short by approximately \$145,000 reflecting a slowing building and real estate market. These shortfalls were offset by higher than expected state grant payments of approximately \$60,000 and a one-time insurance payment of \$214,533.

Expenditures were within budget authorization. Throughout the fiscal year the Town Council approved appropriation increases of \$300,784. Actual budgetary expenditures of \$35,083,938 were under the final budget appropriation by \$229,088. Increases to appropriations were made for special education tuition expenses, excessive snow removal costs, emergency repairs to the lake gate and a supplemental pension contribution.

Capital Assets and Debt Administration

Capital Assets

At June 30, 2011, the Town had \$117.2 million invested in a broad range of capital assets, including land, buildings, park facilities, vehicles and equipment, roads and bridges as shown in Table 4. This amount represents a net increase (including additions and deductions) of \$1.7 million, or 1.4%, over last year.

TABLE 4
CAPITAL ASSETS (Net of Depreciation)
(In Thousands)

| | Governmental Activities | |
|-----------------------------------|------------------------------------|-----------------------|
| | 2011 | 2010 |
| Land | \$ 1,931,626 | \$ 1,924,926 |
| Buildings | 35,312,296 | 35,677,438 |
| Improvements other than buildings | 1,496,600 | 1,342,747 |
| Equipment | 2,785,427 | 2,748,049 |
| Infrastructure | 72,055,145 | 72,166,044 |
| Construction in progress | 3,652,994 | 1,709,488 |
| Total | <u>\$ 117,234,088</u> | <u>\$ 115,568,692</u> |

This year's major additions included:

- Public Works garage
- Bleacher installation
- Sand/Salt shed
- Sidewalk installation Paden Rd to Post Office
- Town Hall HVAC renovation
- Video broadcast equipment
- Kings Road reconstruction
- NCFD station renovation
- WPCA generator/switch
- Bolton sewer line
- Finance computer system install
- Acceptance of various land open space conveyances
- Acceptance of various roads (lake association and developments)

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

Long-Term Debt

At June 30, 2011, the Town had \$16,320,000 in general obligation bonds outstanding versus \$12,965,000 last year - an increase of \$3,355,000. Clean Water Fund Loans of \$7,544,272 show a reduction of \$396,176 from the last fiscal year balance of \$7,940,448.

The Town's general obligation bond rating was affirmed as Aa3 in January 2011. The Town has held this rating since May of 2010. The State limits the amount of general obligation debt that cities can issue based on a formula determined under State Statutes based on type of debt and tax base. The Town's outstanding general obligation debt is significantly below the state-imposed limit.

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Town's elected and appointed officials considered many factors when setting the fiscal year 2011 budget tax rates. The relatively low ratio of commercial to residential property places a high burden on the residential taxpayer. Opportunities to relieve this burden through the implementation of fees or the application for grant monies are always pursued. The per capita taxes for the Town as reported by OPM are \$1,956 compared to the state average of \$2,416. Education spending per pupil is \$11,891 while the state average is \$13,111.

The budget process considered the promise of level support in State aid to municipalities, a slowing real estate market, low interest environment, unemployment rates and general taxpayer anxiety when adopting the General Fund budget for 2011-12. The budget was balanced with the assistance from most Town employees (including teachers) who negotiated a zero increase in pay. The final proposed budget had a 1.3% increase for General Government, 1.65% for Education, and a decrease of (1.94)% for Capital and (2.12)% for Debt Service. The adopted budget General Fund budget is \$36,723,207. The property tax revenue increase needed was 2.8% from the previous year to fund this budget. The mil rate increased from 26.58 to 27.0, an increase of 1.59%. The budget was approved by the voters at the first referendum.

The Town will use budget revenues to finance programs currently offered. No new programs are proposed. The adopted budget for 2011-12 includes no transfer of funds from fund balance to offset expenditures. Council policy has established a goal for fund balance of not less than 5% of expenditures. Current fund balance is 7.9%. Moody's, the bond rating agent for the Town, has indicated that a fund balance of 10% is desirable. At this time, no transfer is recommended.

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

This financial report is designed to provide citizens, taxpayers, customers, investors and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Director, Town of Coventry, 1712 Main Street, Coventry, Connecticut, 06238.

Basic Financial Statements

TOWN OF COVENTRY, CONNECTICUT

STATEMENT OF NET ASSETS

JUNE 30, 2011

| | Governmental Activities |
|---|------------------------------------|
| | <u> </u> |
| Assets: | |
| Cash and cash equivalents | \$ 8,161,402 |
| Investments | 1,831,915 |
| Receivables, net | 9,744,392 |
| Inventory | 14,535 |
| Prepaid items | 37,612 |
| Deferred charges | 181,364 |
| Capital assets not being depreciated | 5,584,620 |
| Capital assets being depreciated, net of accumulated depreciation | 111,649,468 |
| Total assets | <u>137,205,308</u> |
| Liabilities: | |
| Accounts payable and accrued liabilities | 2,774,019 |
| Unearned revenue | 290,089 |
| Noncurrent liabilities: | |
| Due within one year | 2,015,434 |
| Due in more than one year | 25,255,051 |
| Total liabilities | <u>30,334,593</u> |
| Net Assets: | |
| Invested in capital assets, net of related debt | 94,777,800 |
| Restricted for: | |
| Trust purposes - nonexpendable | 1,524 |
| Trust purposes - expendable | 1,700 |
| Unrestricted | 12,089,691 |
| Total Net Assets | <u>\$ 106,870,715</u> |

The accompanying notes are an integral part of the financial statements

TOWN OF COVENTRY, CONNECTICUT

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2011

| Functions/Programs | Expenses | Program Revenues | | | Net (Expense) Revenue and Changes in Net Assets |
|--|----------------------|-------------------------|--|--|--|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities |
| Governmental activities: | | | | | |
| General government | \$ 1,944,976 | \$ 618,815 | \$ 158,861 | \$ 6,700 | \$ (1,160,600) |
| Public safety | 3,175,894 | 55,721 | 6,338 | 15,199 | (3,098,636) |
| Public works | 6,311,688 | 1,585,769 | 1,050 | 1,849,262 | (2,875,607) |
| Human services | 1,305,469 | 142,647 | 287,427 | 557,893 | (317,502) |
| Culture and recreation | 991,766 | 327,000 | 26,643 | 5,644 | (632,479) |
| Education | 30,525,168 | 482,419 | 12,784,723 | 632,160 | (16,625,866) |
| Interest on long-term debt | 740,068 | | 4,065 | | (736,003) |
| Total | <u>\$ 44,995,029</u> | <u>\$ 3,212,371</u> | <u>\$ 13,269,107</u> | <u>\$ 3,066,858</u> | <u>(25,446,693)</u> |
| General revenues: | | | | | |
| Property taxes | | | | | 25,699,911 |
| Grants and contributions not restricted to specific programs | | | | | 215,403 |
| Unrestricted investment earnings | | | | | 83,872 |
| Miscellaneous | | | | | 38,407 |
| Total general revenues | | | | | <u>26,037,593</u> |
| Change in net assets | | | | | 590,900 |
| Net Assets at Beginning of Year | | | | | <u>106,279,815</u> |
| Net Assets at End of Year | | | | | <u>\$ 106,870,715</u> |

The accompanying notes are an integral part of the financial statements

TOWN OF COVENTRY, CONNECTICUT

BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2011

| | <u>General</u> | <u>Sewer Assessment</u> | <u>CDBG Grant</u> | <u>Capital Projects</u> | <u>Nonmajor Governmental Funds</u> | <u>Total Governmental Funds</u> |
|-------------------------------------|---------------------|-----------------------------|-----------------------|-----------------------------|--|---|
| ASSETS | | | | | | |
| Cash and cash equivalents | \$ 1,716,219 | \$ 447,722 | \$ 46,692 | \$ 3,953,704 | \$ 1,839,863 | \$ 8,004,200 |
| Investments | 1,301,044 | 504,374 | | | 26,497 | 1,831,915 |
| Receivables, net | 1,543,381 | 4,778,482 | 2,073,038 | 860,633 | 488,858 | 9,744,392 |
| Other | 37,612 | | | | | 37,612 |
| Inventories | | | | | 14,535 | 14,535 |
| Total Assets | <u>\$ 4,598,256</u> | <u>\$ 5,730,578</u> | <u>\$ 2,119,730</u> | <u>\$ 4,814,337</u> | <u>\$ 2,369,753</u> | <u>\$ 19,632,654</u> |
| LIABILITIES AND FUND BALANCES | | | | | | |
| Liabilities: | | | | | | |
| Accounts and other payables | \$ 305,616 | \$ | \$ 56,555 | \$ 1,964,001 | \$ 241,931 | \$ 2,568,103 |
| Deferred revenue | 1,228,177 | 4,778,482 | 2,038,740 | | 500,973 | 8,546,372 |
| Total liabilities | <u>1,533,793</u> | <u>4,778,482</u> | <u>2,095,295</u> | <u>1,964,001</u> | <u>742,904</u> | <u>11,114,475</u> |
| Fund balances: | | | | | | |
| Nonspendable | 37,612 | | | | 16,059 | 53,671 |
| Restricted | | 952,096 | 24,435 | 2,850,336 | 206,717 | 4,033,584 |
| Committed | 4,352 | | | | 1,416,239 | 1,420,591 |
| Assigned | 233,507 | | | | | 233,507 |
| Unassigned | 2,788,992 | | | | (12,166) | 2,776,826 |
| Total fund balances | <u>3,064,463</u> | <u>952,096</u> | <u>24,435</u> | <u>2,850,336</u> | <u>1,626,849</u> | <u>8,518,179</u> |
| Total Liabilities and Fund Balances | <u>\$ 4,598,256</u> | <u>\$ 5,730,578</u> | <u>\$ 2,119,730</u> | <u>\$ 4,814,337</u> | <u>\$ 2,369,753</u> | <u>\$ 19,632,654</u> |

(Continued on next page)

TOWN OF COVENTRY, CONNECTICUT

BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)

JUNE 30, 2011

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

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

| | |
|--|--------------|
| Fund balances - total governmental funds (Exhibit III) | \$ 8,518,179 |
|--|--------------|

Capital assets used in governmental activities are not financial
resources and, therefore, are not reported in the funds:

| | | |
|-------------------------------|----------------|-------------|
| Governmental capital assets | \$ 151,964,227 | |
| Less accumulated depreciation | (34,730,139) | |
| Net capital assets | | 117,234,088 |

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

| | |
|---|-----------|
| Property tax receivables greater than 60 days | 913,427 |
| Interest receivable on property taxes | 296,140 |
| Assessments receivable | 4,778,482 |
| Sewer use receivable | 65,918 |
| Mortgage loans | 2,038,740 |
| Bond issuance costs | 181,364 |
| COVRRA receivables | 163,576 |

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

| | |
|--|---------|
| | 157,202 |
|--|---------|

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

| | |
|--|--------------|
| Bonds and notes payable | (23,864,272) |
| Interest payable on bonds and notes | (205,916) |
| Compensated absences | (973,121) |
| Capital lease | (254,534) |
| Bond premium | (413,209) |
| Net pension obligation | (220,482) |
| Net other post employment benefit obligation | (1,406,123) |
| Deferred charges on refunding | 122,556 |
| Landfill postclosure liability | (261,300) |

| | |
|---|-----------------------|
| Net Assets of Governmental Activities (Exhibit I) | \$ <u>106,870,715</u> |
|---|-----------------------|

The accompanying notes are an integral part of the financial statements

TOWN OF COVENTRY, CONNECTICUT

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

FOR THE YEAR ENDED JUNE 30, 2011

| | <u>General</u> | <u>Sewer Assessments</u> | <u>CDBG Grant</u> | <u>Capital Projects</u> | <u>Nonmajor Governmental Funds</u> | <u>Total Governmental Funds</u> |
|--|---------------------|------------------------------|-----------------------|-----------------------------|--|---|
| Revenues: | | | | | | |
| Property taxes | \$ 25,462,109 | \$ | \$ | \$ | \$ | \$ 25,462,109 |
| Intergovernmental | 10,795,520 | | 793,938 | 1,046,356 | 3,228,044 | 15,863,858 |
| Charges for services | 638,064 | 520,987 | 78,432 | 7,278 | 2,205,647 | 3,450,408 |
| Investment earnings | 59,097 | 5,432 | | 350 | 18,993 | 83,872 |
| Miscellaneous | | | | | 67,779 | 67,779 |
| Total revenues | <u>36,954,790</u> | <u>526,419</u> | <u>872,370</u> | <u>1,053,984</u> | <u>5,520,463</u> | <u>44,928,026</u> |
| Expenditures: | | | | | | |
| Current: | | | | | | |
| General government | 1,409,890 | | | | 114,451 | 1,524,341 |
| Public safety | 2,028,317 | | | | 26,946 | 2,055,263 |
| Public works | 1,928,393 | | | | 2,188,571 | 4,116,964 |
| Human services | 231,538 | | 886,447 | | 95,759 | 1,213,744 |
| Culture and recreation | 433,133 | | | | 459,159 | 892,292 |
| Insurance and sundry | 2,419,958 | | | | | 2,419,958 |
| Education | 25,860,037 | | | | 2,784,181 | 28,644,218 |
| Debt service | 2,715,202 | | | 70,920 | | 2,786,122 |
| Capital outlay | 475,594 | | | 3,527,636 | 135,535 | 4,138,765 |
| Total expenditures | <u>37,502,062</u> | <u>-</u> | <u>886,447</u> | <u>3,598,556</u> | <u>5,804,602</u> | <u>47,791,667</u> |
| Excess (Deficiency) of Revenues over Expenditures | <u>(547,272)</u> | <u>526,419</u> | <u>(14,077)</u> | <u>(2,544,572)</u> | <u>(284,139)</u> | <u>(2,863,641)</u> |
| Other Financing Sources (Uses): | | | | | | |
| Issuance of bonds | | | | 4,950,000 | | 4,950,000 |
| Bond premiums | | | | 43,011 | | 43,011 |
| Transfers in | 699,035 | | | 64,682 | 64,000 | 827,717 |
| Transfers out | (128,682) | (689,152) | | | (9,883) | (827,717) |
| Total other financing sources (uses) | <u>570,353</u> | <u>(689,152)</u> | | <u>5,057,693</u> | <u>54,117</u> | <u>4,993,011</u> |
| Net Change in Fund Balances | 23,081 | (162,733) | (14,077) | 2,513,121 | (230,022) | 2,129,370 |
| Fund Balances at Beginning of Year, as Restated | <u>3,041,382</u> | <u>1,114,829</u> | <u>38,512</u> | <u>337,215</u> | <u>1,856,871</u> | <u>6,388,809</u> |
| Fund Balances at End of Year | <u>\$ 3,064,463</u> | <u>\$ 952,096</u> | <u>\$ 24,435</u> | <u>\$ 2,850,336</u> | <u>\$ 1,626,849</u> | <u>\$ 8,518,179</u> |

(Continued on next page)

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

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

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

Net change in fund balances - total governmental funds (Exhibit IV) \$ 2,129,370

Governmental funds report capital outlays as expenditures. In the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

| | |
|----------------------|-------------|
| Capital outlay | 3,391,619 |
| Depreciation expense | (2,409,874) |

Donations of capital assets increase net assets in the statement of activities, but do not appear in the governmental funds because they are not financial resources. 770,399

The statement of activities reports losses arising from the trade-in of existing capital assets to acquire new capital assets. Conversely, governmental funds do not report any gain or loss on a trade-in of capital assets. (86,748)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, and revenues recognized in the funds are not reported in the statement of activities:

| | |
|---|-----------|
| School building grant receipts | (112,261) |
| Property tax receivable - accrual basis change | 203,036 |
| Property tax interest and lien revenue - accrual basis change | 34,766 |
| Sewer use and assessment receivable - accrual basis change | (356,915) |
| Loans and other receivables - accrual basis change | 64,215 |
| Amortization of bond premiums | 30,591 |
| Other receivables | 54,663 |

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

| | |
|-----------------------------|-------------|
| Bond principal payments | 1,991,176 |
| Issuance of bonds and notes | (4,950,000) |
| Capital lease payments | 131,740 |
| Premium on bond issuance | (43,011) |
| Bond issuance costs | |

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

| | |
|--|-----------|
| Compensated absences | 48,660 |
| Accrued interest | (79,634) |
| Amortization of deferred charge on refunding | (11,450) |
| Amortization of issuance costs | (16,369) |
| Net other post employment benefit expense | (392,895) |
| Net pension expense | 109,008 |
| Landfill postclosure care | 20,100 |

Internal service funds are used by management to charge costs to individual funds. The net revenue of certain activities of internal services funds is reported with governmental activities. 70,714

Change in Net Assets of Governmental Activities (Exhibit II) \$ 590,900

The accompanying notes are an integral part of the financial statements

TOWN OF COVENTRY, CONNECTICUT

STATEMENT OF NET ASSETS - PROPRIETARY FUNDS

JUNE 30, 2011

| | <u>Governmental Activities</u> <u>Internal Service Fund</u> |
|---------------------------|--|
| Assets: | |
| Current: | |
| Cash and cash equivalents | \$ <u>157,202</u> |
| Net Assets: | |
| Unrestricted | <u>157,202</u> |
| Total Net Assets | \$ <u><u>157,202</u></u> |

The accompanying notes are an integral part of the financial statements

TOWN OF COVENTRY, CONNECTICUT

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

FOR THE YEAR ENDED JUNE 30, 2011

| | Governmental Activities |
|---------------------------------|------------------------------------|
| | Internal Service Fund |
| Operating Revenues: | |
| Employer contributions | \$ <u>290,324</u> |
| Operating Expenses: | |
| Administrative expense | 18,338 |
| Employee benefits | <u>201,272</u> |
| Total operating expenses | <u>219,610</u> |
| Operating Income | 70,714 |
| Net Assets at Beginning of Year | <u>86,488</u> |
| Net Assets at End of Year | \$ <u><u>157,202</u></u> |

The accompanying notes are an integral part of the financial statements

TOWN OF COVENTRY, CONNECTICUT
STATEMENT OF CASH FLOWS - PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2011

| | Governmental Activities <hr/> Internal Service Fund <hr/> |
|---|---|
| Cash Flows from Operating Activities: | |
| Cash received from users | \$ 290,324 |
| Cash payments to providers of benefits | (219,610) |
| Net cash provided by operating activities | <hr/> 70,714 <hr/> |
| Net Increase in Cash and Cash Equivalents | 70,714 |
| Cash and Cash Equivalents at Beginning of Year | <hr/> 86,488 <hr/> |
| Cash and Cash Equivalents at End of Year | \$ <hr/> <hr/> 157,202 <hr/> <hr/> |
| Reconciliation of Operating Income to Net Cash Provided by Operating Activities: | |
| Operating income | \$ <hr/> 70,714 <hr/> |
| Net Cash Provided by Operating Activities | \$ <hr/> <hr/> 70,714 <hr/> <hr/> |

The accompanying notes are an integral part of the financial statements

TOWN OF COVENTRY, CONNECTICUT

STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUNDS

JUNE 30, 2011

| | Pension Trust Fund | Agency Funds |
|------------------------------------|-----------------------------------|-----------------------------|
| | <u> </u> | <u> </u> |
| Assets: | | |
| Cash and cash equivalents | \$ 7,891 | \$ 1,120,887 |
| Investments - mutual funds | 7,887,156 | |
| Accounts receivable | 4,494 | |
| | <u> </u> | <u> </u> |
| Total assets | <u>7,899,541</u> | <u>\$ 1,120,887</u> |
| Liabilities: | | |
| Due to others | | <u>\$ 1,120,887</u> |
| Net Assets: | | |
| Held in trust for pension benefits | <u>\$ 7,899,541</u> | |

The accompanying notes are an integral part of the financial statements

TOWN OF COVENTRY, CONNECTICUT

STATEMENT OF CHANGES IN PLAN NET ASSETS - FIDUCIARY FUNDS
PENSION TRUST FUND

FOR THE YEAR ENDED JUNE 30, 2011

| | | |
|--------------------------------|----|-------------------------|
| Additions: | | |
| Contributions: | | |
| Employer | \$ | 1,139,895 |
| Plan members | | <u>175,776</u> |
| Total contributions | | 1,315,671 |
| Investment income: | | |
| Net investment gain | | <u>1,314,239</u> |
| Total additions | | <u>2,629,910</u> |
| Deductions: | | |
| Benefits | | 454,640 |
| Administration | | <u>47,447</u> |
| Total deductions | | <u>502,087</u> |
| Change in Net Assets | | 2,127,823 |
| Net Assets - Beginning of Year | | <u>5,771,718</u> |
| Net Assets - End of Year | \$ | <u><u>7,899,541</u></u> |

The accompanying notes are an integral part of the financial statements

TOWN OF COVENTRY, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The Town was incorporated in 1712 and operates under a Council/Manager form of government adopted by Charter in 1967. The seven-member Town Council is the legislative body responsible for enacting ordinances, budget preparation and establishing a property tax mill rate. The Town Manager serves as the Chief Executive Officer in charge of the daily operation of the Town organization in accordance with Council policy and regulation. A seven-member Board of Education, a separately elected body, is responsible for the educational policy of the Coventry Public School system.

The Town provides the following services: general government, public safety, public works, human services, culture and recreation, and education.

The Town has the power to incur indebtedness by issuing bonds or notes as provided by the Connecticut General Statutes.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the Town. 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 are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. 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 and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported as general revenues.

The fund financial statements provide information about the Town's funds, including its fiduciary funds. Separate statements for each fund category - governmental, proprietary and fiduciary - are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the pension trust fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

Agency funds use the accrual basis of accounting, but have no measurement focus since they report only assets and liabilities.

The Town reports the following major governmental funds:

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

The *Sewer Assessment Fund* accounts for the extension and maintenance of sewer lines. The major source of revenue for this fund is sewer assessment charges.

The *CDBG Grant Fund* accounts for the Community Development Block Grant program grants and loans. The major sources of revenue for this fund are capital grants and repayments on loans.

The *Capital Projects Fund* accounts for financial resources to be used for capital expenditures or for the acquisition or construction of capital facilities, improvements and/or equipment. The major sources of financing for this fund are the issuance of general obligation bonds and capital grants.

Additionally, the Town reports the following fiduciary fund types:

The *Internal Service Fund* accounts for the self-insured activities of the Town.

The *Pension Trust Fund* accounts for resources held in trust for the members and beneficiaries of the Town of Coventry Retirement System.

The *Agency Funds* account for resources held by the Town in a purely custodial capacity. The Town maintains two agency funds, the School Activities Fund and the Escrow Deposit Fund.

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

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

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

D. Deposits and Investments

Cash and cash equivalents include short-term, highly liquid investments with original maturities of three months or less when purchased.

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

Investments for the Town are reported at fair value.

E. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." All property tax receivables are shown net of an allowance for uncollectibles. An amount of \$141,531 has been established as an allowance for uncollectible taxes. At June 30, 2011, this represents 12.36% of all property taxes receivable.

Property taxes become an enforceable lien and are assessed on property as of October 1; however, the legal right to attach property does not exist until July 1. Property assessments are made at 70% of the market value. Real estate taxes are billed on July 1 and are payable in semiannual installments on July 1 and January 1. Personal property and motor vehicle taxes are billed and due July 1, and motor vehicle supplement taxes are billed and due January 1. Liens are effective on the assessment date and are continued by filing before the end of the year following the due date.

Upon completion of projects, sewer assessments are levied and assessed to the users each October. Usage charges are billed in May and November. Assessments and user charges are due and payable within 30 days, and delinquent amounts are subject to interest at prevailing rates. Liens are filed on all properties until the assessment is paid in full.

F. Inventories and Prepaid Items

Inventories are reported at cost using the first-in first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

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

G. Capital Assets

Capital assets, which include property, equipment and infrastructure assets (e.g. roads, bridges, sidewalks and similar items), are reported in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial individual cost of more than \$10,000 for land, \$5,000 for furniture and equipment, and \$100,000 for infrastructure. 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 a capital asset or materially extend capital asset 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 is not included as part of the capitalized value of the assets constructed.

Capital assets of the Town are depreciated using the straight-line method over the following estimated useful lives:

| <u>Assets</u> | <u>Years</u> |
|----------------------------|--------------|
| Buildings and improvements | 10-50 |
| System infrastructure | 40-75 |
| Furniture and equipment | 3-20 |

H. Unearned/Deferred Revenue

In the government-wide and fund financial statements, this liability represents resources that have been received but not yet earned. In the fund financial statements, this liability also represents revenues considered measurable but not available during the current period.

I. Compensated Absences

Town and Board of Education employees earn vacation and sick time based upon years of service and the terms of various union contracts.

All compensated absences are accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured. Expenditures for compensated absences are recognized in the governmental fund financial statements in the current year to the extent they are paid during the year or the vested amount is expected to be paid with available resources.

J. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities 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.

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

K. Equity

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

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

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

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

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

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

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

Committed Fund Balance - This represents amounts constrained for a specific purpose by a government using its highest level of decision-making authority (Town of Coventry Town Council).

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

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

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

The Town adheres to the following procedures in establishing the budgetary data included in the General Fund financial statements:

- The Town Manager prepares an operating, capital and debt service budget from information provided by various Town departments. The Board of Education also prepares an operating budget. The budget includes the proposed expenditures and the means to finance them.
- These budgets are presented at a public hearing before being amended and adopted by the Town Council. The Council’s operating or General Fund budget is submitted to a Town meeting that approves, rejects or reduces the budget, which is subsequently adjourned to a referendum for ratification.
- Expenditures are budgeted by function, department and object. The legal level of budgetary control, the level at which expenditures may not exceed appropriations, is established by function and department. Upon request, the Town Council may, by resolution, transfer any unencumbered appropriation, balance or portion thereof from one department, commission, board or office to another. No transfer shall be made from any appropriations for debt service and other statutory charges. Transfers between line items within a department may be made with the approval of the Town Manager.
- The Town Council can make additional appropriations, subject to fund balance availability and other restrictions, up to 1.5% of the current year’s property tax levy. Additional appropriations can be made when unanticipated revenue is made available for specific purposes. Additional appropriations during the year were \$300,784, of which \$240,550 came from fund balance and \$60,234 came from unanticipated revenue. All additional appropriations were made in accordance with Charter provisions.

- Appropriations not encumbered at the end of the fiscal year lapse. Encumbrances for capital additions lapse at the end of three years (if there is no activity), and all other encumbrances lapse at the end of one year.
- Formal budgetary integration is employed as a management control device during the year for the General Fund.
- The General Fund budget is prepared on a modified accrual basis of accounting except for encumbrances, which 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. Encumbrances outstanding at year end are reflected in budgetary reports as expenditures in the current year. Additionally, the Town does not budget for revenues or expenditures associated with pension contributions made by the State of Connecticut on behalf of Town of Coventry teachers or for expenditures reimbursed by the State of Connecticut for excess costs related to certain special education students.

The Miscellaneous Grants fund (Nonmajor Special Revenue Fund) has a deficit fund balance of \$12,166. This deficit will be funded by future grants.

3. CASH, CASH EQUIVALENTS AND INVESTMENTS

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

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

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

A. Deposits

Deposit Custodial Credit Risk - Custodial credit risk is the risk that, in the event of a bank failure, the Town’s deposit will not be returned. The Town does not have a deposit policy for custodial credit risk. The deposit of public funds is controlled by the Connecticut General Statutes. Deposits may be placed with any qualified public depository that has its main place of business in the State of Connecticut.

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$7,323,826 of the Town's bank balance of \$8,909,986 was exposed to custodial credit risk as follows:

| | |
|---|----------------------------|
| Uninsured and uncollateralized | \$ 6,491,443 |
| Uninsured and collateral held by the pledging bank's trust department, not in the Town's name | <u>832,383</u> |
| Total Amount Subject to Custodial Credit Risk | <u><u>\$ 7,323,826</u></u> |

Connecticut General Statutes require that each depository maintain segregated collateral (not required to be based on a security agreement between the depository and the municipality and, therefore, not perfected in accordance with federal law) in an amount equal to a defined percentage of its public deposits based upon the depository's risk-based capital ratio.

Cash Equivalents

Cash equivalents are short-term, highly liquid investments that are both readily convertible to known amounts of cash and purchased within 90 days of maturity. At June 30, 2011, the Town's cash equivalents amounted to \$701,177. The Town's cash equivalents are invested in the State Short-Term Investment Fund (STIF) pool and the State Tax Exempt Proceeds Fund, which are rated AAAM and not rated, respectively, by Standard & Poor's, a nationally recognized statistical rating organization. The pool has a maturity of less than one year.

B. Investments

Investments as of June 30, 2011 in all funds are as follows:

| <u>Investment Type</u> | <u>Fair Value</u> | <u>Investment Maturity Less Than 1 Year</u> |
|---|----------------------------|---|
| Interest bearing investments: | | |
| Certificates of deposit | \$ 1,829,453 | \$ 1,829,453 |
| Other investments: | | |
| Common stock | 2,462 | |
| Pooled open-end mutual fund accounts: | | |
| Pension investments held by administrator | <u>7,887,156</u> | |
| Total | <u><u>\$ 9,719,071</u></u> | |

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

Credit Risk - Investments - As indicated above, State Statutes limit the investment options of cities and towns. The Town's investment policy provides investment guidelines and lists prohibited investments.

Concentration of Credit Risk - The Town's investment policy does not allow for an investment in any one issuer that is in excess of 5% of the Town's total investments.

Custodial Credit Risk - Custodial credit risk for an investment is the risk that, in the event of the failure of the counterparty (the institution that pledges collateral or repurchase agreement securities to the Town or that sells investments to or buys them for the Town), the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town does not have a policy for custodial credit risk. At June 30, 2011, the Town had \$2,462 in uninsured and unregistered securities held by the counterparty, or by its trust department or agent that were not in the Town's name.

4. RECEIVABLES

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

| | <u>General</u> | <u>Sewer Assessment</u> | <u>CDBG Grant</u> | <u>Capital Projects</u> | <u>Nonmajor and Other Funds</u> | <u>Total</u> |
|------------------------------------|---------------------|-----------------------------|-----------------------|-----------------------------|---|---------------------|
| Receivables: | | | | | | |
| Interest | \$ 477,526 | \$ | \$ | \$ | \$ | \$ 477,526 |
| Taxes | 1,144,622 | | | | | 1,144,622 |
| Accounts | 244,150 | | | | 238,843 | 482,993 |
| Intergovernmental | | | 34,298 | 860,633 | 254,509 | 1,149,440 |
| Special assessments | | 4,778,482 | | | | 4,778,482 |
| Loans | | | 2,038,740 | | | 2,038,740 |
| Pension contribution | | | | | | |
| Gross receivables | <u>1,866,298</u> | <u>4,778,482</u> | <u>2,073,038</u> | <u>860,633</u> | <u>493,352</u> | <u>10,071,803</u> |
| Less allowance for uncollectibles: | | | | | | |
| Taxes | (141,531) | | | | | (141,531) |
| Delinquent interest | <u>(181,386)</u> | | | | | <u>(181,386)</u> |
| Net Total Receivables | <u>\$ 1,543,381</u> | <u>\$ 4,778,482</u> | <u>\$ 2,073,038</u> | <u>\$ 860,633</u> | <u>\$ 493,352</u> | <u>\$ 9,748,886</u> |

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 reported in the governmental funds were as follows:

| | <u>Unavailable</u> | <u>Unearned</u> |
|---|---------------------|-------------------|
| Delinquent property taxes receivable | \$ 913,427 | \$ |
| Interest on delinquent property taxes | 296,140 | |
| Sewer operating receivable | 65,918 | |
| Special assessments not yet due | 4,778,482 | |
| Grant drawdowns prior to meeting all eligibility requirements | | 52,969 |
| Loans receivable | 2,038,740 | |
| Unearned program revenues | | 137,512 |
| COVRRRA receivables | 163,576 | |
| Advanced collections on COVRRRA billings | | 99,608 |
| | <u>\$ 8,256,283</u> | <u>\$ 290,089</u> |

5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2011 consisted of the following:

| | <u>Beginning Balance</u> | <u>Increases</u> | <u>Decreases</u> | <u>Transfers</u> | <u>Ending Balance</u> |
|---|------------------------------|---------------------|--------------------|------------------|---------------------------|
| Governmental activities: | | | | | |
| Capital assets not being depreciated: | | | | | |
| Land | \$ 1,924,926 | \$ 6,700 | \$ | \$ | \$ 1,931,626 |
| Construction in progress | 1,709,488 | 2,316,859 | | (373,353) | 3,652,994 |
| Total capital assets not being depreciated | <u>3,634,414</u> | <u>2,323,559</u> | <u>-</u> | <u>(373,353)</u> | <u>5,584,620</u> |
| Capital assets being depreciated: | | | | | |
| Buildings | 46,067,725 | 360,552 | | | 46,428,277 |
| Improvements other than buildings | 1,385,426 | 200,000 | (9,630) | | 1,575,796 |
| Furniture and equipment | 5,832,885 | 349,625 | (232,229) | 25,355 | 5,975,636 |
| Infrastructure | 91,208,926 | 928,282 | (85,308) | 347,998 | 92,399,898 |
| Total capital assets being depreciated | <u>144,494,962</u> | <u>1,838,459</u> | <u>(327,167)</u> | <u>373,353</u> | <u>146,379,607</u> |
| Less accumulated depreciation for: | | | | | |
| Buildings | (10,390,287) | (725,694) | | | (11,115,981) |
| Improvements other than buildings | (42,679) | (36,517) | | | (79,196) |
| Furniture and equipment | (3,084,836) | (301,805) | 196,432 | | (3,190,209) |
| Infrastructure | (19,042,882) | (1,345,858) | 43,987 | | (20,344,753) |
| Total accumulated depreciation | <u>(32,560,684)</u> | <u>(2,409,874)</u> | <u>240,419</u> | <u>-</u> | <u>(34,730,139)</u> |
| Total capital assets being depreciated, net | <u>111,934,278</u> | <u>(571,415)</u> | <u>(86,748)</u> | <u>373,353</u> | <u>111,649,468</u> |
| Governmental Activities Capital Assets, Net | <u>\$ 115,568,692</u> | <u>\$ 1,752,144</u> | <u>\$ (86,748)</u> | <u>\$ -</u> | <u>\$ 117,234,088</u> |

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

| | |
|---|---------------------|
| Governmental Activities: | |
| General government | \$ 24,245 |
| Public safety | 164,891 |
| Public works | 1,607,618 |
| Culture and recreation | 40,493 |
| Education | <u>572,627</u> |
| Total Depreciation and Amortization Expense - Governmental Activities | <u>\$ 2,409,874</u> |

6. INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2011 consisted of the following:

| | Transfers In | | | Total |
|-----------------------------|---------------------|-------------------------|------------------------------|-------------------|
| | General Fund | Capital Projects | Nonmajor Governmental | |
| Transfers out: | | | | |
| General Fund | \$ | \$ 64,682 | \$ 64,000 | \$ 128,682 |
| Sewer Assessment | 689,152 | | | 689,152 |
| Nonmajor governmental funds | 9,883 | | | 9,883 |
| | <u>\$ 699,035</u> | <u>\$ 64,682</u> | <u>\$ 64,000</u> | <u>\$ 827,717</u> |

Transfers are used to 1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and 2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

7. LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the year ended June 30, 2011:

| | Beginning Balance | Additions | Reductions | Ending Balance | Due Within One Year |
|----------------------------------|--------------------------|---------------------|---------------------|-----------------------|----------------------------|
| Bonds and loans payable: | | | | | |
| General obligation bonds | \$ 12,965,000 | \$ 4,950,000 | \$ 1,595,000 | \$ 16,320,000 | \$ 1,400,000 |
| Less deferred amounts: | | | | | |
| On refunding | (134,006) | | (11,450) | (122,556) | |
| For issuance premiums | 400,789 | 43,011 | 30,591 | 413,209 | |
| Loans payable - Clean Water Fund | 7,940,448 | | 396,176 | 7,544,272 | 404,172 |
| | <u>21,172,231</u> | <u>4,993,011</u> | <u>2,010,317</u> | <u>24,154,925</u> | <u>1,804,172</u> |
| Other liabilities: | | | | | |
| Capital leases | 386,274 | | 131,740 | 254,534 | 134,048 |
| Landfill postclosure | 281,400 | | 20,100 | 261,300 | 20,100 |
| Net OPEB obligation | 1,013,228 | 392,895 | | 1,406,123 | |
| Net pension obligation | 329,490 | | 109,008 | 220,482 | |
| Compensated absences | 1,021,781 | 26,138 | 74,798 | 973,121 | 57,114 |
| | <u>1,021,781</u> | <u>26,138</u> | <u>74,798</u> | <u>973,121</u> | <u>57,114</u> |
| Total Governmental Activities | | | | | |
| Long-Term Liabilities | <u>\$ 24,204,404</u> | <u>\$ 5,412,044</u> | <u>\$ 2,345,963</u> | <u>\$ 27,270,485</u> | <u>\$ 2,015,434</u> |

General obligation bonds allocable to sewer projects are secured by the full faith and credit of the Town but are substantially liquidated by sewer assessments. The remaining liabilities above have typically been liquidated by the General Fund.

General Obligation Bonds

A summary of general obligation bonds outstanding at June 30, 2011 is as follows:

| <u>Description</u> | <u>Date of Issue</u> | <u>Date of Maturity</u> | <u>Interest Rate (%)</u> | <u>Amount of Original Issue</u> | <u>Balance Outstanding June 30, 2011</u> |
|-------------------------------|----------------------|-------------------------|--------------------------|---------------------------------|--|
| 2002 General Obligation | 12/1/2002 | 2013 | 3.25-4% | \$ 270,000 | \$ 70,000 |
| 2002 Refunding Bonds | 12/1/2002 | 2022 | 3.25%-4.9% | 1,350,000 | 550,000 |
| 2007 General Obligation | 7/15/2006 | 2025 | 4.25-6.25% | 465,000 | 404,000 |
| 2007 General Obligation | 7/15/2006 | 2025 | 4.25-6.25% | 455,000 | 397,000 |
| 2007 General Obligation | 7/15/2006 | 2025 | 4.25-6.25% | 215,000 | 187,000 |
| 2007 General Obligation | 7/15/2006 | 2025 | 4.25-6.25% | 100,000 | 87,000 |
| 2010 Refunding Bonds Series A | 2/9/2010 | 2025 | 1% -3.5% | 2,500,000 | 1,580,000 |
| 2010 Refunding Bonds Series B | 2/9/2010 | 2025 | 2-4% | 3,438,000 | 2,520,000 |
| 2010 Refunding Bonds Series B | 2/9/2010 | 2025 | 2-4% | 57,000 | 39,000 |
| 2010 Refunding Bonds Series B | 2/9/2010 | 2025 | 2-4% | 3,105,000 | 2,475,000 |
| 2010 Refunding Bonds Series B | 2/9/2010 | 2025 | 2-4% | 270,000 | 121,000 |
| 2010 Refunding Bonds Series B | 2/9/2010 | 2025 | 2-4% | 2,605,000 | 1,931,000 |
| 2010 Refunding Bonds Series B | 2/9/2010 | 2025 | 2-4% | 1,200,000 | 1,009,000 |
| 2011 General Obligation | 3/18/2011 | 2031 | 2-4.125% | 3,350,000 | 3,350,000 |
| 2011 General Obligation | 3/18/2011 | 2031 | 2-4.125% | 1,600,000 | 1,600,000 |
| | | | | | <u>\$ 16,320,000</u> |

Clean Water Fund Loan Payable

The Town is currently participating in the State of Connecticut Clean Water Fund Loan program. The loan matures on June 30, 2027. The loan currently bears interest at 2%.

Bonds and Notes Payable

Annual debt service requirements to maturity on general obligation bonds and Clean Water Fund loans are as follows as of June 30, 2011:

| <u>Year Ending June 30</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|----------------------------|----------------------|---------------------|----------------------|
| 2012 | \$ 1,804,172 | \$ 704,378 | \$ 2,508,550 |
| 2013 | 1,867,330 | 661,041 | 2,528,371 |
| 2014 | 1,900,653 | 601,531 | 2,502,184 |
| 2015 | 1,799,143 | 544,033 | 2,343,176 |
| 2016 | 1,797,805 | 490,590 | 2,288,395 |
| 2017-2021 | 7,905,200 | 1,603,601 | 9,508,801 |
| 2022-2026 | 5,044,530 | 672,642 | 5,717,172 |
| 2027-2031 | 1,745,439 | 151,427 | 1,896,866 |
| | <u>\$ 23,864,272</u> | <u>\$ 5,429,243</u> | <u>\$ 29,293,515</u> |

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

| <u>Category</u> | <u>Debt Limit</u> | <u>Indebtedness</u> | <u>Balance</u> |
|-----------------|-------------------|---------------------|----------------|
| General purpose | \$ 57,448,015 | \$ 4,863,000 | \$ 52,585,015 |
| Schools | 114,896,030 | 11,029,255 | 103,866,475 |
| Sewers | 95,746,691 | 3,010,390 | 92,736,301 |
| Urban renewal | 82,980,466 | | 82,980,466 |
| Pension deficit | 76,597,353 | | 76,597,353 |

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation or \$178,727,157.

Amounts above do not include \$397,000 of Water System Improvement bonds issued, which are excluded from the Town's statutory debt limit pursuant to Connecticut General Statutes.

Capital Leases

A summary of assets acquired through capital leases is as follows as of June 30, 2011:

| | <u>Governmental Activities</u> |
|-------------------------------|------------------------------------|
| Buildings | \$ 85,920 |
| Machinery and equipment | 1,523,026 |
| Less accumulated amortization | <u>(821,345)</u> |
| | <u>\$ 787,601</u> |

Future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2011 are as follows:

| <u>Year Ending June 30</u> | <u>Governmental Activities</u> |
|---|------------------------------------|
| 2012 | \$ 142,792 |
| 2013 | 102,202 |
| 2014 | <u>23,231</u> |
| Total minimum lease payments | 268,225 |
| Less amount representing interest | <u>(13,691)</u> |
| Present Value of Minimum Lease Payments | <u>\$ 254,534</u> |

Landfill Postclosure

State and federal laws and regulations require the Town to place a final cover on its landfill site and to perform certain maintenance and monitoring functions at the site for 30 years after closure. The Town's landfill has stopped accepting waste, closure has been completed and monitoring is continuing. The remaining postclosure costs are estimated to be \$261,300 over the next 13 years. Actual costs may be higher due to inflation, changes in technology or changes in regulations. The Town will appropriate the costs of monitoring on an ongoing basis through the General Fund budget.

8. RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to or destruction of assets; errors or omissions; injuries to employees or natural disasters. The Town purchases commercial insurance for all risks of loss. There are no significant reductions in insurance coverage from the prior year. The amount of claim settlements has not exceeded insurance coverage for each of the past three years.

The Town's self-insurance fund is used to account for dental insurance coverage for Town employees. The Town examines the coverage on a yearly basis to determine adequate coverage and minimize risk. A schedule of changes in the claims liability for the years ended June 30, 2010 and 2011, is presented below:

| | <u>Claims Payable July 1</u> | | <u>Claims and Changes in Estimates</u> | | <u>Claims Paid</u> | | <u>Claims Payable June 30</u> |
|-----------|--------------------------------------|--|--|--|------------------------|--|---------------------------------------|
| 2009-2010 | \$ - | | \$ 227,220 | | \$ 227,220 | | \$ - |
| 2010-2011 | - | | 219,610 | | 219,610 | | - |

9. PENSION PLANS

A. Defined Benefit Plan

Plan Description

The Town of Coventry Employee Retirement System (CERS or the Plan) is a single-employer retirement system established and administered by the Town to provide pension benefits to substantially all Town and Board of Education employees, except for professional employees of the Board of Education who are covered under the State of Connecticut Teachers Retirement System. The CERS is a defined benefit plan. The CERS is considered to be a part of the Town's financial reporting entity and is included in the Town's basic financial statements as a pension trust fund. Contribution provisions and benefit provisions of the CERS are established by and can be amended by the Town Council subject to ratification of various bargaining units. A separate stand-alone financial report for the CERS is not issued by the Town.

All employees except for sworn officers of the police department are included as participants in the Plan on the first July 1 following the attainment of age 21 and the completion of two years of service. Sworn officers of the police department are included on their dates of hire. No employees are included before the effective date. Police and nonunion employees are vested 100% after 5 years, and all other employees are vested after 10 years.

Benefits are calculated on a percentage of earnings times years of service. The percentage varies by group. The Plan also provides for early retirement, deferred retirement and disability retirement. Participants have a nonforfeitable right to accrued benefits at the date of termination of employment provided that they have completed the years required for 100% vesting. Normal retirement age varies from 45 to 62 based on the bargaining unit.

The accrued benefit is paid in the form of a monthly life annuity. Benefits will be actuarially adjusted to reflect any other form of annuity payable. Administrative costs for the plan are paid from the plan investment earnings.

The membership of the Plan consisted of the following at July 1, 2010, the date of the latest actuarial valuation:

| | |
|--|-----------------------|
| Retired members | 7 |
| Terminated plan members entitled to but not yet receiving benefits | 21 |
| Active plan members | <u>150</u> |
| Total | <u><u>178</u></u> |

Summary of Significant Accounting Policies

Plan financial statements are prepared using the accrual basis of accounting. Employee contributions are recognized in the period in which employee services are performed. Employer contributions are recognized when due and the employer has made a formal commitment to provide contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

All funds invested are reported at fair value.

Funding Policy

The Town's funding policy provides for periodic contributions at rates that, when expressed as a percentage of annual covered payroll, are designed to accumulate sufficient assets to pay benefits when due. The contribution rate for normal costs of the Plan was determined using the projected unit credit method. Town employees contribute 1.75% of covered payroll, except for police employees who are required to contribute a rate equal to 6.5% of covered payroll. For the year ended June 30, 2011, the Town contributed \$1,139,895 to the Plan.

Annual Pension Cost and Net Pension Asset

The Town's net pension obligation as of June 30, 2011 and its annual pension cost for the year then ended are as follows:

| | |
|--|------------------------------|
| Annual required contribution | \$ 1,040,895 |
| Interest on net pension obligation | 24,712 |
| Adjustment to annual required contribution | <u>(34,720)</u> |
| Annual pension cost | 1,030,887 |
| Contributions made | <u>1,139,895</u> |
| Decrease in net pension obligation | (109,008) |
| Net pension obligation - beginning of year | <u>329,490</u> |
| Net Pension Obligation - End of Year | \$ <u><u>220,482</u></u> |

Additional Information and Actuarial Assumptions

Following is a summary of certain significant actuarial assumptions and other CERS information:

| | |
|-------------------------------|------------------------------|
| Valuation date | July 1, 2010 |
| Actuarial cost method | Projected Unit Credit |
| Amortization method | Level Dollar |
| Remaining amortization period | 15 years, open |
| Asset valuation method | 4-year phase-in gains/losses |
| Actuarial assumptions: | |
| Investment rate of return* | 7.5% |
| Projected salary increases* | 3.0% |
| Cost of living adjustments | None |

* Includes inflation at 2.0%

Three-Year Trend Information

| <u>Year Ended June 30</u> | <u>Annual Pension Cost (APC)</u> | <u>Percentage of APC Contributed</u> | <u>Net Pension (Asset) Obligation</u> | <u>Actual Contribution</u> |
|-------------------------------|--------------------------------------|--|---|--------------------------------|
| 2011 | \$ 1,030,887 | 110.6% | \$ 220,482 | \$ 1,139,895 |
| 2010 | 822,534 | 101.3% | 329,490 | 832,855 |
| 2009 | 778,585 | 0.0% | 339,811 | -* |

Schedule of Funding Progress

| <u>Actuarial Valuation Date July 1,</u> | <u>Actuarial Value of Assets (A)</u> | <u>Actuarial Accrued Liability (AAL) - Entry Age Normal Cost Method (B)</u> | <u>Unfunded AAL (UAAL) (B-A)</u> | <u>Funded Ratio (A/B)</u> | <u>Covered Payroll (C)</u> | <u>UAAL as a Percentage of Covered Payroll ((b-a)/c)</u> |
|---|--|---|--|-----------------------------------|------------------------------------|--|
| 2010 | \$ 6,286,971 | \$ 11,260,273 | \$ 4,973,302 | 55.8% | \$ 6,161,861 | 80.7% |
| 2009 | 5,940,132 | 10,659,218 | 4,719,086 | 55.7% | 5,707,527 | 82.7% |
| 2008 | 6,376,577 | 9,631,610 | 3,255,033 | 66.2% | 5,519,736 | 59.0% |
| 2007 | 6,176,432 | 9,066,240 | 2,889,808 | 68.1% | 5,335,878 | 54.2% |
| 2006 | 5,728,835 | 8,262,143 | 2,533,308 | 69.3% | 5,254,769 | 48.2% |
| 2005 | 5,102,210 | 7,586,181 | 2,483,971 | 67.3% | 4,830,202 | 51.4% |

Schedule of Employer Contributions

| <u>Year Ended June 30</u> | <u>Annual Required Contributions</u> | <u>Percentage Contributed</u> |
|-------------------------------|--|-----------------------------------|
| 2011 | \$ 1,040,895 | 110% |
| 2010 | 832,855 | 100% |
| 2009 | 765,258 | 0%* |
| 2008 | 736,564 | 107% |
| 2007 | 693,822 | 106% |
| 2006 | 630,801 | 110% |

* Note that the accounting of contributions were realigned with the valuation, resulting in \$-0- reported contribution even though the Town did not change its pattern of contributing.

B. Teachers’ Retirement System

The faculty and professional personnel of the Board of Education participate in a contributory defined benefit plan, established under Chapter 167a of the Connecticut General Statutes, which is administered by the Connecticut State Teachers’ Retirement Board.

Certain part-time and all full-time certified teachers are eligible to participate in the plan and are required to contribute 7.25% of their annual earnings to the plan. The Town does not and is not legally responsible to contribute to the plan. After five years of service, teachers are fully vested in their own contributions. After 10 years of service, teachers are fully vested in the monthly pension benefit, which is payable at the age of 60. The State of Connecticut contributes based on actuarially determined amounts. The funding level was determined based on an actuarial valuation of the plan as a whole, which does not provide actuarial information on an individual Town basis. For the year ended June 30, 2011, Town teachers contributed \$746,752 to the plan, and covered payroll for the year was \$10,828,808.

In accordance with the provisions of GASB Statement No. 24, the Town has reported on-behalf payments of \$1,774,856 made by the State of Connecticut into the plan as intergovernmental revenues and education expenditures of the General Fund in the accompanying statement of revenues, expenditures and changes in fund balances of governmental funds.

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

10. OTHER POST EMPLOYMENT BENEFITS

A. Plan Description

The Town, in accordance with various collective bargaining agreements, is committed to providing medical benefits to certain eligible retirees and their spouses, under a single employer plan. The Post-Retirement Medical Program (RMP) covers Town and Board of Education employees. All Town of Coventry employees are eligible to purchase medical insurance. The benefits include individual, two-person or family coverage under the Blue Cross Health Plan (or equivalent), including hospitalization, surgical, prescriptions, dental and major medical. Employees who choose to participate must pay the full premium cost. Board of Education employees may also purchase life insurance at the full premium cost. Spouses can continue coverage after the retiree’s death. The Town does not issue a separate stand-alone financial statement for this program.

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

| | <u>Post-Retirement Medical Program</u> |
|----------------------------------|---|
| Retired participants and spouses | 32 |
| Active plan members | <u>340</u> |
| Total | <u><u>372</u></u> |

B. Funding Policy

The Town funding and payment of post employment benefits are accounted for in the General Fund on a pay-as-you-go basis. The Town has not established a trust fund to irrevocably segregate assets to fund the liability associated with post employment benefits in accordance with GASB guidelines. The Town is currently developing a funding strategy to provide for normal cost and the amortization of the accrued liability. Although a trust fund may not be established in the future to exclusively control the funding and reporting of post employment benefits, the Town anticipates a commitment to fund normal cost and a long-term approach to the amortization of the actuarial accrued liability. The goal is to absorb, within the budgetary process, the actual cost of benefits in the determination of the costs of providing services to taxpayers.

The Town’s funding strategy for post employment obligations are based upon characteristics of benefits on four distinct groups of employees established within their respective collective bargaining units and/or contracts and include the following:

Teachers

- Eligible for Medical, Dental and Life Coverage if age 50 with 25 years of service or age 55 with 20 years of service or age 60 with 10 years of service.
- Retirees pay full cost of insurance and spouse can continue coverage after retiree’s death.

Police

- Eligible for Medical and Dental Coverage if age 45 and 20 years for Sworn Police, age 62 and 10 years for nonsworn employees.
- Retirees pay full cost of insurance and spouse can continue coverage after retiree’s death.

Town Employees (non-Police)

- Eligible for Medical and Dental Coverage if age 62 with 10 years of service.
- Retirees pay full cost of insurance and spouse can continue coverage after retiree’s death.

Board of Education (other than Teachers)

- Eligible for Dental and Life Coverage if age 62 with 10 years of service.
- Retirees pay full cost of insurance and spouse can continue coverage after retiree’s death.

C. Annual OPEB Cost and Net OPEB Obligations

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

| | <u>Post-Retirement Medical Program</u> |
|--|--|
| Annual required contribution (ARC) | \$ 512,000 |
| Interest on net OPEB obligation | 40,529 |
| Adjustment to annual required contribution | <u>(37,634)</u> |
| Annual OPEB cost | 514,895 |
| Contributions made | <u>122,000</u> |
| Increase in net OPEB obligation | 392,895 |
| Net OPEB obligation, beginning of year | <u>1,013,228</u> |
| Net OPEB Obligation, End of Year | <u>\$ 1,406,123</u> |

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for the fiscal years ended June 30, 2011, 2010 and 2009 is presented below.

| <u>Fiscal Year Ended</u> | <u>Annual OPEB Cost (AOC)</u> | <u>Actual Contribution</u> | <u>Percentage of AOC Contributed</u> | <u>Net OPEB Obligation</u> |
|----------------------------------|---------------------------------------|--------------------------------|--|------------------------------------|
| 6/30/09 | \$ 665,794 | \$ 151,419 | 22.7% | \$ 514,375 |
| 6/30/10 | 665,414 | 166,561 | 25.03 | 1,013,228 |
| 6/30/11 | 514,895 | 122,000 | 23.69 | 1,406,123 |

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as accrual results are compared with past expectations and new estimates are made about the future. Projections for benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Schedule of Funding Progress

| <u>Actuarial Valuation Date</u> | <u>Actuarial Accrued Liability (AAL)</u> | <u>Unfunded AAL (UAAL)</u> | <u>Funded Ratio</u> | <u>Covered Payroll</u> | <u>UAAL as a Percentage of Covered Payroll</u> |
|---|--|------------------------------------|-------------------------|----------------------------|--|
| 7/1/2008 | \$ 7,476,232 | \$ 7,476,232 | 0.00% | \$ 17,349,100 | 43% |
| 7/1/2010 | 4,808,000 | 4,808,000 | 0.00% | N/A | N/A |

Schedule of Employer Contributions

| <u>Year Ended</u> | <u>Annual Required Contribution</u> | <u>Actual Contribution</u> | <u>Percentage Contributed</u> |
|-------------------|-------------------------------------|----------------------------|-------------------------------|
| 6/30/2009 | \$ 665,794 | \$ 151,419 | 23% |
| 6/30/2010 | 675,132 | 166,561 | 25% |
| 6/30/2011 | 514,895 | 122,000 | 24% |

In the July 1, 2010 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions include a 4% investment rate of return, which is the rate of the expected long-term investment returns of plan assets calculated based on the funding policy of the plan at the valuation date. The initial inflation rate is calculated at 6.70% with an ultimate inflation rate of 4.70%. Salary increases as well as the discount rate is set at 4%. The actuarial value of assets was determined using the closed group method. The UAAL is being amortized on a level dollar basis with a remaining amortization period at July 1, 2010 at 29 years. There was a significant decrease in the AAL as of July 1, 2010 due to the changes to retirement assumptions and trended medical costs of the actuary.

11. COMMITMENTS AND CONTINGENCIES

The Town is currently a defendant in a number of lawsuits. The outcome and eventual liability to the Town, if any, in these matters is not known at this time. The Town’s management, based upon consultation with legal counsel, estimates that potential claims against the Town, not covered by insurance, resulting from such litigation would not materially affect the financial position of the Town.

12. FUND BALANCE

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

| | Major Funds | | | Nonmajor Governmental Funds | Total |
|--------------------------|---------------------|----------------------|------------------|-----------------------------------|---------------------|
| | General Fund | Sewer Assessments | CDBG Grant | | |
| Fund balances: | | | | | |
| Nonspendable: | | | | | |
| Inventory | \$ | \$ | \$ | \$ | \$ |
| Prepaid items | 37,612 | | | | 37,612 |
| Permanent fund principal | | | | 1,524 | 1,524 |
| Restricted for: | | | | | |
| Capital projects | | 952,096 | | 2,850,336 | 3,802,432 |
| Unspent grant balances | | | 24,435 | 135,127 | 159,562 |
| Public safety | | | | 3,068 | 3,068 |
| Public works | | | | 66,822 | 66,822 |
| Permanent funds | | | | 1,700 | 1,700 |
| Committed to: | | | | | |
| General government | 4,352 | | | 139,742 | 144,094 |
| Public safety | | | | 9,597 | 9,597 |
| Public works | | | | 1,079,570 | 1,079,570 |
| Human services | | | | 22,882 | 22,882 |
| Culture and recreation | | | | 26,019 | 26,019 |
| Education | | | | 138,429 | 138,429 |
| Assigned to: | | | | | |
| General government | 66,828 | | | | 66,828 |
| Public safety | 38,564 | | | | 38,564 |
| Public works | 39,925 | | | | 39,925 |
| Human services | 4,223 | | | | 4,223 |
| Insurance and sundry | 8,000 | | | | 8,000 |
| Education | 55,229 | | | | 55,229 |
| Capital projects | 20,738 | | | | 20,738 |
| Unassigned | <u>2,788,992</u> | | | <u>(12,166)</u> | <u>2,776,826</u> |
| Total Fund Balances | <u>\$ 3,064,463</u> | <u>\$ 952,096</u> | <u>\$ 24,435</u> | <u>\$ 2,850,336</u> | <u>\$ 1,626,849</u> |
| | | | | | <u>\$ 8,518,179</u> |

13. PRIOR PERIOD ADJUSTMENTS

During the year, the Town implemented GASB Statement No. 54. This required the Town to review their special revenue funds and determine if they have a revenue source that is restricted or committed for a specific purpose. This revenue source also needs to constitute a substantial portion of the resources in the fund. As a result, the Reserve for Matching Fund did not meet those requirements and is now reported as part of the General Fund. Additionally, the Capital Projects Fund and the Capital and Nonrecurring funds are being reported together as a new major fund.

The beginning fund balances for the following funds were restated as follows:

| | General Fund | Capital Projects Fund | Nonmajor Governmental Funds |
|---|---------------------|-----------------------------|-----------------------------------|
| Balance at June 30, 2010 | \$ 3,037,517 | \$ | \$ 2,197,951 |
| Reclassification to Capital Projects Fund | | 337,215 | (337,215) |
| Reclassification to General Fund | <u>3,865</u> | | <u>(3,865)</u> |
| Restated Fund Balance at June 30, 2010 | <u>\$ 3,041,382</u> | <u>\$ 337,215</u> | <u>\$ 1,856,871</u> |

Required Supplementary Information

TOWN OF COVENTRY, CONNECTICUT

**SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND**

FOR THE YEAR ENDED JUNE 30, 2011

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance With Final Budget Over (Under)</u> |
|--|----------------------------|-------------------------|-------------------|--|
| Property Taxes: | | | | |
| Current taxes | \$ 24,852,165 | \$ 24,852,165 | \$ 24,792,258 | \$ (59,907) |
| Delinquent taxes | 330,000 | 330,000 | 269,988 | (60,012) |
| Interest and penalties | 170,000 | 170,000 | 208,828 | 38,828 |
| Supplemental motor vehicles | 200,000 | 200,000 | 191,035 | (8,965) |
| Total property taxes | <u>25,552,165</u> | <u>25,552,165</u> | <u>25,462,109</u> | <u>(90,056)</u> |
| Intergovernmental: | | | | |
| General Government: | | | | |
| Elderly circuit breaker | 57,500 | 57,500 | 56,063 | (1,437) |
| Disability exemption | 1,825 | 1,825 | 1,781 | (44) |
| Grant in lieu of taxes | 39,171 | 39,171 | 48,088 | 8,917 |
| Veterans additional tax relief | 8,487 | 8,487 | 7,535 | (952) |
| Emergency Management Performance Grant | 5,600 | 5,600 | 5,616 | 16 |
| Boat registration grant | | | 4,330 | 4,330 |
| Telephone access grant | 49,000 | 49,000 | 43,141 | (5,859) |
| Youth services grant | 14,500 | 14,500 | 14,511 | 11 |
| Pequot State Property | 45,101 | 45,101 | 46,106 | 1,005 |
| Manufacturer's PILOT | 6,400 | 6,400 | 8,359 | 1,959 |
| Total general government | <u>227,584</u> | <u>227,584</u> | <u>235,530</u> | <u>7,946</u> |
| Education: | | | | |
| Education cost sharing grant | 7,583,721 | 7,583,721 | 7,612,054 | 28,333 |
| Transportation | 248,654 | 248,654 | 280,804 | 32,150 |
| Adult education | 10,839 | 10,839 | 10,979 | 140 |
| Cost plan CGS/CNHS | 116,325 | 116,325 | 116,326 | 1 |
| Tuition | | 44,918 | 44,918 | - |
| Medicaid reimbursement | | 15,316 | 15,316 | - |
| Total education | <u>7,959,539</u> | <u>8,019,773</u> | <u>8,080,397</u> | <u>60,624</u> |
| Investment Earnings | <u>60,000</u> | <u>60,000</u> | <u>59,097</u> | <u>(903)</u> |
| Local Revenues: | | | | |
| Housing Authority PILOT | 16,500 | 16,500 | 17,142 | 642 |
| Finance: | | | | |
| Insurance reimbursement & claims | | | 214,533 | 214,533 |
| Conveyance tax | 133,500 | 133,500 | 73,865 | (59,635) |
| Town clerk: | | | | |
| Office receipts | 115,000 | 115,000 | 89,960 | (25,040) |
| Assessor: | | | | |
| Copy charges | 1,500 | 1,500 | 1,086 | (414) |

(Continued on next page)

TOWN OF COVENTRY, CONNECTICUT

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

FOR THE YEAR ENDED JUNE 30, 2011

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance With Final Budget Over (Under)</u> |
|--|----------------------------|-------------------------|----------------------|--|
| Development/Planning: | | | | |
| Zoning permits | \$ 10,000 | \$ 10,000 | \$ 11,850 | \$ 1,850 |
| Planning and zoning | 3,000 | 3,000 | 2,896 | (104) |
| Zoning board of appeals | 1,000 | 1,000 | 1,563 | 563 |
| Inland wetlands | 2,000 | 2,000 | 2,144 | 144 |
| Regulations and maps | 500 | 500 | 1,206 | 706 |
| Permits | 100 | 100 | 138 | 38 |
| Road inspection program | 4,000 | 4,000 | | (4,000) |
| Engineering reimbursement | | | 1,382 | 1,382 |
| Building Department: | | | | |
| Building permits | 185,000 | 185,000 | 126,368 | (58,632) |
| Fire inspection | 1,500 | 1,500 | 830 | (670) |
| Blasting permit | 200 | 200 | 60 | (140) |
| Penalty fees | 100 | 100 | 400 | 300 |
| Police Services: | | | | |
| Office receipts | | | 25 | 25 |
| Warden receipts | 1,200 | 1,200 | 1,251 | 51 |
| Surcharge | 3,900 | 3,900 | | (3,900) |
| Dog license | 10,500 | 10,500 | 11,126 | 626 |
| Fingerprinting | 800 | 800 | 850 | 50 |
| Local parking fines | 300 | 300 | 50 | (250) |
| Permits | 3,000 | 3,000 | 4,795 | 1,795 |
| Other | 200 | 200 | 390 | 190 |
| Judicial revenue distribution | 500 | 500 | | (500) |
| Municipal surcharge | 2,000 | 2,000 | 3,342 | 1,342 |
| Miscellaneous: | | | | |
| Miscellaneous unanticipated | | | 11,752 | 11,752 |
| Rents | 25,000 | 25,000 | 24,990 | (10) |
| Total local revenues | <u>521,300</u> | <u>521,300</u> | <u>603,994</u> | <u>82,694</u> |
| Total revenues | <u>34,320,588</u> | <u>34,380,822</u> | <u>34,441,127</u> | <u>60,305</u> |
| Other Financing Sources: | | | | |
| Transfers in: | | | | |
| Sewer Assessment Fund | 689,154 | 689,154 | 689,152 | (2) |
| Dog License Fund | | | 6,865 | 6,865 |
| Police Special Services | 2,500 | 2,500 | 3,018 | 518 |
| Total other financing sources | <u>691,654</u> | <u>691,654</u> | <u>699,035</u> | <u>7,381</u> |
| Total Revenues and Other Financing Sources | \$ <u>35,012,242</u> | \$ <u>35,072,476</u> | 35,140,162 | \$ <u>67,686</u> |
| Budgetary revenues are different from GAAP revenues because: | | | | |
| Cancellation of prior year encumbrances are recognized as budgetary revenue | | | 34,070 | |
| Excess cost grants are netted for budgetary reporting | | | 704,737 | |
| State on-behalf payments | | | <u>1,774,856</u> | |
| Total Revenues and Other Financing Sources as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds - Exhibit IV | | | \$ <u>37,653,825</u> | |

TOWN OF COVENTRY, CONNECTICUT

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2011

| | Original Budget | Final Budget | Actual | Variance With Final Budget Over (Under) |
|--|--------------------|------------------|------------------|---|
| General Government: | | | | |
| Town Council | \$ 17,950 | \$ 20,950 | \$ 20,620 | \$ 330 |
| Town Manager | 180,587 | 186,082 | 185,980 | 102 |
| Finance Administration | 100,124 | 100,124 | 99,728 | 396 |
| Accounting | 109,206 | 109,209 | 108,568 | 641 |
| Tax Collector | 102,744 | 104,944 | 100,865 | 4,079 |
| Assessor | 132,263 | 132,263 | 131,309 | 954 |
| Assessment Appeals | 1,010 | 1,010 | 512 | 498 |
| Treasurer | 20,386 | 20,436 | 18,678 | 1,758 |
| Planning | 126,288 | 128,438 | 128,418 | 20 |
| Zoning Board of Appeals | 22,497 | 25,474 | 25,158 | 316 |
| Conservation | 610 | 513 | 280 | 233 |
| Economic Development | 11,757 | 13,014 | 12,442 | 572 |
| Regional grants | 10,404 | 10,404 | 9,735 | 669 |
| Inland Wetlands | 41,399 | 43,479 | 43,061 | 418 |
| Planning and Zoning Commission | 4,900 | 6,650 | 5,955 | 695 |
| Legal counsel | 70,000 | 95,000 | 94,110 | 890 |
| Probate court | 5,000 | 5,195 | 5,193 | 2 |
| Recording/licensing | 146,810 | 147,410 | 145,612 | 1,798 |
| Elections | 42,290 | 42,290 | 39,497 | 2,793 |
| Town Office building | 81,854 | 83,284 | 76,374 | 6,910 |
| Central services | 61,900 | 60,470 | 55,851 | 4,619 |
| Information technology | 77,050 | 99,250 | 96,850 | 2,400 |
| Total general government | <u>1,367,029</u> | <u>1,435,889</u> | <u>1,404,796</u> | <u>31,093</u> |
| Public Safety: | | | | |
| Police Administration | 163,124 | 162,852 | 159,355 | 3,497 |
| Police Operations | 1,074,914 | 1,064,909 | 1,048,584 | 16,325 |
| Police supportive services | 288,160 | 288,937 | 278,817 | 10,120 |
| Police marine patrol | 5,850 | 5,850 | 4,925 | 925 |
| Police station | 60,875 | 60,375 | 51,215 | 9,160 |
| Fire Marshal | 25,681 | 25,681 | 24,689 | 992 |
| Coventry Volunteer Fire Association | 151,418 | 153,883 | 153,882 | 1 |
| North Coventry Volunteer Fire Department | 100,340 | 110,463 | 110,074 | 389 |
| Ambulance | 9,150 | 9,150 | 9,144 | 6 |
| Rescue service | 20,700 | 12,227 | 11,606 | 621 |
| N. Coventry substation | 20,230 | 18,580 | 7,365 | 11,215 |
| Joint Fire Budget | 98,800 | 88,800 | 78,015 | 10,785 |
| CVFA South Street Substation | 14,027 | 11,562 | 11,562 | - |
| Civil Emergency Preparedness | 23,710 | 23,810 | 22,118 | 1,692 |
| Animal Control | 66,342 | 66,342 | 64,572 | 1,770 |
| Total public safety | <u>2,123,321</u> | <u>2,103,421</u> | <u>2,035,923</u> | <u>67,498</u> |
| Public works: | | | | |
| Roads and drainage | 504,105 | 487,758 | 484,201 | 3,557 |
| Public works building | 46,350 | 49,435 | 47,644 | 1,791 |
| Snow removal | 238,500 | 359,355 | 336,019 | 23,336 |
| Facilities maintenance | 223,920 | 182,537 | 174,931 | 7,606 |
| Public works administration | 216,900 | 200,278 | 198,997 | 1,281 |
| Fleet maintenance | 360,417 | 369,751 | 359,453 | 10,298 |
| Street lights | 37,000 | 41,000 | 39,938 | 1,062 |
| Cemetery Commission | 18,800 | 18,800 | 18,607 | 193 |
| Tree Warden | 26,600 | 26,425 | 21,850 | 4575 |
| Engineering | 71,067 | 66,567 | 62,724 | 3843 |
| Building inspection | 145,819 | 145,819 | 137,881 | 7938 |
| Building code | 45 | 45 | 45 | - |
| Health Department | 55,100 | 55,100 | 55,054 | 46 |
| Total public works | <u>1,944,623</u> | <u>2,002,870</u> | <u>1,937,344</u> | <u>65,526</u> |

(Continued on next page)

TOWN OF COVENTRY, CONNECTICUT

**SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND (CONTINUED)**

FOR THE YEAR ENDED JUNE 30, 2011

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance With Final Budget Over (Under)</u> |
|--|----------------------------|-------------------------|----------------------|--|
| Human Services: | | | | |
| Visiting nurses | \$ 4,500 | \$ 4,500 | \$ 4,500 | \$ - |
| Human services/general administration | 168,219 | 168,219 | 165,337 | 2,882 |
| Elderly services | 74,885 | 70,825 | 62,687 | 8,138 |
| Total human services | <u>247,604</u> | <u>243,544</u> | <u>232,524</u> | <u>11,020</u> |
| Culture and Recreation: | | | | |
| Booth/Dimock Library | 370,882 | 370,882 | 370,882 | - |
| Parks and recreation, supervision | 60,429 | 60,429 | 60,412 | 17 |
| Memorial Day | 1,675 | 2,625 | 1,839 | 786 |
| Total culture and recreation | <u>432,986</u> | <u>433,936</u> | <u>433,133</u> | <u>803</u> |
| Insurance and Sundry: | | | | |
| Municipal insurance | 312,960 | 312,960 | 305,994 | 6,966 |
| Pension/Social Security | 970,885 | 1,068,985 | 1,066,116 | 2,869 |
| Health insurance | 1,010,000 | 995,900 | 989,280 | 6,620 |
| Contingency | 15,000 | | | - |
| Claims and losses | 20,000 | 65,453 | 60,309 | 5,144 |
| Total insurance and sundry | <u>2,328,845</u> | <u>2,443,298</u> | <u>2,421,699</u> | <u>21,599</u> |
| Education | <u>23,223,851</u> | <u>23,284,085</u> | <u>23,278,044</u> | <u>6,041</u> |
| Capital Outlay | <u>473,818</u> | <u>495,818</u> | <u>495,091</u> | <u>727</u> |
| Debt Service | <u>2,739,983</u> | <u>2,739,983</u> | <u>2,715,202</u> | <u>24,781</u> |
| Total budgetary expenditures | <u>34,882,060</u> | <u>35,182,844</u> | <u>34,953,756</u> | <u>229,088</u> |
| Other Financing Uses: | | | | |
| Transfers out: | | | | |
| Matching funds | 1,500 | 1,500 | 1,500 | - |
| Park and recreation fund | 34,000 | 34,000 | 34,000 | - |
| Capital Projects | 94,682 | 94,682 | 94,682 | - |
| Total other financing uses | <u>130,182</u> | <u>130,182</u> | <u>130,182</u> | <u>-</u> |
| Total | <u>\$ 35,012,242</u> | <u>\$ 35,313,026</u> | 35,083,938 | <u>\$ 229,088</u> |
| Budgetary expenditures are different from GAAP expenditures because: | | | | |
| Encumbrances for purchases and commitments ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year received for financial reporting purposes | | | 67,700 | |
| Reserve for matching fund expenditures and transfers, net | | | (487) | |
| Excess cost grants are netted for budgetary reporting | | | 704,737 | |
| State on-behalf payments | | | <u>1,774,856</u> | |
| Total Expenditures and Other Financing Uses as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds - Exhibit IV | | | <u>\$ 37,630,744</u> | |

Combining and Individual Fund Statements and Schedules

General Fund

GENERAL FUND

The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund budget is legally adopted at the Annual Town Meeting. The General Fund utilizes the modified accrual basis of accounting.

TOWN OF COVENTRY, CONNECTICUT

GENERAL FUND

COMPARATIVE BALANCE SHEET

JUNE 30, 2011 AND 2010

| | <u>2011</u> | <u>2010</u> |
|--|---------------------|---------------------|
| ASSETS | | |
| Cash and cash equivalents | \$ 1,716,219 | \$ 2,549,705 |
| Investments | 1,301,044 | 1,300,000 |
| Property taxes receivable, (net of allowance of \$141,531 in 2011 and \$128,104 in 2010) | 1,003,091 | 814,988 |
| Accounts receivable, (net of allowance of \$181,386 in 2011 and \$161,220 in 2010) | 540,290 | 388,250 |
| Due from other funds | | 29,060 |
| Prepaid items | <u>37,612</u> | <u>32,813</u> |
| Total Assets | <u>\$ 4,598,256</u> | <u>\$ 5,114,816</u> |
| LIABILITIES AND FUND BALANCE | | |
| Liabilities: | | |
| Accounts payable and accrued liabilities | \$ 305,616 | \$ 395,100 |
| Deferred revenues | <u>1,228,177</u> | <u>1,678,334</u> |
| Total liabilities | <u>1,533,793</u> | <u>2,073,434</u> |
| Fund balance: | | |
| Nonspendable | 37,612 | 32,813 |
| Committed | 4,352 | 3,865 |
| Assigned | 233,507 | 335,277 |
| Unassigned | <u>2,788,992</u> | <u>2,669,427</u> |
| Total fund balance | <u>3,064,463</u> | <u>3,041,382</u> |
| Total Liabilities and Fund Balance | <u>\$ 4,598,256</u> | <u>\$ 5,114,816</u> |

TOWN OF COVENTRY, CONNECTICUT
SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING
FOR THE YEAR ENDED JUNE 30, 2011

48

| Grand List | Uncollected Taxes July 1, 2010 | Lawful Corrections | | Transfers To Suspense | Adjusted Taxes Collectible | Collections | | | | Uncollected Taxes June 30, 2011 |
|------------|--------------------------------|--------------------|-------------------|-----------------------|----------------------------|----------------------|-------------------|-----------------|---------------|---------------------------------|
| | | Additions | Deductions | | | Taxes | Interest | Liens | Total | |
| 2009 | \$ 25,587,685 | \$ 60,511 | \$ 135,031 | \$ | \$ 25,513,165 | \$ 24,983,390 | \$ 98,370 | \$ 624 | \$ 25,082,384 | \$ 529,775 |
| 2008 | 508,299 | 1,613 | 3,565 | | 506,347 | 243,742 | 51,813 | 2,545 | 298,100 | 262,605 |
| 2007 | 216,097 | 11,915 | 1,942 | 40,594 | 185,476 | 57,497 | 18,744 | 576 | 76,817 | 127,979 |
| 2006 | 119,384 | 5,849 | 866 | 23,992 | 100,375 | 18,885 | 7,566 | 192 | 26,643 | 81,490 |
| 2005 | 55,936 | 7,452 | 538 | 4,805 | 58,045 | 4,609 | 4,057 | 32 | 8,698 | 53,436 |
| 2004 | 24,371 | 3,998 | 382 | 871 | 27,116 | (6,710) | 3,785 | 48 | (2,877) | 33,826 |
| 2003 | 21,683 | 2,951 | 449 | 3 | 24,182 | (4,367) | 6,478 | 72 | 2,183 | 28,549 |
| 2002 | 8,874 | 2,567 | 412 | 596 | 10,433 | (3,821) | 2,740 | 48 | (1,033) | 14,254 |
| 2001 | 2,226 | 1,585 | 38 | 256 | 3,517 | (3,209) | 1,290 | | (1,919) | 6,726 |
| 2000 | (3,608) | 724 | | 211 | (3,095) | (12,113) | 1,637 | | (10,476) | 9,018 |
| 1999 | 2,546 | 429 | | 201 | 2,774 | 1,118 | 2,730 | | 3,848 | 1,656 |
| 1998 | (9,255) | 525 | | 168 | (8,898) | (5,864) | 2,126 | | (3,738) | (3,034) |
| 1997 | (7,590) | 428 | | 54 | (7,216) | (3,624) | 1,629 | 24 | (1,971) | (3,592) |
| 1996 | (3,224) | 214 | | | (3,010) | (1,726) | | | (1,726) | (1,284) |
| 1995 | 2,863 | 662 | | | 3,525 | 307 | 1,148 | | 1,455 | 3,218 |
| | <u>\$ 26,526,287</u> | <u>\$ 101,423</u> | <u>\$ 143,223</u> | <u>\$ 71,751</u> | <u>\$ 26,412,736</u> | <u>\$ 25,268,114</u> | <u>\$ 204,113</u> | <u>\$ 4,161</u> | 25,476,388 | <u>\$ 1,144,622</u> |

Property taxes receivable considered available:

June 30, 2010

(104,597)

June 30, 2011

89,664

Total Property Tax Revenue

\$ 25,461,455

Note: Beginning with the Grand list of 2005, the Town has begun recording overcollections as a liability.

**Nonmajor
Governmental Funds**

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes. The Special Revenue Funds utilize the modified accrual basis of accounting. The nature and purpose of each Special Revenue Fund is as follows:

| Fund | Funding Source | Function |
|------------------------------|--------------------------------------|--|
| Town Aid Road | State grant | Construction/maintenance of public roads |
| Cemetery Commission | Sale of lots | Maintenance and improvements |
| Dog License | Intergovernmental revenue | Sales of dog tags and the expenditures of the dog warden |
| School Lunch | Charges for services/facility rental | School food service program |
| Special Education Grants | State and federal grants | Educational purposes |
| Food Bank | Donations | Assistance to those in need |
| Tri-Centennial | Donations | Community tri-centennial celebration |
| Veterans Memorial Commission | Donations | Erect and repair war memorials |
| Highway Funds | Various sources | Misc public works improvements |
| Youth Services | State and federal grants | Drug and alcohol abuse prevention |
| Police Special Services | Charges for services | Police traffic control |
| Narcotics Forfeiture | Drug enforcement activity | Drug enforcement and education |
| LOCIP | State grant | Capital Project expenditures |
| COVRRRA | Charges for services | Solid waste collection/disposal |
| Miscellaneous Grants | State and federal grants | General community services |
| Recreation | Charges for services | Recreational leisure programs |
| Crime Watch | State and federal grants | Crime prevention |
| Sewer Operating | Charges for service | Sewer system operations |
| Special Police | Donations | Coventry Police and/or survivors |
| Cemetery Trust | Trust and investment income | Perpetual Care |
| Regional Farmers Market | Charges for service/donations | Weekend Farmers Market June-October |
| Historic Preservation | State grant | Document preservation |
| Education User Fees | Charges for services | Fees for use of buildings |

Capital Projects Fund

The Capital Projects fund is used to account for the financial resources for the acquisition or construction of major capital facilities.

| Fund | Funding Source | Function |
|------------------|-----------------------|---------------------------------|
| Land Acquisition | Donations | Purchase of land for open space |

Permanent Fund

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

| Fund | Funding Source | Function |
|---------------------------------|-----------------------------|--|
| Loyzim Memorial and Scholarship | Trust and investment income | Scholarships to Coventry High School Seniors |

TOWN OF COVENTRY, CONNECTICUT

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2011

| | Special Revenue Funds | | | | | | | | |
|--|------------------------------|--------------------------------|------------------------|-------------------------|---|----------------------|----------------------------|---|--------------------------|
| | <u>Town Aid Road</u> | <u>Cemetery Commission</u> | <u>Dog License</u> | <u>School Lunch</u> | <u>Special Education Grants</u> | <u>Food Bank</u> | <u>Tri- Centennial</u> | <u>Veterans Memorial Commission</u> | <u>Highway Funds</u> |
| ASSETS | | | | | | | | | |
| Cash and cash equivalents | \$ 18,806 | \$ 42,787 | \$ | \$ 77,584 | \$ | \$ 23,066 | \$ 28,448 | \$ | \$ 98,983 |
| Investments | | | | | | | | | |
| Receivables: | | | | | | | | | |
| Grants and contracts receivable | | | | 35,233 | 77,372 | | | | |
| Accounts receivable | | | | 1,213 | | | | | |
| Due from other funds | 83,688 | | | | | | | | |
| Inventories | | | | 14,535 | | | | | |
| Total Assets | <u>\$ 102,494</u> | <u>\$ 42,787</u> | <u>\$ -</u> | <u>\$ 128,565</u> | <u>\$ 77,372</u> | <u>\$ 23,066</u> | <u>\$ 28,448</u> | <u>\$ -</u> | <u>\$ 98,983</u> |
| LIABILITIES AND FUND BALANCES | | | | | | | | | |
| Liabilities: | | | | | | | | | |
| Accounts payable | \$ 3,771 | \$ | \$ | \$ 900 | \$ 2,999 | \$ 184 | \$ | \$ | \$ 10,137 |
| Due to other funds | | | | | 38,347 | | | | |
| Deferred revenue | | | | 9,833 | 35,681 | | | | 21,000 |
| Total liabilities | <u>3,771</u> | <u>-</u> | <u>-</u> | <u>10,733</u> | <u>77,027</u> | <u>184</u> | <u>-</u> | <u>-</u> | <u>31,137</u> |
| Fund Balances: | | | | | | | | | |
| Nonspendable | | | | 14,535 | | | | | |
| Restricted | 98,723 | 42,787 | | | 345 | | | | |
| Committed | | | | 103,297 | | 22,882 | 28,448 | | 67,846 |
| Unassigned | | | | | | | | | |
| Total fund balances | <u>98,723</u> | <u>42,787</u> | <u>-</u> | <u>117,832</u> | <u>345</u> | <u>22,882</u> | <u>28,448</u> | <u>-</u> | <u>67,846</u> |
| Total Liabilities and Fund Balances | <u>\$ 102,494</u> | <u>\$ 42,787</u> | <u>\$ -</u> | <u>\$ 128,565</u> | <u>\$ 77,372</u> | <u>\$ 23,066</u> | <u>\$ 28,448</u> | <u>\$ -</u> | <u>\$ 98,983</u> |

(Continued on next page)

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

JUNE 30, 2011

| | <u>Special Revenue Funds</u> | | | | | | | | |
|--|------------------------------|--|---------------------------------|------------------|-------------------|---------------------------------|-------------------|------------------------|----------------------------|
| | <u>Youth Services</u> | <u>Police Special Services</u> | <u>Narcotics Forfeiture</u> | <u>LOCIP</u> | <u>COVRRRA</u> | <u>Miscellaneous Grants</u> | <u>Recreation</u> | <u>Crime Watch</u> | <u>Sewer Operating</u> |
| ASSETS | | | | | | | | | |
| Cash and cash equivalents | \$ 4,337 | \$ 3,493 | \$ 3,068 | \$ | \$ 666,377 | \$ | \$ 135,351 | \$ 900 | \$ 546,819 |
| Investments | | | | | | | | | |
| Receivables: | | | | | | | | | |
| Grants and contracts receivable | | | | 70,782 | | 71,122 | | | |
| Accounts receivable | | 3,513 | | | 163,576 | | 110 | | 65,918 |
| Due from other funds | | | | | | | | | |
| Inventories | | | | | | | | | |
| Total Assets | <u>\$ 4,337</u> | <u>\$ 7,006</u> | <u>\$ 3,068</u> | <u>\$ 70,782</u> | <u>\$ 829,953</u> | <u>\$ 71,122</u> | <u>\$ 135,461</u> | <u>\$ 900</u> | <u>\$ 612,737</u> |
| LIABILITIES AND FUND BALANCES | | | | | | | | | |
| Liabilities: | | | | | | | | | |
| Accounts payable | \$ 62 | \$ 218 | \$ | \$ 49,332 | \$ 90,212 | \$ 42,109 | \$ 21,373 | \$ | \$ 11,652 |
| Due to other funds | | | | 21,450 | | 23,891 | | | |
| Deferred revenue | | | | | 263,184 | 17,288 | 88,069 | | 65,918 |
| Total liabilities | <u>62</u> | <u>218</u> | <u>-</u> | <u>70,782</u> | <u>353,396</u> | <u>83,288</u> | <u>109,442</u> | <u>-</u> | <u>77,570</u> |
| Fund Balances: | | | | | | | | | |
| Nonspendable | | | | | | | | | |
| Restricted | 4,275 | | 3,068 | | | | | | |
| Committed | | 6,788 | | | 476,557 | | 26,019 | 900 | 535,167 |
| Unassigned | | | | | | (12,166) | | | |
| Total fund balances | <u>4,275</u> | <u>6,788</u> | <u>3,068</u> | <u>-</u> | <u>476,557</u> | <u>(12,166)</u> | <u>26,019</u> | <u>900</u> | <u>535,167</u> |
| Total Liabilities and Fund Balances | <u>\$ 4,337</u> | <u>\$ 7,006</u> | <u>\$ 3,068</u> | <u>\$ 70,782</u> | <u>\$ 829,953</u> | <u>\$ 71,122</u> | <u>\$ 135,461</u> | <u>\$ 900</u> | <u>\$ 612,737</u> |

(Continued on next page)

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

JUNE 30, 2011

| | <u>Special Revenue Funds</u> | | | | | <u>Capital Projects</u> | <u>Permanent Fund</u> | <u>Interfund Elimination</u> | <u>Total Nonmajor Governmental Funds</u> |
|--|------------------------------|---------------------------|--|----------------------------------|------------------------------------|-----------------------------|--|----------------------------------|--|
| | <u>Special Police</u> | <u>Cemetery Trust</u> | <u>Regional Farmers Market</u> | <u>Historic Preservation</u> | <u>Education User Fees</u> | <u>Land Acquisition</u> | <u>Loyzim Memorial and Scholarship</u> | | |
| ASSETS | | | | | | | | | |
| Cash and cash equivalents | \$ 1,909 | \$ | \$ | \$ 32,054 | \$ 36,404 | \$ 118,734 | \$ 743 | \$ | \$ 1,839,863 |
| Investments | | 24,035 | | | | | 2,462 | | 26,497 |
| Receivables: | | | | | | | | | |
| Grants and contracts receivable | | | | | | | | | 254,509 |
| Accounts receivable | | | | | | | 19 | | 234,349 |
| Due from other funds | | | | | | | | (83,688) | - |
| Inventories | | | | | | | | | 14,535 |
| Total Assets | \$ 1,909 | \$ 24,035 | \$ - | \$ 32,054 | \$ 36,404 | \$ 118,734 | \$ 3,224 | \$ (83,688) | \$ 2,369,753 |
| LIABILITIES AND FUND BALANCES | | | | | | | | | |
| Liabilities: | | | | | | | | | |
| Accounts payable | \$ | \$ | \$ | \$ 270 | \$ 1,272 | \$ 7,440 | \$ | \$ | \$ 241,931 |
| Due to other funds | | | | | | | | (83,688) | - |
| Deferred revenue | | | | | | | | | 500,973 |
| Total liabilities | - | - | - | 270 | 1,272 | 7,440 | - | (83,688) | 742,904 |
| Fund Balances: | | | | | | | | | |
| Nonspendable | | | | | | | 1,524 | | 16,059 |
| Restricted | | 24,035 | | 31,784 | | | 1,700 | | 206,717 |
| Committed | 1,909 | | | | 35,132 | 111,294 | | | 1,416,239 |
| Unassigned | | | | | | | | | (12,166) |
| Total fund balances | 1,909 | 24,035 | - | 31,784 | 35,132 | 111,294 | 3,224 | - | 1,626,849 |
| Total Liabilities and Fund Balances | \$ 1,909 | \$ 24,035 | \$ - | \$ 32,054 | \$ 36,404 | \$ 118,734 | \$ 3,224 | \$ (83,688) | \$ 2,369,753 |

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

| | Special Revenue Funds | | | | | | | | |
|--|------------------------------|--------------------------------|------------------------|-------------------------|---|----------------------|----------------------------|---|--------------------------|
| | Town Aid Road | Cemetery Commission | Dog License | School Lunch | Special Education Grants | Food Bank | Tri- Centennial | Veterans Memorial Commission | Highway Funds |
| Revenues: | | | | | | | | | |
| Intergovernmental | \$ 147,003 | \$ | \$ | \$ 239,576 | \$ 2,101,483 | \$ | \$ | \$ | |
| Charges for services | | | | 468,047 | | | | 48,378 | |
| Investments earnings | | 371 | | 591 | | 192 | 250 | 23 | 1,901 |
| Miscellaneous | | 2,600 | | | | 17,240 | 477 | | 35,330 |
| Total revenues | <u>147,003</u> | <u>2,971</u> | <u>-</u> | <u>708,214</u> | <u>2,101,483</u> | <u>17,432</u> | <u>727</u> | <u>23</u> | <u>85,609</u> |
| Expenditures: | | | | | | | | | |
| Current: | | | | | | | | | |
| General government | | | | | | | | | |
| Public safety | | | | | | | | | |
| Public works | 190,890 | | | | | | | 122,894 | |
| Human services | | | | | | 19,797 | | | |
| Culture and recreation | | | | | | | 12,399 | | |
| Education | | | | 678,204 | 2,101,481 | | | | |
| Capital outlays | | | | | | | | | |
| Total expenditures | <u>190,890</u> | <u>-</u> | <u>-</u> | <u>678,204</u> | <u>2,101,481</u> | <u>19,797</u> | <u>-</u> | <u>12,399</u> | <u>122,894</u> |
| Excess (Deficiency) of Revenues over Expenditures | <u>(43,887)</u> | <u>2,971</u> | <u>-</u> | <u>30,010</u> | <u>2</u> | <u>(2,365)</u> | <u>727</u> | <u>(12,376)</u> | <u>(37,285)</u> |
| Other Financing Source (Uses): | | | | | | | | | |
| Transfer in | | | | | | | | | |
| Transfer out | | | (6,865) | | | | | | |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>(6,865)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net Change in Fund Balance | (43,887) | 2,971 | (6,865) | 30,010 | 2 | (2,365) | 727 | (12,376) | (37,285) |
| Fund Balances at Beginning of Year | <u>142,610</u> | <u>39,816</u> | <u>6,865</u> | <u>87,822</u> | <u>343</u> | <u>25,247</u> | <u>27,721</u> | <u>12,376</u> | <u>105,131</u> |
| Fund Balances at End of Year | <u>\$ 98,723</u> | <u>\$ 42,787</u> | <u>\$ -</u> | <u>\$ 117,832</u> | <u>\$ 345</u> | <u>\$ 22,882</u> | <u>\$ 28,448</u> | <u>\$ -</u> | <u>\$ 67,846</u> |

(Continued on next page)

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

| | Special Revenue Funds | | | | | | | | |
|--|------------------------------|--|---------------------------------|----------------|-------------------|---------------------------------|-------------------|------------------------|----------------------------|
| | Youth Services | Police Special Services | Narcotics Forfeiture | LOCIP | COVRRRA | Miscellaneous Grants | Recreation | Crime Watch | Sewer Operating |
| Revenues: | | | | | | | | | |
| Intergovernmental | \$ 2,400 | | | \$ 195,330 | | \$ 542,252 | | | |
| Charges for services | | 33,002 | | | 1,010,791 | | 301,755 | | 299,205 |
| Investments earnings | | 10 | | | 7,120 | 724 | | 8 | 5,693 |
| Miscellaneous | | | | | | | 7,025 | | |
| Total revenues | <u>2,400</u> | <u>33,012</u> | <u>-</u> | <u>195,330</u> | <u>1,017,911</u> | <u>542,976</u> | <u>308,780</u> | <u>8</u> | <u>304,898</u> |
| Expenditures: | | | | | | | | | |
| Current: | | | | | | | | | |
| General government | | | | | | 103,767 | | | |
| Public safety | | 26,224 | | | | 722 | | | |
| Public works | | | | 185,356 | 1,095,845 | 364,127 | | | 229,459 |
| Human services | 2,326 | | | | | 73,636 | | | |
| Culture and recreation | | | | 9,974 | | | 366,393 | | |
| Education | | | | | | | | | |
| Capital outlays | | | | | | | | | 135,535 |
| Total expenditures | <u>2,326</u> | <u>26,224</u> | <u>-</u> | <u>195,330</u> | <u>1,095,845</u> | <u>542,252</u> | <u>366,393</u> | <u>-</u> | <u>364,994</u> |
| Excess (Deficiency) of Revenues over Expenditures | <u>74</u> | <u>6,788</u> | <u>-</u> | <u>-</u> | <u>(77,934)</u> | <u>724</u> | <u>(57,613)</u> | <u>8</u> | <u>(60,096)</u> |
| Other Financing Source (Uses): | | | | | | | | | |
| Transfer in | | | | | | | 34,000 | | |
| Transfer out | | (3,018) | | | | | | | |
| Total other financing sources (uses) | <u>-</u> | <u>(3,018)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>34,000</u> | <u>-</u> | <u>-</u> |
| Net Change in Fund Balance | 74 | 3,770 | - | - | (77,934) | 724 | (23,613) | 8 | (60,096) |
| Fund Balances at Beginning of Year | <u>4,201</u> | <u>3,018</u> | <u>3,068</u> | <u>-</u> | <u>554,491</u> | <u>(12,890)</u> | <u>49,632</u> | <u>892</u> | <u>595,263</u> |
| Fund Balances at End of Year | <u>\$ 4,275</u> | <u>\$ 6,788</u> | <u>\$ 3,068</u> | <u>\$ -</u> | <u>\$ 476,557</u> | <u>\$ (12,166)</u> | <u>\$ 26,019</u> | <u>\$ 900</u> | <u>\$ 535,167</u> |

(Continued on next page)

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

| | <u>Special Revenue Funds</u> | | | | | <u>Capital Projects</u> | <u>Permanent Fund Loyzim Memorial and Scholarship</u> | <u>Interfund Elimination</u> | <u>Total Nonmajor Governmental Funds</u> |
|--|------------------------------|---------------------------|--|----------------------------------|------------------------------------|-----------------------------|---|----------------------------------|--|
| | <u>Special Police</u> | <u>Cemetery Trust</u> | <u>Regional Farmers Market</u> | <u>Historic Preservation</u> | <u>Education User Fees</u> | <u>Land Acquisition</u> | | | |
| Revenues: | | | | | | | | | |
| Intergovernmental | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ 3,228,044 |
| Charges for services | | | 25,245 | 4,852 | 14,372 | | | | 2,205,647 |
| Investments earnings | 7 | 354 | | | | 994 | 755 | | 18,993 |
| Miscellaneous | | | 5,107 | | | | | | 67,779 |
| Total revenues | <u>7</u> | <u>354</u> | <u>30,352</u> | <u>4,852</u> | <u>14,372</u> | <u>994</u> | <u>755</u> | <u>-</u> | <u>5,520,463</u> |
| Expenditures: | | | | | | | | | |
| Current: | | | | | | | | | |
| General government | | | | 3,244 | | 7,440 | | | 114,451 |
| Public safety | | | | | | | | | 26,946 |
| Public works | | | | | | | | | 2,188,571 |
| Human services | | | | | | | | | 95,759 |
| Culture and recreation | | | 70,393 | | | | | | 459,159 |
| Education | | | | | 4,496 | | | | 2,784,181 |
| Capital outlays | | | | | | | | | 135,535 |
| Total expenditures | <u>-</u> | <u>-</u> | <u>70,393</u> | <u>3,244</u> | <u>4,496</u> | <u>7,440</u> | <u>-</u> | <u>-</u> | <u>5,804,602</u> |
| Excess (Deficiency) of Revenues over Expenditures | <u>7</u> | <u>354</u> | <u>(40,041)</u> | <u>1,608</u> | <u>9,876</u> | <u>(6,446)</u> | <u>755</u> | <u>-</u> | <u>(284,139)</u> |
| Other Financing Source (Uses): | | | | | | | | | |
| Transfer in | | | | | | 30,000 | | | 64,000 |
| Transfer out | | | | | | | | | (9,883) |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>30,000</u> | <u>-</u> | <u>-</u> | <u>54,117</u> |
| Net Change in Fund Balance | 7 | 354 | (40,041) | 1,608 | 9,876 | 23,554 | 755 | - | (230,022) |
| Fund Balances at Beginning of Year | <u>1,902</u> | <u>23,681</u> | <u>40,041</u> | <u>30,176</u> | <u>25,256</u> | <u>87,740</u> | <u>2,469</u> | <u>-</u> | <u>1,856,871</u> |
| Fund Balances at End of Year | <u>\$ 1,909</u> | <u>\$ 24,035</u> | <u>\$ -</u> | <u>\$ 31,784</u> | <u>\$ 35,132</u> | <u>\$ 111,294</u> | <u>\$ 3,224</u> | <u>\$ -</u> | <u>\$ 1,626,849</u> |

Fiduciary Funds

AGENCY FUNDS

Agency Funds are used to account for assets held by the Town in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds. Agency Funds are custodial in nature and do not involve measurement of results and operations.

- Student Activities Fund was established to receive student funds and promote the educational and student activities of students.
- Escrow of Deposits was established to receive deposits from contractors and others.

TOWN OF COVENTRY, CONNECTICUT

COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS

JUNE 30, 2011

| | <u>Student Activities</u> | <u>Escrow of Deposits</u> | <u>Total Agency Funds</u> |
|---------------------------|-------------------------------|-------------------------------|-----------------------------------|
| Assets: | | | |
| Cash and cash equivalents | \$ <u>302,794</u> | \$ <u>818,093</u> | \$ <u>1,120,887</u> |
| Liabilities: | | | |
| Due to others | \$ <u>302,794</u> | \$ <u>818,093</u> | \$ <u>1,120,887</u> |

TOWN OF COVENTRY, CONNECTICUT

COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS

FOR THE YEAR ENDED JUNE 30, 2011

| | <u>Balance</u> <u>July 1, 2010</u> | <u>Additions</u> | <u>Deductions</u> | <u>Balance</u> <u>June 30, 2011</u> |
|-------------------------------|---------------------------------------|------------------|-------------------|--|
| Student Activities | | | | |
| Assets: | | | | |
| Cash and cash equivalents | \$ 283,304 | \$ 513,832 | \$ 494,342 | \$ 302,794 |
| Liabilities: | | | | |
| Due to others | \$ 283,304 | \$ 513,832 | \$ 494,342 | \$ 302,794 |
| Escrow of Deposits | | | | |
| Assets: | | | | |
| Cash and cash equivalents | \$ 573,199 | \$ 407,056 | \$ 162,162 | \$ 818,093 |
| Liabilities: | | | | |
| Due to others | \$ 573,199 | \$ 407,056 | \$ 162,162 | \$ 818,093 |
| Total All Agency Funds | | | | |
| Assets: | | | | |
| Cash and cash equivalents | \$ 856,503 | \$ 920,888 | \$ 656,504 | \$ 1,120,887 |
| Liabilities: | | | | |
| Due to other groups | \$ 856,503 | \$ 920,888 | \$ 656,504 | \$ 1,120,887 |

Capital Projects

CAPITAL PROJECTS FUND

Capital projects funds are used to account for financial resources used for the acquisition or construction of major capital facilities and equipment.

TOWN OF COVENTRY, CONNECTICUT

CAPITAL PROJECTS

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

FOR THE YEAR ENDED JUNE 30, 2011

| Project | FY Approved | Appropriation | Cumulative Expenditures | | | Encumbrances | Uncommitted Balance June 30, 2011 |
|-----------------------------------|----------------|---------------|-------------------------|--------------|--------------|--------------|---|
| | | | Balance July 1, 2010 | Current Year | Total | | |
| South St & Skinner Rd 32-134 | 2005-06 | \$ 182,600 | \$ 141,802 | \$ | \$ 141,802 | \$ | \$ 40,798 |
| South St & Skinner Rd 32-135 | 2005-06 | 333,700 | 299,260 | | 299,260 | | 34,440 |
| Parker Road Bridge Road | 2005-06 | 1,600,000 | 1,592,789 | 6,538 | 1,599,327 | | 673 |
| Water Hole Development | 2006-07 | 23,325 | 18,757 | | 18,757 | | 4,568 |
| Water System Improvements | 2006-07 | 1,300,000 | 1,243,191 | | 1,243,191 | | 56,809 |
| Munivision Improvements | 2006-07 | 3,664 | | | | | 3,664 |
| Land purchase PW facility | 2008-09 | 95,000 | 19,070 | 60,105 | 79,175 | | 15,825 |
| Sidewalk Installation | 2009-10 | 624,200 | 2,173 | 428,119 | 430,291 | 26,575 | 167,334 |
| CRCOG Regional Permitting Project | 2009-10 | 13,000 | 8,666 | 4,334 | 13,000 | | - |
| Energy Improvements | 2009-10 | 5,294 | | 5,294 | 5,294 | | - |
| America the Beautiful | 2010-11 | 9,500 | | | | | 9,500 |
| Dam Inspection/Repair | 2010-11 | 6,700 | | 4,728 | 4,728 | 1,800 | 172 |
| Information Technology | 2010-11 | 68,607 | | 21,689 | 21,689 | | 46,918 |
| Miller Richardson Landfill | 2010-11 | 200,000 | | | | | 200,000 |
| Old PW Garage Repairs | 2010-11 | 9,231 | | | | | 9,231 |
| Public Works Garage | 2010-11 | 3,350,000 | | 1,787,229 | 1,787,229 | 1,435,937 | 126,834 |
| School Roofs | 2010-11 | 3,243,000 | | 1,280,520 | 1,280,521 | 1,577,374 | 385,105 |
| | | \$ 11,067,821 | \$ 3,325,708 | \$ 3,598,556 | \$ 6,924,264 | \$ 3,041,686 | \$ 1,101,871 |

Statistical Section

Statistical Section Information

The objectives of statistical section information are to provide financial statement users with additional historical perspective, context and detail to assist in using the information in the financial statements, notes to financial statements and required supplementary information to understand and assess economic condition.

Statistical section information is presented in the following categories:

- *Financial trends information* is intended to assist users in understanding and assessing how financial position has changed over time.
- *Revenue capacity information* is intended to assist users in understanding and assessing the factors affecting the ability to generate *own-source revenues* (property taxes, charges for services, etc.).
- *Debt capacity information* is intended to assist users in understanding and assessing debt burden and the ability to issue additional debt.
- *Demographic and economic information* is intended 1) to assist users in understanding the socioeconomic environment, and 2) to provide information that facilitates comparisons of financial statement information over time and among governments.
- *Operating information* is intended to provide contextual information about operations and resources to assist readers in using financial statement information to understand and assess economic condition.

The accompanying tables are presented in the above order. Refer to the Table of Contents for applicable page number locations.

TOWN OF COVENTRY, CONNECTICUT

NET ASSETS BY COMPONENT

LAST NINE FISCAL YEARS

| | FISCAL YEAR | | | | | | | | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 |
| Governmental Activities: | | | | | | | | | |
| Invested in capital assets, net of related debt | \$ 94,777,800 | \$ 94,010,187 | \$ 93,201,542 | \$ 88,972,324 | \$ 86,516,023 | \$ 84,690,163 | \$ 25,871,000 | \$ 21,865,000 | \$ 17,913,000 |
| Restricted | 3,224 | 2,469 | 2,178 | 2,338 | 2,800 | 2,120 | 2,000 | 2,000 | 2,000 |
| Unrestricted | <u>12,089,691</u> | <u>12,267,159</u> | <u>12,357,291</u> | <u>14,949,841</u> | <u>9,864,711</u> | <u>5,285,445</u> | <u>4,775,000</u> | <u>6,848,000</u> | <u>9,194,000</u> |
| Total Governmental Activities Net Assets | <u>\$ 106,870,715</u> | <u>\$ 106,279,815</u> | <u>\$ 105,561,011</u> | <u>\$ 103,924,503</u> | <u>\$ 96,383,534</u> | <u>\$ 89,977,728</u> | <u>\$ 30,648,000</u> | <u>\$ 28,715,000</u> | <u>\$ 27,109,000</u> |

Note: Information for years prior to the implementation of GASB Statement No. 34 has not been restated.

TOWN OF COVENTRY, CONNECTICUT

CHANGES IN NET ASSETS

LAST NINE FISCAL YEARS

| | FISCAL YEAR | | | | | | | | |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | 2011 | 2010 | 2009 | 2008* | 2007 | 2006 | 2005 | 2004 | 2003 |
| Program expenses: | | | | | | | | | |
| General government | \$ 1,944,976 | \$ 1,947,349 | \$ 2,136,818 | \$ 1,870,899 | \$ 1,299,815 | \$ 1,274,376 | \$ 1,294,000 | \$ 1,357,000 | \$ 1,355,000 |
| Public safety | 3,175,894 | 2,903,254 | 3,105,918 | 2,886,021 | 1,929,630 | 1,896,074 | 1,775,000 | 2,086,000 | 1,673,000 |
| Public works | 6,311,688 | 5,675,470 | 6,024,860 | 5,917,448 | 5,046,843 | 4,087,224 | 3,160,000 | 2,828,000 | 2,859,000 |
| Human services | 1,305,469 | 776,674 | 638,070 | 659,356 | 417,681 | 671,547 | 973,000 | 601,000 | 393,000 |
| Culture and recreation | 991,766 | 910,242 | 869,990 | 776,371 | 691,863 | 726,873 | 586,000 | 601,000 | 593,000 |
| Sundry | | | | | 1,945,961 | 1,818,860 | 1,632,000 | 1,393,000 | 1,450,000 |
| Education | 30,525,168 | 28,845,981 | 27,875,003 | 33,192,244 | 24,865,374 | 23,887,917 | 22,216,000 | 20,934,000 | 19,797,000 |
| Debt service | 740,068 | 1,039,693 | 925,065 | 832,532 | 961,352 | 953,232 | 1,280,000 | 996,000 | 1,273,000 |
| Total governmental activities expenses | <u>44,995,029</u> | <u>42,098,663</u> | <u>41,575,724</u> | <u>46,134,871</u> | <u>37,158,519</u> | <u>35,316,103</u> | <u>32,916,000</u> | <u>30,796,000</u> | <u>29,393,000</u> |
| Program revenues: | | | | | | | | | |
| Charges for services: | | | | | | | | | |
| General government | 618,815 | 485,517 | 420,950 | 485,489 | 549,696 | 911,466 | 561,000 | 601,000 | 501,000 |
| Public safety | 55,721 | 41,597 | 40,355 | 1,127,410 | 1,016,089 | 38,670 | 18,000 | 37,000 | 51,000 |
| Public works | 1,585,769 | 1,464,653 | 1,465,654 | 1,885,527 | 5,444,596 | 1,196,684 | 1,162,000 | 991,000 | 943,000 |
| Human services | 142,647 | 141,978 | 307,863 | 155,501 | 214,338 | 2,635 | 1,000 | 9,000 | 2,000 |
| Culture and recreation | 327,000 | 326,705 | 285,077 | 266,542 | 243,047 | 270,952 | 151,000 | 210,000 | 177,000 |
| Education | 482,419 | 523,327 | 519,484 | 544,075 | 538,485 | 618,356 | 563,000 | 572,000 | 622,000 |
| Operating grants and contributions: | | | | | | | | | |
| General government | 158,861 | 279,719 | 32,474 | 7,250 | 7,000 | 102,331 | | 11,000 | 5,000 |
| Public safety | 6,338 | 32,000 | 8,217 | 18,185 | 37,164 | 20,669 | 2,000 | 41,000 | 16,000 |
| Public works | 1,050 | | 6,900 | 156,659 | 153,040 | 226,950 | 120,000 | 101,000 | 153,000 |
| Human services | 287,427 | 110,648 | 44,836 | 172,702 | 235,351 | 206,678 | 1,048,000 | 501,000 | 228,000 |
| Culture and recreation | 26,643 | 29,065 | 32,461 | 32,947 | 26,534 | 131,110 | 54,000 | 52,000 | 17,000 |
| Education | 12,784,723 | 12,815,454 | 12,834,020 | 18,410,810 | 10,398,848 | 10,488,287 | 9,462,000 | 9,118,000 | 9,141,000 |
| Interest on long-term debt | 4,065 | 12,197 | 20,357 | 29,417 | 38,452 | | 56,000 | 12,000 | 4,000 |
| Capital grants and contributions: | | | | | | | | | |
| General government | 6,700 | 154 | 1,020 | | | | | 15,000 | |
| Public safety | 15,199 | | | 166,747 | 178,263 | 350,000 | | 72,000 | |
| Public works | 1,849,262 | 1,039,206 | 2,202,416 | 5,063,087 | 1,144,693 | 2,896,352 | 1,642,000 | 1,140,000 | 2,810,000 |
| Human services | 557,893 | 314,870 | 174,817 | 725,000 | 29,197 | 34,149 | | 2,000 | |
| Culture and recreation | 5,644 | | | | | | | | |
| Education | 632,160 | | | | | 214,886 | | 121,000 | |
| Total governmental activities program revenues | <u>19,548,336</u> | <u>17,617,090</u> | <u>18,396,901</u> | <u>29,247,348</u> | <u>20,254,793</u> | <u>17,710,175</u> | <u>14,840,000</u> | <u>13,606,000</u> | <u>14,670,000</u> |
| Net governmental expense | <u>(25,446,693)</u> | <u>(24,481,573)</u> | <u>(23,178,823)</u> | <u>(16,887,523)</u> | <u>(16,903,726)</u> | <u>(17,605,928)</u> | <u>(18,076,000)</u> | <u>(17,190,000)</u> | <u>(14,723,000)</u> |
| General revenues: | | | | | | | | | |
| Property taxes | 25,699,911 | 24,824,120 | 24,303,484 | 23,510,789 | 22,385,444 | 20,780,780 | 19,506,000 | 18,284,000 | 16,792,000 |
| Grants and contributions not restricted to specific purposes | 215,403 | 218,729 | 305,300 | 331,825 | 396,567 | 113,649 | 221,000 | 322,000 | 427,000 |
| Unrestricted investment earnings | 83,872 | 81,947 | 177,221 | 464,075 | 504,974 | 420,215 | 160,000 | 150,000 | 197,000 |
| Miscellaneous | 38,407 | 75,581 | 29,326 | 121,803 | 22,547 | | 121,000 | 40,000 | 34,000 |
| Total general revenues | <u>26,037,593</u> | <u>25,200,377</u> | <u>24,815,331</u> | <u>24,428,492</u> | <u>23,309,532</u> | <u>21,314,644</u> | <u>20,008,000</u> | <u>18,796,000</u> | <u>17,450,000</u> |
| Change in net assets | \$ <u>590,900</u> | \$ <u>718,804</u> | \$ <u>1,636,508</u> | \$ <u>7,540,969</u> | \$ <u>6,405,806</u> | \$ <u>3,708,716</u> | \$ <u>1,932,000</u> | \$ <u>1,606,000</u> | \$ <u>2,727,000</u> |

* Sundry expenditures were reclassified by function starting in 2008.

Note: Information for years prior to the implementation of GASB Statement No. 34 has not been restated.

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

| | FISCAL YEAR | | | | | | | | | |
|------------------------------------|-------------|------------------|------------------|------------------|--------------------|--------------------|--------------------|--------------------|------------------|------------------|
| | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 |
| General Fund: | | | | | | | | | | |
| Reserved | \$ | \$ 368,090 | \$ 358,753 | \$ 142,626 | \$ 199,230 | \$ 162,917 | \$ 155,712 | \$ 355,990 | \$ 100,263 | \$ 136,115 |
| Unreserved | | 2,669,427 | 2,297,133 | 2,346,413 | 2,096,940 | 1,866,861 | 1,261,969 | 1,165,837 | 1,548,239 | 1,822,341 |
| Nonspendable | | 37,612 | | | | | | | | |
| Committed | | 4,352 | | | | | | | | |
| Assigned | | 233,507 | | | | | | | | |
| Unassigned | | 2,788,992 | | | | | | | | |
| Total General Fund | \$ | <u>3,064,463</u> | <u>3,037,517</u> | <u>2,489,039</u> | <u>2,296,170</u> | <u>2,029,778</u> | <u>1,417,681</u> | <u>1,521,827</u> | <u>1,648,502</u> | <u>1,958,456</u> |
| All other governmental funds: | | | | | | | | | | |
| Reserved | \$ | \$ 137,399 | \$ 421,459 | \$ 606,302 | \$ 1,602,781 | \$ 1,497,065 | \$ 352,805 | \$ 789,871 | \$ 2,356,444 | \$ 148,788 |
| Unreserved: | | | | | | | | | | |
| Special revenue funds | | 2,915,917 | 2,756,157 | 3,204,541 | 2,782,366 | 584,959 | 2,011,668 | 1,771,648 | 1,696,287 | 1,609,564 |
| Capital projects funds | | 297,976 | 21,269 | 1,543,464 | (9,128,944) | (5,863,847) | (5,763,725) | (3,824,238) | (3,099,167) | 1,573,948 |
| Nonspendable | | 16,059 | | | | | | | | |
| Restricted | | 4,033,584 | | | | | | | | |
| Committed | | 1,416,239 | | | | | | | | |
| Unassigned | | (12,166) | | | | | | | | |
| Total All Other Governmental Funds | \$ | <u>5,453,716</u> | <u>3,351,292</u> | <u>5,354,307</u> | <u>(4,743,797)</u> | <u>(3,781,823)</u> | <u>(3,399,252)</u> | <u>(1,262,719)</u> | <u>953,564</u> | <u>3,332,300</u> |

TOWN OF COVENTRY, CONNECTICUT
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

| | FISCAL YEAR | | | | | | | | | |
|---|---------------------|---------------------|---------------------|---------------------|-----------------------|-----------------------|-----------------------|--------------------|---------------------|---------------------|
| | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 |
| Revenues: | | | | | | | | | | |
| Property taxes | \$ 25,462,109 | \$ 24,691,171 | \$ 24,121,508 | \$ 23,328,579 | \$ 22,390,138 | \$ 21,021,915 | \$ 19,642,876 | \$ 18,314,784 | \$ 16,705,618 | \$ 16,242,792 |
| Intergovernmental | 15,863,858 | 14,432,502 | 14,348,470 | 24,742,775 | 12,621,526 | 14,062,470 | 12,612,784 | 11,571,905 | 10,722,433 | 10,776,247 |
| Charges for services | 3,450,408 | 3,295,478 | 3,191,460 | 3,275,015 | 3,603,629 | 2,979,276 | 2,487,009 | 2,544,145 | 2,410,550 | 2,129,506 |
| Investment earnings | 83,872 | 81,947 | 177,221 | 464,075 | 504,974 | 420,215 | 159,895 | 150,318 | 196,741 | 258,942 |
| Miscellaneous | 67,779 | 101,616 | 50,051 | 251,120 | 60,682 | 227,408 | 406,811 | 176,826 | 193,270 | 160,951 |
| Total revenues | <u>44,928,026</u> | <u>42,602,714</u> | <u>41,888,710</u> | <u>52,061,564</u> | <u>39,180,949</u> | <u>38,711,284</u> | <u>35,309,375</u> | <u>32,757,978</u> | <u>30,228,612</u> | <u>29,568,438</u> |
| Expenditures: | | | | | | | | | | |
| General government | 1,524,341 | 1,406,392 | 1,318,291 | 1,262,455 | 1,225,902 | 1,216,379 | 1,111,900 | 1,212,974 | 1,218,622 | 1,104,916 |
| Public safety | 2,055,263 | 2,034,477 | 2,035,716 | 1,974,570 | 1,870,068 | 1,736,544 | 1,603,578 | 1,603,506 | 1,501,618 | 1,414,394 |
| Public works | 4,116,964 | 3,487,438 | 3,856,811 | 3,535,187 | 3,483,966 | 2,979,454 | 3,221,441 | 2,572,226 | 2,427,344 | 2,638,034 |
| Human services | 1,213,744 | 702,174 | 548,026 | 1,312,145 | 417,681 | 713,193 | 1,263,344 | 774,340 | 534,040 | 174,743 |
| Culture and recreation | 892,292 | 822,679 | 782,392 | 671,518 | 668,965 | 701,305 | 571,054 | 577,601 | 518,942 | 489,435 |
| Insurance and sundry | 2,419,958 | 2,060,965 | 1,902,113 | 1,980,551 | 1,977,606 | 1,818,860 | 1,677,295 | 1,496,288 | 1,314,754 | 1,238,477 |
| Education | 28,644,218 | 27,775,490 | 27,333,859 | 32,629,298 | 24,214,157 | 23,387,638 | 21,648,997 | 20,269,214 | 19,116,667 | 18,500,504 |
| Debt service: | | | | | | | | | | |
| Principal | 1,991,176 | 2,279,041 | 3,412,113 | 1,920,063 | 1,918,246 | 3,854,999 | 3,658,852 | 1,526,231 | 1,619,190 | 1,057,616 |
| Interest | 794,946 | 807,079 | 910,673 | 874,334 | 861,198 | 980,625 | 1,247,284 | 1,141,594 | 881,932 | 1,224,789 |
| Capital outlay | 4,138,765 | 938,395 | 2,149,613 | 5,618,078 | 4,555,125 | 4,486,477 | 4,433,377 | 3,203,123 | 4,262,037 | 2,243,501 |
| Total expenditures | <u>47,791,667</u> | <u>42,314,130</u> | <u>44,249,607</u> | <u>51,778,199</u> | <u>41,192,914</u> | <u>41,875,474</u> | <u>40,464,122</u> | <u>34,377,097</u> | <u>33,395,146</u> | <u>30,086,409</u> |
| Excess (Deficiency) of Revenues over Expenditures | <u>(2,863,641)</u> | <u>288,584</u> | <u>(2,360,897)</u> | <u>283,365</u> | <u>(2,011,965)</u> | <u>(3,164,190)</u> | <u>(5,154,747)</u> | <u>(1,619,119)</u> | <u>(3,166,534)</u> | <u>(517,971)</u> |
| Other Financing Sources (Uses): | | | | | | | | | | |
| Proceeds from bonds issued | 4,950,000 | 10,635,000 | | 9,815,810 | 1,235,000 | 3,115,925 | 2,875,000 | 2,409,828 | 270,000 | 3,600,000 |
| Premium on bond issuance | 43,011 | | | | | | | | | |
| Premium on bond refunding | | 411,569 | | | | | | | | |
| Payments to escrow agents | | (10,911,115) | | | | | | | | |
| Proceeds from leases | | 110,000 | 372,322 | 191,798 | 81,383 | 221,561 | 39,068 | 183,984 | 117,410 | 267,403 |
| Transfers in | 827,717 | 853,263 | 1,234,403 | 285,584 | 216,777 | 264,355 | 199,349 | 291,377 | 146,329 | 327,736 |
| Transfers out | (827,717) | (853,263) | (1,234,403) | (285,584) | (216,777) | (264,355) | (199,349) | (291,377) | (146,329) | (334,385) |
| Total other financing sources | <u>4,993,011</u> | <u>245,454</u> | <u>372,322</u> | <u>10,007,608</u> | <u>1,316,383</u> | <u>3,337,486</u> | <u>2,914,068</u> | <u>2,593,812</u> | <u>387,410</u> | <u>3,860,754</u> |
| Net Change in Fund Balances | 2,129,370 | 534,038 | (1,988,575) | 10,290,973 | (695,582) | 173,296 | (2,240,679) | 974,693 | (2,779,124) | 3,342,783 |
| Fund Balances at Beginning of Year | 6,388,809 | 5,854,771 | 7,843,346 | (2,447,627) | (1,752,045) | (1,925,341) | 259,108 | (715,585) | 5,381,190 | 1,947,973 |
| Fund Balances at End of Year | <u>\$ 8,518,179</u> | <u>\$ 6,388,809</u> | <u>\$ 5,854,771</u> | <u>\$ 7,843,346</u> | <u>\$ (2,447,627)</u> | <u>\$ (1,752,045)</u> | <u>\$ (1,981,571)</u> | <u>\$ 259,108</u> | <u>\$ 2,602,066</u> | <u>\$ 5,290,756</u> |
| Debt Service as a Percentage of Noncapital Expenditures | | | | | | | | | | |
| | 6.3% | 7.4% | 10.3% | 6.1% | 7.6% | 12.9% | 13.6% | 8.6% | 8.6% | 8.2% |

Fund Balances at the Beginning of Year in columns 2011, 2006, 2004 and 2003 are amounts as adjusted.

TOWN OF COVENTRY, CONNECTICUT

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS

| Fiscal Year Ended June 30, | Real Estate | Personal Property | Motor Vehicle | Tax Exempt Property | Total Taxable Assessed Value | Total Direct Tax Rate | Estimated Actual Taxable Value | Taxable Assessed Value as a Percentage of Actual Value |
|---|------------------------|------------------------------|--------------------------|------------------------------------|---|--|---|---|
| 2011 | \$ 861,756,230 | \$ 18,264,822 | \$ 76,999,770 | \$ 61,589,400 | \$ 957,020,822 | 26.58 | \$ 1,367,172,603 | 70% |
| 2010 | 765,548,225 | 16,992,851 | 75,225,710 | 53,109,160 | 857,766,786 | 28.54 | 1,225,381,123 | 70% |
| 2009 | 757,402,835 | 17,410,346 | 80,465,400 | 53,077,840 | 855,278,581 | 28.09 | 1,221,826,544 | 70% |
| 2008 | 744,307,565 | 18,143,159 | 77,735,230 | 43,699,140 | 840,185,954 | 27.59 | 1,200,265,649 | 70% |
| 2007 | 726,459,725 | 17,389,260 | 76,320,220 | 53,668,130 | 820,169,205 | 26.92 | 1,171,670,293 | 70% |
| 2006 | 712,513,585 | 17,694,845 | 72,813,190 | 42,744,090 | 803,021,620 | 25.92 | 1,147,173,743 | 70% |
| 2005 | 520,993,800 | 15,274,845 | 67,598,640 | 31,793,720 | 603,867,285 | 31.85 | 862,667,550 | 70% |
| 2004 | 508,991,820 | 13,026,900 | 68,986,730 | 31,708,600 | 591,005,450 | 30.35 | 844,293,500 | 70% |
| 2003 | 497,477,540 | 13,547,685 | 66,412,010 | 31,747,450 | 577,437,235 | 28.33 | 824,910,336 | 70% |
| 2002 | 485,682,770 | 12,700,395 | 62,890,980 | 31,372,740 | 561,274,145 | 27.90 | 801,820,207 | 70% |

Source: Assessor and Revenue Collector

TABLE 6

TOWN OF COVENTRY, CONNECTICUT
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO

| Taxpayer | 2011 | | | 2002 | | |
|-----------------------------------|------------------------|------|---|------------------------|------|---|
| | Taxable Assessed Value | Rank | Percentage of Total Town Taxable Assessed Value | Taxable Assessed Value | Rank | Percentage of Total Town Taxable Assessed Value |
| Connecticut Light & Power | \$ 6,940,430 | 1 | 0.73 % | \$ 3,806,225 | 1 | 0.67 % |
| 14 Grant Hill Road LLC | 2,763,800 | 2 | 0.29 | | | |
| White Mountain-Coventry LLC | 2,702,200 | 3 | 0.28 | | | |
| CIL Development of Coventry, Inc. | 1,904,300 | 4 | 0.20 | | | |
| Coventry Self Storage LLC | 1,677,700 | 5 | 0.18 | | | |
| Meadow Brook of Coventry LLC | 1,670,600 | 6 | 0.17 | | | |
| McDermott George & Violet | 1,638,100 | 7 | 0.17 | | | |
| Connecticut Water Company | 1,554,570 | 8 | 0.16 | 854,290 | 6 | 0.15 |
| Imperial Development LLC | 1,419,200 | 9 | 0.15 | | | |
| S D Williams LLC | 1,390,300 | 10 | 0.15 | | | |
| Algonquin Gas Transmission Co. | | | | 1,559,360 | 2 | 0.28 |
| Louise C. England | | | | 1,197,070 | 3 | 0.21 |
| Zocco Builders LLC | | | | 1,190,560 | 4 | 0.21 |
| Laidlaw Transit, Inc. | | | | 874,130 | 5 | 0.15 |
| George E. & Violet A. McDermott | | | | 803,950 | 7 | 0.14 |
| S. R. Blanchard, Inc. | | | | 796,420 | 8 | 0.14 |
| Norman and Ronald Nadeau | | | | 771,190 | 9 | 0.14 |
| General Motors Acceptance Corp. | | | | 730,280 | 10 | 0.13 |

Source: Grand list

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

| Fiscal Year Ended June 30, | Taxes Levied for the Fiscal Year | Collected Within the Fiscal Year of the Levy | | Collections in Subsequent Years | Total Collections to Date | |
|---|---|---|-----------------------------------|--|----------------------------------|-----------------------------------|
| | | Amount | Percentage of Levy | | Amount | Percentage of Levy |
| 2011 | \$ 25,513,165 | \$ 24,983,528 | 97.92% | \$ - | \$ 24,983,528 | 97.92% |
| 2010 | 24,607,144 | 24,112,744 | 97.99% | 244,744 | 24,357,488 | 98.99% |
| 2009 | 24,067,778 | 23,544,879 | 97.83% | 375,852 | 23,920,731 | 99.39% |
| 2008 | 23,351,562 | 22,847,462 | 97.84% | 428,840 | 23,276,302 | 99.68% |
| 2007 | 22,253,461 | 21,774,153 | 97.85% | 361,769 | 22,135,922 | 99.47% |
| 2006 | 20,969,618 | 20,560,763 | 98.05% | 313,430 | 20,874,193 | 99.54% |
| 2005 | 19,440,406 | 19,130,046 | 98.40% | 228,463 | 19,358,509 | 99.58% |
| 2004 | 18,145,086 | 17,817,529 | 98.19% | 269,918 | 18,087,447 | 99.68% |
| 2003 | 16,554,477 | 16,173,522 | 97.70% | 326,820 | 16,500,342 | 99.67% |
| 2002 | 15,851,495 | 15,522,181 | 97.92% | 277,491 | 15,799,672 | 99.67% |

TOWN OF COVENTRY, CONNECTICUT
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

| Fiscal Year | General Obligation Bonds | (b) Percentage of Estimated Actual Taxable Value of Property | (a) Debt Per Capita |
|------------------------|---|---|--|
| 2011 | \$ 24,155 | 2.52% | \$ 1,935 |
| 2010 | 21,172 | 2.47% | 1,713 |
| 2009 | 22,918 | 2.68% | 1,797 |
| 2008 | 26,152 | 3.11% | 2,079 |
| 2007 | 18,115 | 2.21% | 1,447 |
| 2006 | 19,115 | 2.38% | 1,565 |
| 2005 | 19,655 | 3.25% | 1,612 |
| 2004 | 20,496 | 3.47% | 1,685 |
| 2003 | 18,835 | 3.26% | 1,556 |
| 2002 | 19,527 | 3.48% | 1,636 |

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

a: See Table "Demographic and Economic Statistics" for personal income and population data. These ratios are calculated using person income and population for the prior calendar year.

b: See Table "Assessed Value and Estimated Actual Value of Taxable Property" for taxable property value data.

TOWN OF COVENTRY, CONNECTICUT
RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

| <u>Fiscal Year</u> | <u>General Bonded Debt</u> | <u>Other Bonds</u> | <u>Percentage of Actual Taxable Value of Property(a)</u> | <u>Capital Lease</u> | <u>Total Primary Government</u> | <u>Percentage of Personal Income(b)</u> | <u>Per Capita</u> |
|--------------------|---------------------------------|--------------------|--|----------------------|---------------------------------|---|-------------------|
| | <u>General Obligation Bonds</u> | | | | | | |
| 2011 | \$ 24,155 | n/a | 2.52% | \$ 255 | \$ 24,410 | 6.47% | \$ 1,975 |
| 2010 | 21,172 | n/a | 2.47% | 386 | 21,558 | 5.72% | 1,744 |
| 2009 | 22,918 | n/a | 2.68% | 442 | 23,360 | 6.19% | 1,831 |
| 2008 | 26,152 | n/a | 3.11% | 249 | 26,401 | 7.53% | 2,109 |
| 2007 | 18,115 | n/a | 2.21% | 220 | 18,335 | 5.59% | 1,465 |
| 2006 | 19,115 | n/a | 2.38% | 106 | 19,221 | 5.97% | 1,574 |
| 2005 | 19,655 | n/a | 3.25% | 234 | 19,889 | 6.79% | 1,632 |
| 2004 | 20,496 | n/a | 3.47% | 346 | 20,842 | 7.13% | 1,713 |
| 2003 | 18,835 | n/a | 3.26% | 363 | 19,198 | 6.60% | 1,586 |
| 2002 | 19,527 | n/a | 3.48% | 338 | 19,865 | 6.93% | 1,664 |

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

a: See Table “Assessed Value and Estimated Actual Value of Taxable Property” for taxable property value data.

b: See Table “Demographic and Economic Statistics” for personal income and population data.
 These ratios are calculated using personal income and population for the prior calendar year.

TOWN OF COVENTRY, CONNECTICUT
SCHEDULE OF DEBT LIMITATION
FOR THE YEAR ENDED JUNE 30, 2011

| | | | | | |
|---|----------------------|-----------------------|----------------------|----------------------|----------------------|
| Total tax collections (including interest and lien fees) received by Treasurer for the year ended June 30, 2011 | | | | | \$ 25,476,388 |
| Reimbursement for revenue loss on tax relief for the elderly | | | | | <u>56,063</u> |
| Total: | | | | | <u>\$ 25,532,451</u> |
| | <u>General</u> | | | <u>Urban</u> | <u>Pension</u> |
| | <u>Purposes</u> | <u>Schools</u> | <u>Sewers</u> | <u>Renewal</u> | <u>Deficit</u> |
| Debt limitation: | | | | | |
| 2-1/4 times base | \$ 57,448,015 | \$ | \$ | \$ | \$ |
| 4-1/2 times base | | 114,896,030 | | | |
| 3-3/4 times base | | | 95,746,691 | | |
| 3-1/4 times base | | | | 82,980,466 | |
| 3 times base | | | | | 76,597,353 |
| Total debt limitation | <u>57,448,015</u> | <u>114,896,030</u> | <u>95,746,691</u> | <u>82,980,466</u> | <u>76,597,353</u> |
| Indebtedness: | | | | | |
| Bonds payable | 4,863,000 | 10,907,000 | 7,697,273 | | |
| Authorized, unissued bonds | | 122,555 | 91,599 | | |
| Total indebtedness | <u>4,863,000</u> | <u>11,029,555</u> | <u>7,788,872</u> | - | - |
| Less amounts to be provided by the state and other | | | (4,778,482) | | |
| Net indebtedness | <u>4,863,000</u> | <u>11,029,555</u> | <u>3,010,390</u> | - | - |
| Debt Limitation in Excess of Outstanding and Authorized Debt | <u>\$ 52,585,015</u> | <u>\$ 103,866,475</u> | <u>\$ 92,736,301</u> | <u>\$ 82,980,466</u> | <u>\$ 76,597,353</u> |

Note 1: In no case shall total indebtedness exceed seven times annual receipts from taxation (\$178,727,157).

Note 2: Amounts above do not include \$397,000 of Water System Improvement bonds issued which are excluded from statutory debt limit pursuant to Connecticut General Statutes.

Note 3: Sewer assessment receivable of \$4,778,482 billed on an annual basis to benefiting property owners will be used to offset the cost of the debt service for sewer projects.

TOWN OF COVENTRY, CONNECTICUT

LEGAL DEBT MARGIN INFORMATION

LAST TEN FISCAL YEARS

(In Thousands)

Legal Debt Margin Calculation for Fiscal Year 2011:

| | |
|----------------------------------|-------------------|
| Revenue Base | \$ <u>25,532</u> |
| Debt limit (Revenue Base x7) | \$ <u>178,727</u> |
| Debt applicable to limit: | |
| General obligation bonds | 23,467 |
| Plus: bonds authorized, unissued | 123 |
| Less: Grant commitments | <u>(4,778)</u> |
| Total debt applicable to limit | <u>18,811</u> |
| Legal Debt Margin | \$ <u>159,916</u> |

∞

| | FISCAL YEAR | | | | | | | | | |
|---|--------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|------------------|------------------|------------------|
| | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> | <u>2002</u> |
| Debt limit | \$ 178,727 | \$ 173,525 | \$ 168,903 | \$ 163,345 | \$ 156,438 | \$ 147,089 | \$ 137,592 | \$ 128,191 | \$ 116,624 | \$ 114,714 |
| Total net debt applicable to limit | <u>18,811</u> | <u>15,221</u> | <u>18,815</u> | <u>21,580</u> | <u>23,122</u> | <u>19,746</u> | <u>26,836</u> | <u>31,934</u> | <u>29,358</u> | <u>18,427</u> |
| Legal Debt Margin | <u>\$ 159,916</u> | <u>\$ 158,304</u> | <u>\$ 150,088</u> | <u>\$ 141,765</u> | <u>\$ 133,316</u> | <u>\$ 127,343</u> | <u>\$ 110,756</u> | <u>\$ 96,257</u> | <u>\$ 87,266</u> | <u>\$ 96,287</u> |
| Total Net Debt Applicable to the Limit as a Percentage of Debt Limit | 10.53% | 8.77% | 11.14% | 13.21% | 14.78% | 13.42% | 19.50% | 24.91% | 25.17% | 16.06% |

TOWN OF COVENTRY, CONNECTICUT

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN FISCAL YEARS

| <u>Year</u> | <u>Population</u> | <u>Personal Income (1) (thousands of dollars)</u> | <u>Per Capita Personal Income (1)</u> | <u>School Enrollment</u> | <u>Unemployment Rate (2)</u> |
|-------------|-------------------|---|---|------------------------------|----------------------------------|
| 2011 | 12,485 | \$ 380,499 | \$ 30,476 | 1,820 | 7.0 |
| 2010 | 12,362 | 377,013 | 30,880 | 1,906 | 4.9 |
| 2009 | 12,755 | 377,548 | 29,600 | 1,972 | 4.1 |
| 2008 | 12,519 | 350,707 | 28,014 | 2,013 | 4.1 |
| 2007 | 12,519 | 327,885 | 26,191 | 2,043 | 4.1 |
| 2006 | 12,215 | 321,926 | 26,355 | 2,123 | 3.7 |
| 2005 | 12,190 | 292,767 | 24,017 | 2,126 | 4.3 |
| 2004 | 12,166 | 292,191 | 24,017 | 2,117 | 4.2 |
| 2003 | 12,108 | 290,798 | 24,017 | 2,101 | 4.5 |
| 2002 | 11,938 | 286,715 | 24,017 | 2,053 | 3.8 |

Notes:

- (1) Per Capita Income Source: Connecticut Economic Resource Center, Inc. and Connecticut Public Expenditures Council
- (2) Unemployment Source: State of Connecticut Department of Labor
- (3) Demographic and Economic Statistics Source: Connecticut Economic Resource Center, Inc.

TOWN OF COVENTRY, CONNECTICUT

PRINCIPAL EMPLOYERS

CURRENT YEAR AND NINE YEARS AGO

| Employer | 2011 | | | 2002 | | |
|--|------------------|-------------|--|------------------|-------------|--|
| | Employees | Rank | Percentage of Total Town Employment | Employees | Rank | Percentage of Total Town Employment |
| Town of Coventry | 365 | 1 | 27.12 | 368 | 1 | 28.98 |
| Highland Park Market | 80 | 2 | 5.94 | 67 | 2 | 5.28 |
| Pelletier Builders | 45 | 3 | 3.34 | 60 | 3 | 4.72 |
| Bidwell Tavern | 31 | 4 | 2.30 | 25 | 5 | 1.97 |
| Teleflex Medical (formerly Genzyme Surgical) | 31 | 5 | 2.30 | 18 | 6 | 1.42 |
| Dimitri's | 30 | 6 | 2.23 | | | |
| Walgreens | 28 | 7 | 2.08 | | | |
| CVS Pharmacy | 27 | 8 | 2.01 | | | |
| Dunkin Donuts | 25 | 9 | 1.86 | | | |
| Sabrina Pools | 22 | 10 | 1.63 | 35 | 4 | 2.76 |

70

Source: Town Finance Department

TOWN OF COVENTRY, CONNECTICUT

FULL-TIME EQUIVALENT TOWN GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

| Function/Program | FISCAL YEAR | | | | | | | | | |
|-----------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 |
| Town Government: | | | | | | | | | | |
| General Administration | 17 | 17 | 16 | 15 | 15 | 15 | 15 | 15 | 17 | 17 |
| Public Safety | 20 | 20 | 20 | 20 | 20 | 19 | 19 | 19 | 20 | 20 |
| Public Works | 18 | 18 | 21 | 23 | 23 | 23 | 24 | 24 | 20 | 20 |
| Human Services | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Civic and Cultural | 2 | 2 | 2 | 2 | 2 | 1 | 1 | 1 | 1 | 1 |
| Subtotal Town | <u>60</u> | <u>60</u> | <u>62</u> | <u>63</u> | <u>63</u> | <u>61</u> | <u>62</u> | <u>62</u> | <u>61</u> | <u>61</u> |
| Board of Education: | | | | | | | | | | |
| Non Certified Staff | 133 | 144 | 137 | 140 | 134 | 132 | 124 | 124 | 130 | 114 |
| Certified Staff | <u>172</u> | <u>172</u> | <u>185</u> | <u>184</u> | <u>183</u> | <u>181</u> | <u>185</u> | <u>185</u> | <u>184</u> | <u>177</u> |
| Subtotal Board of Education | <u>305</u> | <u>316</u> | <u>322</u> | <u>324</u> | <u>317</u> | <u>313</u> | <u>309</u> | <u>309</u> | <u>314</u> | <u>291</u> |
| Total - All Employees | <u><u>365</u></u> | <u><u>376</u></u> | <u><u>384</u></u> | <u><u>387</u></u> | <u><u>380</u></u> | <u><u>374</u></u> | <u><u>371</u></u> | <u><u>371</u></u> | <u><u>375</u></u> | <u><u>352</u></u> |

Source: Town Finance Department and BOE Business Office

TOWN OF COVENTRY, CONNECTICUT
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

| Function/Program | FISCAL YEAR | | | | | | | | | |
|------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 |
| Building Department: | | | | | | | | | | |
| Construction permits | 835 | 934 | 897 | 852 | 1,049 | 1,149 | 1,057 | 1,098 | 981 | 992 |
| Zoning permits | 194 | 200 | 176 | 196 | 251 | 314 | 300 | 342 | 301 | 333 |
| C/O's | 113 | 148 | 178 | 180 | 213 | 171 | 184 | 219 | 200 | 190 |
| Planning: | | | | | | | | | | |
| Special permit | 9 | 7 | 9 | 13 | 18 | 18 | 24 | 11 | 30 | 15 |
| Subdivision | 3 | 7 | 6 | 12 | 11 | 9 | 12 | 10 | 9 | 13 |
| Zoning changes | 2 | 4 | - | 3 | 4 | 5 | 8 | 9 | 9 | 10 |
| Police: | | | | | | | | | | |
| Medical calls | 387 | 373 | 478 | 447 | 453 | 458 | 447 | 435 | 359 | 21 |
| Motor vehicle stops | 1,279 | 1,440 | 1,408 | 1,457 | 1,164 | 1,293 | 1,587 | 1,583 | 2,010 | 281 |
| Animal complaints | 357 | 373 | 385 | 405 | 478 | 530 | 540 | 536 | 509 | 26 |
| Animal Control (Town Clerk): | | | | | | | | | | |
| Dog licenses | 1,663 | 1,626 | 1,648 | 1,712 | 1,578 | 1,658 | 1,654 | 1,636 | 1,810 | 1,923 |
| Kennel licenses | 17 | 15 | 15 | 16 | 19 | 16 | 19 | 10 | 15 | 15 |
| Library: | | | | | | | | | | |
| Total circulation | 102,438 | 95,641 | 99,001 | 91,000 | 94,293 | 87,948 | 83,471 | 86,384 | 93,804 | 95,429 |
| Annual attendance | 39,793 | 40,000 | 42,729 | 41,000 | 42,000 | 41,000 | 45,000 | 50,000 | 50,000 | 50,000 |
| Interlibrary loans | 3,485 | 3,381 | 2,634 | 2,359 | 2,162 | 2,028 | 1,655 | 1,436 | 1,464 | 1,065 |
| Internet users | 4,041 | 3,001 | 3,800 | 3,600 | 3,609 | 2,650 | 1,801 | 1,663 | 1,181 | 917 |
| Refuse Collection: | | | | | | | | | | |
| Tonnage at Transfer station | | | | | | | | | | |
| Construction/stumps/brush | 209 | 223 | 245 | 232 | 253 | 211 | 210 | 210 | 139 | 124 |
| Metal | 36 | 23 | 26 | 37 | 27 | 19 | 20 | 16 | 11 | 12 |
| Leaves | 49 | 116 | 84 | 44 | 33 | 91 | 80 | 47 | 78 | 16 |
| Electronics (units) | 128 | 795 | 896 | 559 | 567 | 171 | 19 | | | |
| Freon (units) | 160 | 75 | 62 | 242 | 188 | 41 | 4 | | | |
| Curbside bulk | 164 | 248 | 209 | 211 | 247 | 261 | 182 | 167 | | |
| Curbside metal | 110 | 42 | 60 | 51 | 89 | 112 | 113 | 153 | | |
| Tires | 175 | | | | | | | | | |
| Registrar of Voters: | | | | | | | | | | |
| Total registered voters | 7,317 | 7,701 | 7,961 | 7,686 | 7,476 | 7,569 | 7,593 | 7,299 | 6,829 | 6,695 |
| Revenue Services: | | | | | | | | | | |
| Total taxes collected | \$ 25,268,474 | \$ 24,513,391 | \$ 24,129,134 | \$ 23,179,572 | \$ 22,169,650 | \$ 20,829,807 | \$ 19,455,892 | \$ 18,199,561 | \$ 16,500,763 | \$ 16,072,654 |
| Education: | | | | | | | | | | |
| Total student enrollment | 1,820 | 1,906 | 1,972 | 2,013 | 2,043 | 2,123 | 2,126 | 2,117 | 2,101 | 2,053 |

Source: Departmental Annual Reports

TOWN OF COVENTRY, CONNECTICUT
CAPITAL ASSET AND INFRASTRUCTURE STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

| Function/Program | FISCAL YEAR | | | | | | | | | |
|---------------------------|-------------|------|------|------|------|------|------|------|------|------|
| | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 |
| Municipal Buildings | 9 | 9 | 9 | 9 | 9 | 9 | 7 | 7 | 7 | 7 |
| Fire Stations/Substations | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Water: | | | | | | | | | | |
| Fire Ponds | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 |
| Dry Hydrants | 21 | 21 | 21 | 18 | 18 | 16 | 14 | 12 | 8 | 8 |
| Schools | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Parks and Recreation: | | | | | | | | | | |
| Buildings | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 |
| Parks | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| Highway: | | | | | | | | | | |
| Paved miles | 102 | 102 | 102 | 102 | 102 | 100 | 100 | 99 | 97 | 96 |
| Unimproved miles | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 7 | 7 | 7 |

Source: Departmental Annual Reports