

TOWN OF HAMDEN, CONNECTICUT

FINANCIAL REPORT

JUNE 30, 2007



TOWN OF HAMDEN, CONNECTICUT

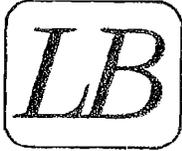
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LEVITSKY & BERNEY

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INDEPENDENT AUDITOR'S REPORT

To the Members of the Legislative Council
Hamden, 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 Hamden, Connecticut, as of and for the year ended June 30, 2007, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town of Hamden, Connecticut's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Pension Trust Fund, which represents 99 percent of the current assets and 98 percent of the revenues of the fiduciary funds. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Pension Trust Fund, is based on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes 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 significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, 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 Hamden, Connecticut as of June 30, 2007, and the respective changes in financial position and cash flows, where applicable and the respective budgetary comparison for the General Fund 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 31, 2007, on our consideration of the Town of Hamden, Connecticut's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 3a through 3l are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We, have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Hamden, Connecticut's basic financial statements. The accompanying budget detail, combining and individual fund statements and schedules, and other schedules listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, in our opinion, based on our audit are fairly stated in all material respects in relation to the basic financial statements taken as a whole.



LEVITSKY & BERNEY, P.C.
Certified Public Accountants

December 31, 2007



TOWN OF HAMDEN

FINANCE DIRECTOR

J. Michael Betz
Finance Director

Hamden Government Center
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Hamden, CT 06518
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MANAGEMENT'S DISCUSSION AND ANALYSIS June 30, 2007

As management of the Town of Hamden, Connecticut we offer readers of the financial statements this narrative overview and analysis of the financial activities of the Town of Hamden for the fiscal year ended June 30, 2007.

Financial Points of Interest

- On a government-wide basis, the net assets of the Town of Hamden exceed its liabilities at June 30, 2007 by \$44,459,662. Net assets for Governmental Activities were \$44,459,662. Of the Town's total net assets, (\$96,392,752) is unrestricted.
- During the current year on a government-wide basis, total net assets increased by \$7,187,959. Net assets increased \$7,189,959 for Governmental Activities. Government-wide net expenses were \$144,354,095 and government-wide general revenues were \$151,542,054.
- At June 30, 2007 the Town of Hamden's governmental funds reported combined ending fund balances of positive \$6,542,651. This is an increase of \$1,714,461 over the prior year.
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$6,951,521 or 4% of the fiscal year 2008 adopted budget.
- The town issued \$9,695,000 of general obligation bonds and \$1,735,000 general obligation bond anticipation notes. These bonds were used for the completion of the new Hamden Middle School and other capital improvement projects.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town of Hamden's basic financial statements. The basic financial statements are comprised of three (3) components:

1. Government-wide financial statements
2. Fund financial statements
3. Notes to the financial statements

This report also contains other supplementary information as well as the basic financial statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Town of Hamden's finances, in a manner similar to private-sector business. The government-wide statements depict a more thorough accounting of the cost of government because of the presentation of both long and short-term information about the Town's assets and liabilities.

The statement of net assets presents information on all of the Town of Hamden's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of the Town's financial health. Other nonfinancial events such as the impact of changes in the Town's tax base or infrastructure should also be considered when evaluating the Town's financial health.

The statement of activities presents information showing how the government's net assets changed during the year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of when the cash is actually received or paid. Therefore, revenue and expenses are reported in this statement for some items whose cash flow may occur in a future fiscal period. Taxes uncollected but earned or vacation leave unused but earned are examples of this.

Both of the government-wide financial statements distinguish functions of the Town of Hamden that are principally supported by taxes and inter-governmental revenue (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Town of Hamden include general government, public works, public safety, health and welfare, culture and recreation, education, employee benefits, community development, and interest on long-term debt. The only business-type activity of the Town of Hamden is the Internal Service Funds (Insurances).

The government-wide financial statements can be found on pages 4-6 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Hamden, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town of Hamden can be divided into three (3) categories: governmental funds, proprietary funds and fiduciary funds.

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

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

The Town of Hamden maintains individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund and Capital Projects fund, both of which are considered to be major funds. The remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements on pages 46-53 of this report.

The Town of Hamden adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found on pages 7-8 of this report.

Proprietary funds – The Town of Hamden uses enterprise fund to report the activities of the Internal Service fund. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

The basic proprietary fund financial statements can be found on page 11-13 of this report.

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

The basic fiduciary funds financial statements can be found on pages 14-15 of this report.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 16-41 of this report.

Other Information

In addition to the basic financial statements, the accompanying notes present certain required supplemental information concerning the Town of Hamden's progress in funding its obligation to provide pension benefits to employees. This and other required supplementary information can be found in note 10 on page 36-40 of this report.

Government-Wide Financial Analysis

As noted earlier, net assets may, over time, serve as a useful indicator of the government's financial position. At the close of the current fiscal year, net assets exceeded liabilities by \$44,459,662.

The largest portion of the Town of Hamden's net assets is reflected in the investment in capital assets. Capital assets include land and improvements, buildings, machinery and equipment, infrastructure and construction in progress, less any related debt used to acquire those assets that is still outstanding.

Town of Hamden, Connecticut
Net Assets
June 30, 2007 and 2006

		Governmental activities	
		2007	2006
Current and other assets	\$	38,436,416	45,900,330
Capital assets		245,498,291	228,153,812
Total assets		283,934,707	274,054,142
Current Liabilities		18,278,348	27,978,626
Long-term liabilities		221,196,697	208,803,812
Total liabilities		239,475,045	236,782,438
Net Assets:			
Invested in capital assets, net of related debt		140,840,449	131,648,223
Restricted		11,965	11,564
Unrestricted		(96,392,752)	(94,388,083)
Total net assets	\$	44,459,662	37,271,704

Town of Hamden, Connecticut
Changes in Net Assets
June 30, 2007 and 2006

	Governmental activities	
	2007	2006
Revenues		
Program Revenues:		
Charges for services	\$ 7,731,612	7,799,321
Operating grants and contributions	12,176,774	4,308,217
Capital grants and contributions	5,564,042	22,815,449
General Revenues		
Property Taxes	118,197,833	116,109,903
Grants & Contributions not restricted to specific Programs	30,224,627	29,574,342
Investment Earnings	1,977,941	1,702,715
Debt Transferred	-	(5,069,441)
Fund Transferred	-	4,282,895
Misc.	1,141,653	413,434
Total revenues	177,014,482	181,936,835
Expenses		
Education	106,377,426	90,090,612
General government	10,809,288	17,995,210
Public Safety	24,935,631	10,194,101
Public Works	12,499,011	34,688,311
Health and Welfare	3,008,206	13,478,768
Culture and Recreation	6,014,892	2,380,861
Community Development	1,299,269	736,950
Other		
Interest on long-term debt	4,882,800	2,796,356
Water pollution Control Authority		
Total expenses	169,826,523	172,361,169
Change in net assets	7,187,959	9,575,666
Net assets-beginning of year	37,271,703	27,696,038
Prior period adjustments		
Net assets-beginning of year- Restated	37,271,703	27,696,038
Net assets-end of year	\$ 44,459,662	37,271,704

Total net assets for the Town increased by \$7,187,959, the key elements of this change are as follows:

Governmental Activities - Governmental activities increased the Town of Hamden's net assets by \$7,187,959. Key fluctuations in revenue are as follows:

- The total revenue for governmental activities decreased \$4,922,353 or 2.71%. Revenue from property taxes increased by \$2,087,930 or 1.80%. This was due mainly to an increase in the mill rate from fiscal year 2006 to 2007.
- Revenue from charges for services decreased by \$67,709 or .87%. This was due to decreased activity for conveyance taxes.
- Revenue from operating grants and contributions increased by \$7,868,557 and capital grants and contributions not restricted to specific programs had a decrease in revenue of \$17,251,407 for a total decrease of \$9,382,850. This category of revenue represents payments to municipalities from the State for State owned property, payment in lieu of taxes, the Town's share of telephone access line fees, reimbursement's of tax loss and various exemptions and the Town's share of payments from the state for the two casinos in the state. All grants are determined by state statute.

For Governmental Activities, major expenditures are for education (62.64%), public works (7.36%), and public safety (14.69%). The total expenditures for governmental activities decreased by \$2,534,646 or 1.47% over the prior year expenditures. Key fluctuations in expenditures are as follows:

- Employee benefits were included in their respective expenditure functions, whereas prior years they were a separate classification.
- The variance in general government and employee benefits occurred due to a reclassification of expenses.
- Interest on long-term debt increased by \$2,086,444 or 74.62%. This was due to refinancing.

Financial Analysis of the Government's Funds

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

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

As of June 30, 2007 the Town of Hamden's governmental funds reported combined ending fund balances of positive \$6,542,651. This is an increase of \$1,714,461 in comparison with the prior year. This increase in fund balance is due primarily due to expenditure control and mill rate increase during the fiscal year.

Intergovernmental Revenue decreased from the prior year by \$11,537,987 or 19.39%. This decrease is primarily a result of none major capital projects receiving significant grants in fiscal year 2007.

The general fund is the chief operating fund of the Town of Hamden. At the end of the current fiscal year, unreserved, undesignated fund balance in the general fund was \$6,951,521 which represents the total fund balance as well. As a measure of the general fund's liquidity, it may be useful to compare unreserved, undesignated fund balance and total fund balance to total fund expenditures. Unreserved, undesignated fund balance represents 4.0% of total general fund budgetary expenditures, which is the same as the total fund balance.

At the end of fiscal year 2007, unreserved, undesignated fund balance was 3.78% of fiscal year 2008's adopted budget.

Synopsis of general fund undesignated and unreserved fund balance.

	(thousands) Fund balance at June 30,	(thousands) Increase/(Decrease) from Prior Year
2007	6,951	228
2006	6,723	412
2005	6,311	2,967
2004	3,344	(852)
2003	4,196	(841)
2002	5,037	263
2001	4,774	(2)
2000	4,776	3,047
1999	1,729	(2,561)
1998	4,290	(1,796)

The total General Fund Balance of the Town of Hamden decreased on a GAAP basis by \$4,241,459 or 37% during the current fiscal year. Key factors in this decrease are as follows:

Property taxes, interest and liens exceeded budgeted amount by only approx. \$174,000; department budgets came under budget by approx. \$2,271,000.

Proprietary Funds – The Town of Hamden’s proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The unrestricted net assets for the internal service funds (self-insurance) were negative \$1,271,952. Other factors concerning these funds have already been addressed in the discussion in the Town of Hamden’s business-type activities.

General Fund Budgetary Highlights

You will notice the original budget amounted to \$163,643,438 and the final amended budget for the Town of Hamden was the same, meaning that there was not an increase in expenditure during the fiscal year.

Capital Asset and Debt Administration

Capital Assets - The Town of Hamden’s investment in capital assets for its governmental activities as of June 30, 2007 is \$245,498,291 (net of accumulated depreciation). It includes land, buildings, improvements, machinery and equipment, construction in progress and infrastructure. The total increase in the Town of Hamden’s investment in capital assets for the current fiscal year was \$17,344,479 or 7.61%.

Major capital asset events during the current fiscal year included the following:

- Completion of new Hamden Middle School

Additional information on the Town of Hamden’s capital assets can be found in note 7 on page 30.

**Town of Hamden
Capital Assets, Net of Depreciation**

	Governmental activities	
	2007	2006
Land	\$ 15,947,040	\$ 9,233,817
Land improvements	6,438,286	5,569,538
Buildings and Improvements	113,173,410	80,748,504
Infrastructure	53,474,939	59,082,396
Machinery and equipment	6,219,122	5,408,941
Construction in progress	<u>50,245,524</u>	<u>68,050,616</u>
	<u>\$ 245,498,321</u>	<u>\$ 228,093,812</u>

Long-term Debt –At the end of the current fiscal year, the Town of Hamden had total bonded debt and loans outstanding of \$104,320,000. All of this debt is backed by the full-faith and credit of the Town of Hamden.

**Town of Hamden
Outstanding Debt
General Obligation Bonds and Loans
June 30, 2006 and 2005**

	Governmental activities	
	2007	2006
General obligation bonds	\$ 104,320,000	\$ 101,575,000
	<u>104,320,000</u>	<u>101,575,000</u>

The Town of Hamden's total bonded debt increased by \$2,745,000 during the fiscal year 2007. The Town issued \$9,695,000 of general obligation bonds. These bonds were used to complete the new Hamden middle school and other Capital improvement projects.

The ratio of bonded debt to assessed valuation and the amount of bonded debt per capita are useful indicators of the Town's debt position to management, citizens, and investors. The data for the Town at the end of fiscal year 2007 is as follows:

Ratio of Debt

	Amount
Legal debt limit	\$ 833,639,534
Total bonded indebtedness	104,320,000
Legal debt margin	729,319,534

The overall statutory debt limitation for the Town of Hamden is equal to seven times the annual receipts from taxation or \$833,639,534. As of June 30, 2007 the Town had \$126,236,816 of long-term debt outstanding including school and bonds authorized and unissued, which is well below the statutory debt limit.

The Town of Hamden maintains an "A2" rating from Moody's and an "A" rating from Standards and Poor's.

Additional information on the Town of Hamden's long-term debt can be found in note 8 on pages 31-33.

Economic Factors and Next Years Budgets and Rates

The State is divided into ten labor market areas. Hamden's labor market consist of Hamden, Bethany, Branford, Cheshire, Clinton, East Haven, Guilford, Killingworth, Madison, Meriden, New Haven, North Branford, North Haven, Orange, Wallingford and West Haven. As of October 2005, the labor market area work force was 300,890 with employment of 285,375, and the unemployment rate was 5.15%. The Town of Hamden's workforce was 30,360 with employment of 28,906 and an unemployment rate of 4.8%. The statewide unemployment rate was 4.2% and the United States unemployment rate was 4.9%.

Per capita income for Hamden is compared to New Haven County and the State of Connecticut derived from 2001 statistical data provided by CEC Data Finders is as follows:

	Per capita	Annual Growth
Hamden	\$29,275	4.2%
New Haven County	\$28,013	4.4%
State of Connecticut	\$32,317	4.5%

	Median Household Income	Annual Growth
Hamden	\$61,701	3.2%
New Haven County	\$60,590	4.2%
State of Connecticut	\$65,806	4.2%

The Town of Hamden will face important budgetary challenges in the next few years. Opportunities to generate additional revenue are limited. State revenue will remain flat as the State deals with its own financial difficulty. There is limited opportunity for economic development to increase the grand list and thereby ease the tax burden for homeowners. Therefore, the Mayor and Town Council will be charged to make budget reductions, thus reducing discretionary spending as well as expenditures for repairs, maintenance, equipment replacement and education as well as increasing appropriations for unfunded liabilities, such as the pension fund and self-insurance fund. As part of the 2008-2009 budget process the Mayor and Town Council will explore alternative strategies that will provide an acceptable level of services for taxpayers at a reasonable cost.

Requests for Information

The financial report is designed to provide a general overview of the Town of Hamden's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report should be addressed to the Director of Finance, Hamden Government Center, 2750 Dixwell Avenue, Hamden, Connecticut 06518.

STATEMENT OF NET ASSETS
June 30, 2007

	<u>(Primary Government) Governmental Activities</u>
Assets	
Cash and cash equivalents	\$ 18,197,406
Receivables, net of allowance of uncollectible:	
Property taxes	2,714,969
Special assessments	14,278
Intergovernmental	16,978,251
Other	486,956
Inventories	44,556
Noncurrent assets:	
Capital assets not being depreciated	66,192,564
Capital assets, being depreciated, net of depreciation	<u>179,305,727</u>
Total assets	\$ <u>283,934,707</u>
Liabilities	
Accounts payable	\$ 11,511,421
Accrued interest	2,268,937
Deferred revenue	1,174,835
Payable to external parties	179,929
Claims incurred but not reported	1,408,226
Short-term notes payable	1,735,000
Non-current liabilities:	
Due within one year	28,671,303
Due in more than one year	<u>192,525,394</u>
Total liabilities	\$ <u>239,475,045</u>
Net assets	
Investment in capital assets, net of related debt	\$ 140,840,449
Restricted for:	
Endowments	11,965
Unrestricted	<u>(96,392,752)</u>
Total net assets	\$ <u><u>44,459,662</u></u>

* After internal balances have been eliminated

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

TOWN OF HAMDEN, CONNECTICUT

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2007

	<u>Expenses</u>
<u>Functions/Programs</u>	
Primary government:	
Governmental activities:	
Education	\$ 106,377,426
General government	10,809,288
Public safety	24,935,631
Public works	12,499,011
Health and welfare	3,008,206
Culture and recreation	6,014,892
Community development	1,299,269
Interest on long-term debt	4,882,800
Total governmental activities	\$ <u>169,826,523</u>
Total primary government	\$ <u><u>169,826,523</u></u>

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

Program Revenues			Net (Expense) Revenue and Changes in Net Assets	
Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	
			Governmental Activities	Total
1,135,009	10,244,822	2,805,567	(92,192,028)	(92,192,028)
3,724,711	13,586		(7,070,991)	(7,070,991)
1,743,144	490,122		(22,702,365)	(22,702,365)
75,172		1,795,679	(10,628,160)	(10,628,160)
176,601	521,616		(2,309,989)	(2,309,989)
876,975	1,886	962,796	(4,173,235)	(4,173,235)
	904,742		(394,527)	(394,527)
			(4,882,800)	(4,882,800)
<u>7,731,612</u>	<u>12,176,774</u>	<u>5,564,042</u>	<u>(144,354,095)</u>	<u>(144,354,095)</u>
<u>7,731,612</u>	<u>12,176,774</u>	<u>5,564,042</u>	<u>(144,354,095)</u>	<u>(144,354,095)</u>

General revenues:		
Property taxes	\$ 118,197,833	118,197,833
Grants and contributions not restricted to specific programs	30,224,627	30,224,627
Investment earnings	1,977,941	1,977,941
Miscellaneous	1,141,653	1,141,653
Total general revenues	<u>\$ 151,542,054</u>	<u>151,542,054</u>
Change in net assets	<u>\$ 7,187,959</u>	<u>7,187,959</u>
Net assets - beginning	<u>\$ 37,271,703</u>	<u>37,271,703</u>
Net assets - ending	<u>\$ 44,459,662</u>	<u>44,459,662</u>

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BALANCE SHEET
GOVERNMENTAL FUNDS
 June 30, 2007

	<u>General Fund</u>	<u>Capital Project Fund</u>	<u>Hamden Middle School Project</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets					
Cash and cash equivalents	\$ 14,505,729	270,181		1,833,883	16,609,793
Receivables, net of allowance for uncollectible:					
Property taxes	2,714,969				2,714,969
Special assessments	14,278				14,278
Intergovernmental	15,849,074			1,129,177	16,978,251
Other	374,798			112,158	486,956
Inventories				44,556	44,556
Due from other funds	6,690,995	2,658,780		3,506,146	12,855,921
Total assets	<u>\$ 40,149,843</u>	<u>2,928,961</u>	<u>-</u>	<u>6,625,920</u>	<u>49,704,724</u>
Liabilities					
Accounts payable	\$ 10,316,753	450,939	27,982	599,968	11,395,642
Deferred revenue	18,074,939			256,202	18,331,141
Due to other funds	4,673,742	296,000	2,368,859	4,361,689	11,700,290
Temporary notes payable		1,735,000			1,735,000
Total liabilities	<u>\$ 33,065,434</u>	<u>2,481,939</u>	<u>2,396,841</u>	<u>5,217,859</u>	<u>43,162,073</u>
Fund balances					
Reserved for:					
Encumbrances	\$ 132,888	25,286		514,964	673,138
Inventories				44,556	44,556
Endowments				11,965	11,965
Loans receivable				107,329	107,329
Unreserved:					
Undesignated and unreserved	6,951,521	421,736	(2,396,841)	729,247	5,705,663
Total fund balances	<u>\$ 7,084,409</u>	<u>447,022</u>	<u>(2,396,841)</u>	<u>1,408,061</u>	<u>6,542,651</u>
Total liabilities and fund balances	<u>\$ 40,149,843</u>	<u>2,928,961</u>	<u>-</u>	<u>6,625,920</u>	

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	\$ 245,498,291
Interest on long-term debt is not accrued in governmental funds but rather is recognized as an expenditure when due.	(2,268,937)
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	17,156,306
Internal service funds are used by management to charge the costs of liability and medical insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	(1,271,952)
Long term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	(221,196,697)
Net assets of governmental activities	<u>\$ 44,459,662</u>

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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year ended June 30, 2007

	<u>General Fund</u>	<u>Capital Project Fund</u>	<u>Hamden Middle School Project</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Fund</u>
Revenues:					
Property taxes, interest and liens	\$ 119,456,053				119,456,053
Intergovernmental	34,857,364	820,696	2,805,567	9,481,816	47,965,443
Licenses, permits and fees	3,569,494				3,569,494
Charges for services	2,850,508			1,311,610	4,162,118
Investment earnings	1,867,996	51,261		3,036	1,922,293
Miscellaneous	334,162	110,000		697,491	1,141,653
Total revenues	\$ 162,935,577	981,957	2,805,567	11,493,953	178,217,054
Expenditures					
Current:					
Education	\$ 75,918,099			6,656,055	82,574,154
General government	7,990,913			96,798	8,087,711
Public safety	19,297,719			387,836	19,685,555
Public works	10,675,704			587,286	11,262,990
Health And welfare	1,642,517			586,734	2,229,251
Culture and recreation	3,793,371			500,784	4,294,155
Employee Benefits	36,085,616				36,085,616
Community development				963,706	963,706
Capital outlay	1,212,514	3,369,403	5,010,883	861,072	10,453,872
Principal	6,950,000				6,950,000
Interest	4,823,097				4,823,097
Total expenditures	\$ 168,389,550	3,369,403	5,010,883	10,640,271	187,410,107
Excess (deficiency) of revenues over (under) expenditures	\$ (5,453,973)	(2,387,446)	(2,205,316)	853,682	(9,193,053)
Other financial sources (uses):					
Proceeds from bond issuance	\$	2,381,950	5,068,450	2,244,600	9,695,000
Proceeds from capital leases	1,212,514				1,212,514
Total other financing sources (uses)	\$ 1,212,514	2,381,950	5,068,450	2,244,600	10,907,514
Net change in fund balances	\$ (4,241,459)	(5,496)	2,863,134	3,098,282	1,714,461
Fund balances - beginning	11,325,868	452,518	(5,259,975)	(1,690,221)	4,828,190
Fund balances - ending	\$ 7,084,409	447,022	(2,396,841)	1,408,061	6,542,651

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

**RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2007**

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

Net Change in Fund Balances - Total Governmental Funds (Exhibit D)	\$ 1,714,461
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	17,344,479
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(59,703)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, Governmental Funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(1,258,220)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	(12,392,885)
Internal Services Funds are used by management to change costs of liability and medical insurance to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities.	<u>1,839,827</u>
Change in Net Assets of Governmental Activities (Exhibit B)	<u>\$ 7,187,959</u>

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

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL - GENERAL FUND
For the Year Ended June 30, 2007**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues:				
Property taxes, interest and liens	\$ 118,984,163	118,984,163	119,158,623	174,460
Intergovernmental	30,580,739	30,580,739	30,224,627	(356,112)
Licenses, permits and fees	4,766,445	4,766,445	3,569,494	(1,196,951)
Charges for services	3,589,600	3,589,600	2,850,508	(739,092)
Fines and forfeits	1,000	1,000	-	(1,000)
Investment earnings	1,475,000	1,475,000	1,867,996	392,996
Miscellaneous	4,246,491	4,246,491	4,280,153	33,662
Total revenues	\$ 163,643,438	163,643,438	161,951,401	(1,692,037)
Expenditures:				
Current:				
Education	\$ 70,700,000	70,700,000	70,646,973	53,027
General government	10,512,837	8,391,869	7,754,858	637,011
Public safety	19,512,799	19,837,834	19,297,719	540,115
Public works	10,368,709	10,998,605	10,675,704	322,901
Health and welfare	1,321,136	1,388,169	1,345,087	43,082
Culture and recreation	3,706,516	3,926,444	3,793,371	133,073
Employee benefits	35,748,345	36,627,420	36,085,616	541,804
Debt service:				
Principal retirements	6,950,000	6,950,000	6,950,000	-
Interest	4,823,096	4,823,097	4,823,097	-
Total expenditures	\$ 163,643,438	163,643,438	161,372,425	2,271,013
Excess of revenues over (under) expenditures	\$ -	-	578,976	578,976

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

STATEMENT OF NET ASSETS
 PROPRIETARY FUNDS
 June 30, 2007

	<u>Governmental Activities</u>
	<u>Internal Service Funds</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 1,587,613
Due from other funds	<u>5,299</u>
Total current assets	\$ <u>1,592,912</u>
LIABILITIES AND NET ASSETS	
Current liabilities:	
Accounts payable	\$ 115,779
Due to other funds	1,340,859
Claims incurred but not reported	<u>1,408,226</u>
Total current liabilities	\$ <u>2,864,864</u>
Net assets:	
Net assets:	\$ <u>(1,271,952)</u>
Total net assets	\$ <u><u>(1,271,952)</u></u>

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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND NET ASSETS
 PROPRIETARY FUNDS
 For the Year Ended June 30, 2007

	<u>Governmental Activities</u>
	<u>Internal Service Funds</u>
Operating revenues:	
Charges for services	\$ <u>25,734,481</u>
Total operating revenues	\$ <u>25,734,481</u>
Operating expenses	
Claims expense	\$ <u>23,950,302</u>
Total operating expenses	\$ <u>23,950,302</u>
Operating income or (loss)	\$ <u>1,784,179</u>
Non-operating revenues (expenses):	
Interest income	\$ <u>55,647</u>
Total non-operating revenues (expenses)	\$ <u>55,647</u>
Change in net assets	\$ 1,839,826
Net assets - beginning	<u>(3,111,778)</u>
Net assets - ending	\$ <u><u>(1,271,952)</u></u>

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

**STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 For the Year Ended June 30, 2007**

	<u>Governmental Activities Internal Service Funds</u>
Cash flows from operating activities:	
Receipts from customers and users	\$ 25,734,481
Cash payments for claims and fees	(24,892,303)
Net cash provided (used) by operating activities	<u>\$ 842,178</u>
Cash flows to noncapital financing activities:	
Payments made from (to) other funds	\$ (258,734)
Net cash used by noncapital financing activities	<u>\$ (258,734)</u>
Cash flows from investing activities:	
Investment income	\$ 55,647
Net cash flows from investing activities	<u>\$ 55,647</u>
Net increase (decrease) in cash and cash equivalents	\$ 639,091
Cash and cash equivalents - beginning	<u>948,522</u>
Cash and cash equivalents - ending	<u>\$ 1,587,613</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income or (loss)	\$ 1,784,179
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Change in assets and liabilities:	
Increase (decrease) to accounts payable	
Increase (decrease) in claim liabilities	\$ (375,785)
Increase (decrease) in accounts payable	(566,216)
Total adjustments	<u>\$ (942,001)</u>
Net cash provided (used) by operating activities	<u>\$ 842,178</u>

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

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
June 30, 2007

	<u>Pension Trust Fund</u>	<u>Private Purpose Trust Funds</u>	<u>Agency Funds</u>
Assets			
Cash and cash equivalents	\$ 4,556,706	168,845	1,606,542
Investments, at fair value	82,725,949		
Other receivables	236,234		
Prepaid expenses	1,227,196		
Due from other funds		102,029	79,025
Total assets	<u>\$ 88,746,085</u>	<u>270,874</u>	<u>1,685,567</u>
Liabilities			
Accounts payable	\$ 84,519	20,967	
Deferred revenue		1,125	
Due to other funds		5,162	1,685,567
Other liabilities			
Total liabilities	<u>\$ 84,519</u>	<u>27,254</u>	<u>1,685,567</u>
Net assets			
Held in trust for pension benefits	\$ 88,661,566		
Reserved for encumbrances		243,620	
Reserved for donor's intentions			
Total net assets	<u>\$ 88,661,566</u>	<u>243,620</u>	<u>-</u>

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

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
For the Year Ended June 30, 2007

	<u>Pension Trust Fund</u>	<u>Private Purpose Trust Funds</u>
Contributions:		
Town of Hamden	\$ 9,000,000	
Plan members	1,742,369	
Other		
Total contributions	<u>\$ 10,742,369</u>	<u>-</u>
Investment earnings:		
Net appreciation in fair value of investments	\$ 11,068,131	
Interest and dividends	1,468,382	61,550
Total investment income (loss)	<u>\$ 12,536,513</u>	<u>61,550</u>
Less investment expenses:		
Investment management fees	\$ (368,803)	
Net investment earnings	<u>\$ 12,167,710</u>	<u>61,550</u>
Other income	\$ -	259,984
Total additions	<u>\$ 22,910,079</u>	<u>321,534</u>
Deductions:		
Administrative	\$ 83,441	
Benefits and other deductions	16,883,475	297,913
Total deductions	<u>\$ 16,966,916</u>	<u>297,913</u>
Net increase (decrease)	<u>\$ 5,943,163</u>	<u>23,621</u>
Net assets - beginning	<u>82,718,403</u>	<u>219,999</u>
Net assets - ending	<u>\$ 88,661,566</u>	<u>243,620</u>

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

TOWN OF HAMDEN, CONNECTICUT

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2007

Note 1 - Summary of Significant Accounting Policies

Reporting Entity

The Town of Hamden, Connecticut (the Town) was founded in 1664 and incorporated in 1786. The Town covers an area of 33 square miles, and is located approximately 70 miles northeast of New York City and 30 miles southwest of Hartford, Connecticut. The Town is a municipal Corporation governed under a Council/Mayor form of government.

The Town provides a full range of services including public safety, roads, sanitation, health, social services, culture and recreation, education, planning, zoning and general administrative services to its residents.

The accompanying financial statements present the government and its component unit, an entity for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The financial statements of the Town have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) as the accepted standard setting boards for governmental accounting financial reporting principles. These principles require that the Town report government-wide and fund financial statements, which are described below.

Government-wide financial statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the non-fiduciary activities of the primary government and its component units. *Government activities*, which is normally supported by taxes and intergovernmental revenues, are reported separately than *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separated component units described above.

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

TOWN OF HAMDEN, CONNECTICUT

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2007, Continued

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are proprietary fund and fiduciary fund financial statements. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Fund financial statements

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

The 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 collectable within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures are generally recorded when a liability has occurred, as under accrual accounting. However expenditures related to long-term liabilities, such as debt service payments and compensated absences, are recorded only when the payment is due.

Property taxes are assessed as of October 1, and are levied on the following July 1. Real estate and personal property taxes are due in two installments on July 1 and the following January 1. Motor vehicle taxes are payable on July 1 and supplemental motor vehicle taxes are payable on January 1. Liens are filed on delinquent real estate taxes within one year. Revenues from property taxes are recognized when they become available. Available means due or past due and receivable within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the government considers property tax revenue to be available if they are collected within 60 days of the end of the fiscal year.

Those revenues susceptible to accrual are property taxes, special assessments and interest revenue. Fines, permits and charges for services are not susceptible to accrual because generally they are not measurable until received in cash.

Intergovernmental revenues grants and similar items are recognized as soon as all eligible requirements imposed by the provider have been met and are collected soon enough to pay liabilities of the current period. For this purpose, grants may be recognized and paid after 60 days of the fiscal year end.

TOWN OF HAMDEN, CONNECTICUT

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2007, Continued

The government reports the following major governmental funds:

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

The **Capital Project Fund** is used to account for resources used for the acquisition and construction of capital facilities, including those that are financed through special assessments.

The **New Middle School Fund** is used to account for resources used for the construction of the New Hamden Middle School.

Additionally, the government reports the following fund types:

The **Internal Service Funds** account for employee health insurance and workers' compensation insurance provided to departments of the Town and Board of Education.

The **Pension Trust Funds** account for activities of the Town's four defined benefit plans, which accumulate resources for pension benefit payments to qualified employees.

The **Agency Funds** account for monies held as a custodian for outside groups and agencies.

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are charges to customers for services. Operating expenses for enterprise and internal service funds include the cost of operations and maintenance, provisions for doubtful accounts, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Assets, liabilities and net assets or equity

Cash and cash equivalents

The Town considers cash on hand, deposits and short-term investments with an original maturity of three months or less to be cash and cash equivalents.

TOWN OF HAMDEN, CONNECTICUT

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2007, Continued

Inventories and prepaid items

Inventories are stated at the lower of cost or market using the consumption method on the first-in, first-out basis for governmental fund types.

Receivables and payables

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

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

All trade and property tax receivables are shown net of an allowance for uncollectible accounts. Trade account allowance for uncollectible accounts is estimated based on the inherent risk associated with the accounts.

Capital assets

Capital assets, which includes property, plant and equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items) are reported in the applicable governmental or business-type activities columns in government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$10,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

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

TOWN OF HAMDEN, CONNECTICUT

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2007, Continued

Major outlays for capital assets and improvements are capitalized as projects are constructed. Property, plant and equipment of the Town are depreciated using the straight-line method over the following estimated useful lives:

Land and Improvements	20 years
Building and Building Improvements	20 - 50 years
Infrastructure	10 - 65 years
Machinery and Equipment	5 - 20 years
Licensed Vehicles	8 years
Water and Sewer System	30-50 years

GASBS No. 34 requires the Town to report and depreciate new infrastructure assets effective with the beginning of the current year. Infrastructure assets include roads, bridges, underground pipe (other than related to utilities), traffic signals, etc. Neither their historical cost nor related depreciation has historically been reported in the financial statements.

Compensated absences

Under the terms of its various union contracts, Town and Board of Education employees are granted vacation and sick time in varying amounts based on length of service. Certain employees may also carry over a limited number of unused vacation days to subsequent years based on the terms of an employment or union contract. In the event of termination, these employees are reimbursed for accumulated vacation. The Town recognizes a liability for the vested portion, as well as the unvested portion to the extent expected to be paid, as compensated absences.

Deferred revenue

Deferred revenue arises when potential revenue does not meet both the *measurable* and *available* criteria for recognition in the current period. Deferred revenue also arises when resources are received by the Town before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the Town has a legal claim to the resources, the liability for deferred revenue is removed and revenue is recognized.

Long-term obligations

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

TOWN OF HAMDEN, CONNECTICUT

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2007, Continued

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financial 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.

Pension accounting

In the *pension trust funds*, employee contributions are recognized in the period in which the contributions are due. Employer contributions to the plan are recognized when due and the Town has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.

In the *governmental funds*, the cumulative difference between annual pension costs and the Town's contributions to the plans since 1986, is calculated on an actuarial determined basis consistent with the requirements of *GASB Statement 27* and recognized in the government wide financial statements as net pension obligation (asset) as a noncurrent liability (asset). Annual pension cost expenditures are recognized when they are paid or are expected to be paid with current available resources. The liability is typically paid out of the general fund over the life of the pension.

Fund equity and net assets

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

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

The ***restricted net assets*** present external restrictions imposed by creditors, grantors, contributors and laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

The ***unrestricted net assets*** group all capital assets, including infrastructure, into one component of net assets. Accumulated depreciation and outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduces this category.

In the fund financial statements, fund balances of governmental funds are classified into two separate categories. The two categories and their general meanings are as follows:

The ***reserves fund balance*** - this category indicates that portion of fund equity which has been legally segregated for specific purposes.

The ***undesignated and unreserved fund balance*** category indicates that portion of fund equity which is available for appropriations and expenditures in future periods.

TOWN OF HAMDEN, CONNECTICUT

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2007, Continued

Note 2 - Budgets and Budgetary Accounting

The Statement of Revenues and Expenditures, Budget to Actual presented in the financial statements for the General Fund is on the budgetary basis of accounting which is a basis of accounting other than the accrual basis and the modified basis of accounting. The budgetary basis of accounting and the Town's general budget policies are as follows:

- a. Not later than 105 days prior to the beginning of the fiscal year, the Mayor prepares and submits to the Legislative Council an annual budget based on detailed estimated revenues and expenditures for the Town.
- b. The Legislative Council must hold public hearings not later than 60 days before the beginning of the fiscal year, at which time taxpayers' comments are obtained.
- c. Not later than 45 days prior to the beginning of the fiscal year, the Legislative Council must adopt the budget.
- d. With approval from the Mayor, the Legislative Council may transfer any unencumbered appropriation from one department, commission, board or office to another. Any additional appropriation over and above the budget total may be made by resolution of the Legislative Council upon recommendation of the Mayor and certification from the Director of Finance that there is an unappropriated, unencumbered general fund cash balance available to meet the additional appropriation. Unencumbered appropriations lapse at year end.
- e. Formal budgetary integration is employed as a management control device during the year for the general fund. Only the general fund is required to be budgeted.
- f. The legal level of control is at the department level.
- g. Encumbrances are recognized as a valid and proper charge against a budget issued appropriation in the year in which the purchase order, contract or other commitment is issued and, accordingly, encumbrances outstanding at year-end are reflected in budgetary reports as expenditures of the current year. If an appropriation is not encumbered, it lapses at year-end and may not be used by the department.
- h. Classifications of certain revenues and expenditures under accounting principles generally accepted in the United States of America differ from classifications utilized for budgetary purposes.

TOWN OF HAMDEN, CONNECTICUT

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2007, Continued

General Fund

A reconciliation of general fund operations and fund balance presented on a budgetary basis to the amounts presented in accordance with accounting principles generally accepted in the United States of America is as follows:

	<u>Revenues</u>	<u>Expenditures and Encumbrances</u>
Balance, Budgetary Basis (Exhibit F)	\$ 161,951,401	161,372,425
Encumbrances		
June 30, 2006		771,277
June 30, 2007		(132,888)
The Town did not budget for the expenditures under a capital lease agreement during the current year, however, for GAAP purposes, the lease is recognized as other financial resources and the related liability is recorded in the current period.		1,212,514
The Town budgeted for and designated resources for a future liability concerning the arbitration and negotiation of certain personnel benefits. The amount was not recognized in the current period for GAAP purposes.		236,055
The Town offers an elderly tax abatement program and reports for this against taxes collected in the budget. For GAAP purposes, this is recorded as revenue and a related expense.	297,430	297,430
The Town used prior years' surplus as resources in the budget, however, this is not recognized as revenue or other financing resources for GAAP purposes.	(3,945,991)	
State Teachers' Retirement and on-behalf payment, not recognized for budgetary purposes	<u>4,632,737</u>	<u>4,632,737</u>
Balance, GAAP Basis (Exhibit D)	<u>\$ 162,935,577</u>	<u>168,389,550</u>

TOWN OF HAMDEN, CONNECTICUT

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2007, Continued

Special Revenue Funds

The Town does not have legally adopted annual budgets for the Special Revenue Funds. Budgets for the various special revenue funds which are utilized to account for specific grant programs are established in accordance with the requirements of the grantor agencies. Such budgets carry over until completion of the grants.

Capital Projects Funds

Legal authorization for expenditures of the Capital Projects Funds is provided by the related bond ordinances and/or intergovernmental grant agreements. Capital appropriations do not lapse until completion of the applicable projects.

Note 3 - Reconciliation of Government-Wide and Fund Financial Statements

Explanation of Certain Differences between the Government Fund Balance Sheet and the Government-Wide Statement of Net Assets

The governmental fund balance sheet includes reconciliation between fund balance - total governmental funds and net assets. One element of that reconciliation explains that "long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds." The details of this difference are as follows:

Bonds Payable	\$ 104,320,000
Deferred Charges on Refunding	(1,373,297)
Capital Leases	1,061,139
Compensated Absences	7,061,468
Claims and Judgments	4,500,000
Post-closure Landfill Costs	280,236
Net Pension Obligation	103,310,264
Heart and Hypertension	<u>2,036,887</u>
Net Adjustment to Reduce Fund Balance - Total Government Funds to Arrive at Net Assets - Governmental Activities	<u>\$ 221,196,697</u>

Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance and the Government-Wide Statement of Activities

The governmental fund statement of revenues, expenditures and changes in fund balances includes reconciliation between net changes in fund balances - total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense."

TOWN OF HAMDEN, CONNECTICUT

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2007, Continued

The details of this difference are as follows:

Capital Outlay	\$ 27,002,049
Depreciation Expense	<u>9,657,570</u>
Net Adjustment to Increase Net Changes in Fund Balance - Total Government Funds to Arrive at Changes in Net Assets of Governmental Activities	<u>\$ 17,344,479</u>

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

Debt Issued or Incurred:	
Debt issued	\$ (9,695,000)
Capital leases	(1,212,514)
Principal Repayments:	
General Obligation Debt	6,950,000
Capital Leases	459,982
Earning reported on deferred portion of refunding	(98,093)
Net decrease In Compensated Absences	518,070
Net (Increase) in Net Pension Obligation	(9,137,560)
Net (Increase) In Other Long-Term Liabilities	<u>(177,770)</u>
Net Adjustment to Decrease Net Change In Fund Balances Total Governmental Funds to Arrive At Changes In Net Assets of Governmental Activities	<u>\$ (12,392,885)</u>

TOWN OF HAMDEN, CONNECTICUT

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2007, Continued

Note 4 - Deposits and Investments

The City's deposits and investments are presented in the accompanying balance sheets as follows:

	<u>Deposit</u>	<u>Investments</u>	<u>Total</u>
Cash and cash equivalents:			
Governmental funds	\$ 12,503,383	5,694,023	18,197,406
Fiduciary funds	6,332,093		6,332,093
Investments:			
Fiduciary funds		<u>82,725,949</u>	<u>82,725,949</u>
Deposits and Investments	\$ <u>18,835,476</u>	<u>88,419,972</u>	<u>107,255,448</u>

Deposits

Custodial credit risk

As of June 30, 2007, the carrying amount of the Town's deposits was \$ 18,824,276 with bank balances of approximately \$ 21,256,921. The amount of the bank balance covered under federal depository insurance was approximately \$ 766,395. The remaining deposits were uninsured, however provisions of the Connecticut General Statutes provide for protection against loss in excess of deposit insurance by requiring all qualified public depositories to maintain segregated collateral for public deposits. As of June 30, 2007 approximately \$2,100,000 of uninsured deposits were collateralized under the provision.

Investments

As of June 30, 2007, the City held the following investments:

<u>Investment Type</u>	<u>Fund</u>	<u>Fair Value</u>	<u>Weighted Average to Maturity (years)</u>	<u>Average Credit Quality Rating</u>
Ct State Investment Funds	General Fund	\$ 4,324,139	.02	N/A
Money Market account	General Fund	1,369,884	.02	N/A
Corporate notes and bonds	Pension Trust	11,847,822	6	A3
US Treasury notes and bonds	Pension Trust	9,624,080	4.9	N/A
US agency securities	Pension Trust	9,855,563	4.6	N/a
Common Stocks	Pension Trust	28,556,146	.02	Unrated
Mutual Funds	Pension Trust	<u>22,842,338</u>	.02	Unrated
Total		\$ <u>88,419,972</u>		

TOWN OF HAMDEN, CONNECTICUT

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2007, Continued

Interest rate risk

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

Credit risk

State Law limits investments of public funds to the obligations of the United States of America, including the joint and several obligations of the Federal Home Mortgage Corporation, Federal National Mortgage Association, the Government National Mortgage Association, the Federal Savings and Loan Insurance Corporation, obligations of the United States Postal Service, all the federal home loan banks, all federal land banks, all the federal intermediate credit banks, the Central Bank of Cooperatives, the Tennessee Valley Authority, or any other Agency of the United States Government.

Note 5 - Receivables, Deferred Revenue and Payables

Receivables

The Receivables as of June 30, 2007 for the Town's individual major funds and non-major, internal service and fiduciary funds in the aggregate, including the applicable allowance for uncollectible accounts are as follows:

	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Property Taxes	\$ 3,114,969		3,114,969
Special Assessments	14,278		14,278
Intergovernmental	15,849,074	1,129,177	16,978,251
Accounts	<u>374,798</u>	<u>112,158</u>	<u>486,956</u>
Gross Receivables	\$ 19,353,119	1,241,335	20,594,454
Allowance For Collection Losses	<u>(400,000)</u>		<u>(400,000)</u>
Net Total Receivables	\$ <u>18,953,119</u>	<u>1,241,335</u>	<u>20,194,454</u>

TOWN OF HAMDEN, CONNECTICUT

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2007, Continued

Deferred Revenue

Governmental Funds report deferred revenue in connection with receivables for revenue that are not considered to be available to liquidated liabilities in 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 fiscal year the components of deferred revenue and unearned revenues reported in the government fund were as follows:

	<u>Unavailable</u>	<u>Unearned</u>	<u>Total</u>
General Fund:			
Delinquent property taxes	\$ 1,260,223		1,260,223
Taxes collected in advance		904,355	904,355
Intergovernmental grants	15,896,083		15,896,083
Other		14,278	14,278
Other Governmental Funds:			
Intergovernmental grants		<u>256,202</u>	<u>256,202</u>
Total Receivables	\$ <u>17,156,306</u>	<u>1,174,835</u>	<u>18,331,141</u>

Payables

Payables as of June 30, 2007 for the Town's individual major funds and nonmajor funds were as follows:

	<u>Vendors</u>	<u>Payroll Benefits</u>	<u>Cash Over Drafts</u>	<u>Total</u>
General Fund	\$ 4,010,778	4,803,342	1,502,633	10,316,753
Capital Projects	450,939			450,939
Middle School	27,982			27,982
Other Government	599,968			599,968
Internal Service	<u>115,779</u>			<u>115,779</u>
Total Payables	\$ <u>5,205,446</u>	<u>4,803,342</u>	<u>1,502,633</u>	<u>11,511,421</u>

An amount of \$1,408,226 is presented as a current liability on the government wide statement of net assets as claims incurred but not reported. Included in this amount is \$1,120,301 of expenses incurred through the Town's medical self-insurance Internal Service Fund. However, the Internal Service Fund does not have the current resources available to satisfy this debt.

TOWN OF HAMDEN, CONNECTICUT

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2007, Continued

Temporary Notes Payables

The Town uses short-term notes payable in anticipation of bond-issuances to provide interim funding for various capital projects. Activity for the current fiscal year was as follows:

	<u>Beginning Balance</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Ending Balance</u>
Bond anticipation note	\$ 3,592,000	1,735,000	3,592,000	1,735,000

Note 6 - Interfund Receivables, Payables and Transfers

Interfund receivables and payables

Interfund receivables and payable at June 30, 2007 consisted of the following:

	<u>General Fund</u>	
	<u>Payable</u>	<u>Receivable</u>
Internal Balances:		
Capital Projects	\$ 2,658,780	296,000
Hamden Middle School		2,368,859
Other Governmental	3,506,146	4,361,689
Internal Services	5,299	1,340,859
Total Primary Government	\$ <u>6,170,225</u>	<u>8,367,407</u>
External Balances:		
Private Purpose Trusts	\$ 102,029	1,125
Agency Funds	79,025	
Total External Balances	\$ <u>181,054</u>	<u>1,125</u>
Less: amounts within nonmajor programs	\$ <u>(1,677,537)</u>	<u>(1,677,537)</u>
Total General Fund	\$ <u>4,673,742</u>	<u>6,690,995</u>

TOWN OF HAMDEN, CONNECTICUT

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2007, Continued

Note 7 - Capital Assets

Capital assets activity for the year ended June 30, 2007 was as follows:

	<u>Balance</u> <u>June 30, 2006</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>June 30, 2007</u>
Governmental Activities				
Capital Assets, Not Being Depreciated:				
Land	\$ 9,233,816	6,713,224		15,947,040
Construction in Progress	<u>68,050,616</u>	<u>14,566,977</u>	<u>32,372,069</u>	<u>50,245,524</u>
Total Capital Assets, Not Being Depreciated	\$ 77,284,432	21,280,201	32,372,069	66,192,564
Capital Assets, Being Depreciated:				
Land Improvements	\$ 7,811,449	1,259,320		9,070,769
Buildings and Improvements	109,438,469	34,689,876		144,128,345
Furniture, Fixtures				
Vehicles and Equipment	16,300,302	1,843,969	158,500	17,985,771
Infrastructure	<u>80,390,992</u>	<u>300,752</u>	<u> </u>	<u>80,691,744</u>
Total Capital Assets Being Depreciated	\$ 213,941,212	38,093,917	158,500	251,876,629
Less, Accumulated Depreciation:				
Land Improvements	\$ 2,241,911	390,572		2,632,483
Buildings and Improvements	28,689,965	2,264,970		30,954,935
Furniture, Fixtures				
Vehicles and Equipment	10,831,361	1,093,788	158,500	11,766,649
Infrastructure	<u>21,308,595</u>	<u>5,908,240</u>	<u> </u>	<u>27,216,835</u>
Total Accumulated Depreciation	\$ 63,071,832	9,657,570	158,500	72,570,902
Capital Assets Being Depreciated, Net of Depreciation	\$ 150,869,380	28,436,347	 	179,305,727
Total Governmental Activities	\$ 228,153,812	49,716,548	32,372,069	245,498,291

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

Government Activities:	
General Government	\$ 3,524
Education	2,124,001
Public Safety	395,553
Public Works	6,906,255
Health and Welfare	2,728
Culture and Recreation	<u>225,509</u>
Total Depreciation Expense- Governmental Activities	\$ 9,657,570

TOWN OF HAMDEN, CONNECTICUT

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2007, Continued

Note 8 - Long-Term Liabilities

Long-term debt liabilities activity for the year ended June 30, 2007 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reduction</u>	<u>Ending Balance</u>	<u>Due within One Year</u>
Governmental Activities:					
Long-term debt					
General obligation bond	\$ 101,575,000	9,695,000	6,950,000	104,320,000	8,745,000
Deferred amount on refunding	(1,471,390)		(98,093)	(1,373,297)	(98,093)
Capital leases	308,607	1,212,514	459,982	1,061,139	343,217
Other long-term liabilities					
Compensation absences	7,579,538	2,831,792	3,349,862	7,061,468	3,249,464
Landfill post-closure monitoring	324,074		43,838	280,236	40,000
Net pension obligation	94,172,704	18,137,560	9,000,000	103,310,264	15,956,437
Heart and hypertension	1,815,279	625,960	404,352	2,036,887	435,278
Claims and judgments	4,500,000			4,500,000	
Total governmental activities long-term liabilities	\$ 208,803,812	32,502,826	20,109,941	221,196,697	28,671,303

General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business type activities.

General Obligation Bonds are direct obligations and pledge the good faith and credit of the government. Certain general obligation bonds are to be repaid by revenues of the enterprise funds. These bonds generally are issued as 15 year or 20 year serial bonds with equal amounts of principal maturing each year. General obligation bonds currently outstanding are as follows:

	<u>Governmental</u>
School bonds with interest rates ranging from 2.10% to 6.0% and varying expiration dates ranging from March, 2006 to July, 2026.	\$ 63,887,782
General bonds with interest rates ranging from 2.70% to 6.0% and varying expiration dates ranging from March, 2006 to July, 2026.	<u>40,432,218</u>
Total General Obligation Bonds	<u>\$ 104,320,000</u>

TOWN OF HAMDEN, CONNECTICUT

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2007, Continued

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

Year Ended, June 30	Governmental Activity	
	Principal	Interest
2008	\$ 8,745,000	4,675,047
2009	8,715,000	3,866,056
2010	8,800,000	3,504,785
2011	8,695,000	3,139,884
2012	8,320,000	2,777,771
2013-2017	34,625,000	8,810,872
2018-2022	18,130,000	3,372,933
2023-2027	8,290,000	690,440
	<u>\$ 104,320,000</u>	<u>30,837,788</u>

The State of Connecticut reimburses the Town for eligible principal and interest costs of the portion of the capital improvement bond issues used for school construction. The amount of such reimbursement for the year ended June 30, 2007 was approximately \$569,327 principal and \$430,586 in interest. The Town expects to receive \$ 15,896,083 in principal payments and interest payments over the next 14 years. The principal portion of the receivable is included in the financial statements.

The Town has issued general obligation refunding bonds to provide resources to purchase U.S. Governmental State and local government securities that were then placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of general obligation bonds. As a result, the refunded bonds are considered defeased and the liability has been removed from the governmental activities column of the statement of net assets. The amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is the same as the life of the new debt issued. The advance refunding was undertaken to reduce total debt service payments over the next 15 years. The amount deferred was amortized over this period. The amount as June 30, 2007 that was considered to be defeased was \$22,659,617.

Capital Leases

Property and equipment carried at a cost of \$1,184,909 has been acquired under capital lease agreements. The annual payments under these leases are as follows;

2008	\$ 388,434
2009	288,901
2010	238,579
2011	<u>237,312</u>
	\$ 1,153,226
Less, amount representing interest	<u>(92,087)</u>
Total	<u>\$ 1,061,139</u>

TOWN OF HAMDEN, CONNECTICUT

NOTES TO THE FINANCIAL STATEMENTS June 30, 2007, Continued

Other Long-term Liabilities

Landfill post-closure monitoring

State and federal laws and regulations require that the Town perform certain maintenance and monitoring functions at the landfill site for thirty years after closure, which was 1991. The liability for the landfill post-closure care, aggregating \$280,236, is based on the amount estimated to be paid for all equipment, facilities and services required to monitor and maintain the landfills as of June 30, 2007. However, the actual cost of closure and post-closure care may be higher due to inflation, changes in technology or changes in landfill laws and regulations. Costs will be funded through future property taxes and/or state and federal grants.

Note 9 - Commitments and Contingencies

Lawsuits

Environmental Contingency

Until the late 1900's, it was a common practice in Connecticut to fill or drain wetlands and low-lying areas. These areas were thought to be a little more than mosquito breeding spots. Public health officials encouraged the filling of wetlands and low-lying land to protect public health. In many parts of the state, garbage and industrial waste from populated urban centers needed to be dumped somewhere. Creating dumps in wetlands seemed like the perfect solution. Large portions of the Newhall site contained wetlands and low-lying areas that were used by the public for dumping. Today we know that the waste included metals and chemicals that polluted the soil and groundwater. Although the owners of the polluted properties have changed since the dumping began, it is now the responsibility of the Town of Hamden, the Water Authority, the State Department of Environmental Protection (DEP) and Olin Corporation to clean up the pollution. This was established through a legal settlement and a consent order.

The Town has agreed to clean up Mill Rock Park and the portion of the Hamden Community Center (former Newhall Street School) not owned by the Regional Water Authority.

The Town has recorded a long-term liability of 4.5 million dollars to recognize the costs of the consent order. DEP released its final remediation standards plan in October 2007 and anticipates finalizing engineering plans in 2008.

Other than the above lawsuit, there are several personal injuries, negligence and personnel related lawsuits pending against the Town. The outcome and eventual liability of the Town, if any, in these cases are not known at this time. Based upon consultation with counsel, the Town's management 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.

TOWN OF HAMDEN, CONNECTICUT

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2007, Continued

Operating Lease Commitments

The Town is committed under operating leases of real estate, vehicles and office and data processing equipment. Lease expenditures for the year ended June 30, 2007 totaled approximately \$58,600. The future minimum lease payments under the noncancelable operating lease agreements are as follows:

<u>Year Ended</u>		<u>Amount</u>
2008	\$	<u>58,600</u>

Contracts

School Operating Contracts

The Town's Board of Education is contracted with a bus company for the transport of students. The future payments the Town is obligated to pay the bus company are approximately:

<u>Year Ended</u>		<u>Amount</u>
2008	\$	<u>5,254,302</u>
Total	\$	<u>5,254,302</u>

Construction Commitments

The Town has outstanding construction contracts of \$403,643 as of June 30, 2007. This included:

Educational Projects	\$	153,363
General Government Projects		<u>250,280</u>
Total Constructions Commitments	\$	<u>403,643</u>

Municipal solid waste management services contract

The Town has entered into the municipal solid waste management services contract, as amended (the Service Contract) with the Connecticut Resources Recovery Authority (the Authority) pursuant to which it participates with four other Connecticut Municipalities (the five constituting the Contracting Municipalities), in the Wallingford Resource Recovery System (the System). The System consists of mass-burn solid waste, recovery resource steam and electric generation facility (the Facility) located in the Town of Wallingford, Connecticut and various improvements and facilities related thereto, including landfills. The Facility is complete and presently receiving waste from the Contracting Municipalities.

Under the Service Contract, the Town is required to deliver, or cause to be delivered to the System, solid waste generated within its boundaries up to its minimum commitment of 34,500 tons per year and to pay a uniform per ton disposal service payment (the Service Payment). The current fee is \$59 per ton municipal solid waste.

TOWN OF HAMDEN, CONNECTICUT

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2007, Continued

The aggregated minimum commitment of the five Contracting Municipalities is 125,000 tons per year. The Town's Service Payment commitment is a "put-or-pay" commitment in that if the aggregate minimum commitment of the Contracting Municipalities is not met by the total deliveries of all the Contracting Municipalities in any year, the Town must pay the Service Payment for its full portion of the aggregate minimum commitment even if it did not deliver that full portion.

The Service Payment applicable in any contract year is calculated by estimating the net cost of operation, which is the cost of operation less revenues other than Service Payments, as such terms are defined in the Service Contract. The sum of all Service Payments and other payments from the Contracting Municipalities are required to be sufficient to pay or provide for the net cost of operations.

Service Payments shall be payable so long as the system is accepting solid waste delivered on behalf of the Town, whether or not such solid waste is processed at the Facility. The Town has pledged its full faith and credit to the payment of Service Payments and has also agreed to enforce or levy and collect all taxes, cost sharing or other assessments or charges and take all such other action as maybe necessary to provide for the payment of the Service Payments.

Risk Management and Self-Insurance

The Town is self-insured for employee health, workers' compensation and heart and hypertension benefits. The Town carries commercial insurance for its other insurable risks. Coverage has not been materially reduced nor have settled claims exceeded commercial coverage in any of the past three years.

The Town maintains a group health self-insurance plan to pay for medical claims of current and retired Town employees and their covered dependents. Payments related to these claims are made by an outside administrator under an administrative services contract and are accounted for in the medical insurance internal service fund. The Town estimated a liability for unpaid health claims based on historical experience. The Town maintains aggregate stop-loss coverage of \$19,678,924 and \$150,000 per individual for its medical claims.

From May 1989 to June 1998, the Town carried insurance for workers' compensation claims. Prior to this and effective July 1, 1998, the Town has self-insured its workers compensation claims up to their per loss deductible of \$350,000. Payments related to these claims are made by an outside administrator under an administrative services contract and are accounted for in the workers' compensation internal service fund. The Town estimates a liability for claims payable and claims incurred but not reported based on a combination of case-by-case review and historical experience and include incremental claim expenditures.

The Town is aware that reserves have not been set aside to cover expected claims in future years that relate to prior year inquiries. Currently, there is no actuarial study available to estimate the amount of reserves required.

TOWN OF HAMDEN, CONNECTICUT

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2007, Continued

Payments related to heart and hypertension are administered by the Town and are accounted for in the General Fund as they only related to two departments. The Town records and estimates for claims incurred but not reported for active employees; however, because all significant payments for heart and hypertension benefits are made to retirees, these are accounted for on a pay-as-you-go basis consistent with other post employment benefits. During the year ended June 30, 2007, the Town paid approximately \$ 404,352 to retirees.

The Internal Service Funds' recent history of changes in the liabilities for self-insured risks is as follows:

Fiscal Year Ended	Claims Payable July 1	Claims and Changes in Estimates	Claim Paid	Claims Payable June 30
2006	\$ 1,873,744	23,732,446	23,631,748	1,974,442
2007	1,794,442	23,564,086	23,950,302	1,408,226

Other Post-employment Benefits

In addition to the pension benefits described in Note 9, the Town provides post-employment health care benefits in accordance with employee bargaining agreements to all employees who retire with at least 20 years of regular service or 10 years of service for disability retirement. Currently, approximately 630 participants meet the eligibility requirements. The Town provides coverage through contract carriers for retirees over 65 and a self-insurance program for retirees under 65.

Note 10 - Employee Retirement Plans

Plan Description

The Town is the administrator of a single-employer, contributory, defined benefit public employee retirement system (PERS) established in 1949 (amended and restated effective July 1, 2000) under a trust agreement and administered by the Town to provide pension benefits for its employees. The PERS is considered to be a part of the Town of Hamden's financial reporting entity and is included in the Town's financial reports as the Employee Retirement Pension Trust Fund. A stand-alone plan report is available from the Town's Finance Department, 2750 Dixwell Avenue, Hamden, Connecticut 06518.

As of July 1, 2006, the date of the most recent actuarial valuation, employee membership consisted of:

Retirees and beneficiaries currently receiving benefits	657
Terminated Employee entitled to benefits but not yet receiving them	19
Active Plan Participants:	
Vested (fully or partially)	280
Non-Vested	348
	628
	1,304

TOWN OF HAMDEN, CONNECTICUT

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2007, Continued

The PERS is a contributory defined benefit plan. Substantially all full-time employees of the Town are eligible to participate. Participants in the State Teachers' Retirement System, part-time Town employees and officials elected by popular vote are excluded.

Employees begin to vest their retirement benefits after completion of at least 10 years of credited service, and full vesting is attained after completing 15 years of service.

Employees hired into the Guardian services (members of the police and fire departments) after July 1, 2006 will participate in the Connecticut Municipal Retirement System (CMERS) and are not eligible to participate in the Plan.

The Plan provides retirement benefits, disability retirement benefits and pre-retirement and post-retirement death benefits. The Plan includes specific benefit provisions, vesting rules and employee contribution rules for the following employee classifications: guardian employees and service employees. Guardian employees are defined as full-time employees who are members of the police or fire department. All other town employees are considered to be service employees. The plan provides for an annual cost of living adjustment to pension benefit payments based on changes in the consumer pricing index.

Guardian employees receive normal pension benefits equal to 2.5% of average annual compensation per year of credited service for the first 20 years, plus 3% per year of credited service for the next 5 years, plus 2% per year in excess of 25 years to a maximum of 35 years. Disability benefits are provided as the greater of 30% of average annual compensation if hired on or after July 1, 1981, 25% if hired on or after July 1, 1987, or normal pension accrued. Guardian employees hired prior to July 1, 1981 have a minimum benefit of 50% of average annual compensation.

Service employees receive normal pension benefits equal to 2.5% of average annual compensation per year of credited service for the first 20 years, plus 2% in excess of 20 years to a maximum of 35 years. No employee shall receive more than 80% except for employees with the required years of service and were hired before July 1, 2007. As of June 30, 2007, such employee's benefits shall be frozen. Disability benefits are provided as the greater of 50% of average annual compensation or the employee's normal retirement pension.

The Town of Hamden makes contributions to the Plan, at the discretion of the legislative board.

Plan provisions include mandatory employee contributions by service employees. Effective January 1, 2000, plan provisions also include mandatory employee contributions by guardian employees and all employee contributions are made on a pre-tax basis. These contributions are negotiated as part of the collective bargaining agreements.

Service employees currently contribute 5.5% of their annual covered salary. Guardian employees contribute 5% of covered salary. Covered salary includes regular payroll, vacation, holiday, personal, longevity and sick time payroll.

Employees are 100% vested in their contributions to the Plan. If a member leaves employment prior to becoming eligible for benefits, all accumulated employee contributions will be paid to the member in the form of a lump sum payment with interest calculated at 5% per year.

TOWN OF HAMDEN, CONNECTICUT

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2007, Continued

The Plan may be discontinued or amended in any respect at any time by action of the Town's Legislative Council.

The significant actuarial assumptions are as follows:

Valuation Date	July 1, 1006
Actuarial Cost Method	Entry age normal cost method
Amortization Method	4% of Salary Based on Inflation
Remaining Amortization Period	30 years as of July 1, 2006
Asset Valuation Method	Market Value
Investment Rate of Return	8% per annum
Salary Increases	5% per annum
Inflation Rate	3% per annum

The Town's annual pension cost and net pension obligation for the year ended June 30, 2007 were as follows:

Annual Required Contribution	\$ 15,956,437
Interest on Net Pension Obligation	7,533,816
Adjustments to Annual Required Contribution	<u>(5,352,693)</u>
Annual Pension Cost	\$ 18,137,560
Contribution Made	<u>(9,000,000)</u>
Increase in Net Pension Obligation	\$ 9,137,560
Net Pension Obligation, Beginning of Year	<u>94,172,704</u>
Net Pension Obligation, End of Year	<u>\$ 103,310,264</u>

Trend Information

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
June 30, 2006	15,094,097	40.0	94,172,704
June 30, 2005	15,094,155	19.9	84,188,252
June 30, 2004	12,287,072	8.1	72,094,155
June 30, 2003	11,532,566	7.8	60,807,083
June 30, 2002	7,261,411	3.4	50,180,369
June 30, 2001	6,805,924	0.0	43,168,958
June 30, 2000	8,086,025	0.0	36,363,034
June 30, 1999	7,742,934	22.6	28,277,009

TOWN OF HAMDEN, CONNECTICUT

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2007, Continued

Schedule of Employer Contributions

<u>Year Ended June 30, Year</u>		<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
2007	\$	15,959,437	56.4 %
2006		13,951,743	43.0
2005		13,287,374	22.6
2004		10,660,385	9.4
2003		6,044,233	8.9
2002		5,756,815	4.1
2001		7,252,800	0.0
2000		7,073,400	0.0
1999		6,801,300	24.7
1998		6,801,300	58.8

Schedule of Fund Progress (in 000's)

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) Entry Age (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a % of Covered Payroll ((b-a)/c)</u>
07/01/06	82,718,403	278,857,512	196,139,109	29.68%	30,598,423	641.010
07/01/05	n/a	n/a	n/a	n/a	n/a	n/a
07/01/04	83,785,549	239,835,010	156,049,461	34.93	30,840,944	505.989%
07/01/03	n/a	n/a	n/a	n/a	n/a	n/a
07/01/02	93,085,769	210,215,350	117,129,581	44.28	25,812,990	453.769
07/01/01	n/a	n/a	n/a	n/a	n/a	n/a
07/01/00	134,230,520	187,009,303	52,778,783	71.78	26,563,079	198.699
07/01/99	n/a	n/a	n/a	n/a	n/a	n/a

Teachers' Retirement System

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

TOWN OF HAMDEN, CONNECTICUT

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2007, Continued

Covered employees

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

Members of the professional staff of the State Department of Education or the Board of Governors of Higher Education and their constituent units may elect to participate in this system, the State Employees Retirement System or the Alternate Retirement Plan (TIAA-CERF).

Vesting requirements

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

Pension contribution requirements/amounts by State

The pension contributions made by the State to the plan are determined on an actuarial reserve basis as described in CGS Sections 10-1831 and 10-183z. For the fiscal year ended June 30, 2007 \$412,101,958 was expended to meet the State's funding requirements. The results of the State's actuarial valuation at June 30, 2007 did not contain information, which would show the development of the State's actuarial cost by local school district. The State's estimated total payroll was \$3,281,061,109. The State's appropriation represented 12.68% of the total estimated payroll.

Participants are required to contribute 7.25% of their annual salary rate to the system as required by CGS Section 10-183b(7). For the 2006-2007 school year 7.5% *mandatory* contributions were deducted from the salaries of teachers who were participants of the plan during the school year. The estimated covered payroll for Hamden is approximately 36,885,012 million dollars.

For the year ended June 30 2007, the following information is applicable to the Town:

Total Number of Teachers Participants	<u>550</u>
Participant Contributions	<u>\$ 2,674,163</u>
On-Behalf State Payments	<u>\$ 4,632,73</u>

TOWN OF HAMDEN, CONNECTICUT

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2007

Note 11 - Fund Deficits

The Town has the following Fund Deficits at June 30, 2007 and expects to eliminate the deficits in the future as follows:

<u>Fund</u>	<u>June 30, 2007</u>	<u>Fund Deficit Plan for Eliminating Deficit</u>
Special Revenue Funds:		
Public Works	\$ 11,551	Future Grant Revenue
Community Development Block Grant	92,504	Future Grant Revenue
Capital Projects Funds:		
Construction of Spring Glenn	735,591	Future Bond Issuances
Bear Path School Renovations	1,038,687	Future Bond Issuances
Wintergreen Inter-district	367,802	Future Bond Issuances
Hamden Middle School Project	2,396,841	Future Bond Issuances
Proprietary Funds:		
Medical Insurance	1,271,952	Future Contributions

Note 12 - Subsequent Events

Bond anticipation note

On July 28, 2007, the Town issued a bond anticipation refunding note totaling \$12,300,000. The note will be due July 27, 2008 with interest at a rate of 4.25%. The purpose of the note was to fund various school projects.

Pronouncements Issued, Not Yet Effective

The Governmental Accounting Standards Board (GASB) has issued several pronouncements prior to June 30, 2007 that have effective dates that may impact future financial presentations and have not been implemented as of June 30, 2007.

The following statement is expected to have a significant impact on the financial statements.

GASB's Statement No 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions Statement establishes standards for the measurement, recognition, and display of OPEB expense/expenditures and related liabilities (assets), note disclosures, and, if applicable, required supplementary information (RSI) in the financial reports of state and local governmental employers.

GENERAL FUND REVENUES AND OTHER FINANCING SOURCES
BUDGETARY BASIS - BUDGET AND ACTUAL
For the Year Ended June 30, 2007

	Budgeted Amounts		Actual Amounts	Final Budget - Positive (Negative)
	Original	Final		
PROPERTY TAXES				
Current taxes	\$ 115,896,143	115,896,143	115,856,608	(39,535)
Delinquent taxes	1,150,000	1,150,000	1,212,807	62,807
Supplemental taxes	990,000	990,000	1,078,462	88,462
Property tax interest	750,000	750,000	728,549	(21,451)
Property tax liens	8,000	8,000	10,012	2,012
Suspense collections	70,000	70,000	75,331	5,331
New construction	120,000	120,000	195,838	75,838
Water main assessment	20	20	1,016	996
Total property taxes	\$ 118,984,163	118,984,163	119,158,623	174,460
INTERGOVERNMENTAL				
PILOT - State owned property	\$ 639,480	639,480	641,438	1,958
Library grant	5,000	5,000	-	(5,000)
Property tax relief	370,446	370,446	370,446	-
Elderly exemption freeze	32,190	32,190	30,086	(2,104)
Elderly exemption - circuit breaker	472,250	472,250	431,168	(41,082)
Diability exemption	6,827	6,827	7,234	407
PILOT - colleges and hospitals	2,404,389	2,404,389	2,407,299	2,910
Boat grant	10,000	10,000	9,094	(906)
Homeland security train. - St. of CT	7,000	7,000	-	(7,000)
Telecommunication access	281,255	281,255	274,500	(6,755)
PILOT - veterans exemption	112,937	112,937	108,420	(4,517)
Civil preparedness reimbursement	28,000	28,000	32,428	4,428
Distressed municipalities	32,520	32,520	33,664	1,144
PILOT - Machinery and equipment	224,342	224,342	185,928	(38,414)
Mashantucket Pequot fund	1,483,841	1,483,841	1,446,086	(37,755)
911 Call Center	96,000	96,000	104,925	8,925
Adult education	177,557	177,557	180,820	3,263
Magnet schools	27,000	27,000	70,000	43,000
School construction	1,683,550	1,683,550	1,707,870	24,320
Public school transportation	987,144	987,144	940,539	(46,605)
State bond interest subsidies	890,040	890,040	653,487	(236,553)
Nonpublic school transportation	181,979	181,979	189,505	7,526
Nonpublic school health	123,000	123,000	175,073	52,073
Education cost sharing grant	19,465,692	19,465,692	19,511,592	45,900
PILOT - Greater New Haven W.P.C.A.	73,300	73,300	109,950	36,650
PILOT - Water Authority	760,000	760,000	603,075	(156,925)
Miscellaneous grants	5,000	5,000	-	(5,000)
Total intergovernmental	\$ 30,580,739	30,580,739	30,224,627	(356,112)
LICENSES, PERMITS AND FEES				
Town clerk	\$ 2,468,000	2,468,000	2,511,130	43,130
Police department	196,840	196,840	54,973	(141,867)
Fire department	72,250	72,250	11,986	(60,264)
Building	1,998,125	1,998,125	969,480	(1,028,645)
Engineering	31,230	31,230	21,925	(9,305)
Total licenses, permits and fees	\$ 4,766,445	4,766,445	3,569,494	(1,196,951)

(Continued)

GENERAL FUND REVENUES AND OTHER FINANCING SOURCES
BUDGETARY BASIS - BUDGET AND ACTUAL
For the Year Ended June 30, 2007

	Budgeted Amounts		Actual Amounts	Final Budget - Positive (Negative)
	Original	Final		
CHARGES FOR SERVICES				
Other rents	\$ 10,000	10,000	6,712	(3,288)
Insurance reimbursements	275,000	275,000	77,529	(197,471)
Med. part D reimbursement	500,000	500,000	-	(500,000)
Police extra duty	1,750,000	1,750,000	1,674,205	(75,795)
Assessor fees	3,300	3,300	2,639	(661)
Elderly services charges	6,000	6,000	5,997	(3)
Youth services charges	1,400	1,400	900	(500)
Public works charges	118,000	118,000	75,172	(42,828)
Library charges	40,500	40,500	31,628	(8,872)
Parks and recreations	720,900	720,900	876,975	156,075
Dog warden	2,500	2,500	1,980	(520)
Planning and zoning	162,000	162,000	96,771	(65,229)
Total charges for services	\$ 3,589,600	3,589,600	2,850,508	(739,092)
FINES AND FORFEITS				
Traffic violations	\$ 1,000	1,000	-	(1,000)
INVESTMENT EARNINGS				
Interest and dividends	\$ 1,475,000	1,475,000	1,867,996	392,996
MISCELLANEOUS REVENUES				
Emergency Management	\$ 15,500	15,500	-	(15,500)
Prior years surplus	3,945,991	3,945,991	3,945,991	-
Finance department	285,000	285,000	334,162	49,162
Total miscellaneous revenues	\$ 4,246,491	4,246,491	4,280,153	33,662
Total Revenues	\$ 163,643,438	163,643,438	161,951,401	(1,692,037)

**GENERAL FUND EXPENDITURES, ENCUMBRANCES AND TRANSFERS OUT-
BUDGETARY BASIS - BUDGET AND ACTUAL
For the Year Ended June 30, 2007**

	Budgeted Amounts		Actual Amounts	Final Budget - Positive (Negative)
	Original	Final		
Board of Education	\$ 70,700,000	70,700,000	70,646,973	53,027
General Government				
Legislative council	\$ 2,626,231	533,433	353,550	179,883
Mayor	434,536	447,581	444,294	3,287
Elections and registrar	158,538	159,063	127,443	31,620
Finance	3,837,842	3,757,568	3,710,073	47,495
Tax Assessor	343,824	343,824	323,877	19,947
Review of assessments	5,400	5,400	5,400	-
Tax collector	435,520	522,573	507,247	15,326
Town attorney	672,045	526,010	366,017	159,993
Town clerk	448,370	461,495	437,534	23,961
Planning and zoning	422,449	441,445	434,463	6,982
Personnel	234,707	245,207	222,106	23,101
Economic development	109,413	134,308	126,648	7,660
Purchasing	768,962	798,962	693,660	105,302
Probate court	14,000	14,000	2,546	11,454
Board of ethics	1,000	1,000	-	1,000
Total General Government	\$ 10,512,837	8,391,869	7,754,858	637,011
Public Safety				
Animal control	\$ 110,687	111,162	108,465	2,697
Police department	10,174,082	10,209,642	9,787,928	421,714
Fire department	9,212,670	9,501,670	9,388,595	113,075
Civil defense and preparedness	15,360	15,360	12,731	2,629
Total Public Safety	\$ 19,512,799	19,837,834	19,297,719	540,115
Public Works				
Building administration	\$ 298,366	309,996	309,191	805
Public works department	9,280,798	9,889,263	9,587,341	301,922
Sewer usage charges	20,000	20,000	18,512	1,488
Engineering	769,545	779,346	760,660	18,686
Total Public Works	\$ 10,368,709	10,998,605	10,675,704	322,901
Health and Welfare				
Elderly services	\$ 390,854	410,864	402,467	8,397
Community services	223,450	263,723	238,202	25,521
Youth services	180,452	187,202	181,640	5,562
Mental health	160,680	160,680	157,080	3,600
Quinnipiac valley health	301,700	301,700	301,698	2
Visiting nurses association	64,000	64,000	64,000	-
Total Health and Welfare	\$ 1,321,136	1,388,169	1,345,087	43,082

(Continued)

**GENERAL FUND EXPENDITURES, ENCUMBRANCES AND TRANSFERS OUT-
BUDGETARY BASIS - BUDGET AND ACTUAL
For the Year Ended June 30, 2007**

	Budgeted Amounts		Actual Amounts	Final Budget - Positive (Negative)
	Original	Final		
Culture and Recreation				
Library	\$ 1,576,026	1,649,243	1,606,847	42,396
Parks and recreation	2,019,618	2,166,329	2,075,700	90,629
Arts programs	110,872	110,872	110,824	48
Total Culture and Recreation	<u>\$ 3,706,516</u>	<u>3,926,444</u>	<u>3,793,371</u>	<u>133,073</u>
Employee Benefits				
Medical insurance	\$ 22,928,345	22,928,345	22,928,345	-
Pension	9,000,000	9,000,000	9,000,000	-
Fringes	3,820,000	4,699,075	4,157,271	541,804
Total Employee Benefits	<u>\$ 35,748,345</u>	<u>36,627,420</u>	<u>36,085,616</u>	<u>541,804</u>
Debt Service				
Principal retirements	\$ 6,950,000	6,950,000	6,950,000	-
Interest	4,823,096	4,823,097	4,823,097	-
Anticipated bonding				-
Total Debt Service	<u>\$ 11,773,096</u>	<u>11,773,097</u>	<u>11,773,097</u>	<u>-</u>
Total Expenditures and Encumbrances	<u>\$ 163,643,438</u>	<u>163,643,438</u>	<u>161,372,425</u>	<u>2,271,013</u>

TOWN OF HAMDEN, CONNECTICUT

COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS
 June 30, 2007

ASSETS	Special Revenue Funds		
	Human Services	Culture and Recreation	Public Safety
Current Assets			
Cash and cash equivalents	\$		34,312
Investments			
Receivables:			
Intergovernmental			39
Other	4,829		
Inventory			
Due from other funds	171,508	948	295,464
Total Assets	\$ <u>176,337</u>	<u>948</u>	<u>329,815</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 5,075		25,281
Due to other funds		553	59,565
Deferred revenue	2,499		
Temporary notes payable			
Total Liabilities	\$ <u>7,574</u>	<u>553</u>	<u>84,846</u>
Fund Balances (Deficits)			
Reserved for encumbrances	\$		
Reserved for inventory			
Reserved for loans			
Reserved for endowments			
Unreserved:			
Undesignated	168,763	395	244,969
Total Fund Balances (Deficits)	\$ <u>168,763</u>	<u>395</u>	<u>244,969</u>
Total Liabilities and Fund Balances (Deficits)	\$ <u>176,337</u>	<u>948</u>	<u>329,815</u>

Special Revenue Funds

<u>Public Works</u>	<u>Community Development</u>	<u>Town Revitalization Projects</u>	<u>Board of Education</u>	<u>General Government</u>	<u>Total</u>
	3,011	790,399	749,814		1,577,536
					-
			342,222		342,261
		107,329			112,158
			44,556		44,556
		174,667		146,587	789,174
<u>-</u>	<u>3,011</u>	<u>1,072,395</u>	<u>1,136,592</u>	<u>146,587</u>	<u>2,865,685</u>
11,551	69,314	50,614	376,379	16,237	542,900
	26,201	31,108	229,985		358,963
		50,411	195,042		247,952
					-
<u>11,551</u>	<u>95,515</u>	<u>132,133</u>	<u>801,406</u>	<u>16,237</u>	<u>1,149,815</u>
	43,190			15,400	58,590
			44,556		44,556
		107,329			107,329
<u>(11,551)</u>	<u>(135,694)</u>	<u>832,933</u>	<u>290,630</u>	<u>114,950</u>	<u>1,505,395</u>
<u>(11,551)</u>	<u>(92,504)</u>	<u>940,262</u>	<u>335,186</u>	<u>130,350</u>	<u>1,715,870</u>
<u>-</u>	<u>3,011</u>	<u>1,072,395</u>	<u>1,136,592</u>	<u>146,587</u>	<u>2,865,685</u>

(Continued)

TOWN OF HAMDEN, CONNECTICUT

COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
June 30, 2007

ASSETS	Capital Projects Funds			
	Farmington Canal	Wintergreen Interdistrict Magnet School	Construction of Spring Glen School	Brooksvale Park Renovation and Acquisition Grant
Cash and cash equivalents	\$	11,984	(2,362)	
Investments				
Receivables:				
Intergovernmental		749,772		
Other				
Inventory				
Due from other funds	801,232			99,889
Total Assets	\$ 801,232	761,756	(2,362)	99,889
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 1,637			
Due to other funds		1,129,558	733,229	
Deferred revenue				
Temporary notes payable				
Total Liabilities	\$ 1,637	1,129,558	733,229	-
Fund Balances (Deficits):				
Reserved for encumbrances	\$		82,004	
Reserved for Inventory				
Reserved for inventory				
Reserved for endowments				
Unreserved:				
Undesignated	799,595	(367,802)	(817,595)	99,889
Total Fund Balances (Deficits)	\$ 799,595	(367,802)	(735,591)	99,889
Total Liabilities and Fund Balances (Deficits)	\$ 801,232	761,756	(2,362)	99,889

Capital Projects Funds			Permanent Fund	
Bear Path School Renovations	Other Capital Projects	Total	Permanent Fund	Total
211,846	21,533	243,001	13,346	1,833,883
		-		-
	37,144	786,916		1,129,177
		-		112,158
		-		44,556
	1,815,851	2,716,972		3,506,146
<u>211,846</u>	<u>1,874,528</u>	<u>3,746,889</u>	<u>13,346</u>	<u>6,625,920</u>
	55,431	57,068		599,968
1,317,407	821,151	4,001,345	1,381	4,361,689
	8,250	8,250		256,202
		-		-
<u>1,317,407</u>	<u>884,832</u>	<u>4,066,663</u>	<u>1,381</u>	<u>5,217,859</u>
(66,874)	441,244	456,374		514,964
		-		44,556
			11,965	107,329
				11,965
				-
<u>(1,038,687)</u>	<u>548,452</u>	<u>(776,148)</u>		<u>729,247</u>
<u>(1,105,561)</u>	<u>989,696</u>	<u>(319,774)</u>	<u>11,965</u>	<u>1,408,061</u>
<u>211,846</u>	<u>1,874,528</u>	<u>3,746,889</u>	<u>13,346</u>	<u>6,625,920</u>

TOWN OF HAMDEN, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES (DEFICITS) - NON-MAJOR GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2007

	<u>Special Revenue Funds</u>		
	<u>Human Services</u>	<u>Culture and Recreation</u>	<u>Public Safety</u>
Revenues			
Intergovernmental	\$ 521,616	1,886	490,122
Charges for services	176,601		
Investment earnings			
Other	1,406	10,597	17,272
Total Revenues	<u>\$ 699,623</u>	<u>12,483</u>	<u>507,394</u>
Expenditures			
Education	\$		
General government			
Public safety			387,836
Public works			
Health and welfare	586,734		
Culture and recreation		10,730	
Community development			
Capital outlay			
Bond issuance costs			
Total Expenditures	<u>\$ 586,734</u>	<u>10,730</u>	<u>387,836</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 112,889</u>	<u>1,753</u>	<u>119,558</u>
Other Financing Sources (Uses)			
Long-term debt issued	\$		
Transfers in			
Transfers out			
Total Other Financing Sources (Uses)	<u>\$ -</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances (Uses)	<u>\$ 112,889</u>	<u>1,753</u>	<u>119,558</u>
Fund Balance - Beginning	<u>55,874</u>	<u>(1,358)</u>	<u>125,411</u>
Fund Balances - Ending	<u>\$ 168,763</u>	<u>395</u>	<u>244,969</u>

Special Revenue Funds					
Public Works	Community Development	Town Revitalization Projects	Board of Education	General Government	Total
	879,745	24,997	5,612,085	13,586	7,544,037
			1,135,009		1,311,610
			2,636		2,636
179		557,806		54,257	641,517
179	879,745	582,803	6,749,730	67,843	9,499,800
			6,656,055		6,656,055
				23,190	23,190
					387,836
					-
					586,734
					10,730
	828,761	134,945			963,706
					-
					-
-	828,761	134,945	6,656,055	23,190	8,628,251
179	50,984	447,858	93,675	44,653	871,549
					-
					-
-		-	-	-	-
179	50,984	447,858	93,675	44,653	871,549
(11,730)	(143,488)	492,404	241,511	85,697	844,321
(11,551)	(92,504)	940,262	335,186	130,350	1,715,870

(Continued)

TOWN OF HAMDEN, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES (DEFICITS) - NON-MAJOR GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2007

	Capital Projects Funds			
	Farmington Canal	Wintergreen Interdistrict Magnet School	Construction of Spring Glen School	Brooksvale Park Renovation and Acquisition Grant
Revenues				
Intergovernmental	\$ 142,100			
Charges for services				
Investment earnings				
Other				55,974
Total Revenues	<u>\$ 142,100</u>	<u>-</u>	<u>-</u>	<u>55,974</u>
Expenditures				
Education				
General government				
Public safety				
Public works				
Health and welfare				
Culture and recreation				
Community development				
Capital outlay	343,279	161,190		
Bond issuance costs				
Total Expenditures	<u>\$ 343,279</u>	<u>161,190</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (201,179)</u>	<u>(161,190)</u>	<u>-</u>	<u>55,974</u>
Other Financing Sources (Uses):				
Long-Term Debt Issued	\$ 883,600			61,000
Transfers In				
Transfers Out				
Total Other Financing Sources (Uses)	<u>\$ 883,600</u>	<u>-</u>	<u>-</u>	<u>61,000</u>
Net Changes in Fund Balances (Uses)	<u>\$ 682,421</u>	<u>(161,190)</u>	<u>-</u>	<u>116,974</u>
Fund Balance - Beginning	<u>117,174</u>	<u>(206,612)</u>	<u>(735,591)</u>	<u>(17,085)</u>
Fund Balances - Ending	<u>\$ 799,595</u>	<u>(367,802)</u>	<u>(735,591)</u>	<u>99,889</u>

Capital Projects Funds			Permanent Fund	
Bear Path School Renovations	Other Capital Projects	Total	Bequest Fund	Total
	1,795,679	1,937,779		9,481,816
		-		1,311,610
		-	400	3,036
		55,974		697,491
-	1,795,679	1,993,753	400	11,493,953
		-		6,656,055
	73,608	73,608		96,798
		-		387,836
	587,286	587,286		587,286
		-		586,734
	490,054	490,054		500,784
		-		963,706
	356,603	861,072		861,072
		-		-
-	1,507,551	2,012,020	-	10,640,271
-	288,128	(18,267)	400	853,682
	1,300,000	2,244,600		2,244,600
		-		-
		-		-
-	1,300,000	2,244,600	-	2,244,600
-	1,588,128	2,226,333	400	3,098,282
(1,105,561)	(598,432)	(2,546,107)	11,565	(1,690,221)
(1,105,561)	989,696	(319,774)	11,965	1,408,061

COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
June 30, 2007

	<u>Workers' Compensation Fund</u>	<u>Medical Insurance Fund</u>	<u>Total</u>
ASSETS			
Current Assets			
Cash and cash equivalents	\$ 647,820	939,793	1,587,613
Other receivables			-
Due from other funds	5,299		5,299
Total Current Assets	<u>\$ 653,119</u>	<u>939,793</u>	<u>1,592,912</u>
Total Assets	<u>\$ 653,119</u>	<u>939,793</u>	<u>1,592,912</u>
LIABILITIES			
Current Liabilities			
Accounts payable	\$ 115,779		115,779
Due to other funds		1,340,859	1,340,859
Claims incurred but not reported	287,925	1,120,301	1,408,226
Total Current Liabilities	<u>\$ 403,704</u>	<u>2,461,160</u>	<u>2,864,864</u>
Total Liabilities	<u>\$ 403,704</u>	<u>2,461,160</u>	<u>2,864,864</u>
NET ASSETS			
Net Assets	\$ 249,415	(1,521,367)	(1,271,952)
Total Net Assets	<u>\$ 249,415</u>	<u>(1,521,367)</u>	<u>(1,271,952)</u>

COMBINING STATEMENT OF REVENUE, EXPENSES AND CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2007

	<u>Workers'</u> <u>Compensation</u> <u>Fund</u>	<u>Medical</u> <u>Insurance</u> <u>Fund</u>	<u>Total</u>
OPERATING REVENUES			
Charges for services	\$ 1,100,000	24,634,481	25,734,481
OPERATING EXPENSES:			
Claims expense	\$ 1,145,952	22,804,350	23,950,302
Operating Income (Loss)	<u>\$ (45,952)</u>	<u>1,830,131</u>	<u>1,784,179</u>
NON-OPERATING REVENUES (EXPENSES):			
Investment earnings	\$ 13,296	42,351	55,647
Change in Net Assets	\$ (32,656)	1,872,482	1,839,826
Net Assets - Beginning	<u>282,071</u>	<u>(3,393,849)</u>	<u>(3,111,778)</u>
Net Assets - Ending	<u>\$ 249,415</u>	<u>(1,521,367)</u>	<u>(1,271,952)</u>

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2007**

	<u>Workers' Compensation Fund</u>	<u>Medical Insurance Fund</u>	<u>Total</u>
Cash Flows From Operating Activities			
Receipts from customers and users	\$ 1,100,000	24,634,481	25,734,481
Cash payments for claims and fees	(1,413,998)	(23,478,305)	(24,892,303)
Net Cash Provided (Used) By Operating Activities	<u>\$ (313,998)</u>	<u>1,156,176</u>	<u>842,178</u>
Cash flows to noncapital financing activities:			
Payments made from (to) other funds	\$ -	(258,734)	(258,734)
Net cash used by noncapital financing activities	<u>\$ -</u>	<u>(258,734)</u>	<u>(258,734)</u>
Cash Flows from Investing Activities			
Investment income	\$ 13,296	42,351	55,647
Net Cash Provided By Investing Activities	<u>\$ 13,296</u>	<u>42,351</u>	<u>55,647</u>
Net Increase (Decrease) In Cash and Cash Equivalents	\$ (300,702)	939,793	639,091
Cash and Cash Equivalents - Beginning	<u>948,500</u>	<u>-</u>	<u>948,500</u>
Cash and Cash Equivalents - Ending	<u>\$ 647,798</u>	<u>939,793</u>	<u>1,587,591</u>
Reconciliation Of Operating Income To Net Cash Provided (Used) By Operating Activities			
Operating income or (loss) from operations	\$ (45,952)	1,830,131	1,784,179
Adjustment to reconcile operating loss to net cash Used in Operating Activities:			
Changes in Assets and Liabilities:			
Increase (decrease) in accounts payable	\$ (186,856)	(188,929)	(375,785)
Increase (decrease) in claims liabilities	(81,190)	(485,026)	(566,216)
Total Adjustments	<u>\$ (268,046)</u>	<u>(673,955)</u>	<u>(942,001)</u>
Net Cash Provided (Used) By Operating Activities	<u>\$ (313,998)</u>	<u>1,156,176</u>	<u>842,178</u>

**COMBINING STATEMENT OF FIDUCIARY NET ASSETS
PRIVATE PURPOSE TRUST FUNDS
June 30, 2007**

	<u>Library Gift Fund</u>	<u>Hamden Arts Commission</u>	<u>Other Private Purpose Trust Funds</u>	<u>Total</u>
ASSETS				
Current Assets				
Cash and cash equivalents	\$ 87,392	40,046	41,407	168,845
Due from other funds	<u>3,835</u>		<u>98,194</u>	<u>102,029</u>
Total Assets	<u>\$ 91,227</u>	<u>40,046</u>	<u>139,601</u>	<u>270,874</u>
LIABILITIES AND NET ASSETS				
Current Liabilities				
Accounts payable and accrued liabilities	\$		20,967	20,967
Deferred revenue			1,125	1,125
Due to other funds			<u>5,162</u>	<u>5,162</u>
Total Current Liabilities	<u>\$ -</u>	<u>-</u>	<u>27,254</u>	<u>27,254</u>
Net Assets				
Unrestricted and undesignated	\$ <u>91,227</u>	<u>40,046</u>	<u>112,347</u>	<u>243,620</u>
Total Net Assets	<u>\$ 91,227</u>	<u>40,046</u>	<u>112,347</u>	<u>243,620</u>

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
PRIVATE PURPOSE TRUST FUNDS
For the Year Ended June 30, 2007**

	<u>Library Gift Fund</u>	<u>Hamden Arts Commission</u>	<u>Other Private Purpose Trust Funds</u>	<u>Total</u>
Additions				
Investment Income:				
Interest and dividends	\$ 1,445		60,105	61,550
Total Investment Income	<u>\$ 1,445</u>	<u>-</u>	<u>60,105</u>	<u>61,550</u>
Other Income	\$ 84,603	88,316	87,065	259,984
Total Additions	<u>\$ 86,048</u>	<u>88,316</u>	<u>147,170</u>	<u>321,534</u>
Deductions				
Benefits and other deductions	\$ 64,932	117,081	115,900	297,913
Net Change in Net Assets	\$ 21,116	(28,765)	31,270	23,621
Net Assets Held in Trust for Pension Benefits and Other Purposes - Beginning of Year	<u>70,111</u>	<u>68,811</u>	<u>81,077</u>	<u>219,999</u>
Net Assets Held in Trust for Pension Benefits and Other Purposes - End of Year	<u>\$ 91,227</u>	<u>40,046</u>	<u>112,347</u>	<u>243,620</u>

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
AGENCY FUNDS
June 30, 2007**

	<u>Student Activity</u>	<u>Adult Activity</u>	<u>Performance Bonds</u>	<u>Total</u>
ASSETS				
Current Assets				
Cash and cash equivalents	\$ 143,823	86,694	1,376,025	1,606,542
Due from other funds			79,025	79,025
Total Assets	<u>\$ 143,823</u>	<u>86,694</u>	<u>1,455,050</u>	<u>1,685,567</u>
LIABILITIES AND FUND BALANCES				
Current Liabilities				
Due to other funds				-
Due to other groups and agencies	\$ 143,823	86,694	1,455,050	1,685,567
Total Current Liabilities	<u>\$ 143,823</u>	<u>86,694</u>	<u>1,455,050</u>	<u>1,685,567</u>

TOWN OF HAMDEN, CONNECTICUT

SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING
For the Year Ended June 30, 2007

	Balance Uncollected June 30, 2006 and Current List	Lawful Correction		Transfers To/From Suspense	Adjusted Balance To Be Collected
		Additions	(Deletions)		
1991	\$ 29,436	78	(24,941)		4,573
1992	30,487				30,487
1993	36,895				36,895
1994	47,410				47,410
1995	63,179				63,179
1996	66,058				66,058
1997	30,989	140			31,129
1998	49,257				49,257
1999	59,407	131			59,538
2000	15,086		(3,972)		11,114
2001	(16,171)		(14,845)		(31,016)
2002	(19,748)		(14,442)		(34,190)
2003	404,592		(21,003)	(299,692)	83,897
2004	1,255,759		668		1,256,427
Prior Years					
Total	\$ 2,052,636	349	(78,535)	(299,692)	1,674,758
2005		118,245,281	65,440		118,310,721
	<u>\$ 2,052,636</u>	<u>118,245,630</u>	<u>(13,095)</u>	<u>(299,692)</u>	<u>119,985,479</u>

SCHEDULE 11

Tax Overpayment	Cash Collections			Total	Balance Uncollected June 30, 2007
	Tax	Interest	Lien Fee		
	4,573	45,505		50,078	-
12,391	-			-	42,878
22,375	79	186	24	289	59,191
21,510	79	171	24	274	68,841
26,220	563	1,020	48	1,631	88,836
28,478	2,010	2,218	48	4,276	92,526
61,547	1,075	1,592	48	2,715	91,601
50,766	3,158	4,022	72	7,252	96,865
33,472	3,209	3,454	72	6,735	89,801
57,947	771	51	96	918	68,290
81,933	(5,670)	717	96	(4,857)	56,587
80,132	1,739	3,599	240	5,578	44,203
89,110	118,674	43,782	456	162,912	54,333
124,494	939,038	155,149	4,720	1,098,907	441,883
690,375	1,069,298	261,466	5,944	1,336,708	1,295,835
832,439	117,324,025	396,541	4,002	117,724,568	1,819,135
<u>1,522,814</u>	<u>118,393,323</u>	<u>658,007</u>	<u>9,946</u>	<u>119,061,276</u>	<u>3,114,970</u>

TOWN OF HAMDEN, CONNECTICUT

SCHEDULE OF DEBT LIMITATION
For the Year Ended June 30, 2007

	<u>General Purpose</u>	<u>Schools</u>
Debt Limitation		
2 1/4 Times Base	\$ 267,955,565	
4 1/2 Times Base		535,911,129
3 3/4 Times Base		
3 1/4 Times Base		
3 Times Base		
7 Times Base		
	<u>267,955,565</u>	<u>535,911,129</u>
Total Debt Limitation	\$ 267,955,565	535,911,129
Indebtedness		
Bonds payable	\$ 36,036,811	64,081,189
Bonds authorized and unissued	<u>16,445,700</u>	<u>5,175,116</u>
	<u>52,482,511</u>	<u>69,256,305</u>
Total Indebtedness of the Town	\$ 52,482,511	69,256,305
Less: School Construction Grants Receivable		<u>15,896,083</u>
	<u>52,482,511</u>	<u>53,360,222</u>
Total Indebtedness	\$ 52,482,511	53,360,222
Debt Limitation In Excess of Outstanding and Authorized Debt	<u><u>\$ 215,473,054</u></u>	<u><u>482,550,907</u></u>

Total Tax Collections (Including Interest and Lien Fees) For The Year Ended June 30, 2007	\$ 119,061,276
Reimbursement For Revenue Loss On: Elderly Tax Relief	<u>30,086</u>
Base	\$ <u>119,091,362</u>

<u>Sewers</u>	<u>Urban Renewal</u>	<u>Pension Bonding</u>	<u>Total Limitation</u>
446,592,608	387,046,927	357,274,086	<u>833,639,534</u>
<u>446,592,608</u>	<u>387,046,927</u>	<u>357,274,086</u>	<u>833,639,534</u>
4,202,000			104,320,000
296,000			<u>21,916,816</u>
4,498,000	-	-	126,236,816
			<u>15,896,083</u>
<u>4,498,000</u>	<u>-</u>	<u>-</u>	<u>110,340,733</u>
<u>442,094,608</u>	<u>387,046,927</u>	<u>357,274,086</u>	<u>723,298,801</u>

**SCHEDULE OF CAPITAL PROJECT EXPENDITURES
 COMPARED WITH PROJECT AUTHORIZATION (BUDGETARY BASIS)
 For the Year Ended June 30, 2007**

<u>Project</u>	<u>Authorized Appropriation</u>	<u>Expenditures During Year</u>	<u>Cumulative Expenditures</u>	<u>Balance</u>
2006/2007 CIP	\$ 2,461,300	94,652	94,652	2,366,648
2003/2004 CIP	2,306,000	38,420	2,165,483	140,517
2003/2004 CIP	4,340,000	177,887	3,944,484	395,516
2002/2003 CIP	1,784,857	1,284	1,548,861	235,996
2002/2003 CIP	2,082,030	77,973	1,228,833	853,197
2005 Epoxy crosswalk project	40,423		40,000	423
2005-06 Epoxy crosswalk Project	24,000		24,000	-
Air Conditioning in B, C & D wings	2,711,859	986,785	2,485,926	225,933
Animal Control facility design	10,000		9,700	300
Bear Path school	14,710,000		14,686,833	23,167
BOE athletic fields - arch & eng	89,987		89,987	-
BOE central office misc rep	21,840		21,840	-
BOE fire alarms	1,224,000	963,374	963,374	260,626
Brooksvale improvements	25,000		24,518	482
Brooksvale open space land acquisition	165,000	159,974	159,974	5,026
Brooksvale park	3,450,000		3,399,325	50,675
Brooksvale park bldg materials	43,030		37,490	5,540
Brooksvale park trail renovation	14,610	5,025	11,113	3,497
Center One government center	2,408,883		2,408,730	153
Center One improvements	100,000		83,904	16,096
D'Addio farm acquisition	6,500,000	6,500,000		6,500,000
Drainage improvement study Gaylord Mt.	10,000		9,300	700
Emergency generator police	48,400		44,000	4,400
Engineer certification	1,400		725	675
Equipment repair Worth Ave drain	77,270		77,270	-
Ernest Borgnine park	71,400	53,250	70,061	1,339
Farmington canal	6,036,636	344,549	5,849,811	186,825
Farmington canal greenway completion phase	5,350,000			5,350,000
Farmington canal phase III	15,000		15,000	-
Hamden ice rink phase II	1,769,442	341,558	1,481,391	288,051
Hamden middle school	54,525,000	1,683,117	54,157,611	367,389
Hamden school system CIP	530,000		526,159	3,841
Handicap ramp	900	880	880	20
Helen St / HMS misc renov	150,829		128,910	21,919
HMS renov – arch fees	181,901		181,901	-
HVAC replacement center one	550,000		478,557	71,443
Improvements to police annex	40,000		11,684	28,316

**SCHEDULE OF CAPITAL PROJECT EXPENDITURES
 COMPARED WITH PROJECT AUTHORIZATION (BUDGETARY BASIS)
 For the Year Ended June 30, 2007**

<u>Project</u>	<u>Authorized Appropriation</u>	<u>Expenditures During Year</u>	<u>Cumulative Expenditures</u>	<u>Balance</u>
Landscaping	5,000		4,790	210
Legion field renovations	61,814		61,814	-
Library construction	32,839	1,888	32,839	-
Library renovation projects	212,000	111,533	175,548	36,452
M.L. Keefe Center boiler component replacement	10,000	10,000	10,000	-
M.L. Keefe Center renovation	367,000		366,743	257
M.L. Keefe Center roof replacement	77,000		74,707	2,293
M.L. Keefe Center roof top units	48,300	48,300	48,300	-
M.L. Keefe Center sewer line replacement	7,000	6,700	6,700	300
Mesh Curtain	3,220		3,212	8
Michael J. Whalen Activity Cntr-various impro.	100,000	25,960	25,960	74,040
Newhall environmental study/remediation	4,700,000	50,000	4,057,126	642,874
Paving and sidewalk Improvements	1,410,000	808,198	1,379,424	30,576
Pine Rock renovations	80,000		47,848	32,152
Police substation/lockkeepers	50,000	40,390	49,190	810
Police youth division carpet replacement	3,500	3,500	3,500	-
Police/Fire feasibility study	200,000		131,723	68,277
Refunding expenses	339,456		339,456	-
Ridge Hill roof replacement	639,291		634,432	4,859
Short span bridge replacement	2,264,400			2,264,400
Spring Glen School	16,375,000		16,331,103	43,897
St. Ann's Park improvements	44,000		43,999	1
Tile & Cove Molding HHS	53,961		53,351	610
Town Hall renovation & refurb	161,400	11,325	159,652	1,748
Town Hall roof replacement	230,000	18,000	230,000	-
Town road aid	330,604	300,752	300,752	29,852
Traffic dept road improvements	200,000	8	200,000	-
Veterans memorial building renovations	6,200		6,200	-
Vo-Ed hydraulic lift	61,546		39,809	21,737
West Woods window replacement	560,709		475,309	85,400
Whitney Avenue traffic signalization	172,000	95,647	95,647	76,353
Whitney walking trail	175,000	5,893	5,893	169,107
Whitneyville center expenses	100,000	89,172	100,000	-
Whitneyville improvements	12,000		12,000	-
Winter Green magnet school	15,515,000		15,148,753	366,247
Woodin Street fence	100,000		82,477	17,523
	<u>\$ 158,579,237</u>	<u>13,055,994</u>	<u>137,200,544</u>	<u>21,378,693</u>

TRANSPORTATION PROGRAM FOR THE ELDERLY
STATEMENT OF REVENUES AND EXPENSES (Statutory Basis)
For the Year ended June 30, 2007

Revenues	
Town of Hamden budget	\$ 278,743
Passenger donations	3,071
Total Revenues	\$ 281,814
Expenses:	
Salaries and Benefits:	
Salaries	\$ 138,397
Benefits	89,958
Total Salaries and Benefits	\$ 228,355
Operating Expenses:	
Insurance	\$ 9,000
Vehicle replacement	12,500
Vehicle maintenance	7,500
Fuel	15,934
Administrative expenses	5,465
Total Operating Expenses	\$ 50,399
 Total Expenses	 \$ 278,754