

**TOWN OF HAMDEN,
CONNECTICUT**

AUDITED FINANCIAL STATEMENTS

Year ended June 30, 2002

TOWN CLERK
HAMDEN, CT

2003 MAR 31 A 9:12

REC'D AND FILED BY
Vera Mousouri
Town Clerk

*Legal Notice filed
4/1/03*

TOWN OF HAMDEN, CONNECTICUT

TABLE OF CONTENTS

	Page
REPORT OF INDEPENDENT AUDITORS	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	3
FINANCIAL STATEMENTS	
Statement of Net Assets	12
Statement of Activities	13
Balance Sheet – Governmental Funds	14
Statement of Revenues, Expenses and Changes in Fund Balance – Governmental Funds	15
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	16
Statement of Revenues and Expenditures – Budget and Actual – Budgetary Basis – General Fund	17
Statement of Net Assets – Proprietary Funds	18
Statement of Revenues, Expenditures and Changes in Net Assets – Proprietary Funds	19
Statement of Cash Flows – Proprietary Funds	20
Statement of Fiduciary Net Assets – Fiduciary Funds	21
Statement of Change in Fiduciary Net Assets – Fiduciary Funds	22
Notes to Financial Statements	23
SUPPLEMENTARY INFORMATION	
General Fund Expenditures and Encumbrances – Budgetary Basis – Budget and Actual	49
Combining Balance Sheet – Nonmajor Governmental Funds	52
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits) – Nonmajor Governmental Funds	54
Combining Balance Sheet – Trust and Agency Funds	56
Combining Statement of Changes in Fiduciary Net Assets	58
Combining Statement of Net Assets – Internal Service Funds	59
Combining Statement of Revenues, Expenses and Changes in Deficit – Internal Service Fund	60
Combining Statement of Cash Flows – Internal Service Fund	61
Schedule of Capital Assets used in the Operation of Governmental Funds – By Function and Activity	62
Schedule of Changes in Capital Assets used in the Operation of Governmental Funds – By Function and Activity	63
Schedule of Property Taxes Levied, Collected and Outstanding – General Fund	64
Schedule of Special Assessments Levied, Collected and Outstanding	65
Schedule of Capital Project Expenditures Compared with Project Authorizations	66
Schedule of Debt Limitation	68

REPORT OF INDEPENDENT AUDITORS

To the Members of the Legislative Council
Hamden, Connecticut

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Hamden, Connecticut, as of and for the year ended June 30, 2002, which collectively comprise the Town's financial statements as listed in the table of contents. These financial statements are the responsibility of the Town of Hamden's management. Our responsibility is to express opinions on these statements based on our audit. We did not audit the financial statements of the Pension Trust Fund, which represent 98 percent of the assets and 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.

As described in Note 2, the Town has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, as of June 30, 2002.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Hamden, Connecticut, as of June 30, 2002, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Management Discussion and Analysis is not a required part of the financial statements but is 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 an opinion on the financial statements that collectively comprise the Town of Hamden's financial statements. The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements. The supplementary information has been subjected to the auditing procedures applied by us and the other auditors in the audit of the financial statements and, in our opinion, based on our audit and the report of other auditors, are fairly stated in all material respects in relation to the financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 30, 2003 on our consideration of the Town of Hamden, Connecticut's internal control over financial reporting and over tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Sicilia Dowling & Natalelli LLC

New Haven, Connecticut
January 30, 2003

TOWN OF HAMDEN, CONNECTICUT MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Town of Hamden (the Town), we offer readers of the Town's financial statements this narrative overview and analysis of the financing activities of the Town for the fiscal year ended June 30, 2002. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

Financial Highlights

- The assets of the Town exceeded its liabilities at the close of the most recent fiscal year by \$65,094 (*net assets*).
- The government's total net assets decreased by \$365. A large portion of this is due to adoption of an early retirement plan and the increasing expenses of the Water Pollution Control Authority.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$6,692, a decrease of \$8,858 in comparison with the prior year.
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$5,037 or 4.0 percent of total general fund expenditures.
- The Town's total debt decreased by \$5,880 (4.4 percent) during the current fiscal year.

Overview of the Financial Statements

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

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

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

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

TOWN OF HAMDEN, CONNECTICUT MANAGEMENT'S DISCUSSION AND ANALYSIS

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Town include general government, public safety, highways and streets, sanitation, economic development, and culture and recreation. The business-type activities of the Town include a Water Pollution Control Authority.

The government-wide financial statements can be found on pages 12-13 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, 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 can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

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

The Town maintains eight 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 the debt service fund, both of which are considered to be major funds. Data from the other six governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

TOWN OF HAMDEN, CONNECTICUT MANAGEMENT'S DISCUSSION AND ANALYSIS

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

The basic governmental fund financial statements can be found on pages 14-17 of this report.

Proprietary Funds — The Town maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Town uses the enterprise fund to account for its Water and Sewer Authority. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the Town's various functions. The Town uses internal service funds to account for its medical and workmen's compensation insurance. Because this services predominantly benefits governmental rather than business-type functions, it has been included within *governmental activities* in the government-wide financial statements.

Propriety funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water Pollution Control Authority, which is considered to be a major fund of the Town. Conversely, both internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of *combining statements* elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 18-20 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's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 21-22 of this report.

Notes to the Financial Statements — The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 23-47 of this report.

Other Information — In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information*. Required supplementary information can be found on pages 49-51 and 62-68 of this report.

**TOWN OF HAMDEN, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS**

The combining statements referred to earlier in connection to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 52-61 of this report.

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Town, assets exceeded liabilities by \$65,095 at the close of the most recent fiscal year.

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

Town's Net Assets

	Governmental Activities	Business-type Activities	Total
Current and other assets	\$ 30,373	\$ 1,821	\$ 32,194
Capital assets	<u>137,362</u>	<u>7,254</u>	<u>144,616</u>
Total assets	<u>167,735</u>	<u>9,075</u>	<u>176,810</u>
Long-term liabilities outstanding	83,727	-	83,727
Other liabilities	<u>25,036</u>	<u>2,951</u>	<u>27,987</u>
Total liabilities	<u>108,764</u>	<u>2,951</u>	<u>111,715</u>
Net assets:			
Invested in capital assets, net of related debt	120,722	6,124	126,846
Restricted	12	-	12
Unrestricted	<u>(61,763)</u>	<u>-</u>	<u>(61,763)</u>
Total net assets	<u>\$ 58,971</u>	<u>\$ 6,124</u>	<u>\$ 65,095</u>

At the end of the current fiscal year, the Town is able to report positive balances in two categories of net assets and as a whole, for its separate governmental and business-type activities. All categories in the prior year were able to report positive net asset numbers.

**TOWN OF HAMDEN, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS**

The government's net assets decreased by \$336 in the current fiscal year. The majority of this decrease represents the degree to which increases in ongoing expenses have outstripped similar increases in ongoing revenues. A large portion of this is attributable to an adoption, by the Town, to fund an early retirement plan. The remainder of this reduction largely reflects receiving less than anticipated revenues from charges for services and interest on investments.

Governmental Activities — Governmental activities increased the Town's net assets by \$563, thereby accounting for all the growth in the net assets of Town. Key elements of this increase are as follows:

Town's Changes in Net Assets

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
REVENUES			
Program revenues:			
Charges for services	\$ 7,206	\$ 3,639	\$ 10,846
Operating grants and contributions	28,987	-	28,987
Capital grants and contributions	2,493	-	2,493
Grant revenues:			
Property taxes	88,740	-	88,740
Grants and contributions not restricted to specific programs	6,487	-	6,487
Unrestricted investment earnings	2,780	22	2,802
Total revenues	<u>136,694</u>	<u>3,661</u>	<u>140,356</u>
EXPENSES			
Education	76,605	-	76,605
General government	16,579	-	16,579
Public safety	16,763	-	16,763
Public works	8,961	4,590	13,551
Health and welfare	1,603	-	1,603
Culture and recreation	3,685	-	3,685
Employee benefits	2,636	-	2,636
Community grants	714	-	714
Capital outlays	5,665	-	5,665
Debt service	2,858	-	2,858
Other	62	-	62
Total expenses	<u>136,131</u>	<u>4,590</u>	<u>140,721</u>
Increase (Decrease) in net assets	563	(929)	(366)
Net assets, Beginning	<u>58,408</u>	<u>7,053</u>	<u>65,461</u>
Net assets, Ending	<u>\$ 58,971</u>	<u>\$ 6,124</u>	<u>\$ 65,095</u>

TOWN OF HAMDEN, CONNECTICUT MANAGEMENT'S DISCUSSION AND ANALYSIS

Business-type Activities — Business-type activities decreased the Town's net assets by \$929. Key elements of this increase are as follows.

- Charges for services for business-type activities increased by 6.0 percent. Revenues also increased as a result of a modest increase in demand. Together, these factors account for the \$207 increase in charges for services for the Water and Sewer Authority.
- Investment earnings decreased by \$20 for business-type activities because a weaker market.

Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$6,692, a decrease of \$8,858 in comparison with the prior year. Approximately two-thirds of this total amount \$4,222 constitutes *unreserved fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed 1) to liquidate contracts and purchase orders of the prior period (\$2421), or 2) for a variety of other restricted purposes (\$48,141).

The general fund is the chief operating fund of the Town. At the end of the current fiscal year, unreserved fund balance of the general fund was \$5,037, while total fund balance reached \$7,458. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 4.6 percent of total general fund expenditures, while total fund balance represents 6.5 percent of that same amount.

The fund balance of the Town's general fund increased by \$2,129, during the current fiscal year. Key factors in this growth are as follows:

- An increase in the tax revenues of \$1,431.
- Intergovernmental revenues of the general fund increased significantly as well, by \$1,088, as a result of an increase in state shared revenues.

TOWN OF HAMDEN, CONNECTICUT MANAGEMENT'S DISCUSSION AND ANALYSIS

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

Restricted net assets of the Water Pollution Control Authority at the end of the year amounted to \$6,124. The total decrease in net assets for the fund was \$929. Other factors concerning the finances of the fund has already been addressed in the discussion of the Town's business-type activities.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget were relatively minor (\$2,625 increase in appropriations) and can be briefly summarized as follows:

- \$589 in increases in the Legislative Council
- \$388 in miscellaneous increases in general government activities
- \$594 in increases allocated to the Board of Education
- \$378 in increases in the purchasing department
- \$768 in increases allocated to the fire department
- \$379 in increases allocated for public works department

All of this increase was funded out of miscellaneous increases in various charges for services. During the year, however, budgetary estimates exceeded revenues and expenditures were less than budgetary estimates, thus eliminating the need to draw upon existing fund balance.

Capital Asset and Debt Administration

Capital Assets — The Town's investment in capital assets for its governmental and business type activities as of June 30, 2002, amounts to \$137,361 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, improvements, machinery and equipment, park facilities, roads, highways, and bridges. The total increase in the Town's investment in capital assets for the current fiscal year was 3.2 percent.

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

- Construction began on two school facilities for the Board of Education: construction in progress as of the close of the fiscal year had reached \$3,467.
- A variety of street construction projects for existing streets and bridges began; construction in progress as of the end of the current fiscal year had reached \$706.
- Various building additions and improvements were completed at a cost of \$1,824.

**TOWN OF HAMDEN, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Town's Capital Assets
(Net of depreciation)**

	Governmental Activities	Business-type Activities	Total
Land	\$ 8,282	\$ -	\$ 8,282
Buildings and system	37,112	7,254	44,366
Improvements other than buildings	4,724	-	4,724
Machinery and equipment	4,263	-	4,263
Vehicles	631	-	631
Infrastructure	78,622	-	78,622
Construction in progress	3,728	-	3,728
	<u>\$ 137,362</u>	<u>\$ 7,254</u>	<u>\$ 144,616</u>

Additional information on the Town's capital assets can be found in Note 7 on page 38 of this report.

Long-Term Debt — At the end of the current fiscal year, the Town had total bonded debt outstanding of \$78,020. All this amount is backed by the full faith and credit of the government..

**Town's Outstanding Debt
General Obligation Bonds**

	Governmental Activities
General obligation bonds	\$ 78,020
State loans payable	57,229
	<u>\$ 135,249</u>

The Town's total debt decreased by 5,880 (4.4 percent) during the current fiscal year.

The Town maintains a "A" rating from Standard & Poor's and a "A1" rating from Moody's for general obligation debt.

Town Ordinances statutes limit the amount of general obligation debt a governmental entity may issue 5 percent of its total assessed valuation. The current debt limitation for the Town is \$125,190, which is significantly in excess of the Town's outstanding general obligation debt.

During October 2002 the Legislative Council repealed the Ordinances that limited the amount of general obligation debt that the Town may issue.

Additional information on the Town's long-term debt can be found in note 8 on page 39 of this report.

TOWN OF HAMDEN, CONNECTICUT MANAGEMENT'S DISCUSSION AND ANALYSIS

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for the Town slightly increased, consistent with the Connecticut unemployment rate.
- The Connecticut state government is now reporting serious revenue shortfalls, which may translate into a reduction in state aid to the Town.
- Inflationary trends in the region compare favorably to national indices.

All of these factors were considered in preparing the Town's budget for the 2003 fiscal year.

During the current fiscal year, unreserved fund balance in the general fund increased to \$5036. The Town has not appropriated any of the general fund balance for spending in the 2003 fiscal year budget. It is intended that funding for increased appropriations will be derived from an increase in charges during the 2003 fiscal year.

The Water and Sewer Authority's rates were increased for the 2002 budget year. The water and sewer rates were increased by an average of 3.77 percent for all customers. The water rates affected both residential and industrial consumers by approximately the same percentage. These rate increases were necessary to finance current operations during the current fiscal year.

Requests for Information

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

TOWN OF HAMDEN, CONNECTICUT
STATEMENT OF NET ASSETS
June 30, 2002

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	\$ 11,566,903	\$ 1,656,977	\$ 13,223,880
Receivables:			
Property taxes, net of allowance for collection losses of \$300,000	2,675,320	-	2,675,320
Special assessments	35,457	-	35,457
Accounts	1,864,029	164,431	2,028,460
Intergovernmental	2,777,542	-	2,777,542
Other	20,074	-	20,074
Inventories	35,925	-	35,925
Due from other funds	11,397,821	-	11,397,821
Capital assets (net of accumulated depreciation)			
Land	8,281,988	-	8,281,988
Buildings and system	37,111,732	7,254,010	44,365,742
Improvements other than buildings	4,723,735	-	4,723,735
Machinery and equipment	4,262,510	-	4,262,510
Vehicles	630,784	-	630,784
Infrastructure	78,622,292	-	78,622,292
Construction in progress	3,728,467	-	3,728,467
	<u>\$ 167,734,579</u>	<u>\$ 9,075,418</u>	<u>\$ 176,809,997</u>
LIABILITIES AND MUNICIPAL EQUITY (DEFICIT) AND OTHER CREDITS			
CURRENT LIABILITIES			
Accounts payable and accrued liabilities, including compensated absences	\$ 11,460,873	\$ 709,568	\$ 12,170,441
Deferred revenue	2,285,185	-	2,285,185
Due to other funds	9,299,577	2,241,835	11,541,412
Claims incurred but not reported	1,990,437	-	1,990,437
Noncurrent liabilities:			
Due within one year	5,489,291	-	5,489,291
Due in more than one year	78,238,168	-	78,238,168
Total liabilities	<u>108,763,531</u>	<u>2,951,403</u>	<u>111,714,934</u>
NET ASSETS			
Investment in capital assets, net of related debt	120,721,508	6,124,015	126,845,523
Restricted for:			
Reserved for endowments	12,216	-	12,216
Deficiency	(61,762,676)	-	(61,762,676)
Total municipal equity (deficit) and other credits	<u>58,971,048</u>	<u>6,124,015</u>	<u>65,095,063</u>
	<u>\$ 167,734,579</u>	<u>\$ 9,075,418</u>	<u>\$ 176,809,997</u>

See notes to financial statements.

TOWN OF HAMDEN, CONNECTICUT
STATEMENT OF ACTIVITIES
Year ended June 30, 2002

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
PRIMARY GOVERNMENT							
Governmental activities:							
Education	\$ (76,605,256)	\$ 169,272	\$ 26,422,281	\$ -	\$ (50,013,703)	\$ -	\$ (50,013,703)
General government	(16,579,485)	4,486,654	630,574	-	(11,462,257)	-	(11,462,257)
Public safety	(16,763,371)	199,805	165,786	-	(16,397,780)	-	(16,397,780)
Public works	(8,960,543)	23,191	575,744	-	(8,361,608)	-	(8,361,608)
Health and welfare	(1,602,635)	53,518	279,039	-	(1,270,078)	-	(1,270,078)
Culture and recreation	(3,685,101)	714,184	199,400	-	(2,771,517)	-	(2,771,517)
Employee benefits	(2,635,526)	1,534,573	-	-	(1,100,953)	-	(1,100,953)
Community grants	(714,258)	-	714,258	-	-	-	-
Capital outlays	(5,664,978)	24,906	300	2,493,455	(3,146,317)	-	(3,146,317)
Debt service	(2,858,389)	-	-	-	(2,858,389)	-	(2,858,389)
Total governmental activities	(136,069,542)	7,206,103	28,987,382	2,493,455	(97,382,602)	-	(97,382,602)
Total business-type activities	(4,590,086)	3,639,468	-	-	(950,618)	(950,618)	(950,618)
Total primary government	\$ (140,659,628)	\$ 10,845,571	\$ 28,987,382	\$ 2,493,455	(97,382,602)	(950,618)	(98,333,220)
GENERAL REVENUES							
Property taxes							
Grants and contributions not restricted to specific programs							
Unrestricted investment earnings							
Loss on disposal of capital assets							
Total general revenue and transfers							
Change in net assets							
NET ASSETS, Beginning							
NET ASSETS, Ending							

See notes to financial statements. 13

TOWN OF HAMDEN, CONNECTICUT
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2002

	<u>General</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Totals Governmental Funds</u>
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	\$ 4,251,442	\$ 1,256,423	\$ 6,157,327	\$ 11,665,192
Receivables:				
Property taxes, net of allowance for collection losses of \$300,000	2,675,320	-	-	2,675,320
Special assessments	35,457	-	-	35,457
Accounts	-	-	-	-
Intergovernmental	1,354,272	-	2,521,971	3,876,243
Other	255,572	-	20,074	275,646
Inventories	-	-	35,925	35,925
Due from other funds	9,932,950	-	1,626,429	11,559,379
	<u>\$18,505,013</u>	<u>\$ 1,256,423</u>	<u>\$10,361,726</u>	<u>\$ 30,123,162</u>
LIABILITIES AND MUNICIPAL EQUITY (DEFICIT) AND OTHER CREDITS				
CURRENT LIABILITIES				
Accounts payable and accrued liabilities, including compensated absences	\$ 9,017,282	1,002,019	\$ 1,665,801	\$ 11,685,102
Deferred revenue	359,894	-	1,925,290	2,285,184
Due to other funds	1,669,594	2,361,994	5,429,549	9,461,137
Total liabilities	<u>11,046,770</u>	<u>3,364,013</u>	<u>9,020,640</u>	<u>23,431,423</u>
FUND BALANCES				
Fund balances (deficits)				
Reserved for encumbrances	2,421,298	-	-	2,421,298
Reserved for inventories	-	-	35,925	35,925
Reserved for endowments	-	-	12,216	12,216
Unreserved				
Undesignated and unreserved	<u>5,036,945</u>	<u>(2,107,590)</u>	<u>1,292,945</u>	<u>4,222,300</u>
Total fund balance (deficit)	<u>7,458,243</u>	<u>(2,107,590)</u>	<u>1,341,086</u>	<u>6,691,739</u>
	<u>\$18,505,013</u>	<u>\$ 1,256,423</u>	<u>\$10,361,726</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.	137,361,510
Internal service funds are used by management to charge the costs of medical insurance of individual funds. The assets and liabilities are included in governmental activities in the statement of net assets.	(1,354,743)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	<u>(83,727,458)</u>
Net assets of governmental activities	<u>\$ 58,971,048</u>

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

Year ended June 30, 2002

	General	Capital Projects	Other Governmental Funds	Totals Governmental Funds
REVENUES				
Property taxes, interest and lien fees	\$ 88,741,611	-	-	\$ 88,741,611
Special Assessments	5,789	-	-	5,789
Intergovernmental	29,202,329	291,085	7,891,630	37,385,044
Licenses, permits and fees	2,909,818	-	-	2,909,818
Charges for services	2,425,350	-	47,109	2,472,459
Fines and forfeits	48,211	-	-	48,211
Investment income	759,710	-	7,047	766,757
Miscellaneous	2,455,569	-	362,064	2,817,633
Total revenues	<u>126,548,387</u>	<u>291,085</u>	<u>8,307,850</u>	<u>135,147,322</u>
EXPENDITURES				
Current:				
Education	70,136,272	-	4,428,807	74,565,079
General government	15,104,378	-	39,573	15,143,951
Public safety	16,651,896	-	202,052	16,853,948
Public works	8,910,870	-	13,969	8,924,839
Health and welfare	1,288,305	-	330,958	1,619,263
Culture and recreation	3,534,323	-	202,304	3,736,627
Employee benefits	1,536,190	-	-	1,536,190
Community development	-	-	714,258	714,258
Capital outlay	-	5,515,974	7,439,964	12,955,938
Debt service:				
Principal retirement	5,096,983	-	-	5,096,983
Interest	2,857,923	-	-	2,857,923
Total expenditures	<u>125,117,141</u>	<u>5,515,974</u>	<u>13,371,885</u>	<u>144,005,000</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>1,431,246</u>	<u>(5,224,889)</u>	<u>(5,064,035)</u>	<u>(8,857,678)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from capital leases	-	172,939	-	172,939
Payments of capital leases	-	(172,939)	-	(172,939)
Operating transfers in	-	-	1,348,156	1,348,156
Operating transfers out	-	-	(1,348,156)	(1,348,156)
Total other financing sources (uses)	-	-	-	-
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>1,431,246</u>	<u>(5,224,889)</u>	<u>(5,064,035)</u>	<u>(8,857,678)</u>
FUND BALANCES (DEFICITS), Beginning	<u>6,026,997</u>	<u>3,117,299</u>	<u>6,405,121</u>	<u>15,549,417</u>
FUND BALANCES (DEFICITS), End	<u>\$ 7,458,243</u>	<u>\$ (2,107,590)</u>	<u>\$ 1,341,086</u>	<u>\$ 6,691,739</u>

See notes to financial statements.

TOWN OF HAMDEN, CONNECTICUT
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year ended June 30, 2002

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

Net change in fund balances - total governmental funds	\$ (8,857,678)
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.	
	3,522,214
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.	
	5,879,769
The net expenses of certain activities of internal service funds are reported with governmental activities.	
	<u>18,647</u>
Change in net assets of governmental activities	<u>\$ 562,952</u>

TOWN OF HAMDEN, CONNECTICUT
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND
Year ended June 30, 2002

	Budgeted Amounts		Actual	Variance with Final Budget- Favorable (Unfavorable)
	Original Budget	Final Budget		
REVENUES				
Property taxes, interest and liens	\$ 89,207,664	\$ 89,207,664	\$ 88,741,611	\$ (466,053)
Special assessments	10,000	10,000	5,789	(4,211)
Intergovernmental	27,304,836	27,304,836	26,773,729	(531,107)
Licenses, permits and fees	1,403,750	2,278,750	2,909,818	631,068
Charges for service	2,977,036	4,727,533	2,425,350	(2,302,183)
Fines and forfeits	33,000	33,000	48,211	15,211
Investment income	1,520,000	1,520,000	759,710	(760,290)
Miscellaneous	758,323	758,323	2,455,569	1,697,246
Total revenues	<u>123,214,609</u>	<u>125,840,106</u>	<u>124,119,787</u>	<u>(1,720,319)</u>
EXPENDITURES				
Current				
Education	68,325,869	68,920,471	68,918,263	2,208
General government	15,306,008	16,661,399	15,585,123	1,076,276
Public safety	16,208,401	16,946,509	16,694,506	252,003
Public works	8,658,664	9,047,589	8,994,537	53,052
Health and welfare	1,303,911	1,308,403	1,283,169	25,234
Culture and recreation	3,591,066	3,609,916	3,530,029	79,887
Employee benefits	1,199,990	1,115,000	1,108,853	6,147
Debt service				
Principal retirements	4,445,583	5,096,984	5,096,983	1
Interest	4,175,117	3,133,835	2,857,923	275,912
Total expenditures	<u>123,214,609</u>	<u>125,840,106</u>	<u>124,069,386</u>	<u>1,770,720</u>
REVENUES OVER EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	50,401	<u>\$ 50,401</u>
FUND BALANCE, Beginning			<u>4,986,544</u>	
FUND BALANCE, Ending			<u>\$ 5,036,945</u>	

TOWN OF HAMDEN, CONNECTICUT
STATEMENT OF NET ASSETS - PROPRIETARY FUNDS
June 30, 2002

	<u>Business-type Activities Major Water Pollution Control Authority</u>	<u>Governmental Activities- Internal Service Fund</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,656,977	\$ 167,361
Accounts receivable (net of allowance for uncollectible)	164,431	509,757
Capital assets (net of accumulated depreciation)		
Buildings and system	<u>7,254,010</u>	<u>-</u>
	<u>\$ 9,075,418</u>	<u>\$ 677,118</u>
 LIABILITIES AND MUNICIPAL EQUITY (DEFICIT) AND OTHER CREDITS		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities, including compensated absences	\$ 709,568	\$ 41,424
Due to other funds	2,241,835	-
Claims incurred but not reported	<u>-</u>	<u>1,990,437</u>
Total liabilities	<u>2,951,403</u>	<u>2,031,861</u>
 NET ASSETS		
Investment in capital assets, net of related debt	6,124,015	-
Unrestricted	<u>-</u>	<u>(1,354,743)</u>
Total municipal equity (deficit) and other credits	<u>6,124,015</u>	<u>(1,354,743)</u>
	<u>\$ 9,075,418</u>	<u>\$ 677,118</u>

See notes to financial statements.

TOWN OF HAMDEN, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND NET ASSETS - PROPRIETARY FUNDS

Year ended June 30, 2002

	Business-type Activities <u>Major</u> Water Pollution Control Authority	Governmental Activities- Internal Service Fund
OPERATING REVENUES		
Charges for services	\$ 3,639,468	\$ 15,112,710
Total operating revenues	<u>3,639,468</u>	<u>15,112,710</u>
OPERATING EXPENSES		
Salaries, benefits and claims	489,924	-
Materials and supplies	16,324	-
Depreciation	472,750	-
Utilities	33,743	-
Administration and operation	3,577,345	15,106,347
Total operating expenses	<u>4,590,086</u>	<u>15,106,347</u>
OPERATING (LOSS) INCOME	<u>(950,618)</u>	<u>6,363</u>
NONOPERATING REVENUES		
Interest income	21,894	12,284
Total nonoperating income	<u>21,894</u>	<u>12,284</u>
NET (LOSS) INCOME	(928,724)	18,647
RETAINED EARNINGS (DEFICITS)/ FUND BALANCES, Beginning	<u>7,052,739</u>	<u>(1,373,390)</u>
RETAINED EARNINGS (DEFICITS)/ FUND BALANCES, End	<u>\$ 6,124,015</u>	<u>\$ (1,354,743)</u>

See notes to financial statements.

TOWN OF HAMDEN, CONNECTICUT
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
Year ended June 30, 2002

	Business-type Activities <u>Enterprise Funds</u> Major Water Pollution Control Authority	<u>Governmental Activities-</u> Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and users	\$ 3,902,443	\$ 15,092,952
Cash payments for claims and fees	<u>(3,282,117)</u>	<u>(14,938,813)</u>
Net cash provided by operating activities	<u>620,326</u>	<u>154,139</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income	<u>21,894</u>	<u>12,284</u>
Net cash used in investing activities	<u>21,894</u>	<u>12,284</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Transfers in		-
NET INCREASE IN CASH AND CASH EQUIVALENTS		
	642,220	166,423
CASH AND CASH EQUIVALENTS, Beginning	<u>1,014,757</u>	<u>938</u>
CASH AND CASH EQUIVALENTS, Ending	<u>\$ 1,656,977</u>	<u>\$ 167,361</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating loss from operations	\$ (950,618)	\$ 6,363
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation	472,750	-
Changes in assets and liabilities:		
Accounts receivable	262,975	(19,757)
Claims liabilities	-	187,878
Accounts payable	114,907	(20,344)
Due to other funds	<u>720,312</u>	<u>-</u>
Net cash provided by operating activities	<u>\$ 620,326</u>	<u>\$ 154,140</u>

See notes to financial statements.

TOWN OF HAMDEN, CONNECTICUT
STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUNDS
June 30, 2002

	<u>Pension Trust Fund</u>	<u>Private Purpose Trust Fund</u>	<u>Agency Funds</u>
ASSETS			
CASH AND CASH EQUIVALENTS	\$ 8,128,721	\$ 176,332	\$ 1,303,278
INVESTMENTS AT FAIR VALUE			
Corporate stocks	43,508,266	-	-
Corporate bonds and notes	16,265,753	-	-
United States government securities	5,631,671	-	-
United States government agency securities	4,079,635	-	-
Mutual funds	<u>13,961,653</u>	<u>-</u>	<u>-</u>
Total investments	<u>83,446,978</u>	<u>-</u>	<u>-</u>
OTHER RECEIVABLES	<u>2,855,398</u>	<u>-</u>	<u>-</u>
DUE FROM OTHER FUNDS	<u>-</u>	<u>28,627</u>	<u>162,657</u>
Total assets	<u>94,431,097</u>	<u>204,958</u>	<u>1,465,934</u>
LIABILITIES			
Accounts payable	1,373,535	697	-
Deferred revenue	-	1,706	-
Due to other funds	-	5,211	-
Other liabilities	<u>-</u>	<u>-</u>	<u>1,465,934</u>
Total liabilities	<u>1,373,535</u>	<u>7,614</u>	<u>1,465,934</u>
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS AND OTHER PURPOSES			
	<u>\$ 93,085,769</u>	<u>\$ 197,345</u>	<u>\$ -</u>

See notes to financial statements.

TOWN OF HAMDEN, CONNECTICUT
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS - FIDUCIARY FUNDS
Year ended June 30, 2002

	Pension Trust Fund	Private Purpose Trust Fund
ADDITIONS		
Contributions		
Town of Hamden	\$ 250,000	\$ -
Plan members	<u>1,584,398</u>	<u>-</u>
Total contributions	<u>1,834,398</u>	<u>-</u>
Investment income (loss)		
Net depreciation in fair value of investments	(13,616,847)	-
Interest and dividends	3,269,026	2,230
Other income	<u>-</u>	<u>170,782</u>
	(10,347,821)	173,012
Less investment expenses		
Investment management fees	<u>365,177</u>	<u>-</u>
Net investment income	<u>(10,712,998)</u>	<u>173,012</u>
Total additions	<u>(8,878,600)</u>	<u>173,012</u>
DEDUCTIONS		
Benefits and other deductions	<u>10,124,899</u>	<u>137,056</u>
Total deductions	<u>10,124,899</u>	<u>137,056</u>
Net decrease	(19,003,499)	35,956
NET ASSETS		
Beginning of year	<u>112,089,268</u>	<u>161,389</u>
End of year	<u>\$ 93,085,769</u>	<u>\$ 197,345</u>

See notes to financial statements.

TOWN OF HAMDEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

NOTE 1 — REPORTING ENTITY, DESCRIPTION OF FUNDS AND ACCOUNT GROUPS, AND 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 50 miles southwest of Hartford, Connecticut. The Town operates 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 confirm to accounting principles generally accepted in the United States of America as applicable to governments.

Individual Component Unit

Blended Component Unit – Green Dragon Enterprises, Inc. (GDE) is governed by a five-member board made up of Hamden High School faculty and members of the Board of Education. Although it is legally separate from the Town, the GDE is reported as if it were part of the primary government because its sole purpose is to create a learning environment, through the creation of various enterprises, for all students and staff of Hamden High School. The complete financial statements of the component unit can be obtained from its respective administrative office located at Hamden High School

Accounting principles generally accepted in the United States of America require that the reporting entity include (1) the primary government, (2) organizations for which the primary government is financially accountable and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The criteria provided in Government Accounting Standards Board Statement No. 14, have been considered and there are no agencies or entities other than as described in the preceding paragraph that should be, but are not, combined in the financial statements of the Town.

Accounting Estimates

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

TOWN OF HAMDEN, CONNECTICUT NOTES TO FINANCIAL STATEMENTS

The government reports the following major governmental funds:

- (i) **General Fund** — 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 are not paid through a special fund.
- (ii) **Capital Projects** — The Capital Projects Fund is used to account for resources used for the acquisition and construction of capital facilities, including those that are financed through special assessments.

Included in the Capital Projects Fund are sewer assessments, which are levied in order to finance both the construction of new, and the improvement to existing, sewer systems.

The government reports the following major proprietary funds:

- (i) **Water Pollution Control Authority** — The Water Pollution Control Authority accounts for the operations of the Town's wastewater treatment plant. It is independent in terms of its relationship to other Town functions. Its operations are financed from special assessments and direct charges to the users of the service.

Additionally, the government reports the following fund types:

- (i) **Internal Service Fund** — accounts for employee health insurance and workers' compensation insurance provided to departments of the Town and Board of Education.
- (ii) **Pension Trust Funds** — account for the activities of the Town's four defined benefit pension plans, which accumulate resources for pension benefit payments to qualified employees.
- (iii) **Private-Purpose Trust Fund** — account for assets held by the Town in a trustee capacity or as an agent on behalf of others.
- (iv) **Agency Funds** — account for monies held as a custodian for outside groups and agencies.
- (v) **Permanent Funds** — account for monies that are legally restricted to the extent that only earnings and not principal may be used that support programs that benefit the government or its citizens.

TOWN OF HAMDEN, CONNECTICUT NOTES TO FINANCIAL STATEMENTS

Property Taxes — 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.

Property tax revenues are recognized when they become available. Available means due or past due and receivable within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Property taxes receivable, not expected to be collected within sixty days of year-end are reflected as deferred revenue.

Cash Equivalents — The Town considers all highly liquid investments and those with original maturities of three months or less to be cash equivalents.

Investments — Investments are stated at fair value. Fair value is determined based on quoted market prices.

Inventories — 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.

Interfund Transactions — Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursement to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditure/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

Capital Assets

Capital Assets - Town — Capital assets, which include property, plant, equipment, and infrastructure assets e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business type activities columns in government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 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 costs of normal maintenance and repairs that do not add to the value of the net asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

TOWN OF HAMDEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS

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

Land improvements	20 years
Building and building improvements	25 – 50 years
Infrastructure	10 – 65 years
Machinery and equipment	5 – 20 years
Licensed vehicles	8 years

Proprietary Fund Types — Property, plant and equipment owned by the Proprietary Funds are recorded based on the 1996 appraisal by a professional appraisal company and, subsequently, at acquisition cost or if contributed property at fair market value at the time of contribution.

Assets capitalized have an original cost of \$300 or more and over three years of useful life. Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Buildings	20 – 50 years
Water and Sewer System	30 – 50 years

Compensated Absences — Town employees accumulate vacation and sick leave hours for subsequent use or for payment upon termination or retirement, as follows:

<u>Employees</u>	<u>Sick Leave</u>	<u>Vacation Leave</u>
Supervisors	Each employee earns 18 days of sick leave per year and can accumulate up to 150 days. Employees with at least 15 years of service receive a lump sum payment for accumulated sick leave up to 90 days upon retirement.	Each employee earns from 10 to 25 days of vacation each year depending on years of service. Unused vacation is not carried over to the next year. 100% paid upon termination or retirement.
Firefighters	Each employee earns 18 days of sick leave per year and can accumulate up to 180 days. Employees receive a lump sum payment for accumulated sick leave up to 97 days (12 hour days) upon retirement.	Each employee earns 12 to 30 days of vacation each year depending on years of service. One year's unused vacation can be carried over to the next year. 100% paid upon termination or retirement.

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

<u>Employees</u>	<u>Sick Leave</u>	<u>Vacation Leave</u>
Police	Each employee earns 18 days of sick leave per year and can accumulate up to 220 days. Employees receive a lump sum payment for accumulated sick leave up to 97 days upon retirement.	Each employee earns 12 to 33 days of vacation each year depending on years of service. One year's unused vacation can be carried over to the next year. 100% paid upon termination or retirement.
Engineers	Each employee earns 18 days of sick leave per year and can accumulate up to 150 days. Employees receive a lump sum payment for accumulated sick leave up to 97 days upon retirement.	Each employee earns from 10 to 25 days of vacation each year depending on years of service. Unused vacation is not carried over to the next year. 100% paid upon termination or retirement.
Public Works	Each employee earns 18 days of sick leave per year and can accumulate up to 150 days. Employees receive a lump sum payment for accumulated sick leave up to 97 days upon retirement.	Each employee earns from 10 to 24 days of vacation each year depending on years of service. Unused vacation is not carried over to the next year. 100% paid upon termination or retirement.
Town Hall Employees	Each employee earns 18 days of sick leave per year and can accumulate up to 150 days. Employees receive a lump sum payment for accumulated sick leave up to 97 days upon retirement.	Each employee earns from 10 to 25 days of vacation each year depending on years of service. Unused vacation is not carried over to the next year. 100% paid upon termination or retirement.
Librarians	Each employee earns 18 days of sick leave per year and can accumulate up to 185 days. Employees receive a lump sum payment for accumulated sick leave up to 97 days upon retirement.	Each employee earns from 10 to 24 days of vacation each year depending on years of service. Unused vacation is not carried over to the next year. 100% paid upon termination or retirement.
Parks and Recreation	Each employee earns 18 days of sick leave per year and can accumulate up to 180 days. Employees receive a lump sum payment for accumulated sick leave up to 97 days upon retirement.	Each employee earns from 10 to 25 days of vacation each year depending on years of service. Unused vacation is not carried over to the next year.

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

<u>Employees</u>	<u>Sick Leave</u>	<u>Vacation Leave</u>
Dispatchers	Each employee earns 18 days of sick leave per year and can accumulate up to 150 days. Employees receive a lump sum payment for accumulated sick leave up to 97 days upon retirement.	Each employee earns from 10 to 25 days of vacation each year depending on years of service. Unused vacation is not carried over to the next year. 100% paid upon termination or retirement.
Board of Education - Teachers	Each employee earns 15 days of sick leave per year and can accumulate up to 220 days. No sick leave is paid upon retirement.	No provision for vacation.
Board of Education - Nurses	Each employee earns 18 days of sick leave per year and can accumulate up to 220 days. Employees receive a lump sum payment for accumulated sick leave up to 167 days upon retirement.	No provision for vacation.
Board of Education - Administrators	Each employee earns 18 days of sick leave per year and can accumulate up to 240 days. No sick leave is paid upon termination or retirement.	Each employee earns 25 days of vacation per year. Unused vacation can be carried over to the next 2 years. 100% can be taken before termination or retirement or up to 50 days can be received in lump sum upon termination or retirement.
Board of Education - AFSCME - 818	Each employee earns 18 days of sick leave per year and can accumulate up to 240 days. No sick leave is paid upon termination or retirement.	Each employee earns 25 days of vacation per year. Unused vacation can be carried over to the next 2 years. 100% can be taken before termination or retirement or up to 50 days can be received in lump sum upon termination or retirement.
Board of Education - AFSCME - 431	Each employee earns 18 days of sick leave per year and can accumulate up to 195 days. No sick leave is paid upon termination or retirement.	Each employee earns 5 to 25 days of vacation each year depending on years of service. Unused vacation is not carried over to the next year. 100% paid upon termination or retirement.

TOWN OF HAMDEN, CONNECTICUT NOTES TO FINANCIAL STATEMENTS

The obligation for vacation pay vests when earned. Unused sick leave may be accumulated for future absences in accordance with employee contracts and employment policies but does not vest until the employee reaches retirement age. Sick leave and vacation leave expenditures are recognized in the governmental funds in the current year to the extent they are paid during the remainder of the vested vacation and sick leave and an estimate of the nonvested portion expected to be paid in the future from governmental funds is accounted for in the General Long-Term Debt Account Group. The vesting method using historical data was used to calculate the liability.

Deferred Revenue — Deferred revenue arises when a 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 term of the related debt.

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

Fund Equity and Net Assets — In the government-wide financial statements, net assets are classified in the following categories:

Invested 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 reduces this category.

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

Unrestricted Net Assets — 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 reduces this category.

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

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

Reserved Fund Balance — indicates that portion of fund equity which has been legally segregated for specific purposes.

Undesignated and Unreserved Fund Balance — indicates that portion of fund equity which is available for appropriation and expenditure in future periods.

NOTE 2 — IMPLEMENTATION OF GOVERNMENTAL ACCOUNTING STANDARDS BOARD PRONOUNCEMENTS

As of and for the year ended June 30, 2002, the Town implemented the following Governmental Accounting Standards Board (GASB) pronouncements:

Statement No. 34	Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments
Statement No. 36	Recipient Reporting for Certain Shared Nonexchange Revenues – An Amendment of GASB No. 33
Statement No. 37	Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments
Statement No. 38	Certain Financial Statement Note Disclosures
<u>Interpretation</u>	
No. 6	Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements

The above pronouncements are all related to the new financial reporting requirements for all state and local governments. These pronouncements are scheduled for a phased implementation (based on the size of the government) through fiscal years ending in 2005. The Town was required to implement the new requirements for the fiscal year ending June 30, 2002.

TOWN OF HAMDEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS

The more significant of the changes affecting the Town as required by the new standards include:

- Management's discussion and analysis
- Basic financial statements that include:
 - Government-wide financial statements, prepared using the economic resources measurement focus and the accrual basis of accounting;
 - Fund financial statements, consisting of a series of statements that focus on a government's major governmental funds and enterprise funds;
 - Schedules to reconcile the fund financial statements to the government-wide financial statements; and
 - Notes to financial statements.

As a result of implementing these pronouncements for the fiscal year ended June 30, 2002, the following restatements were made to beginning fund balance and net asset accounts:

Government-Wide Financial Statements — Beginning net assets for governmental activities was determined as follows:

Fund balances or general, special revenue, and capital project funds as of June 30, 2001	\$ 15,549,417
Add: governmental capital assets, including general fixed assets and infrastructure as of June 30, 2001	220,880,380
Deduct: accumulated depreciation as of June 30, 2001 on above governmental capital assets	(87,041,084)
Deduct: governmental internal service fund deficit as of June 30, 2001	(1,373,390)
Deduct: general obligation bonds payable as of June 30, 2001	(82,925,000)
Deduct: compensated absences payable and other long-term liabilities as of June 30, 2001	(6,682,227)
	<u>\$ 58,408,096</u>

The beginning net assets of the enterprise funds and the internal service fund were derived by aggregating the previously reported retained earnings and contributed capital of those funds.

TOWN OF HAMDEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS

NOTE 3 — RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net assets – governmental activities are reported in the government-wide statement of 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 \$83,727,459 difference are as follows:

Bonds payable	\$ 78,020,000
Compensated absences	5,209,143
State loans	57,229
Capital leases	202,681
Claims and judgments	112,068
Post-closure landfill costs	<u>126,338</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at net assets - governmental activities	\$ <u>83,727,459</u>

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a 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.” The details of this \$3,522,213 difference are as follows:

Capital outlay	\$ 7,290,959
Depreciation expense	(3,707,061)
Loss on disposal	<u>(61,685)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	\$ <u>3,522,213</u>

TOWN OF HAMDEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS

- 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.

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>	Expenditures and <u>Encumbrances</u>	<u>Fund Balance</u>
Balance, budgetary basis	\$ 124,119,788	\$ 123,371,766	\$ 5,036,945
Encumbrances			
June 30, 2001	-	1,252,866	-
June 30, 2002	-	(2,421,298)	2,421,298
Retroactive pay adjustment (previously deferred for budget)	-	(212,413)	-
State Teachers' Retirement on-behalf payments, not recognized for budgetary purposes	<u>2,428,600</u>	<u>2,428,600</u>	<u>-</u>
Balance, GAAP basis	<u>\$ 126,548,388</u>	<u>\$ 124,419,521</u>	<u>\$ 7,458,243</u>

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

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 carryover 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 5 — DEPOSITS AND INVESTMENTS

Deposits and Investment Balances

Following is a reconciliation of the Town's deposit and investment balances as of June 30, 2002:

	<u>Carrying and Fair Values</u>
Deposits	\$ 6,563,843
Short-term investment fund	1,006,583 *
Certificates of deposit	26,005
Money market accounts	<u>15,241,355 *</u>
	<u>\$ 22,837,786</u>

* Risk categorization is not required for investment pools because specific securities related to the Town cannot be identified.

At June 30, 2002, the carrying amount of the Town's deposits was \$22,837,787. The bank balances of funds on deposit totaled \$24,385,405. Of the bank balance, \$1,004,038 was covered by federal depository insurance, \$2,338,137 was protected under provisions of the Connecticut General Statutes, which provide for protection against loss in excess of depository insurance through assessment against segregated collateral required to be maintained by public depositories, but not held in the Town's name, and \$20,947,268 was uninsured and uncollateralized.

TOWN OF HAMDEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS

The Town's investments are categorized as either (1) insured or registered, or securities held by the Town or its agency in the Town's name, (2) uninsured and unregistered, with securities held by the counterpart's trust department or agent in the Town's name or (3) uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the Town's name.

The Town's investments at June 30, 2002 are shown below:

	<u>Carrying and Fair Values</u>	
Pension Trust Fund:		
Fixed income:		
Common stock	\$ 43,508,266	3
Corporate bonds and notes	16,265,753	3
United States government securities	5,631,671	3
United States government agency securities	4,079,635	3
Mutual funds	13,961,653	*
Equity Portfolio:		
Common trust funds	<u>7,253,980</u>	3
	<u>\$ 90,700,958</u>	

Due to significantly higher cash flows at certain times of the year, the Town's investment in repurchase agreements (under category 3) were substantially higher than at year-end.

* This investment is excluded from this risk classification because specific securities related to the Town cannot be identified.

NOTE 6 — INTERFUND ACCOUNTS

As of June 30, 2002, interfund receivables and payables that resulted from various interfund transactions were as follows:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
Major Funds:		
General Fund	\$ 9,932,950	\$ 1,669,594
Capital Projects Fund	-	2,361,994
Enterprise Fund	-	<u>2,241,835</u>
	<u>9,932,950</u>	<u>6,273,423</u>
Nonmajor Funds:		
Special Revenue	908,439	176,150
Capital Projects	717,990	5,252,967
Permanent Funds	-	432
Internal Service	-	-
	<u>1,626,429</u>	<u>5,429,549</u>

TOWN OF HAMDEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
Fiduciary Funds:		
Other Private Purpose Funds	\$ 28,627	\$ 5,211
Agency Funds	<u>162,657</u>	<u>42,480</u>
	<u>191,284</u>	<u>47,691</u>
	<u>\$ 11,750,663</u>	<u>\$ 11,750,663</u>

NOTE 7 — CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2002 was as follows:

	<u>Restated June 30, 2001</u>	<u>Additions</u>	<u>Disposal</u>	<u>Balance June 30, 2002</u>
Capital assets, not being depreciated:				
Land	\$ 8,281,988	\$ -	\$ -	\$ 8,281,988
Construction in progress	<u>1,375,248</u>	<u>3,467,404</u>	<u>1,114,185</u>	<u>3,728,467</u>
	<u>9,657,236</u>	<u>3,467,404</u>	<u>1,114,185</u>	<u>12,010,455</u>
Capital assets, being depreciated:				
Land improvements	5,380,604	1,180,575	-	6,561,179
Buildings and system	107,935,423	1,824,262	-	109,759,685
Machinery and equipment	12,908,828	1,227,005	75,125	14,060,708
Vehicles	6,755,359		86,376	6,668,983
Infrastructure	<u>78,242,930</u>	<u>705,898</u>	<u>-</u>	<u>78,948,828</u>
	<u>211,223,144</u>	<u>4,937,740</u>	<u>161,501</u>	<u>215,999,383</u>
Less accumulated depreciation for:				
Land improvements	1,566,210	271,234	-	1,837,444
Buildings and system	70,546,583	2,101,370	-	72,647,953
Machinery and equipment	9,205,759	605,879	13,440	9,798,198
Vehicles	5,481,595	642,980	86,376	6,038,199
Infrastructure	<u>240,937</u>	<u>85,599</u>	<u>-</u>	<u>326,536</u>
	<u>87,041,084</u>	<u>3,707,062</u>	<u>99,816</u>	<u>90,648,330</u>
Total capital assets being depreciated, net	<u>124,182,060</u>	<u>1,230,678</u>	<u>61,685</u>	<u>125,351,053</u>
Governmental activities capital assets, net	<u>\$133,839,296</u>	<u>\$ 4,698,082</u>	<u>\$ 1,175,870</u>	<u>\$137,361,508</u>

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

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

Governmental Activities:	
Education	\$ 1,695,442
General government	1,810,273
Public safety	73,550
Public works	<u>127,797</u>
Total depreciation expense - governmental activities	<u>\$ 3,707,062</u>

NOTE 8 — LONG-TERM DEBT

Changes in long-term debt for the year ended June 30, 2002 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental activities:					
Bonds and notes payable:					
General obligation bonds	\$ 82,925,000	\$ -	\$ 4,905,000	\$ 78,020,000	\$ 5,365,000
Bond anticipation notes	186,400	-	186,400	-	\$ -
Clean water fund loans	<u>62,347</u>	<u>-</u>	<u>5,118</u>	<u>57,229</u>	<u>5,583</u>
Total bonds and notes payable	<u>83,173,747</u>	<u>-</u>	<u>5,096,518</u>	<u>78,077,229</u>	<u>5,370,583</u>
Capital leases	203,379	172,939	173,637	202,681	-
Compensated absences - Town	4,972,763	-	1,114,148	3,858,615	-
Compensated absences - Board of Education	1,005,793	344,735	-	1,350,528	-
Landfill post-closure monitoring	132,978	-	6,640	126,338	6,640
Claims and judgements	<u>118,568</u>	<u>-</u>	<u>6,500</u>	<u>112,068</u>	<u>112,068</u>
Governmental activity long-term liabilities	<u>\$ 89,607,228</u>	<u>\$ 517,674</u>	<u>\$ 6,397,443</u>	<u>\$ 83,727,459</u>	<u>\$ 5,489,291</u>

Compensated Absences

Under the terms of various union contracts, Town and Board of Education employees are granted and paid vacation and sick time in varying amounts based on length of service. Certain Town and Board of Education employees may also carry over a limited number of unused vacation days based on the terms of employment contract or union agreement.

TOWN OF HAMDEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS

General Obligation Bonds

As of June 30, 2002, the outstanding general obligation bonded indebtedness of the Town was as follows:

	<u>Outstanding Amount</u>
School bonds with interest rates ranging from 3.25 percent to 7.00 percent and varying expiration dates ranging from March 2003 to August 2020.	\$ 53,567,322
Public improvement bonds with interest rates ranging from 3.25 percent to 7.00 percent and varying expiration dates ranging from March 2003 to August 2020.	16,985,998
Sewer bonds with interest rates ranging from 3.25 percent to 5.25 percent and varying expiration dates ranging from February 2003 to August 2015.	6,366,680
Revaluation bond with interest rates ranging from 4.00% to 5.00% and expiring in August 2010.	<u>1,100,000</u>
	<u>\$ 78,020,000</u>

The annual debt service requirements of the Town's bonded indebtedness recorded in the general long-term debt group described above are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2003	\$ 5,365,000	\$ 3,641,955	\$ 9,006,955
2004	5,145,000	3,406,903	8,551,903
2005	5,410,000	3,188,738	8,598,738
2006	5,700,000	2,932,812	8,632,812
2007	5,700,000	2,663,412	8,363,412
2008	5,775,000	2,393,038	8,168,038
2009	5,700,000	2,099,225	7,799,225
2010	5,700,000	1,811,787	7,511,787
2011	5,620,000	1,547,712	7,167,712
2012	5,220,000	1,301,863	6,521,863
2013	5,185,000	1,063,288	6,248,288
2014	4,050,000	825,656	4,875,656
2015	4,060,000	617,231	4,677,231
2016	3,705,000	416,587	4,121,587
2017	1,915,000	272,250	2,187,250
2018	1,865,000	174,900	2,039,900
2019	640,000	80,050	720,050
2020	635,000	47,375	682,375
2021	630,000	15,750	645,750
	<u>\$ 78,020,000</u>	<u>\$ 28,500,532</u>	<u>\$106,520,532</u>

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

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, 2002 was approximately \$4,685,000. Additional payments aggregating approximately \$33,748,500 are expected to be received through the bonds' maturity dates.

Clean Water Fund Loans Payable

The Town has an outstanding balance on loans payable to the State of Connecticut Department of Environmental, under tits Clean Water Fund Program, for sanitary sewer projects. These loans bear interest at 2 percent per annum. The balance of these loans as of June 30, 2002 was \$57,229, and are repayable at \$5,118 of principal plus interest, each year until 2013.

Landfill Postclosure 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 postclosure care, aggregating \$126,338, 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, 2002. However, the actual cost of closure and postclosure 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 state and federal grants.

Capital Lease Obligations

Property and equipment carried at a cost of \$469,164 has been acquired under capital lease arrangements. The monthly payments under these leases range from \$568 to \$2530, at interest ranges ranging from 5.45 percent to 7.05 percent, respectively.

Future minimum lease payments under these capital leases are as follows:

2003	\$ 129,768
2004	<u>92,662</u>
	222,430
Less amount representing interest	<u>19,749</u>
	<u>\$ 202,681</u>

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

In addition, pursuant to Town of Hamden Code of Ordinances Section 36.01, the Town is authorized to issue bonds for an amount which, added to outstanding bond indebtedness of the Town, shall not exceed 5 percent of the Grand List of the Town, calculated as follows at June 30, 2002:

Grand list as of October 1, 1999	\$ 2,503,799,565	
Limitation %	<u>5</u>	%
		<u>125,189,978</u>
Bonds payable	78,020,000	
Bonds authorized but not issued	<u>16,831,485</u>	
		<u>94,851,485</u>
Debt limitation excess	<u>\$ 30,338,493</u>	

Subsequent to June 30, 2002 the Town repealed the Ordinances Section 36.01.

NOTE 9 — EMPLOYEE RETIREMENT PLANS

Employees' Retirement Plan of the Town of Hamden

Plan Description — The Town is the administrator of a single-employer defined benefit public employee retirement system (PERS) established in 1949 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, 2000, the date of the most recent actuarial valuation, membership consisted of:

Retirees and beneficiaries currently receiving benefits		563
Terminated employees entitled to benefits but not yet receiving them		19
Current employees:		
Vested	332	
Nonvested	<u>279</u>	<u>611</u>
		<u>1,193</u>

TOWN OF HAMDEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS

Schedule of Funding Progress (in 000's)

Year Ended	Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Underfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
June 30, 2001	July 1, 2000	\$134,231	\$187,009	\$ 52,779	71.2%	\$26,563	198.7%
June 30, 2000	July 1, 1999	*	*	*	*	*	*
June 30, 1999	July 1, 1998	\$114,496	\$168,629	\$ 54,133	67.9%	\$24,584	220.7%
June 30, 1998	July 1, 1997	*	*	*	*	*	*
June 30, 1997	July 1, 1996	\$ 79,006	\$145,295	\$ 66,290	54.4%	\$23,075	287.3%
June 30, 1996	July 1, 1995	*	*	*	*	*	*

* Information not available

Connecticut State Teachers' Retirement System

The faculty and professional personnel of the Board of Education participate in a multiple employer cost sharing contributory defined benefit plan, established under Chapter 167a of the Connecticut General Statutes, which is administered by the Connecticut State Teachers' Retirement Board. A teacher is eligible to receive normal retirement benefits if he or she has attained age sixty and has accumulated twenty years of credited service in the public schools of Connecticut or has accumulated thirty-five years of credited service, at least twenty-five of which are service in the public schools of Connecticut. The financial statements of the plan are available from the State of Connecticut Teachers' Retirement Board, 21 Grand Street, Hartford, CT 06106.

Certain part-time and full-time certified staff are eligible to participate in the plan and are required to contribute 7 percent of their annual earnings to the plan. The State of Connecticut contributes based on actuarially determined amounts. The funding level was determined based on actuarial valuation of the plan as a whole, which does not provide actuarial information on an individual municipality basis.

In addition, the Town has recognized revenues and expenditures for on-behalf payments for pension contributions paid directly to the Connecticut State Teachers' Retirement System by the State of Connecticut. Such on-behalf payments were approximately \$2,428,600 for the year ended June 30, 2002.

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

NOTE 10 — FUND DEFICITS

The Town has the following fund deficits at June 30, 2002 and expects to eliminate the deficits in the future as follows:

Fund	Deficit June 30, 2002	Plan for Eliminating Debt
Special Revenue Funds		
Underage Drinking Prevention	\$ 868	Through future revenues
Capital Projects Funds		
Farmington Canal	683,700	Through future transfers or revenue
New Hamden Middle School	474,296	Through future transfers or revenues
Wintergreen Interdistrict Magnet School	343,201	Through future transfers or revenues
Construction of Spring Glen School	1,889,148	Through future transfers or revenues
Internal Service Funds		
Workers' Compensation	468,126	Through future charges for services
Medical Insurance	886,616	Through future charges for services

NOTE 11 — COMMITMENTS AND CONTINGENCIES

Lawsuits

There are several personal injury, negligence and personnel related lawsuits pending against the Town. The outcome and eventual liability of the Town, if any, in these cases is not known at this time. Based upon consultation with legal 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.

Contracts

The Town 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 \$4,088,000, \$4,211,000, \$4,379,000 and \$4,554,000 for the years ending June 30, 2003 through 2006, respectively.

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.

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

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 estimates a liability for unpaid health claims based on historical experience. The Town maintains aggregate stop-loss coverage of \$11,728,500 and \$100,000 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 includes incremental claim expenditures.

Payments related to heart and hypertension administered by the Town are accounted for in the General Fund as they only related to two departments. The Town records an estimate 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 postemployment benefits. During the year ended June 30, 2002, the Town paid approximately \$686,000 to 19 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	Claims Paid	Claims Payable June 30
2002	\$ 1,802,559	\$ 13,262,364	\$ 13,074,486	\$ 1,990,437
2001	2,005,416	12,770,584	12,973,441	1,802,559

Other Postemployment Benefits

In addition to the pension benefits described in Note 9, the Town provides postemployment 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.

Benefits for Town retirees (including the Board of Education) are funded by the Town on a "pay-as-you-go" basis. The total amount expended in the current year for these benefits approximated \$1,301,600 (Town \$428,900 and Board of Education \$872,700).

TOWN OF HAMDEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

Operating Lease Commitments

The Town is committed under various operating leases of real estate, vehicles and office and data processing equipment. Lease expenditures for the year ended June 30, 2002 totaled approximately \$4,222,400. Future minimum lease payments under these agreements total \$8,800,000 (\$4,339,500 and \$4,460,500 for years ending June 30, 2003 and 2004, respectively).

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 a 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 36,000 tons per year and to pay a uniform per ton disposal service payment (the Service Payment). The current fee is \$56 per ton. The aggregate 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 by or 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 may be necessary to provide for the payment of the service payments.

GENERAL FUND

GENERAL FUND

The General Fund is used to account for resources traditionally associated with government which are not required legally or by sound financial management to be accounted for in other fund.

TOWN OF HAMDEN, CONNECTICUT
GENERAL FUND EXPENDITURES AND ENCUMBRANCES -
BUDGETARY BASIS - BUDGET AND ACTUAL
Year ended June 30, 2002

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
BOARD OF EDUCATION	\$ 68,325,869	\$ 68,920,471	\$ 68,918,263	\$ 2,208
GENERAL GOVERNMENT				
Legislative Council	2,201,971	2,790,726	1,977,302	813,424
Mayor	292,335	346,950	334,245	12,705
Elections	132,129	132,129	122,004	10,125
Finance	1,963,194	1,932,512	1,909,000	23,512
Tax assessor	369,827	363,227	342,758	20,469
Tax collector	432,273	443,181	430,808	12,373
Town attorney	488,749	767,763	763,806	3,957
Town clerk	366,518	394,968	391,254	3,714
Planning and Zoning	345,009	348,157	346,416	1,741
Personnel	6,910,470	6,956,537	6,817,586	138,951
Economic Development	115,260	115,260	111,779	3,481
Conservation Commission	5,665	5,665	6,137	(472)
Purchasing	1,666,058	2,042,774	2,010,709	32,065
Probate court	16,500	16,500	16,269	231
Board of ethics	50	5,050	5,050	-
Total general government	<u>15,306,008</u>	<u>16,661,399</u>	<u>15,585,123</u>	<u>1,076,276</u>
PUBLIC SAFETY				
Aminal control	73,350	72,930	65,542	7,388
Police Department	8,370,515	8,340,235	8,129,253	210,982
Fire Department	7,723,896	8,493,244	8,462,150	31,094
Civil defense and preparedness	<u>40,640</u>	<u>40,100</u>	<u>37,561</u>	<u>2,539</u>
Total public safety	<u>16,208,401</u>	<u>16,946,509</u>	<u>16,694,506</u>	<u>252,003</u>

TOWN OF HAMDEN, CONNECTICUT
GENERAL FUND EXPENDITURES AND ENCUMBRANCES -
BUDGETARY BASIS - BUDGET AND ACTUAL - continued
Year ended June 30, 2002

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
PUBLIC WORKS				
Building administration	\$ 246,863	\$ 255,263	\$ 248,496	\$ 6,767
Traffic	368,450	368,450	364,874	3,576
Public works department	7,500,743	7,879,698	7,880,550	(852)
Sewer usage charges	20,000	20,000	8,430	11,570
Engineering	<u>522,608</u>	<u>524,178</u>	<u>492,187</u>	<u>31,991</u>
Total public works	<u>8,658,664</u>	<u>9,047,589</u>	<u>8,994,537</u>	<u>53,052</u>
HEALTH AND WELFARE				
Elderly Services	365,819	366,319	348,737	17,582
Community Services	201,856	205,348	200,178	5,170
Youth services	167,453	167,953	165,471	2,482
Mental health	156,000	156,000	156,000	-
Quinnipiac Valley Health	272,783	272,783	272,783	-
Visiting Nurses Association	<u>140,000</u>	<u>140,000</u>	<u>140,000</u>	<u>-</u>
Total health and welfare	<u>1,303,911</u>	<u>1,308,403</u>	<u>1,283,169</u>	<u>25,234</u>
CULTURE AND RECREATION				
Library	1,596,583	1,603,433	1,564,628	38,805
Parks and recreation	1,938,407	1,950,407	1,909,484	40,923
Arts programs	<u>56,076</u>	<u>56,076</u>	<u>55,917</u>	<u>159</u>
Total culture and recreation	<u>3,591,066</u>	<u>3,609,916</u>	<u>3,530,029</u>	<u>79,887</u>
EMPLOYEE BENEFITS				
Fringes	<u>1,199,990</u>	<u>1,115,000</u>	<u>1,108,853</u>	<u>6,147</u>
Total employee benefits	<u>1,199,990</u>	<u>1,115,000</u>	<u>1,108,853</u>	<u>6,147</u>

TOWN OF HAMDEN, CONNECTICUT
GENERAL FUND EXPENDITURES AND ENCUMBRANCES -
BUDGETARY BASIS - BUDGET AND ACTUAL - continued
Year ended June 30, 2002

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
DEBT SERVICE				
Principal retirements	\$ 4,445,583	\$ 5,096,984	\$ 5,096,983	\$ 1
Interest	<u>4,175,117</u>	<u>3,133,835</u>	<u>2,857,923</u>	<u>275,912</u>
Total debt service	<u>8,620,700</u>	<u>8,230,819</u>	<u>7,954,906</u>	<u>275,913</u>
Total	<u>\$ 123,214,609</u>	<u>\$ 125,840,106</u>	<u>\$ 124,069,386</u>	<u>\$ 1,770,720</u>

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

Human Services — is used to account for the Federal and state funded programs to provide health and welfare programs.

Culture and Recreation — is used to account for the purpose of establishing cultural and recreational programs in Hamden.

Public Safety — is used to account for Federal and state funds used for the purchase of equipment and operation of programs to aid public safety.

Public Works — is used to account for a grant programs for improvements to highways, traffic islands, landscaping, signs and mowing equipment.

Community Development — is used to account for U.S. Housing and Urban Development grants relating to the Community Development Block Grants – Entitlement Programs.

Town Revitalization — is used to account for funds used for various improvements of Town facilities.

Board of Education — is used to account for U.S. Department of Education and Connecticut Department of Education grants as well as local grants relating to education.

General Government — is used to account for funds used for the betterment of general government activities.

CAPITAL PROJECTS FUNDS

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

Farmington Canal — is used to account for acquisition, construction, engineering and inspection of the rails-to-trails project.

Wintergreen Interdistrict Magnet School — is used to account for the interdistrict magnet school capital project.

Construction of Spring Glen School — is used to account for the Spring Glen School construction project.

Bear Path School Renovations — is used to account for the Bear Path School renovation project.

New Hamden Middle School — is used to account for the construction of a new middle school.

Other Capital Project — is used to account for various other capital projects.

TOWN OF HAMDEN, CONNECTICUT
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
June 30, 2002

	Special Revenue							General Government
	Human Services	Culture and Recreation	Public Safety	Public Works	Community Development	Town Revitalization Projects	Board of Education	
ASSETS								
CURRENT ASSETS								
Cash and cash equivalents	\$ -	\$ -	\$ 12,100	\$ -	\$ 16,425	\$ 1,334,327	\$ 1,104,605	\$ -
Receivables:								
Intergovernmental	7,569	-	54,739	9,989	82,361	-	-	-
Other	19,564	-	-	-	-	-	-	510
Inventory	-	-	-	-	-	-	35,925	-
Due from other funds	63,097	603,324	120,955	16,400	-	80,273	-	24,390
	<u>\$ 90,230</u>	<u>\$ 603,324</u>	<u>\$ 187,794</u>	<u>\$ 26,389</u>	<u>\$ 98,786</u>	<u>\$ 1,414,600</u>	<u>\$ 1,140,530</u>	<u>\$ 24,900</u>
LIABILITIES AND FUND BALANCES (DEFICITS)								
LIABILITIES								
Accounts payable	\$ 1,276	\$ 81,237	\$ 10,530	\$ -	\$ 51,298	\$ 1,766	\$ -	\$ 2,262
Due to others	50,070	-	60,900	9,989	47,488	7,475	228	-
Deferred revenue	37,078	518,265	117,232	685	-	112,751	868,693	19,334
Total liabilities	<u>88,424</u>	<u>599,502</u>	<u>188,662</u>	<u>10,674</u>	<u>98,786</u>	<u>121,992</u>	<u>868,921</u>	<u>21,596</u>
FUND BALANCES (DEFICITS)								
Unreserved:								
Undesignated	1,806	3,822	(868)	15,715	-	1,292,608	271,609	3,304
Total fund balances (deficits)	<u>1,806</u>	<u>3,822</u>	<u>(868)</u>	<u>15,715</u>	<u>-</u>	<u>1,292,608</u>	<u>271,609</u>	<u>3,304</u>
	<u>\$ 90,230</u>	<u>\$ 603,324</u>	<u>\$ 187,794</u>	<u>\$ 26,389</u>	<u>\$ 98,786</u>	<u>\$ 1,414,600</u>	<u>\$ 1,140,530</u>	<u>\$ 24,900</u>

TOWN OF HAMDEN, CONNECTICUT
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS - continued
June 30, 2002

	Capital Projects						Permanent Fund	Total
	Farmington Canal	Wintergreen Interdistrict Magnet School	Construction of Spring Glenn School	Bear Path School Renovations	New Hamden Middle School	Other Capital Projects		
ASSETS								
CURRENT ASSETS								
Cash and cash equivalents	\$ -	\$ 60,016	\$ -	\$ 1,668,176	\$ -	\$ 1,949,030	\$ 12,648	\$ 6,157,327
Receivables:								
Intergovernmental	451,747	846,870	-	-	-	1,068,696	-	2,521,971
Other	-	-	-	-	-	-	-	20,074
Inventory	-	-	-	-	-	-	-	35,925
Due from other funds	-	-	-	105,154	-	612,836	-	1,626,429
	<u>\$ 451,747</u>	<u>\$ 906,886</u>	<u>\$ -</u>	<u>\$ 1,773,330</u>	<u>\$ -</u>	<u>\$ 3,630,562</u>	<u>\$ 12,648</u>	<u>\$ 10,361,726</u>
LIABILITIES AND FUND BALANCES (DEFICITS)								
LIABILITIES								
Accounts payable	\$ 35,037	\$ -	\$ 891,175	\$ -	337,057	\$ 254,163	\$ -	\$ 1,665,801
Due to other funds	1,081,073	1,250,087	997,973	-	137,239	1,786,595	432	5,429,549
Deferred revenue	19,337	-	-	-	-	231,915	-	1,925,290
	<u>1,135,447</u>	<u>1,250,087</u>	<u>1,889,148</u>	<u>-</u>	<u>474,296</u>	<u>2,272,673</u>	<u>432</u>	<u>9,020,640</u>
Total liabilities								
							12,216	12,216
FUND BALANCES (DEFICITS)								
Reserved for endowments								
Unreserved:								
Undesignated	(683,700)	(343,201)	(1,889,148)	1,773,330	(474,296)	1,357,889	-	1,328,870
	<u>(683,700)</u>	<u>(343,201)</u>	<u>(1,889,148)</u>	<u>1,773,330</u>	<u>(474,296)</u>	<u>1,357,889</u>	<u>12,216</u>	<u>1,341,086</u>
Total fund balances (deficits)	<u>\$ 451,747</u>	<u>\$ 906,886</u>	<u>\$ -</u>	<u>\$ 1,773,330</u>	<u>\$ -</u>	<u>\$ 3,630,562</u>	<u>\$ 12,648</u>	<u>\$ 10,361,726</u>

TOWN OF HAMDEN, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES (DEFICITS) - NONMAJOR GOVERNMENTAL FUNDS
Year ended June 30, 2002

	Special Revenue							
	Human Services	Culture and Recreation	Public Safety	Public Works	Community Development	Town Revitalization Projects	Board of Education	General Government
REVENUES								
Federal and State government	\$ 279,039	\$ 199,400	\$ 75,871	\$ 11,894	\$ 714,258	\$ 300	\$ 4,385,057	\$ 34,377
Charges for services	-	-	47,109	-	-	-	-	-
Interest on investments	-	-	-	-	-	-	-	-
Other	53,224	3,540	78,786	15,400	-	24,906	169,272	6,000
	<u>332,263</u>	<u>202,940</u>	<u>201,766</u>	<u>27,294</u>	<u>714,258</u>	<u>25,206</u>	<u>4,554,329</u>	<u>40,377</u>
EXPENDITURES								
Education	-	-	-	-	-	-	4,428,807	-
General government	-	-	-	-	-	-	-	39,573
Public safety	-	-	202,052	-	-	-	-	-
Public works	-	-	-	13,969	-	-	-	-
Health and welfare	330,958	-	-	-	-	-	-	-
Culture and recreation	-	202,254	-	-	-	-	-	-
Community development	-	-	-	-	714,258	-	-	-
Capital outlay	-	-	-	-	-	106,014	-	-
	<u>330,958</u>	<u>202,254</u>	<u>202,052</u>	<u>13,969</u>	<u>714,258</u>	<u>106,014</u>	<u>4,428,807</u>	<u>39,573</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>1,305</u>	<u>686</u>	<u>(286)</u>	<u>13,325</u>	<u>-</u>	<u>(80,808)</u>	<u>125,522</u>	<u>804</u>
OTHER FINANCING (USES) SOURCES								
Operating transfers in	-	-	-	-	-	1,348,156	-	-
Operating transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	1,348,156	-	-
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES)	<u>1,305</u>	<u>686</u>	<u>(286)</u>	<u>13,325</u>	<u>-</u>	<u>1,267,348</u>	<u>125,522</u>	<u>804</u>
FUND BALANCE (DEFICIT), July 1, 2001	<u>501</u>	<u>3,136</u>	<u>(582)</u>	<u>2,390</u>	<u>-</u>	<u>25,260</u>	<u>146,087</u>	<u>2,500</u>
FUND BALANCE (DEFICIT), June 30, 2002	<u>\$ 1,806</u>	<u>\$ 3,822</u>	<u>\$ (868)</u>	<u>\$ 15,715</u>	<u>\$ -</u>	<u>\$ 1,292,608</u>	<u>\$ 271,609</u>	<u>\$ 3,304</u>

See notes to financial statements.

TOWN OF HAMDEN, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES (DEFICITS) - NONMAJOR GOVERNMENTAL FUNDS - continued
 Year ended June 30, 2002

	Capital Projects							Permanent Fund
	Farmington Canal	Wintergreen Interdistrict Magnet School	Construction of Spring Glenn School	Bear Path School Renovations	New Hamden Middle School	Other Capital Projects	Bequest Fund	
REVENUES								
Federal and State government	\$ 866,769	\$ 128,730	\$ -	\$ -	\$ -	\$ 1,195,935	\$ -	\$ 7,891,630
Charges for services	-	-	-	-	-	-	-	47,109
Interest on investments	-	-	-	-	-	6,753	294	7,047
Other	-	-	-	-	-	10,936	-	362,064
	<u>866,769</u>	<u>128,730</u>	-	-	-	<u>1,213,624</u>	<u>294</u>	<u>8,307,850</u>
EXPENDITURES								
Education	-	-	-	-	-	-	-	\$ 4,428,807
General government	-	-	-	-	-	-	-	39,573
Public safety	-	-	-	-	-	-	-	202,052
Public works	-	-	-	-	-	-	-	13,969
Health and welfare	-	-	-	-	-	-	-	330,958
Culture and recreation	-	-	-	-	-	-	-	202,304
Community development	-	-	-	-	-	-	50	714,258
Capital outlay	1,083,461	128,793	1,889,148	965,607	474,296	2,792,645	-	7,439,964
	<u>1,083,461</u>	<u>128,793</u>	<u>1,889,148</u>	<u>965,607</u>	<u>474,296</u>	<u>2,792,645</u>	<u>50</u>	<u>12,838,673</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>(216,692)</u>	<u>(63)</u>	<u>(1,889,148)</u>	<u>(965,607)</u>	<u>(474,296)</u>	<u>(1,579,021)</u>	<u>244</u>	<u>(5,064,035)</u>
OTHER FINANCING (USES) SOURCES								
Operating transfers in	-	-	-	-	-	-	-	1,348,156
Operating transfers out	-	-	-	-	-	(1,348,156)	-	(1,348,156)
Total other financing sources (uses)	-	-	-	-	-	(1,348,156)	-	-
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES)	<u>(216,692)</u>	<u>(63)</u>	<u>(1,889,148)</u>	<u>(965,607)</u>	<u>(474,296)</u>	<u>(2,927,177)</u>	<u>244</u>	<u>(5,064,035)</u>
FUND BALANCE (DEFICIT), July 1, 2001	<u>(467,008)</u>	<u>(343,138)</u>	-	<u>2,738,937</u>	-	<u>4,285,066</u>	<u>11,972</u>	<u>6,405,121</u>
FUND BALANCE (DEFICIT), June 30, 2002	<u>\$ (683,700)</u>	<u>\$ (343,201)</u>	<u>\$ (1,889,148)</u>	<u>\$ 1,773,330</u>	<u>\$ (474,296)</u>	<u>\$ 1,357,889</u>	<u>\$ 12,216</u>	<u>\$ 1,341,086</u>

See notes to financial statements.

FIDUCIARY FUNDS

FIDUCIARY FUNDS

Trust And Agency Funds are used to account for assets held in a trustee capacity for others, and include Pension Trusts, Expendable Trusts, Non-Expendable Trusts and Agency Funds.

Pension Trust Fund — utilize the accrual basis of accounting and are used for the accumulation of resources to be used for retirement benefits under the Employees' Retirement Plan of the Town of Hamden.

Private Purpose Trust Funds — utilize the modified accrual basis of accounting and are used for various purposes. No restrictions have been placed on these funds by the donors. The Town's Expendable Trust Funds are listed below:

Library Gift Fund

Hamden Arts Commission

Agency Funds — utilize the modified accrual basis of accounting. Agency funds are custodial in nature (assets equal liabilities) and are used to account for student activities and deferred compensation plans. The Town's Agency Funds are listed below:

Student Activity
Performance Bonds
Adult Activity

TOWN OF HAMDEN, CONNECTICUT
COMBINING BALANCE SHEET - TRUST AND AGENCY FUNDS
June 30, 2002

	Pension Trust Fund	Private Purpose Trust Funds			Total Private Purpose Trust Funds
		Library Gift Fund	Hamden Arts Commission	Other Private Purpose Trust Funds	
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	\$ 8,128,721	\$ 82,912	\$ 48,399	\$ 45,021	\$ 176,332
Investments	83,446,978	-	-	-	-
Other receivables	2,423,426	-	-	-	-
Prepaid expenses	460,179	-	-	-	-
Due from other funds	-	-	-	28,627	28,627
Total assets	<u>\$ 94,459,304</u>	<u>\$ 82,912</u>	<u>\$ 48,399</u>	<u>\$ 73,648</u>	<u>\$ 204,959</u>
LIABILITIES AND FUND BALANCES					
CURRENT LIABILITIES					
Accounts payable and accrued liabilities	\$ 1,373,535	-	-	\$ 697	\$ 697
Deferred revenue	-	-	-	1,706	1,706
Due to other funds	-	-	-	5,211	5,211
Other liabilities	-	-	-	-	-
Total current liabilities	<u>1,373,535</u>	<u>-</u>	<u>-</u>	<u>7,614</u>	<u>7,614</u>
FUND BALANCES					
Reserved for employee retirement system	93,085,769	82,912	48,399	-	-
Unreserved and undesignated	-	-	-	66,034	197,345
Total fund balances	<u>93,085,769</u>	<u>82,912</u>	<u>48,399</u>	<u>66,034</u>	<u>197,345</u>
Total liabilities and fund balances	<u>\$ 94,459,304</u>	<u>\$ 82,912</u>	<u>\$ 48,399</u>	<u>\$ 73,648</u>	<u>\$ 204,959</u>

TOWN OF HAMDEN, CONNECTICUT
COMBINING BALANCE SHEET - TRUST AND AGENCY FUNDS - continued
June 30, 2002

	Agency Funds					Total Fiduciary Funds
	Student Activity	Adult Activity	Performance Bonds	Total Agency Funds		
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents	\$ 113,072	\$ 87,006	\$ 1,103,200	\$ 1,303,278	\$	\$ 9,608,330
Investments	-	-	-	-	-	83,446,978
Other receivables	-	-	-	-	-	2,423,426
Prepaid expenses	-	-	-	-	-	460,179
Due from other funds	-	-	162,657	162,657	-	191,284
Total assets	\$ 113,072	\$ 87,006	\$ 1,265,857	\$ 1,465,935	\$	\$ 96,130,198
LIABILITIES AND FUND BALANCES						
CURRENT LIABILITIES						
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$	\$ 1,374,232
Deferred revenue	-	-	-	-	-	1,706
Due to other funds	-	42,480	-	42,480	-	47,691
Other liabilities	113,072	44,526	1,265,857	1,423,455	-	1,423,455
Total current liabilities	113,072	87,006	1,265,857	1,465,935	-	2,847,084
FUND BALANCES						
Reserved for employee retirement system	-	-	-	-	-	93,085,769
Unreserved and undesignated	-	-	-	-	-	197,345
Total fund balances	-	-	-	-	-	93,283,114
Total liabilities and fund balances	\$ 113,072	\$ 87,006	\$ 1,265,857	\$ 1,465,935	\$	\$ 96,130,198

TOWN OF HAMDEN, CONNECTICUT
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
Year ended June 30, 2002

	Pension Trust Fund	Library Gift Fund	Private Purpose Trust Funds		Total Private Purpose Trust Funds
			Hamden Arts Commission	Other Private Purpose Trust Funds	
ADDITIONS					
Contributions					
Employer contributions from general fund	\$ 250,000	-	\$ -	-	\$ -
Employee contributions	1,584,398	-	-	-	-
Total contributions	1,834,398	-	-	-	-
Investment income					
Net depreciation in fair value of investments	(13,616,847)	-	-	-	-
Interest and dividends	3,269,026	1,444	147	639	2,230
Other income	-	90,151	32,538	48,093	170,782
Less investment expenses:					
Investment management fees	365,177	-	-	-	-
Net investment income (loss)	(10,712,998)	91,595	32,685	48,732	173,012
Total additions	(8,878,600)	91,595	32,685	48,732	173,012
DEDUCTIONS					
Benefits and other deductions	10,124,899	84,380	7,436	45,240	137,056
Net change in net assets	(19,003,499)	7,215	25,249	3,492	35,956
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS AND OTHER PURPOSES, Beginning of year	112,089,268	75,697	23,150	62,542	161,389
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS AND OTHER PURPOSES, End of year	\$ 93,085,769	\$ 82,912	\$ 48,399	\$ 66,034	\$ 197,345

See notes to financial statements.

INTERNAL SERVICE FUNDS

INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the Town on a cost-reimbursement basis.

Workers' Compensation — is used to account for the Town's self-insured workers' compensation program.

Medical Insurance — is used to account for the Town's self-insured medical and dental insurance programs.

TOWN OF HAMDEN, CONNECTICUT
COMBINING STATEMENT OF NET ASSETS - INTERNAL SERVICE FUNDS
June 30, 2002

	Workers' Compensation Fund	Medical Insurance Fund	Total
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	\$ 95,824	\$ 71,538	\$ 167,362
Other receivables	<u>-</u>	<u>509,757</u>	<u>509,757</u>
Total assets	<u>\$ 95,824</u>	<u>\$ 581,295</u>	<u>\$ 677,119</u>
LIABILITIES AND DEFICIT			
CURRENT LIABILITIES			
Accounts payable	\$ 41,424	\$ -	\$ 41,424
Claims incurred but not reported	<u>522,526</u>	<u>1,467,911</u>	<u>1,990,437</u>
Total current liabilities	<u>563,950</u>	<u>1,467,911</u>	<u>2,031,861</u>
DEFICIT	<u>(468,126)</u>	<u>(886,616)</u>	<u>(1,354,742)</u>
Total liabilities and deficit	<u>\$ 95,824</u>	<u>\$ 581,295</u>	<u>\$ 677,119</u>

TOWN OF HAMDEN, CONNECTICUT
COMBINING STATEMENT OF REVENUES,
EXPENSES, AND CHANGES IN DEFICIT INTERNAL SERVICE FUNDS
Year ended June 30, 2002

	Workers' Compensation Fund	Medical Insurance Fund	Total
REVENUES			
Charges for services	\$ 836,902	\$ 14,275,808	\$ 15,112,710
EXPENSES			
Claims expense	<u>811,987</u>	<u>14,294,360</u>	<u>15,106,347</u>
Operating income (loss)	24,915	(18,552)	6,363
NONOPERATING INCOME			
Investment income	<u>1,532</u>	<u>10,752</u>	<u>12,284</u>
Net income (loss)	26,447	(7,800)	18,647
DEFICIT, Beginning	<u>(494,574)</u>	<u>(878,816)</u>	<u>(1,373,390)</u>
DEFICIT, Ending	<u>\$ (468,126)</u>	<u>\$ (886,616)</u>	<u>\$ (1,354,743)</u>

TOWN OF HAMDEN, CONNECTICUT
COMBINING STATEMENT OF CASH FLOWS - INTERNAL SERVICE FUNDS
Year ended June 30, 2002

	Workers' Compensation Fund	Medical Insurance Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 836,902	\$ 14,256,051	\$ 15,092,952
Cash payments for claims and fees	<u>(743,548)</u>	<u>(14,195,265)</u>	<u>(14,938,813)</u>
Net cash provided by operating activities	<u>93,354</u>	<u>60,786</u>	<u>154,139</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income	<u>1,532</u>	<u>10,752</u>	<u>12,284</u>
Net cash provided by investing activities	<u>1,532</u>	<u>10,752</u>	<u>12,284</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	94,886	71,538	166,423
CASH AND CASH EQUIVALENTS, Beginning	<u>938</u>	<u>-</u>	<u>938</u>
CASH AND CASH EQUIVALENTS, Ending	<u><u>\$ 95,824</u></u>	<u><u>\$ 71,538</u></u>	<u><u>\$ 167,361</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating income (loss) from operations	\$ 24,915	\$ (18,552)	\$ 6,363
Adjustments to reconcile operating loss to net cash used in operating activities:			
Changes in assets and liabilities:			
Accounts receivable	-	(19,757)	(19,757)
Claims liabilities	30,907	156,971	187,878
Accounts payable	<u>37,532</u>	<u>(57,876)</u>	<u>(20,344)</u>
Net cash provided by operating activities	<u><u>\$ 93,354</u></u>	<u><u>\$ 60,786</u></u>	<u><u>\$ 154,140</u></u>

See notes to financial statements.

**CAPITAL ASSETS USED IN
THE OPERATION OF
GOVERNMENTAL FUNDS**

TOWN OF HAMDEN, CONNECTICUT
SCHEDULE OF CAPITAL ASSETS USED IN THE OPERATION
OF GOVERNMENTAL FUNDS BY FUNCTION AND ACTIVITY
June 30, 2002

	<u>Land and Improvements</u>	<u>Buildings</u>	<u>Furniture, Fixtures, Vehicles and Equipment</u>	<u>Construction in Progress</u>	<u>Total</u>
General Government	\$ 8,861,319	\$ 15,037,672	\$ 4,337,129	\$ 526,353	\$ 28,762,473
Board of Education	652,000	90,967,345	9,668,121	3,185,662	104,473,128
Public Works and Parks	507,586	3,166,746	3,194,105	-	6,868,437
Public Safety					
Police	-	-	1,388,541	-	1,388,541
Fire	<u>18,400</u>	<u>585,015</u>	<u>2,520,817</u>	<u>19,359</u>	<u>3,143,591</u>
	<u>\$ 10,039,305</u>	<u>\$ 109,756,778</u>	<u>\$ 21,108,713</u>	<u>\$ 3,731,374</u>	<u>\$ 144,636,170</u>

TOWN OF HAMDEN, CONNECTICUT
SCHEDULE OF CHANGES IN CAPITAL ASSETS
USED IN THE OPERATION OF GOVERNMENTAL
FUNDS - BY FUNCTION AND ACTIVITY
Year ended June 30, 2002

	<u>Balance July 1, 2001</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2002</u>
General Government	\$ 27,715,144	\$ 1,055,704	\$ 8,375	\$ 28,762,473
Board of Education	100,604,691	5,049,372	1,180,935	104,473,128
Public Works and Parks	6,504,800	363,637	-	6,868,437
Public Safety				
Police	1,179,486	295,431	86,376	1,388,541
Fire	<u>2,965,957</u>	<u>177,634</u>	<u>-</u>	<u>3,143,591</u>
	<u>\$ 138,970,078</u>	<u>\$ 6,941,778</u>	<u>\$ 1,275,686</u>	<u>\$ 144,636,170</u>

OTHER SCHEDULES

TOWN OF HAMDEN, CONNECTICUT
SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING - GENERAL FUND
Year ended June 30, 2002

Grand List Year	Uncollected Taxes 7/1/00 plus 1999 List	Adjustments	Additions/ (Deductions)	Transfers to Suspense	Balance to be Collected	Collections		Lien Fees	Total	Taxes Receivable June 30, 2002
						Taxes	Interest			
1986	\$ 19,055	\$ (17,479)	\$ -	\$ -	\$ 1,576	\$ -	\$ -	\$ -	\$ 1,576	\$ -
1987	(26,982)	-	57	-	(26,925)	907	19	2,170	2,170	(28,169)
1988	(11,635)	-	562	-	(11,073)	350	24	907	907	(11,606)
1989	16,496	-	374	-	16,870	348	24	1,695	1,695	15,547
1990	30,096	-	-	-	30,096	343	24	(253)	343	30,716
1991	40,758	-	299	-	41,057	706	24	4,111	706	37,676
1992	46,052	-	-	-	46,052	476	72	8,186	476	38,414
1993	55,100	-	46	-	55,146	6,663	72	15,549	6,663	46,332
1994	62,421	-	-	-	62,421	2,677	144	11,851	2,677	53,391
1995	85,360	-	241	-	85,601	3,828	144	20,083	3,828	69,490
1996	97,531	-	(8,625)	-	88,906	2,400	216	16,319	2,400	75,203
1997	76,855	-	400	-	77,255	5,975	312	29,549	5,975	53,993
1998	561,864	-	1,124	(258,720)	304,268	45,184	1,152	197,085	45,184	153,519
1999	2,083,529	-	358	-	2,083,887	235,009	9,222	1,653,092	235,009	675,036
2000	3,136,500	(17,479)	(5,164)	(258,720)	2,855,137	304,866	11,449	1,961,920	304,866	1,209,542
	88,513,263	(104)	(327,985)	-	88,185,174	361,689	588	86,781,673	361,689	1,765,778
	\$ 91,649,763	\$ (17,583)	\$ (333,149)	\$ (517,440)	\$ 91,040,311	\$ 666,555	\$ 12,037	\$ 88,743,593	\$ 666,555	\$ 2,975,320

TOWN OF HAMDEN, CONNECTICUT
SCHEDULE OF SPECIAL ASSESSMENTS LEVIED, COLLECTED AND OUTSTANDING
 Year ended June 30, 2002

District	Balance Uncollected July 1, 2001	Adjustments	Additional Assessments	Adjusted Balance to Collect	Collections			Total	Balance Uncollected June 30, 2002
					Assessment	Interest	Fees		
Farmbrook	\$ 2,683	-	\$ -	\$ 2,683	\$ -	-	\$ -	\$ 2,683	
Sherman Valley	-	-	-	-	-	-	-	-	
Evergreen - Shepard North	10,814	-	-	10,814	225	-	225	10,814	
West Shepard 118	522	-	-	522	45	-	567	-	
Dunbar Hill	26,124	-	-	26,124	833	-	4,997	21,960	
	\$ 40,143	\$ -	\$ -	\$ 40,143	\$ 1,103	\$ -	\$ 5,789	\$ 35,457	

TOWN OF HAMDEN, CONNECTICUT
SCHEDULE OF CAPITAL PROJECT EXPENDITURES
COMPARED WITH PROJECT AUTHORIZATION
Year ended June 30, 2002

Project	Project Authorization	Expenditures		Balance June 30, 2002
		During Year	Cumulative	
Hamden High School Renovation/Additions	\$ 44,796,500	\$ 82,215	\$ 44,314,224	\$ 482,276
Energy Conversion-BOE-Ordinance #386	99,000	-	52,430	46,570
Hamden School System Capital Improvements	530,000	8,000	503,941	26,059
Miller Complex Roof Replacement and Renovations	1,955,000	-	1,946,439	8,561
Hamden Industrial Park	94,136	3,153	30,249	63,887
Thorpe Drive Moratorium Fund	591,989	45,418	292,658	299,331
Town Road Aid	441,501	418,170	418,170	23,331
Laurel View Capital Improvements	215,192	3,586	215,192	-
Computer System Improvements	640,000	113,307	634,449	5,551
Hamden Ice Rink Renovation	2,900,000	1,300	1,443,464	1,456,536
Wintergreen Magnet School	15,000,000	128,792	14,850,308	149,692
Brooksvale Park Trail	2,000	-	397	1,603
Center One Government Center	6,000,000	835,292	4,683,190	1,316,810
Brooksvale Park Renovation	225,700	-	222,472	3,228
Farm Brook Diversion Project	350,000	5,344	238,710	111,290
Farmington Canal	5,574,580	1,083,461	5,027,522	547,058
Local Capital Improvements:				
Bassett Park Dog Run	20,000	14,862	14,862	5,138
Computer Equipment	43,413	8,224	43,173	240
Conservation and Development	60,000	-	-	60,000
Newhall Community Center Renovation	7,000	-	6,922	78
Newhall Community Center Renovation IV	15,000	4,479	13,592	1,408
M. L. Keefe Center Renovation	227,000	9,460	9,460	217,540
M. L. Keefe Elevator Project	20,000	-	-	20,000
Police Security Storage Area	60,000	360	360	59,640
Fire Station Alerting System	40,000	40,000	40,000	-
Epoxy Crosswalk Project	80,000	29,564	79,564	436
LED Traffic Signals-Phase II	50,000	39,950	39,950	10,050
Gas & Diesel Underground Tanks	42,532	42,532	42,532	-
Bus Shelter Improvements	10,000	1,800	1,800	8,200
Municipal Parking and Traffic Island Improvements	17,000	57,295	65,910	(48,910)
Street Paving & Parking Lot Improvements	250,000	242,897	242,897	7,103
Fuel Master System	43,000	5,368	39,215	3,785
Motor for Stand-by Generator	40,000	-	-	40,000
Stand-by Generator - Police	40,000	39,319	39,319	681
Police Substation	16,000	-	-	16,000
Floor Installation - Miller Library	27,000	26,848	26,848	152
Vo-ed Building Renovation	190,000	-	187,536	2,464
Brooksvale Park Building Materials	40,000	37,490	37,490	2,510
Brooksvale Park Improvements	30,000	10,129	10,129	19,871
Ice Rink Roof Repair & Improvements	10,000	-	-	10,000
Mix Avenue Tennis Courts Renovations	175,000	126	126	174,874
Ridge Hill School Energy Conservation #381	1,795,000	438,765	1,420,457	374,543
Spring Glen School Renovation #381	605,000	-	597,776	7,224
Helen St. School and Hamden Middle School Renovations #38	41,829	14,000	41,829	-
Hamden High School Ventilation	45,000	-	-	45,000

TOWN OF HAMDEN, CONNECTICUT
SCHEDULE OF CAPITAL PROJECT EXPENDITURES
COMPARED WITH PROJECT AUTHORIZATION - continued
Year ended June 30, 2002

Project	Project Authorization	Expenditures		Balance June 30, 2002
		During Year	Cumulative	
Debt Administration #381	\$ 53,000	\$ -	\$ 53,000	\$ -
Road Improvements-Traffic Department-Ordinance #381	200,000	4,881	96,207	103,793
School System Capital Improvement Program-Ordinance #390	1,518,601	291,569	1,463,820	54,781
Improvements to Hamden H.S. Field and Facilities #392	3,800,000	3,154,546	3,162,286	637,714
Revaluation of Real Property Grand List #394	1,100,000	46,087	1,100,410	(410)
Town Capital Improvement Program-Ordinance #397	738,500	157,304	681,498	57,002
Bear Path School Architect Fees & Pre-construction Costs	175,000	-	172,276	2,724
Improvements to Bear Path School	14,280,000	965,607	1,226,670	13,053,330
Hamden Middle School Architect Fees & Pre-const Costs	200,000	26,273	114,890	85,110
Hamden Middle School Geotechnical & Environmental Testing	1,500,000	574,213	1,301,655	198,345
Construction of Spring Glen School	16,375,000	1,889,148	2,951,356	13,423,644
Roof Replacement & Cleaning at Bear Path School	40,000	39,200	39,200	800
Reconstruction of Shepard Avenue	100,000	-	10,000	90,000
Tuttle Avenue Bridge	130,000	8,739	22,411	107,589
Town Capital Improvements-Ordinance #419	1,010,000	327,931	771,624	238,376
Town Capital Improvements-Ordinance #444	1,835,668	541,874	541,874	1,293,794
Regional Capital Development	229,500	157,023	157,023	72,477
Newhall Street Environmental Studies	250,000	275,550	275,550	(25,550)
Pardee Brook Flood Repair Project	80,000	52,592	52,592	27,408
New Hamden Middle School	725,000	474,296	516,315	208,685
Mold Removal at Bear Path School	177,599	177,599	177,599	-
Capital lease acquisitions	172,939	172,939	172,939	-
	<u>\$ 128,146,179</u>	<u>\$ 13,128,877</u>	<u>\$ 92,936,757</u>	<u>\$ 35,209,422</u>

TOWN OF HAMDEN, CONNECTICUT
SCHEDULE OF DEBT LIMITATION
Year ended June 30, 2002

Total Tax Collections (including interest and land fees) for the year ended June 30, 2002	\$ 88,743,593
Reimbursement for revenue loss: Tax Relief for Elderly	<u>105,752</u>
Base	<u>\$ 88,849,345</u>

	<u>General Purpose</u>	<u>Schools</u>	<u>Sewers</u>	<u>Urban Renewal</u>	<u>Pension Funding</u>
Debt Limitation:					
2-1/4 times base	\$199,911,026	\$ -	\$ -	\$ -	\$ -
4-1/2 times base	-	399,822,053	-	-	-
3-3/4 times base	-	-	333,185,044	-	-
3-1/4 times base	-	-	-	288,760,371	-
3 times base	-	-	-	-	<u>266,548,035</u>
Total debt limitation	<u>199,911,026</u>	<u>399,822,053</u>	<u>333,185,044</u>	<u>288,760,371</u>	<u>266,548,035</u>
Indebtedness:					
Bonds payable	18,085,998	53,567,322	6,366,680	-	-
Capital leases	202,681	-	-	-	-
Clean Water Debt	-	-	-	-	-
Bonds authorized and unissued	<u>5,561,000</u>	<u>11,270,485</u>	<u>-</u>	<u>-</u>	<u>-</u>
	23,849,679	64,837,807	6,366,680	-	-
Less, School Construction Grants	<u>-</u>	<u>(24,444,390)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net indebtedness	<u>23,849,679</u>	<u>89,282,197</u>	<u>6,366,680</u>	<u>-</u>	<u>-</u>
Debt Limitation in Excess of Outstanding and Authorized Debt	<u>\$176,061,347</u>	<u>\$310,539,856</u>	<u>\$326,818,364</u>	<u>\$288,760,371</u>	<u>\$266,548,035</u>

At no time shall indebtedness exceed seven times the base (\$621,945,415).