

**TOWN OF HAMDEN, CONNECTICUT**

**FINANCIAL REPORT**

**JUNE 30, 2005**



**TOWN OF HAMDEN, CONNECTICUT**

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## LEVITSKY & BERNEY

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### INDEPENDENT AUDITOR'S REPORT

To the Members of the Legislative Council  
Hamden, Connecticut

We have audited the accompanying financial statements of the governmental activities, 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, 2005, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town of Hamden, Connecticut's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Pension Trust Fund, which represents 99 percent of the current assets and 98 percent of the revenues of the fiduciary funds. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Pension Trust Fund, is based on the report of the other auditors.

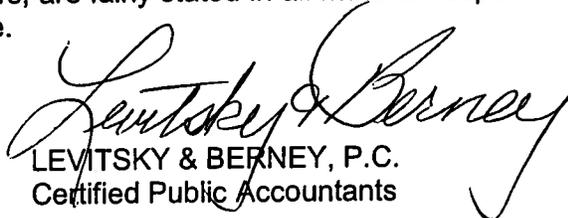
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and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

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Hamden, Connecticut as of June 30, 2005, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 24, 2006, on our consideration of the Town of Hamden, Connecticut's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion over internal control and compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and budgetary information on pages 3 through 14 and page 21 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We, and the other auditors, have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

  
LEVITSKY & BERNEY, P.C.  
Certified Public Accountants

January 24, 2006



# TOWN OF HAMDEN

## FINANCE DEPARTMENT

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### MANAGEMENT'S DISCUSSION AND ANALYSIS June 30, 2005

As management of the Town of Hamden, Connecticut we offer readers of the financial statements this narrative overview and analysis of the financial activities of the Town of Hamden for the fiscal year ended June 30, 2005.

#### Financial Points of Interest

- On a government-wide basis, the net assets of the Town of Hamden exceed its liabilities at June 30, 2005 by \$20,776,878. Net assets for Governmental Activities were \$27,696,038 and net assets for Business-Type Activities were (\$6,919,160). Of the Town's total net assets, (\$104,486,768) is unrestricted.
- During the current year on a government-wide basis, total net assets decreased by \$11,934,474. Net assets decreased \$11,264,111 for Governmental Activities and decreased \$670,363 for Business-Type Activities. Government-wide net expenses were \$146,778,282 and government-wide general revenues were \$134,843,808.
- At June 30, 2005 the Town of Hamden's governmental funds reported combined ending fund balances of negative \$12,099,974. This is a decrease of \$10,480,023 over the prior year. When the Town permanently finances its capital projects, we will have a corresponding increase in fund balance.
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$6,310,582 or 4.1% of the fiscal year 2006 adopted budget.
- The town issued \$23,325,000 of general obligation refunding bonds. These bonds were used to defease \$22,895,000 of outstanding general obligation bonds. This was done to reduce debt service payments.

## **Overview of the Financial Statements**

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

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

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

The Town has also elected to delay retroactive reporting of general government infrastructure assets acquired after June 30, 1980 to the period ending June 30, 2006 as allowed under GASB 34.

## **Government-Wide Financial Statements**

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

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

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

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

The government-wide financial statements can be found on pages 15-17 of this report.

### **Fund Financial Statements**

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

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

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

The Town of Hamden maintains individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund and Capital Projects fund, both of which are considered to be major funds. The remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements on pages 59-66 of this report.

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

The basic governmental fund financial statements can be found on pages 18-19 of this report.

**Proprietary funds** – The Town of Hamden uses enterprise funds to report the functions presented as business-type activities in the government-wide financial statements. The Town of Hamden uses enterprise funds to report the activities of the Water Pollution Control Authority and Internal Service funds. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

The basic proprietary fund financial statements can be found on page 22-24 of this report.

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

The basic fiduciary funds financial statements can be found on pages 25-26 of this report.

### **Notes to the Financial Statements**

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 27-54 of this report.

### **Other Information**

In addition to the basic financial statements, the accompanying notes present certain required supplemental information concerning the Town of Hamden's progress in funding its obligation to provide pension benefits to employees. This and other required supplementary information can be found in note 10 on page 48-52 of this report.

### **Government-Wide Financial Analysis**

As noted earlier, net assets may, over time, serve as a useful indicator of the government's financial position. At the close of the current fiscal year, net assets exceeded liabilities by \$20,776,878.

The largest portion of the Town of Hamden's net assets is reflected in the investment in capital assets. Capital assets include land and improvements, buildings, machinery and equipment, infrastructure and construction in progress, less any related debt used to acquire those assets that is still outstanding. Governmental activities capital assets do not include all of the historical cost of infrastructure (roads, sidewalks or bridges). Infrastructure items will be fully included in the financial reports for the year ending June 30, 2006.

**Town of Hamden, Connecticut**  
**Net Assets**  
**June 30, 2005 and 2004**

	Governmental activities		Business-type activities		Total	
	2005	2004	2005	2004	2005	2004
Current and other assets	\$ 56,256,907	50,030,200	\$ (4,473,224)	(4,316,680)	\$ 51,783,683	45,713,520
Capital assets	198,415,375	184,975,799	4,107,058	4,577,058	202,522,433	189,552,857
<b>Total assets</b>	<u>254,672,282</u>	<u>235,005,999</u>	<u>(366,166)</u>	<u>260,378</u>	<u>254,306,116</u>	<u>235,266,377</u>
Current Liabilities	53,937,787	31,714,264	1,443,567	1,004,305	55,381,354	32,718,569
Long-term liabilities	173,038,457	164,331,586	5,109,427	5,504,870	178,147,884	169,836,456
<b>Total liabilities</b>	<u>226,976,244</u>	<u>196,045,850</u>	<u>6,552,994</u>	<u>6,509,175</u>	<u>233,529,238</u>	<u>202,555,025</u>
<b>Net Assets:</b>						
Invested in capital assets, net of related debt	121,144,050	102,073,551	4,067,042	4,531,460	125,211,092	106,605,011
Restricted	52,554	25,052			52,554	25,052
Unrestricted	<u>(93,500,566)</u>	<u>(63,138,454)</u>	<u>(10,986,202)</u>	<u>(10,780,257)</u>	<u>(104,486,768)</u>	<u>(73,918,711)</u>
<b>Total net assets</b>	<u>\$ 27,696,038</u>	<u>38,960,149</u>	<u>\$ (6,919,160)</u>	<u>(6,248,797)</u>	<u>\$ 20,776,878</u>	<u>32,711,352</u>

At the end of the current fiscal year, the Town of Hamden is unable to report a positive balance in the net assets of its business-type activities.

**Town of Hamden, Connecticut**  
**Changes in Net Assets**  
**June 30, 2005 and 2004**

	Governmental activities		Business-type activities		Total	
	2005	2004	2005	2004	2005	2004
<b>Revenues:</b>						
<b>Program Revenues:</b>						
Charges for services	\$ 7,755,609	6,820,996	\$ 4,705,749	3,801,308	\$ 12,461,358	10,622,304
Operating grants and contributions	7,051,573	5,851,796			7,051,573	5,851,796
Capital grants and contributions	11,001,212	2,545,799			11,001,212	2,545,799
<b>General Revenues:</b>						
Property Taxes	106,378,992	97,891,381			106,378,992	97,891,381
Grants & Contributions not restricted to specific Programs	27,381,194	26,991,331			27,381,194	26,991,331
Investment Earnings	510,827	446,588	3,650	12,487	514,477	459,075
Misc.	569,145				569,145	0
					0	0
<b>Total revenues</b>	<b>160,648,552</b>	<b>140,547,891</b>	<b>4,709,399</b>	<b>3,813,795</b>	<b>165,357,951</b>	<b>144,361,686</b>
<b>Expenses:</b>						
Education	86,324,011	85,170,725			86,324,011	85,170,725
General government	16,389,024	9,359,351			16,389,024	9,359,351
Public Safety	32,360,633	18,732,493			32,360,633	18,732,493
Public Works	22,463,759	19,265,100			22,463,759	19,265,100
Health and Welfare	2,046,301	1,521,419			2,046,301	1,521,419
Culture and Recreation	6,017,755	3,905,422			6,017,755	3,905,422
Employee Benefits		22,203,099				22,203,099
Community Development	857,176	1,059,687			857,176	1,059,687
Other						0
Interest on long-term debt	5,454,004	2,359,884			5,454,004	2,359,884
Water pollution Control Authority			5,379,762	5,251,614	5,379,762	5,251,614
<b>Total expenses</b>	<b>171,912,663</b>	<b>163,577,180</b>	<b>5,379,762</b>	<b>5,251,614</b>	<b>177,292,425</b>	<b>168,828,794</b>
<b>Change in net assets</b>	<b>(11,264,111)</b>	<b>(23,029,289)</b>	<b>(670,363)</b>	<b>(1,437,819)</b>	<b>(11,934,474)</b>	<b>(24,467,108)</b>
<b>Net assets-Beginning of year</b>	<b>38,960,149</b>	<b>70,308,915</b>	<b>(6,248,797)</b>	<b>(2,963,284)</b>	<b>32,711,352</b>	<b>67,345,631</b>
Prior period adjustments		(8,319,477)		(1,847,694)		(10,167,171)
<b>Net assets-Beginning of year-Restated</b>	<b>38,960,149</b>	<b>61,989,438</b>	<b>(6,248,797)</b>	<b>(4,810,978)</b>	<b>32,711,352</b>	<b>57,178,460</b>
<b>Net assets-End of year</b>	<b>\$ 27,696,038</b>	<b>38,960,149</b>	<b>\$ (6,919,160)</b>	<b>(6,248,797)</b>	<b>\$ 20,776,878</b>	<b>32,711,352</b>

Total net assets for the Town decreased by \$11,934,474. Key elements of this change are as follows:

**Governmental Activities** - Governmental activities decreased the Town of Hamden's net assets by \$11,264,111. Key fluctuations in revenue are as follows:

- The total revenue for governmental activities increased \$20,100,661 or 14.3%. Revenue from property taxes increased by \$8,487,611 or 8.7%. This was due mainly to an increase in the mill rate from fiscal year 2004 to 2005.
- Revenue from charges for services increased by \$934,613 or 13.7%. This was due to increased activity for conveyance taxes.
- Revenue from operating grants and contributions and capital grants and contributions not restricted to specific programs had an increase in revenue of \$1,199,777 and an increase in revenue of \$8,455,413 respectively, for a total increase of \$9,655,190. This category of revenue represents payments to municipalities from the State for State owned property, payment in lieu of taxes, the Town's share of telephone access line fees, reimbursement's of tax loss and various exemptions and the Town's share of payments from the state for the two casinos in the state. All grants are determined by state statute.

For Governmental Activities, major expenditures are for education (50%), public works (13%), and public safety (19%). Total expenditures for governmental activities increased by \$8,335,483 or 5% over the prior year. Key fluctuations in expenditures are as follows:

- Employee benefits were included in their respective expenditure functions, whereas prior years they were a separate classification.
- The variance in general government and employee benefits occurred due to a reclassification of expenses.
- Interest on long-term debt increased by \$3,094,120 or 131%. This was due to refinancing and the affect of shifting principal payments to earlier years.

**Business-Type Activities** - Business-Type Activities decreased the Town's net assets by \$670,363. Key activities contributing to the decrease are as follows:

- Charges for services for the Water Pollution Control Authority increased by \$904,441 or 24% and expenditures increased by \$128,148 or 2%.
- One Internal Service Fund was funded at a level below the required amount.

## Financial Analysis of the Government's Funds

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

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

As of June 30, 2005 the Town of Hamden's governmental funds reported combined ending fund balances of negative \$12,099,974. This is a decrease of \$10,480,023 in comparison with the prior year. This decrease in fund balance is due primarily to the fact that the Town of Hamden made a conscious decision for short-term borrowing as well as to delay permanent borrowing and use its general fund cash flow for numerous capital expenditures. The Town of Hamden is planning on obtaining permanent financing before the end of fiscal year 2006.

Intergovernmental Revenue increased from the prior year by \$10,756,840 or 29%. This increase is primarily a result of major capital projects receiving significant grants in fiscal year 2005.

The general fund is the chief operating fund of the Town of Hamden. At the end of the current fiscal year, unreserved, undesignated fund balance in the general fund was \$6,310,582 while the total fund balance was \$6,461,845. As a measure of the general fund's liquidity, it may be useful to compare unreserved, undesignated fund balance and total fund balance to total fund expenditures. Unreserved, undesignated fund balance represents 4.4% of total general fund budgetary expenditures, while total fund balance represents 4.5% of total general fund budgetary expenditures.

At the end of fiscal year 2005, unreserved, undesignated fund balance was 4.1% of fiscal year 2006's adopted budget.

### Synopsis of general fund undesignated and unreserved fund balance.

	Fund balance at June 30, (thousands)	Increase/(Decrease) from Prior Year (thousands)
2005 .....	6,311	2,967
2004 .....	3,344	(852)
2003 .....	4,196	(841)
2002 .....	5,037	263
2001 .....	4,774	(2)
2000 .....	4,776	3,047
1999 .....	1,729	(2,561)
1998 .....	4,290	(1,796)
1997 .....	6,086	(1,090)
1996 .....	7,176	(830)

The total General Fund Balance of the Town of Hamden increased on a GAAP basis by \$2,656,751 or 70%% during the current fiscal year. Key factors in this increase are as follows:

Property taxes, interest and liens exceeded budgeted amount by approx. 769,000; department budgets came under budget by approx. \$1,146,000 mainly due to unfilled positions and debt service expenditures came under budget by approx. \$790,000.

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

Unrestricted net assets in the Water Pollution Control Authority were negative \$10,986,202 and the unrestricted net assets for the internal service funds (self-insurance) were negative \$2,759,859. Other factors concerning these funds have already been addressed in the discussion in the Town of Hamden’s business-type activities.

### **General Fund Budgetary Highlights**

You will notice the original budget amounted to \$141,901,945 and the final amended budget for the Town of Hamden was \$142,455,895. This represents an increase of \$553,950. The additional amount financed appropriations that were originally not budgeted for.

### **Capital Asset and Debt Administration**

**Capital Assets** - The Town of Hamden’s investment in capital assets for its governmental and business-type activities as of June 30, 2005 is \$202,522,446 (net of accumulated depreciation). It includes land, buildings, improvements, machinery and equipment, construction in progress and infrastructure. Governmental activities currently do not include all infrastructure (roads and bridges), which are not required by GASB 34 until the period ending June 30, 2006. The total increase in the Town of Hamden’s investment in capital assets for the current fiscal year was \$12,969,589 or 6.8%. There was a 7.3% increase for governmental activities and a 10.3% decrease for business-type activities.

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

- Started construction of new Hamden Middle School
- Newhall Street Environmental Studies are continuing

Additional information on the Town of Hamden’s capital assets can be found in note 9 on pages 44-45.

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

	Governmental activities		Business-type activities		Total	
	2005	2004	2005	2004	2005	2004
Land	\$ 9,035,000	\$ 9,035,000	\$	\$	\$ 9,035,000	\$ 9,035,000
Land improvements	4,403,277	4,734,947			4,403,277	4,734,947
Buildings and Improvements	80,160,776	81,413,362	55,000	55,000	80,215,776	81,468,362
Infrastructure	65,244,193	72,344,637	4,052,058	4,522,058	69,296,251	76,866,695
Machinery and equipment	5,588,669	5,751,229			5,588,669	5,751,229
Construction in progress	33,983,460	11,696,624			33,983,460	11,696,624
	<u>\$ 198,415,375</u>	<u>\$ 184,975,799</u>	<u>\$ 4,107,058</u>	<u>\$ 4,577,058</u>	<u>\$ 202,522,433</u>	<u>\$ 189,552,857</u>

**Long-term Debt** –At the end of the current fiscal year, the Town of Hamden had total bonded debt and loans outstanding of \$83,505,016. All of this debt is backed by the full faith and credit of the Town of Hamden.

**Town of Hamden  
Outstanding Debt  
General Obligation Bonds and Loans  
June 30, 2005 and 2004**

	Governmental activities		Business-type activities		Total	
	2005	2004	2005	2004	2005	2004
General obligation bonds	\$ 78,395,589	\$ 82,985,729	\$ 5,069,411	\$ 5,459,271	\$ 83,465,000	\$ 88,445,000
Clean water fund notes			40,016	45,599	40,016	45,599
Total	<u>78,395,589</u>	<u>82,985,729</u>	<u>5,109,427</u>	<u>5,504,870</u>	<u>83,505,016</u>	<u>88,490,599</u>

The Town of Hamden's total bond and note debt decreased by \$4,985,583 during the fiscal year 2005. The Town issued \$23,325,000 of general obligation refunding bonds. These bonds were used to defease \$22,895,000 of outstanding general obligation bonds.

The ratio of bonded debt to assessed valuation and the amount of bonded debt per capita are useful indicators of the Town's debt position to management, citizens, and investors. The data for the Town at the end of fiscal year 2005 is as follows:

## Ratio of Debt

	Amount
Legal debt limit .....	\$ 751,841,195
Total bonded indebtedness .....	83,465,000
Legal debt margin .....	668,376,195

The overall statutory debt limitation for the Town of Hamden is equal to seven times the annual receipts from taxation or \$751,841,195. As of June 30, 2005 the Town had \$114,870,369 of long-term debt outstanding including school and sewer debt and bonds authorized and unissued, which is well below the statutory debt limit.

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

Additional information on the Town of Hamden's long-term debt can be found in note 11 on pages 45-48.

### **Economic Factors and Next Years Budgets and Rates**

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

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

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

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

The Town of Hamden will face important budgetary challenges in the next few years. Opportunities to generate additional revenue are limited. State revenue will remain flat as the State deals with its own financial difficulty. There is limited opportunity for economic development to increase the grand list and thereby ease the tax burden for homeowners. Therefore, the Mayor and Town Council will be charged to make budget reductions, thus reducing discretionary spending as well as expenditures for repairs, maintenance, equipment replacement and education as well as increasing appropriations for unfunded liabilities, such as the pension fund and self-insurance fund. As part of the 2006-2007 budget process the Mayor and Town Council will explore alternative strategies that will provide an acceptable level of services for taxpayers at a reasonable cost.

### **Requests for Information**

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

## STATEMENT OF NET ASSETS

June 30, 2005

	PRIMARY GOVERNMENT		
	Governmental Activities	Business Type Activities	Total*
<b>Assets</b>			
Cash and cash equivalents	\$ 24,753,216	1,800,387	26,553,603
Receivables, net of allowance of uncollectible:			
Property taxes	1,841,185		1,841,185
Special assessments	14,278		14,278
Accounts		513,758	513,758
Intergovernmental	21,301,256		21,301,256
Other	1,232,395		1,232,395
Inventories	40,990		40,990
External balances	24,525		24,525
Internal balances	6,787,369	(6,787,369)	-
Other assets	261,693		261,693
Noncurrent assets:			
Capital assets not being depreciated	43,018,460		43,018,460
Capital assets, being depreciated, net of depreciation	155,396,915	4,107,058	159,503,973
<b>Total assets</b>	<b>\$ 254,672,282</b>	<b>(366,166)</b>	<b>254,306,116</b>
<b>Liabilities</b>			
Accounts payable	\$ 27,426,643	1,443,567	28,870,210
Deferred revenue	775,571		775,571
Payable to external parties	246,829		246,829
Claims incurred but not reported	1,873,744		1,873,744
Short-term notes payable	23,615,000		23,615,000
Non-current liabilities:			
Due within one year	18,943,580	311,525	19,255,105
Due in more than one year	154,094,877	4,797,902	158,892,779
<b>Total liabilities</b>	<b>\$ 226,976,244</b>	<b>6,552,994</b>	<b>233,529,238</b>
<b>Net assets</b>			
Investment in capital assets, net of related debt	\$ 121,144,050	4,067,042	125,211,092
Restricted for:			
Endowments	11,564		11,564
Inventories	40,990		40,990
Unrestricted	(93,500,566)	(10,986,202)	(104,486,768)
<b>Total net assets</b>	<b>\$ 27,696,038</b>	<b>(6,919,160)</b>	<b>20,776,878</b>

\* After internal balances have been eliminated

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

TOWN OF HAMDEN, CONNECTICUT

STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2005

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<u>Functions/Programs</u>	<u>Expenses</u>	<u>Charges for Services</u>
<b>Primary government:</b>		
Governmental activities:		
Education	\$ 86,324,011	1,183,463
General government	16,389,024	4,070,929
Public safety	32,360,633	1,587,094
Public works	22,463,759	31,768
Health and welfare	2,046,301	145,345
Culture and recreation	6,017,755	737,010
Community development	857,176	
Interest on long - term debt	5,454,004	
<b>Total governmental activities</b>	<b>\$ 171,912,663</b>	<b>7,755,609</b>
Business type activities:		
Water Pollution Control Authority	\$ 5,379,762	4,705,749
<b>Total business-type activities</b>	<b>\$ 5,379,762</b>	<b>4,705,749</b>
<b>Total primary government</b>	<b>\$ 177,292,425</b>	<b>12,461,358</b>

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

Program Revenues		Net (Expense) Revenue and Changes in Net Assets		
		Primary Government		
Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business Type Activities	Total
6,098,852	8,682,633	(70,359,063)		(70,359,063)
82,078	1,146,613	(11,089,404)		(11,089,404)
174,432		(30,599,107)		(30,599,107)
34,200		(22,397,791)		(22,397,791)
135,164		(1,765,792)		(1,765,792)
	1,171,966	(4,108,779)		(4,108,779)
526,847		(330,329)		(330,329)
		(5,454,004)		(5,454,004)
<u>7,051,573</u>	<u>11,001,212</u>	<u>(146,104,269)</u>	<u>-</u>	<u>(146,104,269)</u>
			(674,013)	(674,013)
			(674,013)	(674,013)
<u>7,051,573</u>	<u>11,001,212</u>	<u>(146,104,269)</u>	<u>(674,013)</u>	<u>(146,778,282)</u>

<b>General revenues:</b>			
Property taxes	\$	106,378,992	106,378,992
Grants and contributions not restricted to specific programs		27,381,194	27,381,194
Investment earnings		510,827	3,650
Miscellaneous		569,145	569,145
<b>Total general revenues</b>	\$	<u>134,840,158</u>	<u>134,843,808</u>
<b>Change in net assets</b>	\$	<u>(11,264,111)</u>	<u>(670,363)</u>
<b>Net assets - beginning</b>	\$	<u>38,960,149</u>	<u>(6,248,797)</u>
<b>Net assets - ending</b>	\$	<u>27,696,038</u>	<u>20,776,878</u>

**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**June 30, 2005**

	General Fund	Capital Project Fund	Hamden Middle School Project	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Cash and cash equivalents	\$ 21,755,016	332,439	294,822	1,902,369	24,284,646
Receivables, net of allowance for uncollectible:					
Property taxes	1,841,185				1,841,185
Special assessments	14,278				14,278
Intergovernmental	19,101,080	52,079		2,148,097	21,301,256
Other	1,232,118			277	1,232,395
Inventories				40,990	40,990
Due from other funds	12,709,314	7,782,812	6,592,821	2,187,978	29,272,925
Other assets	261,693				261,693
<b>Total assets</b>	<b>\$ 56,914,684</b>	<b>8,167,330</b>	<b>6,887,643</b>	<b>6,279,711</b>	<b>78,249,368</b>
<b>Liabilities:</b>					
Accounts payable	12,764,944	2,229,442	8,617,312	624,140	24,235,838
Deferred revenue	20,872,156	10		272,772	21,144,938
Due to other funds	16,815,739			4,537,827	21,353,566
Temporary notes payable		10,875,000	5,000,000	7,740,000	23,615,000
<b>Total liabilities</b>	<b>\$ 50,452,839</b>	<b>13,104,452</b>	<b>13,617,312</b>	<b>13,174,739</b>	<b>90,349,342</b>
<b>Fund balances:</b>					
Reserved for:					
Encumbrances	\$ 151,263	846,491	29,525,776	548,580	31,072,110
Inventories				40,990	40,990
Endowments				11,564	11,564
Unreserved:					
Undesignated and unreserved	6,310,582	(5,783,613)	(36,255,445)	(7,496,162)	(43,224,638)
<b>Total fund balances</b>	<b>\$ 6,461,845</b>	<b>(4,937,122)</b>	<b>(6,729,669)</b>	<b>(6,895,028)</b>	<b>(12,099,974)</b>
<b>Total liabilities and fund balances</b>	<b>\$ 56,914,684</b>	<b>8,167,330</b>	<b>6,887,643</b>	<b>6,279,711</b>	

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.	198,415,375
Interest on long-term debt is not accrued in governmental funds but rather is recognized as an expenditure when due.	(3,190,414)
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	20,369,367
Internal service funds are used by management to charge the costs of liability and medical insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	(2,759,859)
Long term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	(173,038,457)
<b>Net assets of governmental activities</b>	<b>\$ 27,696,038</b>

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

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
For the Year ended June 30, 2005

	<u>General Fund</u>	<u>Capital Project Fund</u>	<u>Hamden Middle School Project</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Fund</u>
<b>Revenues:</b>					
Property taxes, Interest and liens	\$ 107,445,135				107,445,135
Intergovernmental	31,701,696	432,185	8,569,631	6,804,996	47,508,508
Licenses, permits and fees	3,235,386				3,235,386
Charges for services	2,952,388			1,507,485	4,459,873
Fines and forfeits	22,100				22,100
Investment earnings	486,921	9,779		14,127	510,827
Miscellaneous	205,163	8,939		235,140	449,242
<b>Total revenues</b>	<b>\$ 146,048,789</b>	<b>450,903</b>	<b>8,569,631</b>	<b>8,561,748</b>	<b>163,631,071</b>
<b>Expenditures</b>					
<b>Current:</b>					
Education	\$ 78,743,107				
General government	10,501,108			4,735,302	83,478,409
Public safety	26,441,363			1,173,204	11,674,312
Public works	12,475,292			128,324	26,569,687
Health And welfare	1,536,783			736,454	13,211,746
Culture and recreation	4,832,461			282,392	1,819,175
Community development	60,506			4,688	4,837,149
Capital outlay	180,567	5,860,492	16,617,094	753,737	814,243
Principal	4,956,296			1,096,883	23,755,036
Interest	3,744,753				4,956,296
<b>Total expenditures</b>	<b>\$ 143,472,236</b>	<b>5,860,492</b>	<b>16,617,094</b>	<b>8,910,984</b>	<b>174,860,806</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>\$ 2,576,553</b>	<b>(5,409,589)</b>	<b>(8,047,463)</b>	<b>(349,236)</b>	<b>(11,229,735)</b>
<b>Other financial sources (uses):</b>					
Proceeds from bond issuance		569,145			569,145
Proceeds from capital leases	\$ 180,567				180,567
Operating transfers in	10,023			162,424	172,447
Operating transfers (out)	(110,392)	(51,142)		(10,913)	(172,447)
<b>Total other financing sources (uses)</b>	<b>\$ 80,198</b>	<b>518,003</b>	<b>-</b>	<b>151,511</b>	<b>749,712</b>
<b>Net change in fund balances</b>	<b>\$ 2,656,751</b>	<b>(4,891,586)</b>	<b>(8,047,463)</b>	<b>(197,725)</b>	<b>(10,480,023)</b>
<b>Fund balances - beginning</b>	<b>3,805,094</b>	<b>(45,536)</b>	<b>1,317,794</b>	<b>(6,697,303)</b>	<b>(1,619,951)</b>
<b>Fund balances - ending</b>	<b>\$ 6,461,845</b>	<b>(4,937,122)</b>	<b>(6,729,669)</b>	<b>(6,895,028)</b>	<b>(12,099,974)</b>

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

**RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2005**

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

Net Change in Fund Balances - Total Governmental Funds (Exhibit D)	\$ (10,480,023)
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.	13,439,576
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(3,551,664)
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.	6,490,923
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	(16,907,045)
Internal Services Funds are used by management to change costs of liability and medical insurance to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities.	<u>(255,878)</u>
Change in Net Assets of Governmental Activities (Exhibit B)	<u>\$ (11,264,111)</u>

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

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET TO ACTUAL - GENERAL FUND  
For the Year Ended June 30, 2005**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Favorable (Unfavorable)
	Original	Final		
<b>Revenues:</b>				
Property taxes, interest and liens	\$ 106,676,225	106,676,225	107,445,135	768,910
Intergovernmental	28,854,069	28,854,069	29,143,254	289,185
Licenses, permits and fees	2,555,286	2,555,286	3,235,386	680,100
Charges for services	3,179,865	3,865,165	2,952,388	(912,777)
Fines and forfeits	20,000	20,000	22,100	2,100
Investment earnings	362,500	362,500	486,921	124,421
Miscellaneous	254,000	255,450	205,163	(50,287)
<b>Total revenues</b>	<b>\$ 141,901,945</b>	<b>142,588,695</b>	<b>143,490,347</b>	<b>901,652</b>
<b>Expenditures:</b>				
<b>Current:</b>				
Education	\$ 76,000,000	76,169,331	76,169,331	-
General government	9,370,686	8,309,934	7,959,874	350,060
Public safety	18,966,395	19,317,186	18,911,522	405,664
Public works	9,664,831	10,361,189	10,260,347	100,842
Health and welfare	1,322,324	1,290,149	1,221,633	68,516
Culture and recreation	3,583,568	3,689,720	3,528,239	161,481
Employee benefits	13,502,839	13,827,084	13,767,580	59,504
<b>Debt service:</b>				
Principal retirements	5,415,584	5,415,584	4,956,296	459,288
Interest	4,075,718	4,075,718	3,744,753	330,965
<b>Total expenditures</b>	<b>\$ 141,901,945</b>	<b>142,455,895</b>	<b>140,519,575</b>	<b>1,936,320</b>
<b>Excess of revenues over (under) expenditures</b>	<b>\$ -</b>	<b>132,800</b>	<b>2,970,772</b>	<b>2,837,972</b>
<b>Other financing sources and (uses)</b>				
Transfers from other funds			10,023	10,023
Transfers to other funds		(132,800)	(110,392)	22,408
Cancelled encumbrances from prior years			95,968	95,968
<b>Total other financing sources and (uses)</b>		<b>(132,800)</b>	<b>(4,401)</b>	<b>128,399</b>
<b>Net changes in fund balance</b>	<b>\$ -</b>	<b>-</b>	<b>2,966,371</b>	<b>2,966,371</b>
<b>Unreserved fund balance, beginning of year</b>			<b>3,344,211</b>	
<b>Unreserved fund balance, end of year</b>			<b>6,310,582</b>	

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

**STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
June 30, 2005**

	<u>Business Type Activities</u>	<u>Governmental Activities</u>
	Water <u>Pollution Control Authority</u>	Internal Service <u>Funds</u>
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 1,800,387	468,570
Accounts receivable, net of allowance for uncollectible	513,758	
Due from other funds		5,299
Prepaid items		
<b>Total current assets</b>	<u>\$ 2,314,145</u>	<u>473,869</u>
<b>Capital assets:</b>		
Building	\$ 55,000	
Infrastructure	19,980,245	
Less accumulated depreciation	(15,928,187)	
<b>Total capital assets (net of accumulated depreciation)</b>	<u>\$ 4,107,058</u>	<u>-</u>
<b>Total assets</b>	<u>\$ 6,421,203</u>	<u>473,869</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current liabilities:</b>		
Accounts payable	\$ 1,443,567	391
Due to other funds	6,787,369	1,359,593
Claims incurred but not reported		1,873,744
Long-term liabilities, current portion	311,525	
<b>Total current liabilities</b>	<u>\$ 8,542,461</u>	<u>3,233,728</u>
<b>Non-current liabilities:</b>		
Long-term liabilities, less current portion	\$ 4,797,902	
<b>Total non-current liabilities</b>	<u>\$ 4,797,902</u>	<u>-</u>
<b>Total liabilities</b>	<u>\$ 13,340,363</u>	<u>3,233,728</u>
<b>Net assets:</b>		
Investment in capital assets, net of related debt	\$ 4,067,042	
Unrestricted	(10,986,202)	(2,759,859)
<b>Total net assets</b>	<u>\$ (6,919,160)</u>	<u>(2,759,859)</u>

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

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND NET ASSETS**  
**PROPRIETARY FUNDS**  
**For the Year Ended June 30, 2005**

	<u>Business Type Activities</u>	<u>Governmental Activities</u>
	<u>Water Pollution Control Authority</u>	<u>Internal Service Funds</u>
<b>Operating revenues:</b>		
Charges for services	\$ 4,705,749	20,244,681
<b>Total operating revenues</b>	<b>\$ 4,705,749</b>	<b>20,244,681</b>
<b>Operating expenses</b>		
Salaries, benefits and claims	\$ 564,342	
Materials and supplies	3,283,472	
Depreciation	470,000	
Utilities	30,180	
Administration and operation	810,236	20,516,336
<b>Total operating expenses</b>	<b>\$ 5,158,230</b>	<b>20,516,336</b>
<b>Operating income or (loss)</b>	<b>\$ (452,481)</b>	<b>(271,655)</b>
<b>Non-operating revenues (expenses):</b>		
Interest income	\$ 3,650	15,777
Interest expense	(221,532)	
<b>Total non-operating revenues (expenses)</b>	<b>\$ (217,882)</b>	<b>15,777</b>
<b>Net income or (loss) before contributions and transfers</b>	<b>\$ (670,363)</b>	<b>(255,878)</b>
<b>Other financing sources (uses)</b>		
Capital contributions	\$	
Transfer in		
Transfer (out)		
<b>Total other financing sources (uses)</b>	<b>\$ -</b>	<b>-</b>
<b>Change in net assets</b>	<b>(670,363)</b>	<b>(255,878)</b>
<b>Net assets - beginning</b>	<b>\$ (6,248,797)</b>	<b>(2,503,981)</b>
<b>Net assets - ending</b>	<b>\$ (6,919,160)</b>	<b>(2,759,859)</b>

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

**STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
For the Year Ended June 30, 2005**

	<b>Business Type Activities</b>	
	<b>Enterprise Funds</b>	<b>Governmental Activities</b>
	<b>Major</b>	<b>Internal Service Funds</b>
	<b>Water Pollution Control Authority</b>	
<b>Cash flows from operating activities:</b>		
Receipts from customers and users	\$ 4,956,942	20,344,681
Cash payments for claims and fees	(4,007,325)	(20,159,041)
<b>Net cash provided (used) by operating activities</b>	<b>\$ 949,617</b>	<b>185,640</b>
<b>Cash flows from capital and related financing activities:</b>		
Principal paid on capital debt	\$ (459,288)	
Interest paid on capital debt	(221,532)	
<b>Net cash provided by non-capital financing activities</b>	<b>\$ (680,820)</b>	<b>-</b>
<b>Cash flows from investing activities:</b>		
Investment income	\$ 3,650	15,777
<b>Net cash flows from investing activities</b>	<b>\$ 3,650</b>	<b>15,777</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>\$ 272,447</b>	<b>201,417</b>
<b>Cash and cash equivalents - beginning</b>	<b>1,527,940</b>	<b>267,153</b>
<b>Cash and cash equivalents - ending</b>	<b>\$ 1,800,387</b>	<b>468,570</b>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>		
Operating income or (loss)	\$ (452,481)	(271,655)
<b>Adjustments to reconcile operating income (loss) To net cash Provided (used) by operating activities:</b>		
Depreciation expense	\$ 470,000	
<b>Change in assets and liabilities:</b>		
(Increase) decrease in accounts and other receivables	(123,594)	(140,000)
Increase (decrease) in claim liabilities		43,734
Increase (decrease) in accounts payable	503,105	(186,032)
Increase (decrease) in due to other funds	552,587	739,593
<b>Total adjustments</b>	<b>\$ 1,402,098</b>	<b>457,295</b>
<b>Net cash provided (used) by operating activities</b>	<b>\$ 949,617</b>	<b>185,640</b>

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

**STATEMENT OF FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
**June 30, 2005**

	<u>Pension Trust Fund</u>	<u>Private Purpose Trust Funds</u>	<u>Agency Funds</u>
<b>Assets</b>			
Cash and cash equivalents	\$ 1,202,133	183,867	1,251,637
Investments, at fair value:			
Corporate stocks	9,700		
Common trusts funds	57,277,903		
Mutual funds	14,604,623		
Money market funds	186,040		
Total investments	\$ 72,078,266	-	-
Other receivables	9,359,545		
Prepaid expenses	14,617		
Due from other funds	-	85,132	161,697
<b>Total assets</b>	<u>\$ 82,654,561</u>	<u>268,999</u>	<u>1,413,334</u>
<b>Liabilities</b>			
Accounts payable	\$ 54,843	3,309	
Deferred revenue		13,001	
Due to other funds		24,525	
Other liabilities			1,413,334
<b>Total liabilities</b>	<u>\$ 54,843</u>	<u>40,835</u>	<u>1,413,334</u>
<b>Net assets</b>			
Held in trust for pension benefits	\$ 82,599,718		
Reserved for encumbrances			
Unrestricted and undesignated		228,164	
<b>Total net assets</b>	<u>\$ 82,599,718</u>	<u>228,164</u>	<u>-</u>

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

**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
For the Year Ended June 30, 2005**

	<u>Pension Trust Fund</u>	<u>Private Purpose Trust Funds</u>
<b>Contributions:</b>		
Town of Hamden	\$ 3,000,000	
Plan members	1,659,028	
<b>Total contributions</b>	<u>\$ 4,659,028</u>	<u>-</u>
<b>Investment earnings:</b>		
Net appreciation in fair value of investments	\$	
Interest and dividends	6,850,097	789
Other income	789,324	
<b>Total investment income (loss)</b>	<u>\$ 7,639,421</u>	<u>789</u>
<b>Less investment expenses:</b>		
Investment management fees	184,534	
<b>Net investment earnings</b>	<u>\$ 7,454,887</u>	<u>789</u>
Other income		<u>289,501</u>
<b>Total additions</b>	<u>\$ 12,113,915</u>	<u>290,290</u>
<b>Deductions:</b>		
Benefits and other deductions	<u>\$ 13,299,746</u>	<u>265,625</u>
<b>Total deductions</b>	<u>\$ 13,299,746</u>	<u>265,625</u>
<b>Net increase (decrease)</b>	<u>\$ (1,185,831)</u>	<u>24,665</u>
<b>Net assets - beginning</b>	<u>83,785,549</u>	<u>203,499</u>
<b>Net assets - ending</b>	<u>\$ 82,599,718</u>	<u>228,164</u>

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

# TOWN OF HAMDEN, CONNECTICUT

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2005

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### **Note 1 - Summary of Significant Accounting Policies** **Reporting Entity**

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

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

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

#### ***Blended component unit***

The 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.

### **Measurement Focus, Basis of Accounting and Financial Statement Presentation**

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

#### **Government-wide financial statements**

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges

# TOWN OF HAMDEN, CONNECTICUT

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2005

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provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

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

### Fund financial statements

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

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectable within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures are generally recorded when a liability has occurred, as under accrual accounting. However expenditures related to long-term liabilities, such as debt service payments and compensated absences, are recorded only when payment is due.

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

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

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

# TOWN OF HAMDEN, CONNECTICUT

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2005

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The government reports the following major governmental funds:

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

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

The government reports the following major proprietary funds:

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:

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

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

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

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

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

# TOWN OF HAMDEN, CONNECTICUT

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2005

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### Assets, liabilities and net assets or equity

#### **Cash and cash equivalents**

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

#### **Inventories and prepaid items**

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

#### **Receivables and payables**

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

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

All trade and property tax receivables, including those for W.P.C.A., are shown net of an allowance for uncollectible accounts. Trade account allowance for uncollectible accounts is estimated based on the inherent risk associated with the accounts.

#### **Capital assets**

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

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

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

# TOWN OF HAMDEN, CONNECTICUT

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2005

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

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

GASBS No. 34 requires the Town to report and depreciate new infrastructure assets effective with the beginning of the current year. Infrastructure assets include roads, bridges, underground pipe (other than related to utilities), traffic signals, etc. These infrastructure assets are likely to be the largest asset class of the Town. Neither their historical cost nor related depreciation has historically been reported in the financial statements. The retroactive reporting of infrastructure is subject to an extended implementation period and is first effective for fiscal years ending in 2006. The Town has implemented the general provisions of GASBS No. 34 as of June 30, 2002 and hopes to implement the retroactive infrastructure provisions (under the modified approach) in the fiscal year ending June 30, 2006.

### Compensated absences

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

### Deferred revenue

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

### Long-term obligations

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

# TOWN OF HAMDEN, CONNECTICUT

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2005

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

### Pension accounting

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

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

### Fund equity and net assets

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

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

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

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

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

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

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

# TOWN OF HAMDEN, CONNECTICUT

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2005

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### Note 2 - Budgets and Budgetary Accounting

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

- a. Not later than 105 days prior to the beginning of the fiscal year, the Mayor prepares and submits to the Legislative Council an annual budget based on detailed estimated revenues and expenditures for the Town.
- b. The Legislative Council must hold public hearings not later than 60 days before the beginning of the fiscal year, at which time taxpayers' comments are obtained.
- c. Not later than 45 days prior to the beginning of the fiscal year, the Legislative Council must adopt the budget.
- d. With approval from the Mayor, the Legislative Council may transfer any unencumbered appropriation from one department, commission, board or office to another. Any additional appropriation over and above the budget total may be made by resolution of the Legislative Council upon recommendation of the Mayor and certification from the Director of Finance that there is an unappropriated, unencumbered general fund cash balance available to meet the additional appropriation. Unencumbered appropriations lapse at year end. Supplemental appropriations in the amount of \$ 686,750 were approved by the Legislative Council during the fiscal year. The supplemental appropriations were financed by \$ 686,750 in additional current revenues.
- e. Formal budgetary integration is employed as a management control device during the year for the general fund. Only the general fund is required to be budgeted.
- f. The legal level of control is at the department level.
- g. Encumbrances are recognized as a valid and proper charge against a budget issued appropriation in the year in which the purchase order, contract or other commitment is issued and, accordingly, encumbrances outstanding at year-end are reflected in budgetary reports as expenditures of the current year. If an appropriation is not encumbered, it lapses at year-end and may not be used by the department.
- h. Classifications of certain revenues and expenditures under accounting principles generally accepted in the United States of America differ from classifications utilized for budgetary purposes.

**TOWN OF HAMDEN, CONNECTICUT**

**NOTES TO THE FINANCIAL STATEMENTS**

**June 30, 2005**

General Fund

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

	<u>Revenues and other Financing Sources</u>	<u>Expenditures, Encumbrances and other Financing Uses</u>
<b>Balance, Budgetary Basis</b>	\$ 143,596,338	140,629,967
Encumbrances		
June 30, 2004	(95,968)	364,915
June 30, 2005		(151,263)
The Town did not budget for its Capital Leases. The amount of the capital asset acquisition is recorded as an expenditure and the proceeds as other financing source for GAAP Purposes	180,567	180,567
State Teachers' Retirement and On-behalf Payment, not Recognized for Budgetary Purposes	<u>2,558,442</u>	<u>2,558,442</u>
<b>Balance, GAAP Basis</b>	<b>\$ <u>146,239,379</u></b>	<b><u>143,582,628</u></b>

Special Revenue Funds

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

Capital Projects Funds

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

# TOWN OF HAMDEN, CONNECTICUT

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2005

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

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

The governmental fund balance sheet includes reconciliation between fund balance - total governmental funds and net assets. One element of that reconciliation explains that "long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds." The details of this \$(173,038,457) difference are as follows:

Bonds Payable	\$ (78,395,589)
Deferred Charges on Refunding	1,569,483
Compensated Absences	(7,874,163)
Capital Leases	(445,219)
Claims and Judgments	(1,500,000)
Post-closure Landfill Costs	(365,453)
Net Pension Obligation	(84,188,252)
Heart and Hypertension	<u>(1,839,264)</u>
Net Adjustment to Reduce Fund Balance - Total Government Funds to Arrive at Net Assets - Governmental Activities	<u>\$ (173,038,457)</u>

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

The governmental fund statement of revenues, expenditures and changes in fund balances includes reconciliation between net changes in fund balances - total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this \$13,439,576 difference are as follows:

Capital Outlay	\$ 23,755,036
Depreciation Expense	<u>(10,315,460)</u>
Net Adjustment to Increase Net Changes in Fund Balance - Total Government Funds to Arrive at Changes in Net Assets of Governmental Activities	<u>\$ 13,439,576</u>

Another element of that reconciliation states that "the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued,

**TOWN OF HAMDEN, CONNECTICUT**

**NOTES TO THE FINANCIAL STATEMENTS**

**June 30, 2005**

whereas, these amounts are deferred and amortized in the statement of activities." The details of this \$6,490,923 difference are as follows:

Debt Issued or Incurred:	
Capital Leases	\$ (180,567)
Issuance of Refunding Bonds	(23,325,000)
Principal Repayments:	
General Obligation Debt	5,020,140
Capital Leases	511,867
Payments to Escrow agent for refunding	<u>24,464,483</u>
Net Adjustment to Decrease Net Assets In	
Fund Balances - Total Governmental Funds	
To Arrive at Changes in Net Assets of	
Governmental Activities	
	<u>\$ 6,490,923</u>

Another element of that reconciliation states that *some expenses reported in the statement of activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds.* The details of this \$(16,907,045) difference are as follows:

Net (Increase) In Compensated Absences	\$ (619,280)
Net Decrease In Accrued Interest	(1,709,251)
Net (Increase) in Net Pension Obligation	(12,094,097)
Net (Increase) In Other Long-Term Liabilities	<u>(2,484,417)</u>
Net Adjustment to Decrease <i>Net Change In Fund</i>	
<i>Balances Total Governmental Funds to Arrive</i>	
<i>At Changes In Net Assets of Governmental</i>	
<i>Activities</i>	
	<u>\$ (16,907,045)</u>

**Note 4 - Deposits and Investments**

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

	<u>Deposit</u>	<u>Investments</u>	<u>Total</u>
<b>Cash and cash equivalents:</b>			
Governmental funds	\$ 24,258,539	26,107	24,284,646
Proprietary funds	2,268,957		2,268,957
Fiduciary funds	2,637,637		2,637,637
<b>Investments:</b>			
Fiduciary funds		<u>72,078,266</u>	<u>72,078,266</u>
<b>Deposits and Investments</b>	<u>\$ 29,165,133</u>	<u>72,104,373</u>	<u>101,269,506</u>

**TOWN OF HAMDEN, CONNECTICUT**

**NOTES TO THE FINANCIAL STATEMENTS**

**June 30, 2005**

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Deposits

The carrying amounts of the Town's deposits at June 30, 2005 consist of the following:

Bank Deposit Accounts	\$ 29,157,682
Cash on Hand	<u>7,451</u>
Total Deposits	<u>\$ 29,165,133</u>

**Custodial credit risk**

As of June 30, 2005, the carrying amount of the City's deposits was \$ 29,165,133 with bank balances of approximately \$26,604,010. The amount of the bank balance covered under federal depository insurance was approximately \$558,000. The remaining \$26,046,010 of deposits were uninsured, however provisions of the Connecticut General Statutes provide for protection against loss in excess of deposit insurance by requiring all qualified public depositories to maintain segregated collateral for public deposits. As of June 30, 2005 approximately \$2,553,250 of uninsured deposits were collateralized under the provision.

Investments

As of June 30, 2005, the City held the following investments:

<u>Investment Type</u>	<u>Fund</u>	<u>Fair Value</u>	<u>Weighted Average to Maturity (years)</u>
Ct State Investment Funds	General Fund	\$ 26,107	.02
Money Market accounts	Pension Trust	186,040	.02
Corporate Bonds	Pension Trust	9,700	.02
Corporate Equity Securities	Pension Trust	57,277,903	.02
Mutual Funds	Pension Trust	<u>14,604,623</u>	.02
Total		<u>\$ 72,104,373</u>	

**Interest rate risk**

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

**Credit risk**

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

**TOWN OF HAMDEN, CONNECTICUT**

**NOTES TO THE FINANCIAL STATEMENTS**

**June 30, 2005**

**Note 5 - Receivables, Deferred Revenue and Payables**

Receivables

The Receivables as of June 30, 2005 for the Town's individual major funds and non-major, internal service and fiduciary funds in the aggregate, including the applicable allowance for uncollectible accounts are as follows:

	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Proprietary Funds</u>	<u>Total</u>
Property Taxes	\$ 2,241,185			2,241,185
Special Assessments	14,278			14,278
Intergovernmental	19,101,080	2,200,176		21,301,256
Accounts	213,400		606,758	820,158
Other	1,018,718	277		1,018,995
<b>Gross Receivables</b>	<b>\$ 22,588,661</b>	<b>2,200,453</b>	<b>606,758</b>	<b>25,395,872</b>
<b>Allowance For Collection Losses</b>	<b>(400,000)</b>		<b>(93,000)</b>	<b>(493,000)</b>
<b>Net Total Receivables</b>	<b>\$ 22,188,661</b>	<b>2,200,453</b>	<b>513,758</b>	<b>24,902,872</b>

Deferred Revenue

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

	<u>Unavailable</u>	<u>Unearned</u>	<u>Total</u>
<b>General Fund:</b>			
Delinquent Property Taxes	\$ 1,371,166		1,371,166
Advanced Tax Collections		486,306	486,306
Other		16,483	16,483
<b>Other Governmental Funds:</b>			
Intergovernmental Grant	18,998,201	272,782	19,270,983
Other			
<b>Total Receivables</b>	<b>\$ 20,369,367</b>	<b>775,571</b>	<b>21,144,938</b>

**TOWN OF HAMDEN, CONNECTICUT**

**NOTES TO THE FINANCIAL STATEMENTS**

**June 30, 2005**

Payables

Payables as of June 30, 2005 for the Town's individual major funds and nonmajor funds were as follows:

	<u>Vendors</u>	<u>Payroll Benefits</u>	<u>Cash Over Drafts</u>	<u>Total</u>
General Fund	\$ 3,193,115	4,888,912	4,682,917	12,764,944
Capital Projects	2,229,442			2,229,442
Middle School	8,617,312			8,617,312
Other				
Governmental	624,140			624,140
Internal Service	391			391
W.P.C.A.	1,443,567			1,443,567
<b>Total Payables</b>	<b>\$ 16,107,967</b>	<b>4,888,912</b>	<b>4,682,917</b>	<b>25,679,796</b>

An amount of \$1,873,744 is presented as a current liability on the government wide statement of net assets as claims incurred but not reported. Included in this amount is \$1,585,819 of expenses incurred through the Town's medical self-insurance Internal Service Fund. However, the Internal Service Fund does not have the current resources available to satisfy this debt.

Temporary Notes Payables

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

	<u>Beginning Balance</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Ending Balance</u>
Bond anticipation note	\$ 14,013,027	23,615,000	14,013,027	23,615,000

**TOWN OF HAMDEN, CONNECTICUT**

**NOTES TO THE FINANCIAL STATEMENTS**

**June 30, 2005**

**Note 6 - Interfund Receivables, Payables and Transfers**

Interfund receivables and payables

Interfund receivables and payable at June 30, 2005 consisted of the following:

	<u>Payable</u>	<u>General Fund Receivable</u>
Capital Projects	\$ 7,782,812	
Hamden Middle School	6,592,821	
Other Governmental	2,187,978	4,537,827
Water Pollution Control		6,787,369
Internal Services	<u>5,299</u>	<u>1,359,593</u>
<b>Total Primary</b>		
<b>Government</b>	\$ 16,568,910	12,684,789
Private Purpose Trusts	85,132	24,525
Agency Funds	<u>161,697</u>	
<b>Total General Fund</b>	<u>\$ 16,815,739</u>	<u>12,709,314</u>

Interfund Transfers

The following funds transferred residual equities into the General Fund:

<b>Other Capital Projects:</b>	
Energy Conservation	\$ 1,462
Miller Complex	<u>8,561</u>
<b>Total transfers to General Fund</b>	<u>\$ 10,023</u>

The General Fund transferred money to fund the following projects:

Brooksvale Park	\$ 77,592
Economic Development	21,300
Historic Preservation	1,500
Local Capital Improvements	<u>10,000</u>
<b>Total transfers from General Fund</b>	<u>\$ 110,392</u>

In addition to the above general fund activity, the capital projects fund transferred \$890 to the Newhallville project and \$51,142 to the Farmington Canal project for the purpose of providing funding.

**TOWN OF HAMDEN, CONNECTICUT**

**NOTES TO THE FINANCIAL STATEMENTS**

**June 30, 2005**

**Note 7 - Capital Assets**

Capital assets activity for the year ended June 30, 2005 was as follows:

	<u>Balance June 30, 2004</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance June 30, 2005</u>
<b>Governmental Activities</b>				
Capital Assets, Not Being Depreciated:				
Land	\$ 9,035,000			9,035,000
Construction in Progress	<u>11,696,624</u>	<u>22,585,581</u>	<u>298,745</u>	<u>33,983,460</u>
<b>Total Capital Assets, Not Being Depreciated</b>	<b>\$ 20,731,624</b>	<b>22,585,581</b>	<b>298,745</b>	<b>43,018,460</b>
Capital Assets, Being Depreciated:				
Land Improvements	\$ 6,328,750			6,328,750
Buildings and Improvements	106,948,780	298,745		107,247,525
Furniture, Fixtures				
Vehicles and Equipment	14,582,372	1,037,043	257,119	15,362,296
Infrastructure	<u>79,895,958</u>	<u>132,412</u>		<u>80,028,370</u>
<b>Total Capital Assets Being Depreciated</b>	<b>\$ 207,755,860</b>	<b>1,468,200</b>	<b>257,119</b>	<b>208,966,941</b>
Less, Accumulated Depreciation:				
Land Improvements	\$ 1,593,803	331,670		1,925,473
Buildings and Improvements	25,535,418	1,551,331		27,086,749
Furniture, Fixtures				
Vehicles and Equipment	8,831,143	1,199,603	257,119	9,773,627
Infrastructure	<u>7,551,321</u>	<u>7,232,856</u>		<u>14,784,177</u>
<b>Total Accumulated Depreciation</b>	<b>\$ 43,511,685</b>	<b>10,315,460</b>	<b>257,119</b>	<b>53,570,026</b>
<b>Capital Assets Being Depreciated, Net of Depreciation</b>	<b>\$ 164,244,175</b>	<b>(8,847,260)</b>		<b>155,396,915</b>
<b>Total Governmental Activities</b>	<b>\$ 184,975,799</b>	<b>13,738,321</b>	<b>298,745</b>	<b>198,415,375</b>
<b>Business-Type Activities</b>				
Capital Assets Being Depreciated:				
Building	\$ 55,000			55,000
Infrastructure	<u>19,980,245</u>			<u>19,980,245</u>
<b>Total</b>	<b>\$ 20,035,245</b>			<b>20,035,245</b>
Less: Accumulated Depreciation	<u>\$ 15,458,187</u>	<u>470,000</u>		<u>15,928,187</u>
<b>Total Business – Type Activities</b>	<b>\$ 4,577,058</b>	<b>470,000</b>		<b>4,107,058</b>
<b>Total Capital Assets</b>	<b>\$ 189,552,857</b>	<b>13,268,321</b>	<b>298,745</b>	<b>202,522,433</b>

**TOWN OF HAMDEN, CONNECTICUT**

**NOTES TO THE FINANCIAL STATEMENTS**

**June 30, 2005**

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

Government Activities:	
General Government	\$ 101,340
Education	1,671,262
Public Safety	448,540
Public Works	7,834,502
Health and Welfare	3,506
Culture and Recreation	<u>256,310</u>
 Total Depreciation Expense- Governmental Activities	 <u>\$ 10,315,460</u>
 Business Type Activities:	
Water Pollution Control Authority	\$ <u>470,000</u>
Total Depreciation Expense- Business Type Activities	<u>\$ 470,000</u>

**Note 8 - Long-Term Liabilities**

Long-term debt liabilities activity for the year ended June 30, 2005 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reduction</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental Activities:</b>					
Long term debt:					
General obligation bonds	\$ 82,985,729	23,325,000	27,915,140	78,395,589	3,340,355
Deferred amount on refunding		(1,569,483)		(1,569,483)	(98,093)
Capital leases	776,519	180,567	511,867	445,219	361,268
Other long-term liabilities:					
Compensated Absences:	7,254,883	8,518,040	7,898,760	7,874,163	7,926,050
Landfill post-closure monitoring	420,300		54,847	365,453	55,000
Net pension obligation	72,094,155	19,054,906	6,960,809	84,188,252	6,735,000
Heart and hypertension		1,839,264		1,839,264	624,000
Claims and judgments	<u>800,000</u>	<u>700,000</u>		<u>1,500,000</u>	
 Total Governmental Activities Long-Term Liabilities	 <u>\$164,331,586</u>	 <u>52,048,294</u>	 <u>43,341,423</u>	 <u>173,038,457</u>	 <u>18,943,580</u>
 <b>Business-Type Activities:</b>					
General Obligation Bonds	\$ 5,459,271		389,860	5,069,411	305,942
Clean Water Fund Notes	<u>45,599</u>		<u>5,583</u>	<u>40,016</u>	<u>5,583</u>
Total Business-Type Activities Long-Term Liabilities	 <u>\$ 5,504,870</u>		 <u>395,443</u>	 <u>5,109,427</u>	 <u>311,525</u>
 Total Long-Term Liabilities	 <u>\$169,836,456</u>	 <u>52,048,294</u>	 <u>43,736,866</u>	 <u>178,147,884</u>	 <u>19,255,105</u>

# TOWN OF HAMDEN, CONNECTICUT

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2005

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### General Obligation Bonds

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

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

As of June 30, 2005, the outstanding general obligation bonded indebtedness of the Town was as follows:

<u>Type</u>	<u>Governmental</u>	<u>Business-</u>
<b>School bonds</b> with interest rates ranging from 2.75% to 5.5% and varying expiration dates ranging from March, 2006 to July, 2022.	\$ 56,335,105	
<b>Public Improvement bonds</b> with interest rates ranging from 2.75% to 5.5% and varying expiration dates ranging from March, 2006 to July, 2022.	21,320,484	
<b>Sewer bonds</b> with interest rates ranging from 3.25% to 5.25% and varying expiration dates ranging from March, 2006 to July, 2022.		5,069,411
<b>Revaluation bond</b> with interest rates ranging from 4% to 5% and expiring in August, 2010.	<u>740,000</u>	<u>                    </u>
<b>Total General Obligation Bonds</b>	<u>\$ 78,395,589</u>	<u>5,069,411</u>

**TOWN OF HAMDEN, CONNECTICUT**

**NOTES TO THE FINANCIAL STATEMENTS**

**June 30, 2005**

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

Year Ended, June 30	Governmental Activity		Business-type Activity	
	Principal	Interest	Principal	Interest
2006	\$ 5,654,058	3,340,355	305,942	218,326
2007	6,306,058	3,070,522	473,942	205,485
2008	6,161,058	2,772,981	698,942	185,363
2009	6,104,058	2,450,443	720,942	139,357
2010	6,191,058	2,184,765	718,942	118,364
2011-2015	29,059,299	7,034,494	2,150,701	162,262
2016-2020	15,485,000	1,940,243		
2021-2025	3,435,000	189,322		
	<u>\$ 78,395,589</u>	<u>22,983,125</u>	<u>5,069,411</u>	<u>1,029,157</u>

The State of Connecticut reimburses the Town for eligible principal and interest costs of the portion of the capital improvement bond issues used for school construction. The amount of such reimbursement for the year ended June 30, 2005 was approximately \$2,485,521. The Town expects to receive \$18,998,201 in principal payments and \$4,348,146 in interest payments over the next 16 years. The principal portion of the receivable is included in the government-wide financial statements, however,

On August 31, 2004, the Town issued \$23,325,000 of general obligation refunding bonds to provide resources to purchase U.S. Governmental State and local government serious securities that were then placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of \$22,895,000 of general obligation bonds. As a result, the refunded bonds are considered defeased and the liability has been removed from the governmental activities column of the statement of net assets. The requisition price exceeded the net carrying amount of the old debt by \$430,000. The amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is the same as the life of the new debt issued. The advance refunding was undertaken to reduce total debt service payments over the next 16 years by \$714,564 and the resulted in an economic gain of \$4,583,812.

**Clean Water Fund Loans Payable**

The Town has an outstanding balance on loans payable to the State of Connecticut Department of Environmental Protection, under its Clean Water Fund Program, for sanitary sewer projects. These loans bear interest at 2% per annum. The balance of these loans as of June 30, 2005 was \$ 40,016 and the annual debt service requirements to maturity are as follows:

Year Ended June 30,	Governmental Activity	
	Principal	Interest
2006	\$ 5,583	760
2007	5,583	646
2008	5,583	535
2009	5,583	420
2010	5,583	307
2011-2013	12,101	277
	<u>\$ 40,016</u>	<u>2,945</u>

# TOWN OF HAMDEN, CONNECTICUT

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2005

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### Capital Leases

Property and equipment carried at a cost of \$180,567 has been acquired under capital lease agreements. The yearly payment under these leases range from \$7,390 to \$338,717, at interest ranging from 2.00% to 6.45%, respectively.

2006	\$	374,017
2007		64,034
2008		<u>22,533</u>
	\$	460,584
Less, Amount Representing Interest		<u>(15,365)</u>
Total	\$	<u>445,219</u>

### Other Long-term Liabilities

#### **Landfill post-closure monitoring**

State and federal laws and regulations require that the Town perform certain maintenance and monitoring functions at the landfill site for thirty years after closure, which was 1991. The liability for the landfill post-closure care, aggregating \$365,453, 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, 2005. However, the actual cost of closure and post-closure care may be higher due to inflation, changes in technology or changes in landfill laws and regulations. Costs will be funded through future property taxes and/or state and federal grants.

#### **Note 9 - Commitments and Contingencies**

##### Lawsuits

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 are not known at this time. Based upon consultation with counsel, the Town's management estimates that potential claims against the Town not covered by insurance resulting from such litigation would not materially affect the financial position of the Town.

##### Operating Lease Commitments

The Town is committed under operating leases of real estate, vehicles and office and data processing equipment. Lease expenditures for the year ended June 30, 2005 totaled approximately \$54,500. The future minimum lease payments under the noncancelable operating lease agreements are as follows:

<u>Year Ended</u>		<u>Amount</u>
2006	\$	<u>54,500</u>

# TOWN OF HAMDEN, CONNECTICUT

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2005

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### Contracts

#### School transportation

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:

<u>Year Ended</u>		<u>Amount</u>
2006	\$	4,788,885
2007		5,016,216
2008		<u>5,254,302</u>
Total	\$	<u>15,059,403</u>

#### Municipal solid waste management services contract

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

Under the Service Contract, the Town is required to deliver, or cause to be delivered to the System, solid waste generated within its boundaries up to its minimum commitment of 34,500 tons per year and to pay a uniform per ton disposal service payment (the Service Payment). The current fee is \$56 per ton municipal solid waste and \$79 per ton for bulk. The aggregated minimum commitment of the five Contracting Municipalities is 125,000 tons per year. The Town's Service Payment commitment is a "put-or-pay" commitment in that if the aggregate minimum commitment of the Contracting Municipalities is not met by the total deliveries of all the Contracting Municipalities in any year, the Town must pay the Service Payment for its full portion of the aggregate minimum commitment even if it did not deliver that full portion.

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

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

# TOWN OF HAMDEN, CONNECTICUT

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2005

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### Risk Management and Self-Insurance

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

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

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

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

Payments related to heart and hypertension are administered by the Town and are accounted for in the General Fund as they only related to two departments. The Town records and estimates for claims incurred but not reported for active employees; however, because all significant payments for heart and hypertension benefits are made to retirees, these are accounted for on a pay-as-you-go basis consistent with other post employment benefits. During the year ended June 30, 2005, the Town paid approximately \$620,000 to retirees.

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

<u>Fiscal Year Ended</u>	<u>Claims Payable July 1</u>	<u>Claims and Changes in Estimates</u>	<u>Claims Paid</u>	<u>Claims Payable June 30</u>
2005	\$1,830,019	\$ 20,202,766	\$20,159,041	\$ 1,873,744
2004	1,917,058	14,393,235	14,480,274	1,830,019

# TOWN OF HAMDEN, CONNECTICUT

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2005

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### Other Post-employment Benefits

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

### **Note 10 - Employee Retirement Plans**

#### Plan Description

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

As of July 1, 2002, the date of the most recent actuarial valuation, employee membership consisted of:

Retirees and beneficiaries currently receiving benefits		617	
Terminated Employee entitled to benefits but not yet receiving them		18	
Active Plan Participants:			
Vested (fully or partially)	306		
Non-Vested	<u>334</u>	<u>640</u>	
		<u>1,275</u>	

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

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

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

# TOWN OF HAMDEN, CONNECTICUT

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2005

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

Service employees receive normal pension benefits equal to 2.5% of average annual compensation per year of credited service for the first 20 years, plus 2% in excess of 20 years to a maximum of 35 years. No employee shall receive more than 80% except for employees with the required years of service and were hired before July 1, 2006. As of June 30, 2006, such employee's benefits shall be frozen. Disability benefits are provided as the greater of 50% of average annual compensation or the employee's normal retirement pension.

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

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

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

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

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

The significant actuarial assumptions are as follows:

Actuarial Cost Method	Entry Age Normal Cost Method
Amortization Method	4% Percent of Salary Based on Inflation
Remaining Amortization Period	32 years
Asset Valuation Method	Market Value
Investment Rate of Return	8% per annum
Salary Increases	5% per annum
Inflation Rate	3% per annum

**TOWN OF HAMDEN, CONNECTICUT**

**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2005**

The Town's annual pension cost and net pension obligation for the year ended June 30, 2005 were as follows:

Annual Required Contribution	\$ 13,287,374
Interest on Net Pension Obligation	5,767,532
Adjustments to Annual Required Contribution	<u>(3,960,809)</u>
 Annual Pension Cost	 \$ 15,094,097
Contribution Made	<u>(3,000,000)</u>
 Increase in Net Pension Obligation	 \$ 12,094,097
Net Pension Obligation, Beginning of Year	<u>72,094,155</u>
 <b>Net Pension Obligation, End of Year</b>	 <b><u>\$ 84,188,252</u></b>

Trend Information

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

**Schedule of Employer Contributions**

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

**TOWN OF HAMDEN, CONNECTICUT**

**NOTES TO THE FINANCIAL STATEMENTS**

**June 30, 2005**

**Schedule of Fund Progress (In 000's)**

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

**Teachers' Retirement System**

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

**Covered employees**

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

**Vesting requirements**

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

**Pension contribution requirements / amounts by State**

The pension contributions made by the State to the plan are determined on an actuarial reserve basis as described in CGS Sections 10-1831 and 10-183z. For the fiscal year ended June 30, 2005 \$185,348,143 was expended to meet the State's funding requirements. The results of the State's actuarial valuation at June 30, 2005 did not contain information, which would show the development of the State's actuarial cost by local school district. The State's estimated total payroll was \$ 3,049,513,412. The State's appropriation represented 6.080% of the total estimated payroll.

Participants are required to contribute 7.25% of their annual salary rate to the system as required by CGS Section 10-183b(7). For the 2004-2005 school year 7.25% mandatory contributions were deducted from the salaries of teachers who were participants of the plan during the school year. The estimated covered payroll for Hamden is \$35,311,542.

# TOWN OF HAMDEN, CONNECTICUT

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2005

For the year ended June 30 2005, the following information is applicable to the Town:

Total Number of Teachers Participants	550
Participant Contributions	\$ 2,560,290
On-Behalf State Payments	\$ 2,558,442

### Note 11 - Fund Deficits

The Town has the following Fund Deficits at June 30, 2005 and expects to eliminate the deficits in the future as follows:

<u>Fund</u>	<u>June 30, 2005</u>	<u>Fund Deficit Plan for Eliminating Deficit</u>
<b>Special Revenue Funds:</b>		
School Aged Children	\$ 1,551	Future Grant Revenue
Department of Education Grant	5,259	Future Grant Revenue
Recreational Programs	2,190	Future Grant Revenue
Summer Food Program	1,777	Future Grant Revenue
MORE Cops Grant	3,880	Future Grant Revenue
Police and Fire Safety Equipment	46,810	Future Bond Issuance
Community Development Block Grant	100,063	Future Grant Revenue
Indoor Air Quality Assessment	20,000	Future Grant Revenue
Walmart Gift Fund	2,603	Through Future Revenues
<b>Capital Projects Funds:</b>		
Center One Government Center	206,658	Future Bond Issuances
Capital Project Fund	4,588,725	Future Bond Issuances
Police Headquarters Study	31,820	Future Bond Issuances
Farmington Canal	663,794	Future Bond Issuances
Hamden Middle School	3,267,647	Future Bond Issuances
Town Road Aid	26,314	Future Bond Issuances
Brooksvale Park Renovation and Acquisition Grant	1,801,613	Future Bond Issuance and Grant Revenue
Improvements to Laurel View Country Club	187,638	Future Bond Issuances
Newhall Environmental Studies	3,269,015	Future Bond Issuances
Construction of Spring Glenn	682,237	Future Bond Issuances
Bear Path School Renovations	1,659,968	Future Bond Issuances
Tuttle Avenue Bridge	5,185	Future Bond Issuances
Hamden Ice Rink Renovations	28,886	Future Bond Issuances
Hamden Ice rink	3,265	Future Bond Issuances
Local Capital Improvements	83,913	Future Grant Revenue
Wintergreen Inter-district	162,927	Future Bonding
Hamden High School Renovation and Addition	152,520	Future Bond Issuances
<b>Enterprise Funds:</b>		
W.P.C.A.	6,919,160	Sale of Assets to the Regionalization of W.P.C.A.
Medical Insurance	2,966,424	Future Transfers or Revenues

# TOWN OF HAMDEN, CONNECTICUT

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2005

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### Note 12 - Subsequent Events

#### General Government

##### **Bond Issuance**

On July 29, 2005, the Town issued a General Obligation refunding bond totaling \$25,065,000. The bond will be paid over an 18 year period with interest rates of 3.25% to 5.00%. The purpose of the bond is to pay current and advanced debt obligations in an effort to reduce annual bond costs.

##### **Bond anticipation note**

On July 29, 2005, the Town issued a bond anticipation refunding note totaling \$3,592,000. The note will be due July 28, 2006 with interest of 3.50%. The purpose of the note was to fund various school, general purpose and sewer projects.

##### **Sale of water pollution control authority's assets**

The Town of Hamden, along with the Towns of Woodbridge, East Haven and the City of New Haven and their respective W.P.C.A's entered into an Asset Purchase Agreement with the newly formed Greater New Haven Water Pollution Control Authority (the "GNHWPCA"), pursuant to which it sold all of its wastewater system assets, both real and personal property, to the GNHWPCA as of August 29, 2005. The payment to the Town included (i) a purchase price of \$10,794,000, (ii) an annual PILOT payment in the amount of \$73,300 and (iii) an assumption of all the Town's obligations and liabilities associated with the Hamden Water Pollution Control Authority and the Town's wastewater system, including without limitation the assumption or defeasance of certain bonded debt and all Clean Water Fund obligations associated with the Town's wastewater system.

#### Pronouncements Issued, Not Yet Effective

The Governmental Accounting Standards Board (GASB) has issued several pronouncements prior to June 30, 2005 that have effective dates that may impact future financial presentations.

The following statements are not expected to have a significant impact on the financial statements.

*GASB Statement No. 42, Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*, will be effective for the government beginning with its year ending June 30, 2006. This Statement requires governments to report the effects of capital asset impairment in their financial statements when it occurs and requires all governments to account for insurance recoveries in the same manner.

*GASB Statement No. 47, Accounting for Termination Benefits*, issued June 2005, requires in financial statement prepared on the accrual basis of accounting, employers should recognize a liability expense for volunteer termination benefits when the offer is accepted and can be estimated. The Statement is effective for fiscal year ending June 30, 2006.

# **TOWN OF HAMDEN, CONNECTICUT**

## **NOTES TO THE FINANCIAL STATEMENTS**

**June 30, 2005**

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The following statement may have a significant impact on the financial statements, depending upon the results of an actuarial study to be undertaken before the effective date.

GASB Statement No. 45, Accounting and Financial reporting by Employers for Post Employment Benefits Other Than Pensions, issued June 2004, will be effective for the Town beginning with its year fiscal ending June 30, 2009. This Statement establishes standards for the measurement, recognition and display of other post employment benefits expenses and related liabilities or assets, note disclosures and, if applicable, required supplementary information in the financial reports.

TOWN OF HAMDEN, CONNECTICUT

SCHEDULE 1  
Page 1 of 2

GENERAL FUND REVENUES AND OTHER FINANCING SOURCES  
BUDGETARY BASIS - BUDGET AND ACTUAL  
For the Year Ended June 30, 2005

	Budgeted Amounts		Actual Amounts	Final Budget - Favorable (Unfavorable)
	Original	Final		
<b>PROPERTY TAXES</b>				
Current taxes	\$ 103,674,490	103,674,490	104,241,887	567,397
Delinquent taxes	1,103,000	1,103,000	1,110,944	7,944
Supplemental taxes	1,230,700	1,230,700	1,497,201	266,501
Property tax interest	750,000	750,000	721,510	(28,490)
Property tax liens	9,000	9,000	8,918	(82)
Suspense collections	75,000	75,000	62,646	(12,354)
New construction	110,000	110,000	45,338	(64,662)
Elderly tax relief	(276,000)	(276,000)	(243,309)	32,691
Sewer liens	35	35		(35)
<b>Total property taxes</b>	<b>\$ 106,676,225</b>	<b>106,676,225</b>	<b>107,445,135</b>	<b>768,910</b>
<b>INTERGOVERNMENTAL</b>				
PILOT - State owned property	\$ 560,896	560,896	557,406	(3,490)
Library grant	5,000	5,000	-	(5,000)
Elderly Exemption Freeze	53,278	53,278	55,291	2,013
Elderly Exemption - Circuit Breaker	477,990	477,990	450,145	(27,845)
PILOT - Colleges and hospitals	2,028,212	2,028,212	2,023,393	(4,819)
Disabled exemption	-	-	6,088	6,088
Boat grant	9,094	9,094	9,094	-
Telecommunication access	393,586	393,586	379,522	(14,064)
PILOT - Veterans exemption	85,461	85,461	89,878	4,417
Civil preparedness reimbursement	28,000	28,000	118,634	90,634
Distressed municipalities	56,077	56,077	76,271	20,194
PILOT - Machinery and equipment	267,867	267,867	251,898	(15,969)
Mashantucket Pequot fund	1,491,339	1,491,339	1,505,033	13,694
Adult education	157,067	157,067	170,109	13,042
Magnet schools	22,000	22,000	25,187	3,187
School construction	1,840,828	1,840,828	1,762,060	(78,768)
Public school transportation	955,418	955,418	980,199	24,781
State Bond Interest Subsidies	1,052,934	1,052,934	1,155,470	102,536
Nonpublic school transportation	113,292	113,292	162,377	49,085
Nonpublic school health	145,000	145,000	125,143	(19,857)
Education cost sharing grant	18,407,003	18,407,003	18,480,523	73,520
PILOT - Water Authority	698,727	698,727	759,478	60,751
Miscellaneous grants	5,000	5,000	55	(4,945)
<b>Total Intergovernmental</b>	<b>\$ 28,854,069</b>	<b>28,854,069</b>	<b>29,143,254</b>	<b>289,185</b>
<b>LICENSES, PERMITS AND FEES</b>				
Town clerk	\$ 1,735,000	1,735,000	2,314,200	579,200
Police department	28,250	28,250	32,075	3,825
Fire department	300	300	2,363	2,063
Building	766,706	766,706	855,211	88,505
Engineering	25,030	25,030	31,537	6,507
<b>Total licenses, permits and fees</b>	<b>\$ 2,555,286</b>	<b>2,555,286</b>	<b>3,235,386</b>	<b>680,100</b>

(Continued)

TOWN OF HAMDEN, CONNECTICUT

SCHEDULE 1

Page 2 of 2

GENERAL FUND REVENUES AND OTHER FINANCING SOURCES

BUDGETARY BASIS - BUDGET AND ACTUAL

For the Year Ended June 30, 2005

	Budgeted Amounts		Actual Amounts	Final Budget - Favorable (Unfavorable)
	Original	Final		
<b>CHARGES FOR SERVICES</b>				
W.P.C.A charges	\$ 300,000	300,000	291,941	(8,059)
Other rents	-	-	56,314	56,314
W.P.C.A bond reimbursements	714,665	714,665	-	(714,665)
Insurance Reimbursements	-	171,000	163,708	(7,292)
Police extra duty	1,005,000	1,505,000	1,478,867	(26,133)
Internal service charges	10,000	10,000	-	(10,000)
Assessor fees	49,200	49,200	96,919	47,719
Elderly services charges	6,000	6,000	6,407	407
Youth services charges	1,000	1,000	-	(1,000)
Personnel department charges	4,500	4,500	-	(4,500)
Public works charges	320,000	320,000	31,768	(288,232)
Library charges	31,100	31,100	22,000	(9,100)
Parks and recreations	680,400	680,400	697,854	17,454
Dog warden	2,500	2,500	1,705	(795)
Planning and zoning	55,500	55,500	68,528	13,028
Police department reimbursements	-	14,300	30,377	16,077
Fire department reimbursements	-	-	6,000	6,000
Charges for services	\$ 3,179,865	3,865,165	2,952,388	(912,777)
<b>FINES AND FORFEITS</b>				
Traffic violations	\$ 20,000	20,000	22,100	2,100
<b>INVESTMENT EARNINGS</b>				
Interest and dividends	362,500	362,500	486,921	124,421
<b>MISCELLANEOUS REVENUES</b>				
Finance department	200,000	200,000	152,610	(47,390)
Town clerk	50,000	50,000	46,785	(3,215)
Police department	4,000	4,000	5,148	1,148
Application fees	-	-	620	620
Elderly service administration	-	1,450	-	(1,450)
Total miscellaneous revenues	\$ 254,000	255,450	205,163	(50,287)
<b>Total Revenues</b>	\$ 141,901,945	142,588,695	143,490,347	901,652
<b>OTHER FINANCING SOURCES</b>				
Transfer from other funds			10,023	10,023
Cancelled Encumbrances			95,968	95,968
Total other financing sources	\$ -	-	105,991	105,991
<b>Total Revenues, and transfer outs</b>	\$ 141,901,945	142,588,695	143,596,338	1,007,643

TOWN OF HAMDEN, CONNECTICUT

SCHEDULE 2  
Page 1 of 2

GENERAL FUND EXPENDITURES, ENCUMBRANCES AND TRANSFERS OUT-  
BUDGETARY BASIS - BUDGET AND ACTUAL  
For the Year Ended June 30, 2005

	Budgeted Amounts		Actual Amounts	Final Budget - Positive (Negative)
	Original	Final		
<b>Board of Education:</b>	\$ 76,000,000	76,169,331	76,169,331	-
<b>General Government:</b>				
Legislative Council	\$ 2,232,046	740,457	697,853	42,604
Mayor	357,829	341,439	339,633	1,806
Elections and Registrar	123,962	132,996	129,500	3,496
Finance	3,350,772	3,779,787	3,656,863	122,924
Tax Assessor	349,354	348,454	344,422	4,032
Review of Assessments	5,150	5,150	5,100	50
Tax Collector	431,725	439,325	436,910	2,415
Town Attorney	633,852	644,427	542,328	102,099
Town Clerk	421,619	413,319	406,190	7,129
Planning and Zoning	390,472	381,941	380,864	1,077
Personnel	219,132	222,032	212,849	9,183
Economic Development	110,578	110,578	110,189	389
Purchasing	724,695	730,529	684,456	46,073
Probate Court	17,500	17,500	10,717	6,783
Board of Ethics	2,000	2,000	2,000	-
<b>Total General Government</b>	<b>\$ 9,370,686</b>	<b>8,309,934</b>	<b>7,959,874</b>	<b>350,060</b>
<b>Public Safety:</b>				
Animal Control	\$ 109,648	107,998	84,586	23,412
Police Department	9,556,694	9,589,135	9,359,826	229,309
Fire Department	9,289,903	9,609,903	9,458,077	151,826
Civil Defense and Preparedness	10,150	10,150	9,033	1,117
<b>Total Public Safety</b>	<b>\$ 18,966,395</b>	<b>19,317,186</b>	<b>18,911,522</b>	<b>405,664</b>
<b>Public Works:</b>				
Building Administration	\$ 297,767	297,767	293,001	4,766
Traffic	310,392	327,972	313,482	14,490
Public Works Department	8,569,177	9,243,100	9,165,366	77,734
Sewer Usage Charges	22,000	24,605	23,731	874
Engineering	465,495	467,745	464,767	2,978
<b>Total Public Works</b>	<b>\$ 9,664,831</b>	<b>10,361,189</b>	<b>10,260,347</b>	<b>100,842</b>
<b>Health and Welfare:</b>				
Elderly Services	\$ 377,089	371,139	368,249	2,890
Community Services	233,313	234,813	220,065	14,748
Youth Services	188,793	161,068	146,190	14,878
Mental Health	156,000	156,000	120,000	36,000
Quinnipiac Valley Health	299,129	299,129	299,129	-
Visiting Nurses Association	68,000	68,000	68,000	-
<b>Total Health and Welfare</b>	<b>\$ 1,322,324</b>	<b>1,290,149</b>	<b>1,221,633</b>	<b>68,516</b>

(Continued)

TOWN OF HAMDEN, CONNECTICUT

SCHEDULE 2

Page 1 of 2

GENERAL FUND EXPENDITURES, ENCUMBRANCES AND TRANSFERS OUT-  
BUDGETARY BASIS - BUDGET AND ACTUAL  
For the Year Ended June 30, 2005

	Budgeted Amounts		Actual Amounts	Final Budget - Positive (Negative)
	Original	Final		
<b>Board of Education:</b>	\$ 76,000,000	76,169,331	76,169,331	-
<b>General Government:</b>				
Legislative Council	\$ 2,232,046	740,457	697,853	42,604
Mayor	357,829	341,439	339,633	1,806
Elections and Registrar	123,962	132,996	129,500	3,496
Finance	3,350,772	3,779,787	3,656,863	122,924
Tax Assessor	349,354	348,454	344,422	4,032
Review of Assessments	5,150	5,150	5,100	50
Tax Collector	431,725	439,325	436,910	2,415
Town Attorney	633,852	644,427	542,328	102,099
Town Clerk	421,619	413,319	406,190	7,129
Planning and Zoning	390,472	381,941	380,864	1,077
Personnel	219,132	222,032	212,849	9,183
Economic Development	110,578	110,578	110,189	389
Purchasing	724,695	730,529	684,456	46,073
Probate Court	17,500	17,500	10,717	6,783
Board of Ethics	2,000	2,000	2,000	-
<b>Total General Government</b>	\$ 9,370,686	8,309,934	7,959,874	350,060
<b>Public Safety:</b>				
Animal Control	\$ 109,648	107,998	84,586	23,412
Police Department	9,556,694	9,589,135	9,359,826	229,309
Fire Department	9,289,903	9,609,903	9,458,077	151,826
Civil Defense and Preparedness	10,150	10,150	9,033	1,117
<b>Total Public Safety</b>	\$ 18,966,395	19,317,186	18,911,522	405,664
<b>Public Works:</b>				
Building Administration	\$ 297,767	297,767	293,001	4,766
Traffic	310,392	327,972	313,482	14,490
Public Works Department	8,569,177	9,243,100	9,165,366	77,734
Sewer Usage Charges	22,000	24,605	23,731	874
Engineering	465,495	467,745	464,767	2,978
<b>Total Public Works</b>	\$ 9,664,831	10,361,189	10,260,347	100,842
<b>Health and Welfare:</b>				
Elderly Services	\$ 377,089	371,139	368,249	2,890
Community Services	233,313	234,813	220,065	14,748
Youth Services	188,793	161,068	146,190	14,878
Mental Health	156,000	156,000	120,000	36,000
Quinnipiac Valley Health	299,129	299,129	299,129	-
Visiting Nurses Association	68,000	68,000	68,000	-
<b>Total Health and Welfare</b>	\$ 1,322,324	1,290,149	1,221,633	68,516

(Continued)

GENERAL FUND EXPENDITURES, ENCUMBRANCES AND TRANSFERS OUT-  
BUDGETARY BASIS - BUDGET AND ACTUAL, Continued  
For the Year Ended June 30, 2005

	Budgeted Amounts		Actual Amounts	Final Budget - Positive (Negative)
	Original	Final		
<b>Culture and Recreation:</b>				
Library	\$ 1,604,772	1,632,772	1,625,143	7,629
Parks and Recreation	1,886,256	1,964,408	1,811,355	153,053
Arts Programs	92,540	92,540	91,741	799
<b>Total Culture and Recreation</b>	<b>\$ 3,583,568</b>	<b>3,689,720</b>	<b>3,528,239</b>	<b>161,481</b>
<b>Employee Benefits:</b>				
Fringes	\$ 13,502,839	13,827,084	13,767,580	59,504
<b>Total Employee Benefits</b>	<b>\$ 13,502,839</b>	<b>13,827,084</b>	<b>13,767,580</b>	<b>59,504</b>
<b>Debt Service:</b>				
Principal Retirements	\$ 5,415,584	5,415,584	4,956,296	459,288
Interest	4,075,718	4,075,718	3,744,753	330,965
<b>Total Debt Service</b>	<b>\$ 9,491,302</b>	<b>9,491,302</b>	<b>8,701,049</b>	<b>790,253</b>
<b>Total Expenditures and Encumbrances</b>	<b>\$ 141,901,945</b>	<b>142,455,895</b>	<b>140,519,575</b>	<b>1,936,320</b>
<b>OTHER FINANCING USES</b>				
Transfer to other funds	\$ -	132,800	110,392	22,408
<b>Total expenditures, encumbrances and transfer outs</b>	<b>\$ 141,901,945</b>	<b>142,588,695</b>	<b>140,629,967</b>	<b>1,958,728</b>

**TOWN OF HAMDEN, CONNECTICUT**

**COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
For The Year Ended June 30, 2005**

ASSETS	Special Revenue Funds		
	Human Services	Culture and Recreation	Public Safety
<b>Current Assets:</b>			
Cash and cash equivalents	\$		49,357
Investments			
Receivables:			
Intergovernmental			39
Other	277		
Inventory			
Due from other funds	22,063	8,528	101,913
<b>Total Assets</b>	<u>\$ 22,340</u>	<u>8,528</u>	<u>151,309</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 7,849	13	317
Due to other funds	6,427	2,602	3,880
Deferred revenue	2,500	8,620	35,488
Temporary notes payable			50,000
<b>Total Liabilities</b>	<u>\$ 16,776</u>	<u>11,235</u>	<u>89,685</u>
<b>Fund Balances (Deficits):</b>			
Reserved for encumbrances	\$ 1,839		119
Reserved for inventory			
Reserved for endowments			
Unreserved:			
Undesignated	3,725	(2,707)	61,505
<b>Total Fund Balances (Deficits)</b>	<u>\$ 5,564</u>	<u>(2,707)</u>	<u>61,624</u>
<b>Total Liabilities and Fund Balances (Deficits)</b>	<u>\$ 22,340</u>	<u>8,528</u>	<u>151,309</u>

Special Revenue Funds

Public Works	Community Development	Town Revitalization Projects	Board of Education	General Government	Total
	25,136	508,873	690,645	3,000	1,277,011
			226,922		-
			40,990		277
<u>35,336</u>		<u>170,487</u>	<u>53,399</u>	<u>47,089</u>	<u>438,815</u>
<u>35,336</u>	<u>25,136</u>	<u>679,360</u>	<u>1,011,956</u>	<u>50,089</u>	<u>1,984,054</u>
	66,180	24,659			99,018
	59,019	31,108	169,113		272,149
		50,411	147,805		244,824
					50,000
<u>-</u>	<u>125,199</u>	<u>106,178</u>	<u>316,918</u>	<u>-</u>	<u>665,991</u>
	38,342	100,051			140,351
			40,990		40,990
<u>35,336</u>	<u>(138,405)</u>	<u>473,131</u>	<u>654,048</u>	<u>50,089</u>	<u>1,136,722</u>
<u>35,336</u>	<u>(100,063)</u>	<u>573,182</u>	<u>695,038</u>	<u>50,089</u>	<u>1,318,063</u>
<u>35,336</u>	<u>25,136</u>	<u>679,360</u>	<u>1,011,956</u>	<u>50,089</u>	<u>1,984,054</u>

(Continued)

**TOWN OF HAMDEN, CONNECTICUT**

**COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS, Continued  
For The Year Ended June 30, 2005**

ASSETS	Capital Projects Funds			
	Farmington Canal	Wintergreen Interdistrict Magnet School	Construction of Spring Glen School	Brooksvale Park Renovation and Acquisition Grant
Cash and cash equivalents	\$	57,011	7,954	
Investments				
Receivables:				
Intergovernmental	82,192	749,772		698,400
Other				
Inventory				
Due from other funds	926,222			
<b>Total Assets</b>	<b>\$ 1,008,414</b>	<b>806,783</b>	<b>7,954</b>	<b>698,400</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 2,871	19,598	1,500	30,597
Due to other funds		215,112	688,691	774,056
Deferred revenue	19,337			360
Temporary notes payable	1,650,000	735,000		1,695,000
<b>Total Liabilities</b>	<b>\$ 1,672,208</b>	<b>969,710</b>	<b>690,191</b>	<b>2,500,013</b>
<b>Fund Balances (Deficits):</b>				
Reserved for encumbrances	\$ 3,227	6,125	134,282	
Reserved for inventory				
Reserved for endowments				
Unreserved:				
Undesignated	(667,021)	(169,052)	(816,519)	(1,801,613)
<b>Total Fund Balances (Deficits)</b>	<b>\$ (663,794)</b>	<b>(162,927)</b>	<b>(682,237)</b>	<b>(1,801,613)</b>
<b>Total Liabilities and Fund Balances (Deficits)</b>	<b>\$ 1,008,414</b>	<b>806,783</b>	<b>7,954</b>	<b>698,400</b>

Capital Projects Funds			Permanent Fund	
Bear Path School Renovations	Other Capital Projects	Total	Bequest Fund	Total
217,623	329,825	612,413	12,945	1,902,369
		-		-
	390,772	1,921,136		2,148,097
		-		277
		-		40,990
	822,941	1,749,163		2,187,978
<u>217,623</u>	<u>1,543,538</u>	<u>4,282,712</u>	<u>12,945</u>	<u>6,279,711</u>
1,749	468,807	525,122		624,140
1,875,842	710,596	4,264,297	1,381	4,537,827
	8,251	27,948		272,772
	3,610,000	7,690,000		7,740,000
<u>1,877,591</u>	<u>4,797,654</u>	<u>12,507,367</u>	<u>1,381</u>	<u>13,174,739</u>
	264,595	408,229		548,580
		-		40,990
				-
<u>(1,659,968)</u>	<u>(3,518,711)</u>	<u>(8,632,884)</u>	<u>11,564</u>	<u>(7,484,598)</u>
<u>(1,659,968)</u>	<u>(3,254,116)</u>	<u>(8,224,655)</u>	<u>11,564</u>	<u>(6,895,028)</u>
<u>217,623</u>	<u>1,543,538</u>	<u>4,282,712</u>	<u>12,945</u>	<u>6,279,711</u>

**TOWN OF HAMDEN, CONNECTICUT**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES (DEFICITS) - NON-MAJOR GOVERNMENTAL FUNDS  
For The Year Ended June 30, 2005**

	<u>Special Revenue Funds</u>		
	<u>Human Services</u>	<u>Culture and Recreation</u>	<u>Public Safety</u>
<b>Revenues:</b>			
Intergovernmental	\$ 135,164		174,432
Charges for services	165,003		
Investment earnings			211
Other	800	9,712	8,459
<b>Total Revenues</b>	<b>\$ 300,967</b>	<b>9,712</b>	<b>183,102</b>
<b>Expenditures:</b>			
Education	\$ 36,037	2,185	
General government			
Public safety			96,504
Public works			
Health and welfare	282,392		
Culture and recreation		4,688	
Community development			
Capital outlay			
Bond issuance costs			
<b>Total Expenditures</b>	<b>\$ 318,429</b>	<b>6,873</b>	<b>96,504</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>\$ (17,462)</b>	<b>2,839</b>	<b>86,598</b>
<b>Other Financing Sources (Uses):</b>			
Long-term debt issued	\$		
Transfers in			
Transfers out			
<b>Total Other Financing Sources (Uses)</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>
<b>Net Changes in Fund Balances (Uses)</b>	<b>\$ (17,462)</b>	<b>2,839</b>	<b>86,598</b>
<b>Fund Balance - Beginning</b>	<b>\$ 23,026</b>	<b>(5,546)</b>	<b>(24,974)</b>
<b>Fund Balances - Ending</b>	<b>\$ 5,564</b>	<b>(2,707)</b>	<b>61,624</b>

Special Revenue Funds

<u>Public Works</u>	<u>Community Development</u>	<u>Town Revitalization Projects</u>	<u>Board of Education</u>	<u>General Government</u>	<u>Total</u>
	464,387		3,540,410 1,342,482	84,078	4,398,471 1,507,485
34,200		10,379 41,160	46,108		10,590 140,439
<u>34,200</u>	<u>464,387</u>	<u>51,539</u>	<u>4,929,000</u>	<u>84,078</u>	<u>6,056,985</u>
			4,697,080	35,981	4,735,302 35,981 96,504
	494,933	258,804			- 282,392 4,688 753,737
<u>-</u>	<u>494,933</u>	<u>258,804</u>	<u>4,697,080</u>	<u>35,981</u>	<u>5,908,604</u>
<u>34,200</u>	<u>(30,546)</u>	<u>(207,265)</u>	<u>231,920</u>	<u>48,097</u>	<u>148,381</u>
		21,300		1,500	- 22,800
<u>-</u>		<u>21,300</u>	<u>-</u>	<u>1,500</u>	<u>22,800</u>
<u>34,200</u>	<u>(30,546)</u>	<u>(185,965)</u>	<u>231,920</u>	<u>49,597</u>	<u>171,181</u>
<u>1,136</u>	<u>(69,517)</u>	<u>759,147</u>	<u>463,118</u>	<u>492</u>	<u>1,146,882</u>
<u>35,336</u>	<u>(100,063)</u>	<u>573,182</u>	<u>695,038</u>	<u>50,089</u>	<u>1,318,063</u>

(Continued)

**TOWN OF HAMDEN, CONNECTICUT**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES (DEFICITS) - NON-MAJOR GOVERNMENTAL FUNDS, Continued  
For The Year Ended June 30, 2005**

	Capital Projects Funds			
	Farmington Canal	Wintergreen Interdistrict Magnet School	Construction of Spring Glen School	Brooksvale Park Renovator and Acquisltion Grant
<b>Revenues:</b>				
Intergovernmental			836,463	567,560
Charges for services				
Investment earnings				
Other	36,846			
<b>Total Revenues</b>	<b>\$ 36,846</b>	<b>-</b>	<b>836,463</b>	<b>567,560</b>
<b>Expenditures:</b>				
Education				
General government				
Public safety				
Public works				
Health and welfare				
Culture and recreation				
Community development				
Capital outlay	39,924	22,604	49,667	195,390
Bond issuance costs				
<b>Total Expenditures</b>	<b>\$ 39,924</b>	<b>22,604</b>	<b>49,667</b>	<b>195,390</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>\$ (3,078)</b>	<b>(22,604)</b>	<b>786,796</b>	<b>372,170</b>
<b>Other Financing Sources (Uses):</b>				
Long-Term Debt Issued				
Transfers In	51,142			77,592
Transfers Out				
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 51,142</b>	<b>-</b>	<b>-</b>	<b>77,592</b>
<b>Net Changes In Fund Balances (Uses)</b>	<b>\$ 48,064</b>	<b>(22,604)</b>	<b>786,796</b>	<b>449,762</b>
<b>Fund Balance - Beginning</b>	<b>\$ (711,858)</b>	<b>(140,323)</b>	<b>(1,469,033)</b>	<b>(2,251,375)</b>
<b>Fund Balances - Ending</b>	<b>\$ (663,794)</b>	<b>(162,927)</b>	<b>(682,237)</b>	<b>(1,801,613)</b>

Capital Projects Funds			Permanent Fund	
Bear Path School Renovations	Other Capital Projects	Total	Bequest Fund	Total
	1,002,502	2,406,525		6,804,996
	3,416	3,416	121	1,507,485
	57,855	94,701		14,127
				235,140
-	1,063,773	2,504,642	121	8,561,748
				4,735,302
	1,137,223	1,137,223		1,173,204
	31,820	31,820		128,324
	736,454	736,454		736,454
				282,392
				4,688
				753,737
423,888	365,410	1,096,883		1,096,883
				-
423,888	2,270,907	3,002,380	-	8,910,984
(423,888)	(1,207,134)	(497,738)	121	(349,236)
				-
	10,890	139,624		162,424
	(10,913)	(10,913)		(10,913)
				-
	(23)	128,711	-	151,511
(423,888)	(1,207,157)	(369,027)	121	(197,725)
(1,236,080)	(2,046,959)	(7,855,628)	11,443	(6,697,303)
(1,659,968)	(3,254,116)	(8,224,655)	11,564	(6,895,028)

TOWN OF HAMDEN, CONNECTICUT

SCHEDULE 5

COMBINING STATEMENT OF NET ASSETS  
INTERNAL SERVICE FUNDS  
JUNE 30, 2005

	Workers' Compensation Fund	Medical Insurance Fund	Total
<b>ASSETS</b>			
<b>Current Assets:</b>			
Cash and cash equivalents	\$ 427,132	41,438	468,570
Other receivables			-
Due from other funds	5,299		5,299
<b>Total Current Assets</b>	<u>\$ 432,431</u>	<u>41,438</u>	<u>473,869</u>
<b>Total Assets</b>	<u>\$ 432,431</u>	<u>41,438</u>	<u>473,869</u>
<b>LIABILITIES</b>			
<b>Current Liabilities:</b>			
Accounts payable	\$ 391		391
Due to other fund		1,359,593	1,359,593
Claims incurred but not reported	287,925	1,585,819	1,873,744
<b>Total Current Liabilities</b>	<u>\$ 288,316</u>	<u>2,945,412</u>	<u>3,233,728</u>
<b>Total Liabilities</b>	<u>\$ 288,316</u>	<u>2,945,412</u>	<u>3,233,728</u>
<b>NET ASSETS</b>			
Net Assets	\$ 144,115	(2,903,974)	(2,759,859)
<b>Total Net Assets</b>	<u>\$ 144,115</u>	<u>(2,903,974)</u>	<u>(2,759,859)</u>

**COMBINING STATEMENT OF REVENUE, EXPENSES AND CHANGES IN FUND NET ASSETS  
INTERNAL SERVICE FUNDS  
For the Year Ended June 30, 2005**

	<u>Workers' Compensation Fund</u>	<u>Medical Insurance Fund</u>	<u>Total</u>
<b>OPERATING REVENUES:</b>			
Charges for services	\$ 1,075,000	19,169,681	20,244,681
<b>OPERATING EXPENSES:</b>			
Claims expense	\$ 613,549	19,902,787	20,516,336
Operating Income (Loss)	\$ 461,451	(733,106)	(271,655)
<b>NON-OPERATING REVENUES (EXPENSES):</b>			
Investment earnings	\$ 2,411	13,366	15,777
<b>Change In Net Assets</b>	\$ 463,862	(719,740)	(255,878)
<b>Net Assets - Beginning</b>	<u>(319,747)</u>	<u>(2,184,234)</u>	<u>(2,503,981)</u>
<b>Net Assets - Ending</b>	<u>\$ 144,115</u>	<u>(2,903,974)</u>	<u>(2,759,859)</u>

**COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
For the Year Ended June 30, 2005**

	Workers' Compensation Fund	Medical Insurance Fund	Total
<b>Cash Flows From Operating Activities</b>			
Receipts from customers and users	\$ 1,175,000	19,169,681	20,344,681
Cash payments for claims and fees	(799,581)	(19,359,460)	(20,159,041)
<b>Net Cash Provided (Used) By Operating Activities</b>	<u>\$ 375,419</u>	<u>(189,779)</u>	<u>185,640</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Investment income	\$ 2,411	13,366	15,777
<b>Net Cash Provided By Investing Activities</b>	<u>\$ 2,411</u>	<u>13,366</u>	<u>15,777</u>
<b>Net Increase (Decrease) In Cash and Cash Equivalents</b>	\$ 377,830	(176,413)	201,417
<b>Cash and Cash Equivalents - Beginning</b>	<u>49,302</u>	<u>217,851</u>	<u>267,153</u>
<b>Cash and Cash Equivalents - Ending</b>	<u>\$ 427,132</u>	<u>41,438</u>	<u>468,570</u>
<b>Reconciliation Of Operating Income To Net Cash Provided (Used) By Operating Activities:</b>			
Operating income or (loss) from operations	\$ 461,451	(733,106)	(271,655)
Adjustment to reconcile operating loss to net cash Used in Operating Activities:			
Changes in Assets and Liabilities:			
(Increase) decrease in other receivables	\$ 100,000	(240,000)	(140,000)
Increase (decrease) in due to other funds		739,593	739,593
Increase (decrease) in accounts payable	(186,032)		(186,032)
Increase (decrease) in claims liabilities		43,734	43,734
<b>Total Adjustments</b>	<u>\$ (86,032)</u>	<u>543,327</u>	<u>457,295</u>
<b>Net Cash Provided (Used) By Operating Activities</b>	<u>\$ 375,419</u>	<u>(189,779)</u>	<u>185,640</u>

**TOWN OF HAMDEN, CONNECTICUT**

**SCHEDULE 8**

**COMBINING STATEMENT OF FIDUCIARY NET ASSETS  
PENSION TRUST FUNDS  
June 30, 2005**

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**ASSETS**

**Current Assets:**

Cash and cash equivalents	\$	1,202,133
Investments		72,078,266
Interest receivable		485
Other receivables		9,359,060
Prepaid expenses		14,617
		<hr/>

**Total Assets** \$ 82,654,561

**LIABILITIES AND FUND BALANCES**

**Current Liabilities:**

Accounts payable and accrued liabilities \$ 54,843

**Total Current Liabilities** \$ 54,843

**Net Assets:**

Held in trust for pension benefits \$ 82,599,718  
Reserved for encumbrances  
Unrestricted and undesignated

**Total Net Assets** \$ 82,599,718

**TOWN OF HAMDEN, CONNECTICUT****SCHEDULE 9****COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
PENSION TRUST FUND  
June 30, 2005**

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<b>Additions:</b>	
Contributions:	
Employer contributions from general fund	\$ 3,000,000
Employee contributions	<u>1,659,028</u>
Total Contributions	<u>\$ 4,659,028</u>
<b>Investment Income:</b>	
Net depreciation in fair value of investments	\$ 6,850,097
Interest and dividends	789,324
Other income	
Total Investment Income	<u>\$ 7,639,421</u>
<b>Less, Investment Expenses:</b>	
Investment management fees	<u>184,534</u>
Net Investment Income or (Loss)	<u>\$ 7,454,887</u>
<b>Total Additions</b>	<u>\$ 12,113,915</u>
<b>Deductions:</b>	
Benefits and other deductions	<u>\$ 13,299,746</u>
<b>Net Change in Net Assets</b>	<u>\$ (1,185,831)</u>
<b>Net Assets Held in Trust for Pension Benefits and Other Purposes - Beginning of Year</b>	<u>83,785,549</u>
<b>Net Assets Held In Trust for Pension Benefits and Other Purposes - End of Year</b>	<u>\$ 82,599,718</u>

**COMBINING STATEMENT IN FIDUCIARY NET ASSETS  
PRIVATE PURPOSE TRUST FUNDS  
June 30, 2005**

	<u>Library Gift Fund</u>	<u>Hamden Arts Commission</u>	<u>Other Private Purpose Trust Funds</u>	<u>Total</u>
<b>ASSETS</b>				
<b>Current Assets:</b>				
Cash and cash equivalents	\$ 71,930	47,899	64,038	183,867
Due from other funds			85,132	85,132
<b>Total Assets</b>	<b>\$ 71,930</b>	<b>47,899</b>	<b>149,170</b>	<b>268,999</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Current Liabilities:</b>				
Accounts payable and accrued liabilities	\$		3,309	3,309
Deferred revenue			13,001	13,001
Due to other funds			24,525	24,525
<b>Total Current Liabilities</b>	<b>\$ -</b>	<b>-</b>	<b>40,835</b>	<b>40,835</b>
<b>Net Assets:</b>				
Unrestricted and undesignated	\$ 71,930	47,899	108,335	228,164
<b>Total Net Assets</b>	<b>\$ 71,930</b>	<b>47,899</b>	<b>108,335</b>	<b>228,164</b>

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
PRIVATE PURPOSE TRUST FUNDS  
For the Year Ended June 30, 2005**

	<u>Library Gift Fund</u>	<u>Hamden Arts Commission</u>	<u>Other Private Purpose Trust Funds</u>	<u>Total</u>
<b>Additions:</b>				
Investment Income:				
Interest and dividends	\$ 478	52	259	789
Total Investment Income	<u>\$ 478</u>	<u>52</u>	<u>259</u>	<u>789</u>
Other Income	\$ 106,839	80,768	101,894	289,501
<b>Total Additions</b>	<u>\$ 107,317</u>	<u>80,820</u>	<u>102,153</u>	<u>290,290</u>
<b>Deductions:</b>				
Benefits and other deductions	\$ 104,461	85,110	76,054	265,625
<b>Net Change in Net Assets</b>	<u>\$ 2,856</u>	<u>(4,290)</u>	<u>26,099</u>	<u>24,665</u>
<b>Net Assets Held in Trust for Pension Benefits and Other Purposes - Beginning of Year</b>	<u>69,074</u>	<u>52,189</u>	<u>82,236</u>	<u>203,499</u>
<b>Net Assets Held in Trust for Pension Benefits and Other Purposes - End of Year</b>	<u>\$ 71,930</u>	<u>47,899</u>	<u>108,335</u>	<u>228,164</u>

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
AGENCY FUNDS  
For the Year Ended June 30, 2005**

	<u>Student Activity</u>	<u>Adult Activity</u>	<u>Performance Bonds</u>	<u>Total</u>
<b>ASSETS</b>				
<b>Current Assets:</b>				
Cash and cash equivalents	\$ 143,823	86,694	1,021,120	1,251,637
Due from other funds			<u>161,697</u>	<u>161,697</u>
<b>Total Assets</b>	<b>\$ <u>143,823</u></b>	<b><u>86,694</u></b>	<b><u>1,182,817</u></b>	<b><u>1,413,334</u></b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Current Liabilities:</b>				
Due to other funds				-
Due to other groups and agencies	\$ <u>143,823</u>	<u>86,694</u>	<u>1,182,817</u>	<u>1,413,334</u>
<b>Total Current Liabilities</b>	<b>\$ <u><u>143,823</u></u></b>	<b><u><u>86,694</u></u></b>	<b><u><u>1,182,817</u></u></b>	<b><u><u>1,413,334</u></u></b>

**TOWN OF HAMDEN, CONNECTICUT**

**SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING  
For the Year Ended June 30, 2005**

	<u>Balance Uncollected June 30, 2004 and Current List</u>	<u>Lawful Correction</u>		<u>Transfers To/From Suspense</u>	<u>Adjusted Balance To Be Collected</u>
		<u>Additions</u>	<u>(Deletions)</u>		
1989	\$ 15,255		(14,699)		556
1990	30,315				30,315
1991	35,989				35,989
1992	36,557				36,557
1993	41,254	246			41,500
1994	50,337				50,337
1995	66,882	215			67,097
1996	69,813				69,813
1997	36,205	95			36,300
1998	55,142	457			55,599
1999	76,239	307			76,546
2000	38,656	498			39,154
2001	444,527		(2,275)	(308,736)	133,516
2002	1,388,382	536	(13,846)	(20,839)	1,354,233
Prior Years					
Total	\$ 2,385,553	2,354	(30,820)	(329,575)	2,027,512
2003		107,369,554	(359,413)		107,010,141
	<u>\$ 2,385,553</u>	<u>107,371,908</u>	<u>(390,233)</u>	<u>(329,575)</u>	<u>109,037,653</u>

SCHEDULE 13

Cash Collections				Balance Uncollected June 30, 2005
Tax	Interest	Lien Fee	Total	
556			556	-
(10)			(10)	30,325
(12)			(12)	36,001
(26)			(26)	36,583
999	83	24	1,082	40,501
(31)	230		199	50,368
333	519		852	66,764
444	607		1,051	69,369
1,608	1,668	24	3,276	34,692
2,724	1,384	48	4,156	52,875
13,474	6,651	120	20,245	63,072
21,674	11,879	216	33,769	17,480
145,249	54,295	744	200,288	(11,733)
<u>933,562</u>	<u>175,426</u>	<u>5,472</u>	<u>1,114,460</u>	<u>420,671</u>
1,120,544	252,742	6,648	1,379,886	906,968
<u>105,675,926</u>	<u>407,162</u>	<u>2,270</u>	<u>106,085,358</u>	<u>1,334,215</u>
<u>106,796,470</u>	<u>659,904</u>	<u>8,918</u>	<u>107,465,244</u>	<u>2,241,183</u>

**TOWN OF HAMDEN, CONNECTICUT**

**SCHEDULE OF SPECIAL ASSESSMENTS LEVIED, COLLECTED AND OUTSTANDING  
For the Year Ended June 30, 2005**

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<u>District</u>	<u>Balance Uncollected July 1, 2004</u>	<u>Adjustments</u>	<u>Additional Assessments</u>	<u>Adjusted Balance To Collect</u>
Evergreen - Shepard	\$ 7,196			7,196
Dunbar Hill	10,279			10,279
	<u>\$ 17,475</u>	<u>-</u>	<u>-</u>	<u>17,475</u>

SCHEDULE 14

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<u>Assessment</u>	<u>Collections</u>		<u>Total</u>	<u>Balance Uncollected July 1, 2004</u>
	<u>Interest</u>	<u>Fees</u>		
			-	7,196
3,197			3,197	7,082
<u>3,197</u>	<u>-</u>	<u>-</u>	<u>3,197</u>	<u>14,278</u>

**TOWN OF HAMDEN, CONNECTICUT**

**SCHEDULE OF DEBT LIMITATION  
YEAR ENDED JUNE 30, 2005**

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**Base**

	<u>General Purpose</u>	<u>Schools</u>
<b>Debt Limitation:</b>		
2 1/4 Times Base	\$ 241,663,241	
4 1/2 Times Base		483,326,483
3 3/4 Times Base		
3 1/4 Times Base		
3 Times Base		
<b>Total Debt Limitation</b>	<u>\$ 241,663,241</u>	<u>483,326,483</u>
<b>Indebtedness:</b>		
Bonds payable	\$ 22,060,484	56,335,105
Clean water debt		
Bonds authorized and unissued	<u>50,000</u>	<u>31,355,369</u>
<b>Total Indebtedness of the City</b>	\$ 22,110,484	87,690,474
<b>Less: School Construction Grants Receivable</b>		<u>(18,998,201)</u>
<b>Total Indebtedness</b>	<u>\$ 22,110,484</u>	<u>68,692,273</u>
<b>Debt Limitation in Excess of Outstanding and Authorized Debt</b>	<u>\$ 219,552,757</u>	<u>414,634,210</u>

In no case shall total indebtedness exceed seven times the base or \$751,841,195

**SCHEDULE 15**

Total Tax Collections (Including Interest and Lien Fees) \$ 107,350,594  
 For The Year Ended June 30, 2005

Reimbursement For Revenue Loss On:  
 Elderly Tax Relief

55,291  
 \$ 107,405,885

<b>Sewers</b>	<b>Urban Renewal</b>	<b>Pension Bonding</b>
402,772,069	349,069,126	<u>322,217,655</u>
<u>402,772,069</u>	<u>349,069,126</u>	<u>322,217,655</u>
5,069,411		
<u>5,069,411</u>	-	-
<u>5,069,411</u>	-	-
<u><u>397,702,658</u></u>	<u><u>349,069,126</u></u>	<u><u>322,217,655</u></u>

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**SCHEDULE OF CAPITAL PROJECT EXPENDITURES  
 COMPARED WITH PROJECT AUTHORIZATION (BUDGETARY BASIS)  
 For the Year Ended June 30, 2005**

Project	Authorized Appropriation	Expenditures During Year	Cumulative Expenditures	Balance
2001/2002 Capital Improvements	\$ 646,891	18,184	325,538	321,353
2002/2003 Capital Improvements	3,018,155	1,359,087	2,491,904	526,251
2003/2004 Capital Improvements	2,171,683	1,205,628	1,768,603	403,080
2004/2005 Capital Improvements	2,079,000	592,061	597,250	1,481,750
2005 Epoxy crosswalk project	40,428	40,000	40,000	428
Air cond in b, c & d wings	3,095,175	5,242	108,543	2,986,632
Band shell electrical	15,200	17,096	17,096	(1,896)
Band shell stage const install	103,745	103,743	103,743	2
Bear Path School	14,710,000	32,599	14,641,617	68,383
BOE Athletic Fields - arch & eng	100,000	-	80,599	19,401
BOE central office misc rep	21,840	20,739	22,039	(199)
Brooksvale Park	3,224,500	194,658	3,154,492	70,008
Brooksvale Park bldg materials	43,030	-	37,490	5,540
Center One Govt Ctr	2,408,882	66,267	2,400,461	8,421
Center One Improvements	100,000	53,909	53,909	46,091
Emergency generator police	48,400	-	44,000	4,400
Engineer certification	1,400	499	499	901
Equipment repair worth ave drain	77,270	54,050	54,050	23,220
Farmington canal	6,023,936	13,749	5,316,359	707,577
Flooring units	13,246	13,246	13,246	-
Guard rails at (6) locations	32,000	32,000	32,000	-
Hamden Ice rink phase II	1,769,441	147,279	671,591	1,097,850
Hamden Indust Park II	3,000	3,000	3,000	-
Hamden Middle School	54,525,000	45,747,000	49,425,076	5,099,924
Hamden sch sys CIP	530,000	-	526,159	3,841
Handicap ramp	900	-	-	900
Helen St / hms misc renov	150,829	-	128,910	21,919
HMS Renov - arch fees	181,901	(76,674)	105,227	76,674
HVAC replacement center one	550,000	425,786	478,557	71,443
Imp to HHs fields - proj adm	46,000	500	41,377	4,623
Improvement to police annex	40,000	758	1,500	38,500
Library Renovation Projects	212,000	63,261	63,261	148,739
M.I. Keefe Center renovation	367,000	93,073	331,127	35,873
M.I. Keefe roof replacement	77,000	4,692	74,707	2,293
Mesh curtain	3,220	3,212	3,212	8
Newhall enviro study	3,376,827	1,052,566	3,375,667	1,160
Pol/Fire feas. Study	200,000	-	131,723	68,277
Police substation/lighthouse	50,000	8,800	8,800	41,200
Refunding expenses	339,456	350,234	339,769	(313)
Ridge Hill roof replacement	639,291	20,734	629,734	9,557
Site/structural work	27,825	27,825	27,825	-
Spring Glen School	16,375,000	48,689	16,282,396	92,604
St. Ann's park Improvements	44,000	40,394	40,394	3,606
Tile & cove molding mom HHS	53,961	39,260	53,351	610
Town ald road	318,112	263,968	263,968	54,144
Town Hall renovation & refurb	161,400	26,653	26,653	134,747
Traffic Dept road improv	300,000	-	98,557	201,443
Vo-ed hydraulic lift	61,545	-	39,809	21,736
Welton Street pump station	2,011,722	2,011,722	2,011,722	-
West Woods window replace	560,709	2,912	475,110	85,599
Winter Green School	15,515,000	28,728	15,108,097	406,903
WPCA - legal /financial	10,640	7,019	10,639	1

**TRANSPORTATION PROGRAM FOR THE ELDERLY  
STATEMENT OF REVENUES AND EXPENSES  
For the Year Ended June 30, 2005**

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**Revenues:**

Town of Hamden Budget	\$	248,265
Passenger donations		3,110
<b>Total Revenues</b>	<b>\$</b>	<b><u>251,375</u></b>

**Expenses:****Salaries and Benefits:**

Salaries	\$	130,770
Benefits		85,000
<b>Total Salaries and Benefits</b>	<b>\$</b>	<b><u>215,770</u></b>

**Operating Expenses:**

Insurance	\$	9,000
Vehicle maintenance		5,100
Fuel		12,980
Administrative expenses		5,415
<b>Total Operating Expenses</b>	<b>\$</b>	<b><u>32,495</u></b>

<b>Total Expenses</b>	<b>\$</b>	<b><u>248,265</u></b>
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