

# McGladrey & Pullen

Certified Public Accountants

## **TOWN OF HAMDEN, CONNECTICUT**

**FINANCIAL REPORT  
JUNE 30, 2009**



TOWN OF HAMDEN, CONNECTICUT

FINANCIAL REPORT

TABLE OF CONTENTS

---

	<u>Page</u>
<b>I. FINANCIAL SECTION</b>	
Independent Auditor's Report .....	1-2
Management's Discussion and Analysis.....	3-10
<b>BASIC FINANCIAL STATEMENTS</b>	
Government-Wide Financial Statements:	
Statement of Net Assets (Deficits).....	11
Statement of Activities.....	12
Fund Financial Statements:	
Balance Sheet – Governmental Funds.....	13
Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits) – Governmental Funds .....	14
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits) of Governmental Funds to the Statement of Activities .....	15
Statement of Revenues and Expenditures – Budgetary Basis – Budget and Actual – General Fund.....	16
Statement of Net Assets (Deficits) – Proprietary Funds .....	17
Statement of Revenues, Expenses and Changes in Fund Net Assets (Deficits) – Proprietary Funds .....	18
Statement of Cash Flows – Proprietary Funds .....	19
Statement of Fiduciary Net Assets – Fiduciary Funds.....	20
Statement of Changes in Fiduciary Net Assets – Fiduciary Funds.....	21
Notes to Financial Statements.....	22-53

TOWN OF HAMDEN, CONNECTICUT

FINANCIAL REPORT

TABLE OF CONTENTS

---

**SUPPLEMENTAL COMBINING AND NONMAJOR  
FUND STATEMENTS AND SCHEDULES**

	<u>Page</u>
<b><u>GENERAL FUND</u></b>	
General Fund Revenues – Budgetary Basis – Budget and Actual .....	55-56
General Fund Expenditures – Budgetary Basis – Budget and Actual .....	57-58
<b><u>NONMAJOR GOVERNMENTAL FUNDS</u></b>	
Combining Balance Sheet.....	60-62
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits).....	64-66
<b><u>INTERNAL SERVICE FUNDS</u></b>	
Combining Statement of Net Assets (Deficits).....	67
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets (Deficits).....	68
Combining Statement of Cash Flows .....	69
<b><u>FIDUCIARY FUNDS</u></b>	
Combining Statement of Fiduciary Net Assets - Fiduciary Funds.....	71
Combining Statement of Changes in Fiduciary Net Assets - Fiduciary Funds.....	72
Statement of Changes in Assets and Liabilities – Agency Funds .....	73
<b><u>OTHER SCHEDULES</u></b>	
Schedule of Property Taxes Levied, Collected and Outstanding .....	76-77

# McGladrey & Pullen

Certified Public Accountants

## INDEPENDENT AUDITOR'S REPORT

To the Members of the Legislative Council  
Town of Hamden, Connecticut

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Hamden, Connecticut, as of and for the year ended June 30, 2009, 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 ninety-eight percent of the current assets and eighty-six percent of the revenues of the fiduciary funds. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Pension Trust Fund, is based on the report of the other auditors.

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

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Hamden, Connecticut as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable and the respective budgetary comparison for the General Fund thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with "Government Auditing Standards," we have also issued our report dated February 24, 2010 on our consideration of the Town of Hamden, Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with "Government Auditing Standards" and should be considered in assessing the results of our audit.

The management discussion and analysis is not a required part of the basic financial statements, but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The budgetary details and the combining and individual nonmajor fund statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The budgetary details, combining and individual nonmajor fund statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*McGladrey & Pullen, LLP*

New Haven, Connecticut  
February 24, 2010

**Town of Hamden, Connecticut**  
**Management's Discussion and Analysis**  
**June 30, 2009**

Our discussion and analysis of the financial performance of the Town of Hamden, Connecticut, provides an overview of the Town's financial activities for the fiscal year ended June 30, 2009. Please read it in conjunction with the Town's financial statements that follow this section.

**Financial Highlights**

- ◆ On a government-wide basis, the liabilities of the Town of Hamden exceeded its assets, resulting in a total net deficit on June 30, 2009, of \$(39,143,221).
- ◆ On a government-wide basis, during the year, the Town's net assets decreased by \$34,265,168 from \$(4,878,053) to \$(39,143,221).
- ◆ At the close of the year, the Town of Hamden's combined governmental funds, on a current financial resources basis, had an ending fund balance of \$7,989,630, an increase of \$11,180,494 from the prior fiscal year.
- ◆ At the end of the 2008/2009 fiscal year, the total fund balance for the General Fund alone was \$8,624,769, an increase of \$880,581 from the prior fiscal year. Of the total fund balance as of June 30, 2009, \$6,524,769 represents the unreserved, undesignated General Fund fund-balance. The total General Fund fund-balance at year-end represents 4.7% of the total General Fund expenditures \$182,082,330 for the fiscal year ending June 30, 2009.
- ◆ The Town of Hamden's total long-term bonded indebtedness decreased by \$8,715,000 during the current fiscal year to \$86,860,000.

**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 components: 1) Government-wide financial statements, 2) Fund financial statements, and 3) Notes to the financial statements.

**Government-Wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the Town of Hamden's finances, in a manner similar to private-sector business. All of the resources the Town has at its disposal are shown, including major assets such as buildings and infrastructure. A thorough accounting of the cost of government is rendered because the statements present all costs, not just how much was collected and disbursed. They provide both long-term and short-term information about the Town's overall financial status.

The statement of net assets presents information on all of the Town's assets and liabilities, with the difference reported as net assets. The Town's net assets – the difference between assets and liabilities – is one way to measure the Town's financial health or financial position. Over time, increases or decreases in net assets may serve as an indicator of whether the financial position of the Town is improving or

deteriorating. It speaks to the question of whether or not the Town, as a whole, is better or worse off as a result of this year's activities. Other non-financial factors will need to be considered, however, such as changes in the Town's property tax base and the condition of the Town's roads, to assess the overall health of the Town of Hamden.

The statement of activities presents information showing how the Town's net assets changed during the most recent fiscal year. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flow in some future fiscal period, for example uncollected taxes and earned but unused vacation leave.

Activities of the Town of Hamden encompass the Town's basic services and include governmental and community services, administration, public safety, health and welfare, and education. Property taxes, charges for services and state and federal grants finance most of these activities.

The government-wide financial statements (statement of net assets and statement of activities) can be found on pages 11-12 of this report.

### **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control and accountability 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. The Town of Hamden has three kinds of funds:

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

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

The Town of Hamden maintains 18 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund. Data from the other governmental funds are combined into a single, aggregated presentation as Nonmajor Governmental Funds.

The Town of Hamden adopts an annual budget for its general fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with the authorized budget. The statement of revenues, expenditures and changes in budgetary fund balance on a budgetary basis can be found on page 16.

The basic governmental fund financial statements (balance sheet and statement of revenues, expenditures and changes in fund balance) can be found on pages 13–14 of this report.

**Proprietary funds.** The Town maintains 1 type of proprietary fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the Town's various functions. The Town uses internal service funds to account for its self-insured medical and workers' compensation benefits. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

The basic proprietary fund financial statements can be found on pages 17-19 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 provide services to the Town's constituency. The Town has one pension trust fund, three private purpose trust funds and three agency funds. The basic fiduciary fund financial statements can be found on pages 20-21.

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

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 22–55 of this report.

The notes to this report also contain certain information concerning the Town's progress in funding its obligation to provide pension and post-retirement benefits to its employees.

## Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position and an important determinant of its ability to finance services in the future. Town of Hamden governmental activities liabilities exceeded assets by \$39,143,221 on June 30, 2009.

### Town of Hamden, Connecticut Statement of Net Assets (Deficits)

	<u>June 30, 2009</u>	<u>June 30, 2008</u>
Current and other assets	\$ 35,137,043	\$ 41,618,688
Capital assets	<u>233,459,788</u>	<u>236,883,914</u>
<b>Total assets</b>	<b><u>268,596,831</u></b>	<b><u>278,502,602</u></b>
Other liabilities	23,567,298	35,105,870
Long-term liabilities	<u>284,172,954</u>	<u>248,274,785</u>
<b>Total liabilities</b>	<b><u>307,740,252</u></b>	<b><u>283,380,655</u></b>
Net assets:		
Investment in capital assets - net of related debt	132,291,807	133,708,899
Unrestricted (deficit)	<u>(171,435,028)</u>	<u>(138,586,952)</u>
<b>Total net assets (deficit)</b>	<b><u><u>\$ (39,143,221)</u></u></b>	<b><u><u>\$ (4,878,053)</u></u></b>

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

**Town of Hamden, Connecticut**  
**Statement of Activities**

	<u>Year Ended</u> <u>June 30, 2009</u>	<u>Year Ended</u> <u>June 30, 2008</u>
<b>Revenues:</b>		
Program revenues:		
Charges for services	\$ 12,198,033	\$ 12,184,746
Operating grants and contributions	33,025,530	34,718,207
Capital grants and contributions	3,503,058	891,707
General revenues:		
Property taxes	126,390,177	126,016,066
Grants not restricted to specific purposes	5,441,466	4,769,816
Unrestricted investment earnings	435,796	1,221,604
Miscellaneous - CRRRA payment	6,010,094	-
<b>Total revenues</b>	<b>187,004,154</b>	<b>179,802,146</b>
<b>Expenses:</b>		
General government	16,261,898	14,806,585
Education	135,650,677	134,161,644
Public safety	33,197,657	32,291,403
Public works	21,612,411	24,159,629
Health and welfare	3,640,772	4,178,553
Culture and recreation	5,897,084	7,433,452
Community development	622,921	862,178
Interest on long-term debt	4,385,902	4,746,417
<b>Total expenses</b>	<b>221,269,322</b>	<b>222,639,861</b>
Changes in net assets (deficits)	(34,265,168)	(42,837,715)
Net assets (deficits), beginning	(4,878,053)	37,959,662
Net assets (deficits), ending	<b>\$ (39,143,221)</b>	<b>\$ (4,878,053)</b>

Hamden's net assets decreased by \$34,265,168 during the fiscal year. This decrease is principally due to the recognition of liabilities for other post-employee and pension benefits.

## **Governmental Activities**

For governmental activities, approximately 67% of the revenues were derived from property taxes, followed by approximately 22% from intergovernmental revenues.

Major revenue factors included:

- ◆ A CRRA Reserve Payment of \$6 million.

For governmental activities, approximately 63% of the Town's expenses relate to education, 15% relate to general government, 6% relate to public work operations, 11% to public safety and the remaining 6% relate to interest expense, health and welfare, community development and culture and recreation.

Major expense factors include:

- ◆ Functional expenses generally increased due primarily to other post-employment benefits and pension benefits. The OPEB pension obligation increased by \$18,806,593 and the net pension obligation increased by \$8,105,546.

## **Financial Analysis of the Government's Funds**

As noted 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. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The General Fund is the chief operating fund of the Town of Hamden. At the end of the current fiscal year, unreserved fund balance of the general fund was \$6,524,769.

As stated earlier, the fund balances of the Town of Hamden's general fund increased by \$880,581 during the current fiscal year. This increase was due to lower than expected operating expenses and a CRRA Reserve Payment of approximately \$6 million.

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

The deficit of the Internal Service Funds at the end of the year was \$9,887,993, a decrease of \$6,054,389 over the prior year due to higher claims expense.

## **General Fund Budgetary Highlights**

There was no difference between the original budget and the final amended budget.

During the year, actual revenues and transfers in were \$175,504,812, which were higher than budgetary estimates by \$565,007.

Actual expenditures and transfers out on a budgetary basis totaled \$174,624,231.

Major contributors were:

- ♦ Lower than anticipated public works and public safety costs.

**Capital Assets and Debt Administration**

Capital Assets. The Town of Hamden's investment in capital assets for its governmental activities as of June 30, 2009, amounts to \$347 million on a gross basis and \$233 million net of accumulated depreciation. This investment in capital assets includes land, buildings, land improvements, machinery and equipment, park facilities, roads and bridges.

<b>Town of Hamden, Connecticut</b>		
<b>Capital Assets Net of Depreciation</b>		
	<b>June 30, 2009</b>	<b>June 30, 2008</b>
Governmental funds capital assets:		
Land	\$ 17,581,108	\$ 15,141,108
Land improvements	13,008,841	10,006,195
Buildings and improvements	158,903,439	150,684,218
Machinery and equipment	4,131,305	5,314,007
Infrastructure	38,020,752	42,935,264
Construction in progress	1,814,343	12,803,122
<b>Total</b>	<b>\$ 233,459,788</b>	<b>\$ 236,883,914</b>

The major capital asset events during the current fiscal year included building improvements to several properties as well as land and infrastructure improvements.

Additional information on the Town of Hamden's capital assets can be found in Note 6 of this report.

**Long-term debt.** At the end of the current fiscal year, the Town of Hamden had total bonded debt outstanding of \$86,860,000; 100% of this debt is backed by the full faith and credit of the Town government.

	<b>June 30, 2009</b>	<b>June 30, 2008</b>
General obligation bonds	\$ 86,860,000	\$ 95,575,000
Bond anticipation notes	18,875,000	12,300,000
<b>Total</b>	<b>\$ 105,735,000</b>	<b>\$ 107,875,000</b>

Additional information on the Town's long-term debt can be found in Note 9.

## **Economic Factors**

The Town has not been immune from the effects of the national economic downturn. As of June 2009, the unemployment rate for the Hamden labor market area was 7.1% compared with 5.7% for the prior year. The Connecticut overall unemployment rate stands at 8.0%, compared with 5.4% for the same time last year.

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, government officials 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.

## **Requests for Information**

This 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 or requests for additional financial information should be addressed to the Director of Finance, Hamden Government Center, 2750 Dixwell Avenue, Hamden, Connecticut 06518.



## **Basic Financial Statements**



TOWN OF HAMDEN, CONNECTICUT

STATEMENT OF NET ASSETS (DEFICITS)

June 30, 2009

	Primary Government Governmental Activities
<b>Assets</b>	
Cash and cash equivalents	\$ 16,482,190
Receivables, net of allowance for collection losses:	
Property taxes	3,802,712
Intergovernmental and other	2,935,584
Inventories and prepaids	21,207
Noncurrent assets:	
Long-term intergovernmental receivable	11,895,350
Capital assets not being depreciated	19,395,451
Capital assets being depreciated, net of accumulated depreciation	214,064,337
<b>Total assets</b>	<u>268,596,831</u>
<b>Liabilities</b>	
Accounts payable and accruals	17,670,251
Accrued interest payable	1,612,610
Due to fiduciary funds	108,857
Unearned revenue	1,515,580
Bond anticipation notes payable	2,660,000
Noncurrent liabilities:	
Due in less than one year	12,593,040
Due in more than one year	271,579,714
<b>Total liabilities</b>	<u>307,740,052</u>
<b>Net Assets</b>	
Investment in capital assets, net of related debt	132,291,807
Unrestricted (deficit)	(171,435,028)
<b>Total net assets (deficit)</b>	<u>\$ (39,143,221)</u>

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, 2009

Functions/Programs	Program Revenues			Expenses	Net (Expense) Revenue and Change in Net Assets
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		
<b>Primary government:</b>					
Governmental activities:					
Education	\$ (135,650,677)	\$ 31,197,161	\$ 775,000	\$ (103,050,531)	
General government	(16,261,898)	1,381,460	-	(6,083,024)	
Public safety	(33,197,657)	388,703	14,045	(32,741,822)	
Public works	(21,612,411)	-	2,625,331	(17,278,406)	
Health & welfare	(3,640,772)	-	-	(3,441,328)	
Culture and recreation	(5,897,084)	58,206	88,682	(4,938,767)	
Community development	(622,921)	-	-	(622,921)	
Interest on long-term debt	(4,385,902)	-	-	(4,385,902)	
<b>Total primary government</b>	<b>\$ (221,269,322)</b>	<b>\$ 33,025,530</b>	<b>\$ 3,503,058</b>	<b>\$ (172,542,701)</b>	
General revenues:					
Property taxes					126,390,177
Grants and contributions not restricted to specific programs					5,441,466
Unrestricted investment earnings					435,796
Miscellaneous					6,010,094
Total general revenues					138,277,533
Change in net assets					(34,265,168)
Net assets (deficits) - beginning					(4,878,053)
Net assets (deficits) - ending					\$ (39,143,221)

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

TOWN OF HAMDEN, CONNECTICUT

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2009

	Major Fund		Total Governmental Funds
	General Fund	Nonmajor Governmental Funds	
<b>Assets</b>			
Cash and cash equivalents	\$ 13,647,120	\$ 2,383,351	\$ 16,030,471
Receivables (net of allowances for collection losses):			
Property taxes	3,802,712	-	3,802,712
Intergovernmental and other receivables	12,965,308	1,865,626	14,830,934
Inventories and prepaids	-	21,207	21,207
Due from other funds	11,513,974	6,970,091	18,484,065
<b>Total assets</b>	<b>\$ 41,929,114</b>	<b>\$ 11,240,275</b>	<b>\$ 53,169,389</b>
<b>Liabilities</b>			
Accounts payable and accruals	\$ 10,187,047	\$ 1,671,911	\$ 11,858,958
Unearned revenues	1,515,387	193	1,515,580
Deferred revenues	14,305,718	775,000	15,080,718
Due to other funds	7,296,193	6,768,310	14,064,503
BAN payable	-	2,660,000	2,660,000
<b>Total liabilities</b>	<b>33,304,345</b>	<b>11,875,414</b>	<b>45,179,759</b>
<b>Fund Balances (Deficits)</b>			
Reserved for:			
Inventories	-	21,207	21,207
Encumbrances	-	1,019,330	1,019,330
Endowments	-	12,135	12,135
Unreserved:			
Designated for subsequent year's appropriations	2,100,000	-	2,100,000
Unreserved, undesignated, reported in:			
General Fund	6,524,769	-	6,524,769
Special revenue funds	-	1,753,557	1,753,557
Capital projects funds	-	(3,441,368)	(3,441,368)
<b>Total fund balances (deficit)</b>	<b>8,624,769</b>	<b>(635,139)</b>	<b>7,989,630</b>
<b>Total liabilities and fund balances (deficit)</b>	<b>\$ 41,929,114</b>	<b>\$ 11,240,275</b>	

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

Capital assets, net of accumulated depreciation of \$113,948,218, purchased by governmental funds are reported as expenditures, however, the statement of net assets includes those capital assets among the assets of the town as a whole.	233,459,788
Other long-term assets are not available to pay for current-period expenditures and, therefore, are not recognized as revenues in the funds.	15,080,718
Internal service funds are used by management to charge the costs of health insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	(9,887,993)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(284,172,754)
Accrued interest payable	(1,612,610)
<b>Net assets (deficit) of governmental activities</b>	<b>\$ (39,143,221)</b>

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

TOWN OF HAMDEN, CONNECTICUT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS) -  
 GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2009

	Major Fund		Total Governmental Funds
	General Fund	Nonmajor Governmental Funds	
<b>REVENUES</b>			
Property taxes	\$ 126,262,807	\$ -	126,262,807
Intergovernmental	41,594,189	4,023,816	45,618,005
State on-behalf payments	6,064,000	-	6,064,000
Permits, fees and other	3,371,675	-	3,371,675
Income from investments	426,895	6,357	433,252
Charges for services	3,341,206	1,691,041	5,032,247
Miscellaneous	421,296	350,534	771,830
<b>Total revenues</b>	<b>181,482,068</b>	<b>6,071,748</b>	<b>187,553,816</b>
<b>EXPENDITURES</b>			
Current:			
Education	77,432,925	64,660	77,497,585
State on-behalf payments	6,064,000	-	6,064,000
General government	8,860,822	14,829	8,875,651
Public safety	21,244,235	133,186	21,377,421
Public works	11,825,883	182,939	12,008,822
Health & welfare	1,454,075	433,091	1,887,166
Culture and recreation	3,637,547	51,935	3,689,482
Employee benefits	37,439,217	109,034	37,548,251
Community development	-	993,112	993,112
Debt service:			
Principal retirements	8,715,000	-	8,715,000
Interest and other charges	4,385,902	-	4,385,902
Capital outlay	1,022,724	9,545,930	10,568,654
<b>Total expenditures</b>	<b>182,082,330</b>	<b>11,528,716</b>	<b>193,611,046</b>
<b>Revenues over (under) expenditures</b>	<b>(600,262)</b>	<b>(5,456,968)</b>	<b>(6,057,230)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	514,119	261,564	775,683
Transfers out	(56,000)	(719,683)	(775,683)
Proceeds from capital leases	1,022,724	-	1,022,724
Issuance of bond anticipation notes	-	16,215,000	16,215,000
<b>Total other financing sources (uses)</b>	<b>1,480,843</b>	<b>15,756,881</b>	<b>17,237,724</b>
<b>Change in fund balances (deficits)</b>	<b>880,581</b>	<b>10,299,913</b>	<b>11,180,494</b>
<b>FUND BALANCES (DEFICITS), beginning</b>	<b>7,744,188</b>	<b>(10,935,052)</b>	<b>(3,190,864)</b>
<b>FUND BALANCES (DEFICITS), ending</b>	<b>\$ 8,624,769</b>	<b>\$ (635,139)</b>	<b>\$ 7,989,630</b>

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

TOWN OF HAMDEN, CONNECTICUT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES (DEFICITS) OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2009

---

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

Net change in fund balances – total governmental funds	\$ 11,180,494
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	(3,424,126)
Net change in previously recognized revenues in the statement of activities.	(549,662)
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.	(8,093,722)
Changes in 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 until they are paid.	(27,323,763)
Internal Service Funds, the net revenue (expense) of internal service funds is reported with governmental activities.	<u>(6,054,389)</u>
Change in net assets of governmental activities	<u>\$ (34,265,168)</u>

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

TOWN OF HAMDEN, CONNECTICUT

STATEMENT OF REVENUES AND EXPENDITURES AND OTHER FINANCING SOURCES - BUDGETARY BASIS -  
 BUDGET AND ACTUAL - GENERAL FUND  
 For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Property taxes, interest and liens	\$ 127,276,010	\$ 127,276,010	\$ 126,262,807	\$ (1,013,203)
Intergovernmental	35,382,740	35,382,740	41,166,814	5,784,074
Licenses, permits and fees	5,152,475	5,152,475	3,371,674	(1,780,801)
Charges for services	4,367,980	4,367,980	3,341,207	(1,026,773)
Investment earnings	990,000	990,000	426,895	(563,105)
Miscellaneous	1,770,600	1,770,600	421,296	(1,349,304)
<b>Total revenues</b>	<b>174,939,805</b>	<b>174,939,805</b>	<b>174,990,693</b>	<b>50,888</b>
<b>EXPENDITURES</b>				
Current:				
Education	77,436,335	77,436,335	77,432,925	3,410
General government	9,985,115	8,574,657	8,433,447	141,210
Public safety	21,596,347	21,398,938	21,244,235	154,703
Public works	10,817,513	11,990,097	11,825,883	164,214
Health and welfare	1,400,667	1,459,645	1,454,075	5,570
Culture and recreation	3,666,136	3,721,802	3,637,547	84,255
Employee benefits	36,936,790	37,201,429	37,439,217	(237,788)
Debt service:				
Principal retirements	8,715,000	8,715,000	8,715,000	-
Anticipated bonding	-	56,000	56,000	-
Interest	4,385,902	4,385,902	4,385,902	-
<b>Total expenditures</b>	<b>174,939,805</b>	<b>174,939,805</b>	<b>174,624,231</b>	<b>315,574</b>
<b>Revenues over (under) expenditures</b>	<b>-</b>	<b>-</b>	<b>366,462</b>	<b>(366,462)</b>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	-	-	514,119	(514,119)
<b>Revenues and other financing sources over expenditures and other financing sources</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 880,581</b>	<b>\$ 880,581</b>

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

TOWN OF HAMDEN, CONNECTICUT

STATEMENT OF NET ASSETS (DEFICIT) - PROPRIETARY FUNDS

June 30, 2009

	Governmental Activities
	<u>Internal Service Funds</u>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 451,719
Due from other funds	6,713
<b>Total assets</b>	<u>458,432</u>
<b>LIABILITIES AND NET ASSETS</b>	
Current liabilities:	
Accounts payable and accrued liabilities	1,013,805
Claims incurred but not reported	2,148,896
Due to other funds	4,535,132
<b>Total current liabilities</b>	<u>7,697,833</u>
Noncurrent liabilities:	
Claims payable	<u>2,648,592</u>
<b>Total liabilities</b>	<u>10,346,425</u>
<b>NET ASSETS (DEFICIT)</b>	
Net assets (deficit)	(9,887,993)
<b>Total net assets</b>	<u><u>\$ (9,887,993)</u></u>

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

TOWN OF HAMDEN, CONNECTICUT

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

For the Year Ended June 30, 2009

	Governmental Activities
	<u>Internal Service Funds</u>
<b>OPERATING REVENUES</b>	
Charges for services	\$ 24,318,129
<b>Total operating revenues</b>	<u>24,318,129</u>
<b>OPERATING EXPENSES</b>	
Claims expense	30,375,321
<b>Total operating expenses</b>	<u>30,375,321</u>
<b>Operating loss</b>	(6,057,192)
<b>NONOPERATING REVENUES</b>	
Interest income	2,803
<b>Total nonoperating revenues</b>	<u>2,803</u>
<b>Change in net assets</b>	(6,054,389)
<b>FUND NET ASSETS (DEFICIT), beginning</b>	<u>(3,833,604)</u>
<b>FUND NET ASSETS (DEFICIT), ending</b>	<u>\$ (9,887,993)</u>

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

TOWN OF HAMDEN, CONNECTICUT

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS

For the Year Ended June 30, 2009

	Governmental Activities <hr/> Internal Service Funds <hr/>
<b>Cash Flows From Operating Activities</b>	
Receipts from customers and users	\$ 24,318,129
Cash payments for claims and fees	(25,404,139)
<b>Net cash used in operating activities</b>	<hr/> (1,086,010) <hr/>
<b>Cash Flows From Investing Activities</b>	
Interest received on investments	<hr/> 2,803 <hr/>
<b>Net decrease in cash and cash equivalents</b>	(1,083,207)
<b>Cash and Cash Equivalents</b>	
Beginning	<hr/> 1,534,926 <hr/>
Ending	<hr/> <u>\$ 451,719</u> <hr/>
<b>Reconciliation of Operating Loss to Net Cash Used in Operating Activities</b>	
Operating loss	\$ (6,057,192)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Changes in assets and liabilities:	
Increase in accounts payable and accrued liabilities	1,248,180
Increase in claims incurred but not reported	350,341
Increase in due to other funds	3,372,661
<b>Net cash used in operating activities</b>	<hr/> <u>\$ (1,086,010)</u> <hr/>

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

TOWN OF HAMDEN, CONNECTICUT

STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUNDS

June 30, 2009

	Pension Trust Fund	Agency Funds	Private Purpose Trust Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ 3,375,561	\$ 1,088,811	\$ 185,372
Investments, at fair value	62,224,399	-	-
Other receivables	210,263	-	-
Prepaid expenses	14,617	-	-
Due from other funds	-	77,450	96,532
<b>Total assets</b>	<b>65,824,840</b>	<b>1,166,261</b>	<b>281,904</b>
<b>LIABILITIES</b>			
Due to others	-	1,166,261	-
Accounts payable and accruals	87,348	-	11,339
Due to other funds	-	-	65,125
<b>Total liabilities</b>	<b>87,348</b>	<b>1,166,261</b>	<b>76,464</b>
<b>NET ASSETS HELD IN TRUST FOR PENSION AND OTHER</b>	<b>\$ 65,737,492</b>	<b>\$ -</b>	<b>\$ 205,440</b>

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

TOWN OF HAMDEN, CONNECTICUT

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS - FIDUCIARY FUNDS

For the Year Ended June 30, 2009

	Pension Trust Fund	Private Purpose Trust Fund Funds
<b>Contributions:</b>		
Town of Hamden	\$ 12,500,000	\$ -
Plan members	1,983,963	-
<b>Total contributions</b>	14,483,963	-
Investment Income		
Interest and dividends	2,784,685	720
Net depreciation in fair value of investments	(14,135,466)	-
Other income	-	467,356
	(11,350,781)	468,076
Less investment expenses:		
Investment management fees	(245,740)	-
<b>Net investment income (loss)</b>	(11,596,521)	468,076
<b>Total additions</b>	2,887,442	468,076
<b>DEDUCTIONS</b>		
Benefits and other deductions	18,101,394	514,156
Administrative	106,880	-
	18,208,274	514,156
<b>Change in net assets</b>	(15,320,832)	(46,080)
<b>NET ASSETS</b>		
Beginning of year	81,058,324	251,520
End of year	\$ 65,737,492	\$ 205,440

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

## TOWN OF HAMDEN, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS

June 30, 2009

---

#### Note 1. 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.

Accounting principles generally accepted in the United States of America require that the reporting entity include (1) the primary government, (2) organizations for which the primary government is financially accountable and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The criteria provided in the Governmental Accounting Standards Board statements, has been considered and there are no agencies or entities which should be presented with the Town.

##### Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities normally are supported by taxes and intergovernmental revenues.

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

Separate financial statements are provided for governmental funds 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.

## TOWN OF HAMDEN, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2009

---

#### **Measurement focus, basis of accounting, and financial statement presentation**

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

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

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

Property taxes, when levied for, intergovernmental revenue when eligibility requirements are met, licenses, charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual (measurable) and so have been recognized as revenues of the current fiscal period, if available. All other revenue items are considered to be measurable and available only when cash is received by the Town, or specifically identified.

The Town reports the following major governmental funds:

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

## TOWN OF HAMDEN, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2009

---

Additionally, the government reports the following fund types:

#### **Fiduciary Funds:**

The *Pension Trust Fund* is used to account for the accumulation of resources to be used for retirement benefits.

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

The *Private Purpose Trust Funds* are used to account for assets held by the Town in a trustee capacity, or as an agent on behalf of others.

The *Internal Service Fund* is used to account for revenues and related expenses of employee health insurance and workers compensation insurance.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements.

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

#### **Pension plan accounting**

##### *Pension Trust Fund:*

The Pension Trust Fund is reported on the accrual basis of accounting. Employee contributions are recognized in the period in which the contributions are due. Employer contributions to the plan are recognized when due and the Town has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan. Administrative costs are financed through investment earnings.

##### *Governmental Funds:*

The net pension obligation, the cumulative difference between annual pension cost and the Town's contributions to the plan since 1986, is calculated on an actuarial basis consistent with the requirements of Government Accounting Standards Board Statement No. 27. Expenditures are recognized when they are paid or are expected to be paid with current available resources. The net pension obligation is recorded as a non-current liability in the government-wide financial statements.

## TOWN OF HAMDEN, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2009

---

#### *Funding Policy:*

The Town makes contributions at the discretion of management.

#### **Net other post-employment benefit obligations**

In fiscal year 2008, the Town implemented GASB Statement No. 45, "*Accounting and Financial Reporting by Employers for Post-employment Benefits Other than Pensions.*" This pronouncement required the Town to calculate and record a net other post-employment benefit obligation (NOPEBO) at June 30, 2008. The NOPEBO is, in general, the cumulative difference between the actuarial required contribution and the actual contributions since July 1, 2007. The Town makes annual contributions based upon budgetary decisions using the actuarial valuation.

#### **Accounting estimates**

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

#### **Property taxes**

Property taxes are assessed as of October 1 and are levied on the following July 1. Real estate and personal property taxes are due in two installments on July 1 and the following January 1. Motor vehicle taxes are payable on July 1 and supplemental motor vehicle taxes are payable on January 1. Liens are filed on delinquent real estate taxes within one year.

#### **Encumbrances**

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is utilized in the governmental funds. Encumbrances outstanding at year-end are reported as a reservation of fund balance as they do not constitute expenditures or liabilities.

#### **Cash equivalents**

The Town considers all certificates of deposit and highly liquid short-term investment funds with original maturities of three months or less to be cash equivalents.

#### **Investments**

Investments for the Town are reported at fair value based on quoted market prices. The Connecticut State Treasurer's Short-Term Investment Fund is an investment pool managed by the State of Connecticut Office

## TOWN OF HAMDEN, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2009

---

of the State Treasurer. Investments must be made in instruments authorized by Connecticut General Statutes 3-27c through 3-27e. Investment guidelines are adopted by the State Treasurer. The fair value of the position in the pool is the same as the value of the pool shares.

The balance of the pooled fixed income investments were invested in a pool similar to a 2a-7. The fair value of the position in the pool is the same as the value of the pool shares. These investments are stated at amortized cost.

#### **Allowance for doubtful accounts**

Accounts receivable, property tax receivables and notes receivable for the primary government are reported net of allowance for doubtful accounts of approximately \$219,000. The allowance for doubtful accounts represents those accounts which are deemed uncollectible based upon past collection history and analysis of creditor's ability to pay.

#### **Capital assets**

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

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

<u>Assets</u>	<u>Years</u>
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

In the governmental fund financial statements, capital outlay (assets) is reported as an expenditure and no depreciation expense is recorded.

## TOWN OF HAMDEN, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2009

---

#### Long-term obligations

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

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

#### Risks and uncertainties

The Town invests in various securities, including U.S. government securities, corporate bonds, common stock and mutual funds. Investment securities, in general, are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the level of risks associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the statements of financial position and activities.

#### Fund equity and net assets

In the Government-Wide Financial Statements, net assets are classified in the following categories:

***Invested in Capital Assets, Net of Related Debt*** - This category groups all capital assets, including infrastructure, into one component of net assets. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduces this category.

***Unrestricted Net Assets or Deficits*** - This category represents the net assets of the Town, which are not restricted for any project or other purpose. Deficits require future funding.

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

***Reserved fund balance*** – indicates that portion of fund equity that is not available for appropriation or which has been legally segregated for specific purposes.

TOWN OF HAMDEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued  
June 30, 2009

---

*Unreserved/Designated fund balance or deficits* – indicates that portion of fund equity for which the Town has made tentative plans.

*Unreserved fund balance or deficits* – indicates that portion of fund equity which is available for appropriation and expenditure in future periods. Deficits require future funding.

**Note 2. Reconciliation of Government-Wide and Fund Financial Statements**

**Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets**

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

Bonds payable	\$ 103,075,000
Deferred charges	(1,177,111)
Capital leases payable	1,333,882
Compensated absences	8,465,150
Landfill closure	192,560
Claims and judgments	4,500,000
Net pension obligation	118,453,407
Heart and hypertension	3,876,414
Net OPEB obligations	<u>45,453,452</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at net assets - governmental activities	<u>\$ 284,172,754</u>

TOWN OF HAMDEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued  
June 30, 2009

---

**Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities**

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

Capital outlay	\$ 10,113,976
Depreciation expense	<u>(13,538,102)</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ (3,424,126)</u>

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

Long-Term Liabilities issued or incurred:	
Amortization of deferred charges	\$ (98,093)
Capital leases incurred	(1,022,723)
Issuance of bond anticipation notes	(16,215,000)
Principal repayments:	
General obligation debt	8,715,000
Capital lease payments	<u>527,094</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ (8,093,722)</u>

**TOWN OF HAMDEN, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2009**

---

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 difference are as follows:

Compensated absences	\$ (1,105,450)
Net change in accrued interest	480,483
Pension obligation	(8,105,546)
Landfill costs	43,838
Heart and hypertension	169,505
Other post-employment obligation	<u>(18,806,593)</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ (27,323,763)</u>

**Note 3. 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 modified accrual 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.

**TOWN OF HAMDEN, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2009**

---

- 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.

There were no additional appropriations for the year ended June 30, 2009.

A reconciliation of General Fund budgetary basis is as follows:

	General Fund	
	Revenues and Other Financing Sources	Expenditures and Other Financing Uses
Balance, budgetary basis, June 30, 2009	\$ 175,504,812	\$ 174,624,231
On-behalf payments for state teachers retirement	6,064,000	6,064,000
Purchases of equipment under capital lease obligations not recognized for budgetary purposes	1,022,724	1,022,724
Elderly tax abatement	427,375	427,375
Balance, GAAP Basis, June 30, 2009	\$ 183,018,911	\$ 182,138,330

## TOWN OF HAMDEN, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2009

---

#### **Special revenue funds**

The Town does not have legally adopted annual budgets for its 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 are non-lapsing and may comprise more than one fiscal year.

#### **Capital project funds**

Legal authorization for expenditures of the capital project funds is provided by the related bond ordinances. Capital appropriations do not lapse until completion of the applicable projects.

#### **Note 4. Cash, Cash Equivalents and Investments**

Deposits: The Town does not have a policy for deposits. The Town also does not have a custodial credit risk policy. However, as a practice, the Town follows State statutes. The State of Connecticut requires that each depository maintain segregated collateral in an amount equal to a defined percentage of its public deposits based upon the bank's risk based capital ratio.

Investments: The Town and the Pension Trust Fund do not have a custodial credit risk policy for investments. They also do not have a credit risk policy, however, it is their practice to use State statutes. The Connecticut General Statutes (Section 7-400) permit municipalities to invest in: (1) obligations of the United States and its agencies (2) highly rated obligations of any state of the United States or of any political subdivision, authority or agency thereof; and (3) shares or other interests in custodial arrangements or pools maintaining constant net asset values and in highly rated no-load open end money market mutual funds (with constant or fluctuating net asset values) whose portfolios are limited to obligations of the United States and its agencies, and repurchase agreements fully collateralized by such obligations. The Statutes (Sections 3-24f and 3-27f) also provide for investment in shares of the Connecticut Short Term Investment Fund and the Tax Exempt Proceeds Fund. Other provisions of the Statutes cover specific municipal funds with particular investment authority. The provisions of the Statutes regarding the investment of municipal pension funds does not specify permitted investments. Therefore, investment of such funds is generally controlled by the laws applicable to fiduciaries and the provisions of the applicable plan.

Interest rate risk: The Town, which includes the Pension Trust Fund, does not have a policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, its practice is to structure the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity, and investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools.

Concentrations: The Town does not have a policy that limits the amounts invested in any one issuer. However, its practice is to maintain a diversified portfolio to minimize the risk of loss resulting from over-concentration of assets in a specific issuer.

TOWN OF HAMDEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued  
June 30, 2009

---

Custodial credit risk:

Deposits: This is the risk that, in the event of failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. As of June 30, 2009, approximately \$12,194,000 of the Town's bank balance of approximately \$13,201,000 was uninsured and uncollateralized.

Investments: This is the risk that in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

Cash and investments of the Town consist of the following at June 30, 2009:

<b>Cash and Cash Equivalents</b>	
Deposits with financial institutions	\$ 17,066,719
State of Connecticut Short-Term Investment Fund	4,065,215
<b>Total cash and cash equivalents</b>	<u>21,131,934</u>
<b>Investments</b>	
Pension Trust Funds:	
U.S. Government Agency Securities	7,647,709 *
U.S. Government Securities	4,507,496 *
Corporate and Other Bonds	11,255,807 *
Common Stock	35,499,587 *
Mutual Funds	3,313,800
<b>Total investments</b>	<u>62,224,399</u>
<b>Total cash and investments</b>	<u>\$ 83,356,333</u>

\* These investments are uninsured and unregistered, with securities held by the counterparty, but not in the Town's or Pension Plan's name.

TOWN OF HAMDEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued  
June 30, 2009

Cash and investments are classified in the accompanying financial statements as follows:

<b>Statement of Net Assets</b>	
Cash and cash equivalents	\$ 16,482,190
<b>Fiduciary Funds:</b>	
Cash and cash equivalents	4,649,744
Investments	62,224,399
	<u>66,874,143</u>
<b>Total cash and investments</b>	<b>\$ 83,356,333</b>

*Interest rate risk:* This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. Information about the exposure of the Town's debt type investments to this risk using the segmented time distribution model is as follows:

Summary of Investments	Fair Value	Investment Maturities (in Years)			
		Less Than 1 Year	1-5 Years	6-10 Years	Greater Than 10 Years
Pooled fixed income	\$ 4,065,215	\$ 4,065,215	\$ -	\$ -	\$ -
U.S. Government Agency Securities	7,647,709	-	372,862	618,928	6,655,919
U.S. Government Securities	4,507,496	-	2,188,670	770,722	1,548,104
Corporate and Other Bonds	11,255,807	311,199	5,805,314	1,310,843	3,828,451
<b>TOTAL</b>	<b>\$ 27,476,227</b>	<b>\$ 4,376,414</b>	<b>\$ 8,366,846</b>	<b>\$ 2,700,493</b>	<b>\$ 12,032,474</b>

TOWN OF HAMDEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued  
June 30, 2009

Credit risk: Generally, credit risk is the risk that an issuer of a debt type investment will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization. U.S. government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure. Presented below is the minimum rating as required for each debt type investment.

Average Rating	Corporate and Other Bonds	U.S. Government Agency Securities	Pooled Fixed Income
AAA	\$ 3,338,508	\$ 7,647,709	\$ 4,065,215
AA+	318,070	-	-
AA	15,476	-	-
AA-	111,213	-	-
A+	251,942	-	-
A	2,001,691	-	-
A-	759,752	-	-
BBB+	1,176,221	-	-
BBB	2,101,709	-	-
BBB-	726,877	-	-
BB	329,161	-	-
B	51,001	-	-
B-	74,186	-	-
	<u>\$ 11,255,807</u>	<u>\$ 7,647,709</u>	<u>\$ 4,065,215</u>

**Note 5. Interfund Receivables, Payables and Transfers**

As of June 30, 2009, interfund receivables and payables that resulted from various interfund transactions were as follows:

	Due From Other Funds	Due To Other Funds
General Fund	\$ 11,513,974	\$ 7,296,193
Non-Major Governmental and Other Funds	7,150,786	11,368,567
<b>Totals</b>	<u>\$ 18,664,760</u>	<u>\$ 18,664,760</u>

**TOWN OF HAMDEN, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2009**

---

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Interfund transfers during the year ended June 30, 2009 were as follows:

	Transfers From Other Funds	Transfers To Other Funds
General Fund	\$ 514,119	\$ 56,000
Non-Major Governmental Funds	261,564	719,683
<b>Totals</b>	<b>\$ 775,683</b>	<b>\$ 775,683</b>

Transfers into the general fund are primarily for closed capital projects.

TOWN OF HAMDEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued  
June 30, 2009

**Note 6. Capital Assets**

Capital asset activity for the year ended June 30, 2009 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 15,141,108	\$ 2,440,000	\$ -	\$ 17,581,108
Construction in progress	12,803,122	1,113,307	(12,102,086)	1,814,343
Total capital assets, not being depreciated	27,944,230	3,553,307	(12,102,086)	19,395,451
Capital assets, being depreciated:				
Land improvements	12,718,499	3,845,557	-	16,564,056
Buildings and improvements	188,407,489	12,517,378	-	200,924,867
Machinery and equipment	20,111,728	2,227,216	-	22,338,944
Infrastructure	88,112,084	72,604	-	88,184,688
Total capital assets being depreciated	309,349,800	18,662,755	-	328,012,555
Less accumulated depreciation for:				
Land improvements	2,712,304	842,911	-	3,555,215
Buildings and improvements	37,723,271	4,298,157	-	42,021,428
Machinery and equipment	14,797,721	3,409,918	-	18,207,639
Infrastructure	45,176,820	4,987,116	-	50,163,936
Total accumulated depreciation	100,410,116	13,538,102	-	113,948,218
Total capital assets, being depreciated, net	208,939,684	5,124,653	-	214,064,337
Governmental activities capital assets, net	\$ 236,883,914	\$ 8,677,960	\$ (12,102,086)	\$ 233,459,788

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

General government	\$ 658,666
Education	3,566,817
Public Safety	1,927,355
Public Works	7,145,799
Health and Welfare	595
Culture and Recreation	238,870
Total depreciation expense	<u>\$ 13,538,102</u>

**TOWN OF HAMDEN, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2009**

---

**Note 7. Unearned Revenue/Deferred Revenue**

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

	Deferred Revenues	Unearned Revenues
<b>General Funds:</b>		
Taxes and accrued interest on delinquent property taxes	\$ 2,410,368	\$ -
School construction receivable	11,895,350	-
Advance tax collections	-	425,964
Tax overpayments	-	1,089,423
<b>Nonmajor Funds:</b>		
Grants and other receivables	775,000	193
<b>Total deferred/unearned revenue</b>	<b>\$ 15,080,718</b>	<b>\$ 1,515,580</b>

**Note 8. Bond Anticipation Notes Payable and Subsequent Event**

The Town has \$18,875,000 of bond anticipation notes outstanding as of June 30, 2009. The bond anticipation notes, due July 24, 2009, bear interest at 2.5%. In July 2009, these (BANs) were refinanced through the issuance of \$18,810,000 of general obligation bond anticipation notes.

Bond anticipation note transactions for the year ended June 30, 2009 were as follows:

Outstanding, July 1, 2008	\$ 12,300,000
Borrowings	18,875,000
Repayments	(12,300,000)
Outstanding, June 30, 2009	<u>\$ 18,875,000</u>
Reported as:	
Bond anticipation notes	\$ 2,660,000
Long-term debt	\$ 16,215,000

TOWN OF HAMDEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued  
June 30, 2009

Subsequent event

In August 2009, the Town issued \$16,215,000 in general obligation bonds. The bonds bear interest of 2.75%-5.50% and mature serially from August 15, 2010 through August 15, 2029. Of the \$18,875,000 bond anticipation notes outstanding, \$16,215,000 was financed with the August 2009 issue and is considered long-term debt in the government-wide financial statements and other financing sources in the Governmental Fund financial statements as all conditions of FAS 6 had been met.

**Note 9. Long-Term Obligations**

A summary of changes in outstanding long-term debt during the year ended June 30, 2009 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
<b>Governmental activities:</b>					
Bonds payable:					
General obligation bonds	\$ 95,575,000	\$ -	\$ 8,715,000	\$ 86,860,000	\$ 8,800,000
Bond anticipation notes	-	16,215,000	-	16,215,000	-
Deferred charges	(1,275,204)	-	(98,093)	(1,177,111)	(98,093)
<b>Total bonds payable</b>	<b>94,299,796</b>	<b>16,215,000</b>	<b>8,616,907</b>	<b>101,897,889</b>	<b>8,701,907</b>
Capital leases	838,252	1,022,724	527,094	1,333,882	497,295
Landfill post-closure care	236,398	-	43,838	192,560	43,838
Compensated absences	7,359,700	3,814,420	2,708,970	8,465,150	2,700,000
Net pension obligation	110,347,861	20,605,546	12,500,000	118,453,407	-
Heart and hypertension	4,045,919	481,192	650,697	3,876,414	650,000
Claims and judgments	4,500,000	-	-	4,500,000	-
OPEB obligations	26,646,859	30,459,975	11,653,382	45,453,452	-
<b>Governmental activity long-term liabilities</b>	<b>\$ 248,274,785</b>	<b>\$ 72,598,857</b>	<b>\$ 36,700,888</b>	<b>\$ 284,172,754</b>	<b>\$ 12,593,040</b>

**TOWN OF HAMDEN, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2009**

---

**General obligation bonds**

As of June 30, 2009, the outstanding general obligation bonded indebtedness of the Town was as follows:

	<u>Outstanding Amount</u>
School bonds with interest rates ranging from 2.10% to 6.0% and varying expiration dates ranging from March 2006 to July 2026.	\$ 53,494,780
General bonds with interest rates ranging from 2.70% to 6.0% and varying expiration dates ranging from March 2006 to July 2026.	<u>33,365,220</u>
Total general obligation bonds	<u><u>\$ 86,860,000</u></u>

The annual debt service requirements of general obligation bonds are as follows (excluding BANs payable):

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 8,800,000	\$ 3,504,785	\$ 12,304,785
2011	8,695,000	3,139,884	11,834,884
2012	8,335,000	2,777,771	11,112,771
2013	8,320,000	2,419,115	10,739,115
2014	7,205,000	2,068,128	9,273,128
2015	7,195,000	1,729,477	8,924,477
2016	6,855,000	1,417,371	8,272,371
2017	5,035,000	1,176,780	6,211,780
2018	4,965,000	980,314	5,945,314
2019	3,695,000	806,811	4,501,811
2020	3,535,000	661,022	4,196,022
2021	3,280,000	522,838	3,802,838
2022	2,655,000	401,947	3,056,947
2023	2,660,000	292,372	2,952,372
2024	1,715,000	201,109	1,916,109
2025	1,715,000	129,153	1,844,153
2026	1,715,000	57,197	1,772,197
2027	485,000	10,609	495,609
	<u>\$ 86,860,000</u>	<u>\$ 22,296,683</u>	<u>\$ 109,156,683</u>

TOWN OF HAMDEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued  
June 30, 2009

---

Prior Years' Debt Defeasance

In prior years, the Town has defeased various bond issues by creating separate irrevocable trust funds. New debt has been issued and the proceeds have been used to purchase U.S. government securities that were placed in the trust funds. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability from the Town's government-wide financial statements. As of June 30, 2009, the amount of defeased debt outstanding, but removed from the government-wide statements, amounted to approximately \$8,800,000.

**Bonds authorized but unissued**

Total authorized but unissued debt at June 30, 2009 is as follows:

General purpose	\$	43,108,685
Schools		4,618,705
	\$	<u>47,727,390</u>

**Legal debt limit**

The Town's indebtedness (including authorized but not unissued bonds), net of principal reimbursements expected from the state, does not exceed the legal debt limitation as required by the Connecticut General Statutes as reflected in the following schedule:

<u>Category</u>	<u>Debt Limit</u>	<u>Indebtedness</u>	<u>Balance</u>
General purpose	\$ 286,140,501	\$ 73,656,905	\$ 212,483,596
Unfunded Pension Benefit Obligation	381,520,667	-	381,520,667
Schools	572,281,001	58,113,485	514,167,516
Sewers	476,900,834	2,817,000	474,083,834
Urban renewal	413,314,056	-	413,314,056

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, or \$890,214,890.

The State of Connecticut reimburses the Town for eligible school bond principal and interest costs. The amount of such reimbursement for the year ended June 30, 2009 was approximately \$1,732,000. Additional payments for principal and interest aggregating approximately \$13,733,000 are to be received through the bonds' maturity dates.

**TOWN OF HAMDEN, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2009**

---

Capital lease obligations

The Town has various capital leases in which they acquire capital assets. Interest rates on these leases range from 3.0% to 6.0%. The capital leases are for various computer equipment and vehicles. The leases are payable in monthly installments through 2012. Original cost of capital assets under such lease agreements are approximately \$2,813,000 with accumulated depreciation of \$1,273,000.

Future minimum lease payments under the capital leases as of June 30, 2009 are as follows:

Year Ending June 30,	
2010	\$ 543,785
2011	474,636
2012	402,897
Total minimum lease payments	<u>1,421,318</u>
Less amount representing interest	(87,436)
	<u>\$ 1,333,882</u>

Accrued liabilities, primarily compensated absences

In accordance with GASB No. 16, Accounting for Compensated Absences, the Town accrues compensated absences as they are earned by employees if the leave is attributable to past service and it is probable that the employer will compensate the employee by cash payments at termination or retirement. The amount of this estimated obligation at June 30, 2009 is recorded in the government-wide statements since the benefits are to be funded from future financial resources and will be paid from the General Fund.

**Note 10. Employee Retirement Systems**

**Town Plan**

The Town of Hamden is the administrator of a single employer public employee retirement system (PERS) established and administered to provide pension benefits for its employees. The Retirement Plan provides retirement, disability, and death benefits through a single employer, contributory defined benefit plan to plan members and beneficiaries.

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.

## TOWN OF HAMDEN, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2009

---

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

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

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

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

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

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

Service employees currently contribute 5.5% of their annual covered salary. Guardian employees contribute 6% 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.

TOWN OF HAMDEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued  
June 30, 2009

---

The Town's annual pension cost and net pension obligation to the Retirement Plan for the current year were as follows:

<u>Net Pension Obligation</u>	
Annual required contribution	\$ 18,292,735
Interest on net pension obligation	8,827,829
Adjustment to annual required contribution	<u>(6,515,018)</u>
Annual pension cost	20,605,546
Contributions made	<u>12,500,000</u>
Increase in net pension obligation	8,105,546
Net pension obligation, beginning of year	<u>110,347,861</u>
Net pension obligation, end of year	<u><u>\$ 118,453,407</u></u>

Membership in the Plan consisted of the following at July 1, 2008, the date of the last actuarial valuation:

Retirees and beneficiaries receiving benefits	645
Terminated plan members entitled to, but not yet receiving benefits	21
Active plan members	<u>638</u>
Total	<u>1,304</u>

Three Year Trend Information:

Year Ending	Annual Pension Cost (APC)	Actual Contribution	Percentage of APC Contributed	Net Pension Obligation
6/30/07	\$ 18,137,560	\$ 9,000,000	49.6	\$ 103,310,264
6/30/08	\$ 19,037,597	\$ 12,000,000	63.0	\$ 110,347,861
6/30/09	\$ 20,605,546	\$ 12,500,000	60.7	\$ 118,453,407

TOWN OF HAMDEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued  
June 30, 2009

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Year Ended June 30,	Annual Required Contribution	Percentage Contributed
2009	\$ 18,292,235	68.3
2008	16,754,259	71.6
2007	15,956,437	56.4
2006	13,951,743	43.0
2005	13,287,374	22.6
2004	10,660,385	9.4

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	(Over) Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
July 1, 2003	N/A	N/A	N/A	N/A	N/A	N/A
July 1, 2004	83,785,549	239,835,010	156,049,461	34.93	30,840,944	505.98
July 1, 2005	N/A	N/A	N/A	N/A	N/A	N/A
July 1, 2006	82,718,403	278,847,512	196,139,109	29.68	30,598,423	641.01
July 1, 2007	N/A	N/A	N/A	N/A	N/A	N/A
July 1, 2008	85,832,527	303,003,978	217,171,451	28.33	33,976,398	639.18

\* Subsequent to the most recent valuation date, certain economic events have had a significant adverse impact on investment portfolios. As such, these market downturns may have a significant effect on the funded ratio and on future contributions.

**TOWN OF HAMDEN, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2009**

---

Significant actuarial assumptions are as follows:

Valuation date	July 1, 2008
Actuarial cost method	Entry Age Normal Method
Amortization method	Level percent of salary based upon 4% increases
Remaining amortization period	28 years as of 7/1/2008
Asset valuation method	Market value
Investment rate of return	8.0% per annum
Projected salary increases	5.0% per annum

**Connecticut State Teachers' Retirement System**

The faculty and professional personnel of the Board of Education participate in a contributory defined benefit plan, established under Chapter 167a of the Connecticut General Statutes, which is administered by the Connecticut State Teachers' Retirement Board. A teacher is eligible to receive normal retirement benefits if he or she has attained age sixty and has accumulated twenty years of credited service in the public schools of Connecticut or has attained any age and has accumulated thirty-five years of credited service, at least twenty-five of which are service in the public schools of Connecticut. The financial statements of the plan are available from the Connecticut State Teachers' Retirement Board, 21 Grand Street, Hartford, CT 06105.

Certain part-time and full-time certified teachers are eligible to participate in the plan and are required to contribute 7.25% of their annual earnings to the plan. The Town does not, and is not legally responsible to, contribute to the plan.

The State of Connecticut contributes based on actuarially determined amounts. The funding level was determined based on an actuarial valuation of the plan as a whole, which does not provide actuarial information on an individual city/town basis.

In addition, the Town has recognized revenues and expenditures for on-behalf payments for pension contributions paid directly to the Connecticut State Teachers' Retirement System by the State of Connecticut. Such on-behalf payments were approximately \$6,064,000 for the year ended June 30, 2009.

**TOWN OF HAMDEN, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2009**

---

Post retirement benefits

The Town provides post-retirement benefits for certain employees for current and future health and life insurance benefit expenses through a single-employer plan. An annual actuarial valuation is made to determine whether the contributions are sufficient to meet the plan obligations. The latest actuarial valuation was made July 1, 2008. The post-retirement plan does not issue stand-alone financial reports.

From an accrual accounting perspective, the cost of post-employment healthcare benefits, like the cost of pension benefits, generally should be associated with the periods in which the cost occurs, rather than in the future year when it will be paid. In adopting the requirements of GASB Statement No. 45 during the year ended June 30, 2008, the Town recognized the cost of post-employment healthcare in the year when the employee services are received, reports the accumulated liability from prior years, and provides information useful in assessing potential demands on the Town's future cash flows. Recognition of the liability accumulated from prior years will be phased in over 30 years, commencing with the 2008 liability.

The contribution requirements of plan members and the Town are established and may be amended by the Town. The Town determines the required contribution using the Projected Unit Credit Method. For fiscal year 2009, the Town contributions were \$11,653,382 on a pay as you go basis.

Membership in the plan consisted of the following at July 1, 2008, the date of the last actuarial valuation.

Retirees and beneficiaries receiving benefits	1,154
Active plan members	939
Total	<u>2,093</u>

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation was as follows:

<u>Fiscal Year Ending</u>	<u>Annual OPEB Cost</u>	<u>Actual Contributions</u>	<u>Percentage of Cost Contributed</u>	<u>Net OPEB Obligation</u>
6/30/09	\$ 33,659,975	\$ 11,653,382	34.6%	\$ 45,453,452

TOWN OF HAMDEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued  
June 30, 2009

OPEB Obligation

Annual required contribution	\$ 33,659,975
Interest on net pension obligation	-
Annual OPEB cost	<u>33,659,975</u>
Adjustment to AOC	3,200,000
Contributions made	<u>11,653,382</u>
Increase in net OPEB liability	18,806,593
Net OPEB obligation, beginning of year	<u>26,646,859</u>
Net OPEB obligation, end of year	<u><u>\$ 45,453,452</u></u>

The Town's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The actuarial accrued liability as of July 1, 2008 is \$366,234,442.

Actuarial Valuation Date	Actuarial Value of Assets (a)	Accrued Liability (b)	Unfunded Accrued Liability (UAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAL as a Percentage of Covered Payroll ((b-a)/c)
7/01/08	\$ -	\$ 366,234,442	\$ 366,234,442	0%	N/A	N/A

TOWN OF HAMDEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2009

---

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The information presented was determined as part of the actuarial valuation. Additional information as of the last actuarial valuations follows:

Valuation Date:	July 1, 2008
Actuarial Cost Method:	Projected Unit Credit
Asset Valuation Method:	Market Value
Amortization Method:	Level Payments
Remaining Amortization Period	30 Years
Actuarial Assumptions:	
Investment rate of return	4.00%
Inflation rate	N/A
Salary Increases	N/A
Medical trend rate	10% graded to 5% at a rate of .75% per year over 8 years
Prescription drug trend rate	11% graded to 5% at a rate of .75% per year over 9 years
Dental cost trend rate	5%
Vision cost trend rate	3%

TOWN OF HAMDEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued  
June 30, 2009

---

**Note 11. Fund Deficits**

The following funds had fund deficits as of June 30, 2009:

**Capital Projects Funds:**

Wintergreen Interdistrict Magnet School	\$ (504,870)
Construction of Spring Glen School	(745,414)
Hamden Middle School	(2,504,157)
Bear Path School Renovations	(1,105,561)
Other Capital Projects	(52,882)

**Special Revenue Funds:**

Culture and Recreation	(968)
Community Development	(122,671)

**Internal Service Funds:**

Medical Insurance Fund	(6,669,785)
Workers' Compensation Fund	(3,218,208)

The fund deficits are expected to be repaid with future revenues and future bond proceeds.

**Note 12. Contingencies and Commitments**

**Lawsuits**

There are several personal injury and negligence lawsuits pending against the Town. The Town's management, based upon consultation with legal counsel, estimates that potential claims against the Town, not covered by insurance, resulting from such litigation would not have a material adverse effect on the financial position of the Town.

**Environmental Contingency**

Until the late 1900's, it was a common practice in Connecticut to fill or drain wetlands and low-lying areas. These areas were thought to be little more than mosquito breeding spots. Public health officials encouraged the filling of wetlands and low-lying land to protect public health. In many parts of the state, garbage and industrial waste from populated urban centers needed to be dumped somewhere. Creating dumps in wetlands seemed like the perfect solution. Large portions of the Newhall site contained wetlands and low-lying areas that were used by the public for dumping. Today we know that the waste included metals and chemicals that polluted the soil and groundwater. Although the owners of the polluted

## TOWN OF HAMDEN, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2009

---

properties have changed since the dumping began, it is now the responsibility of the Town of Hamden, the Water Authority, the State Department of Environmental Protection (DEP) and Olin Corporation to clean up the pollution. This was established through a legal settlement and a consent order.

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

The Town has recorded a long-term liability of \$4.5 million dollars to recognize the costs of the consent order. DEP released its final remediation standards plan in October 2007 and anticipates finalizing engineering plans in 2010.

#### **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 \$192,560, 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, 2009. 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.

#### **Municipal Solid Waste Service Agreement**

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 general 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 800 tons per year and to pay a uniform per ton disposal service payment. The current fee is \$59 per ton. The aggregate minimum commitment of the Contracting Municipalities is 3,300 tons per year. If the municipality delivers less than its minimum commitment such rates shall be applied to its minimum commitment amount. The Town met its minimum commitment for the year ended June 30, 2009.

## TOWN OF HAMDEN, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2009

---

The Authority is required to accept and dispose of solid waste in accordance with the Service Contract and with acceptable business practices. The Town is responsible for the collection, disposal, and treatment of solid waste which does not meet the requirements of, or which the Authority refuses or is unable to accept under the terms of, the Service Contract.

To the extent that a municipality does not make provisions or appropriations necessary to provide for and authorize the payment by such municipality to the Authority of the payments required to be made by it under the Service Contract, the remaining municipalities including the Town, must levy and collect such general or special taxes or cost sharing or other assessments as may be necessary to make such payments in full when due there under.

#### **Note 13. Risk Management**

The Town and the Board of Education are exposed to various risks of loss related to public official liability, employee health and medical, police professional liability, theft or impairment of assets, errors or omissions, injury to employees, natural disasters, and owners and contractors protective liability.

The Town and the Board of Education purchase commercial insurance for all risks of loss other than employee medical and heart and hypertension. Coverage has not been materially reduced, nor have settled claims exceeded commercial coverage in any of the past three years.

The Town currently is a member in Connecticut Interlocal Risk Management Agency (CIRMA), a public entity risk pool established for the purpose of administering an interlocal risk management program pursuant to the provisions of Section 7-479a et. seq. of Connecticut General Statutes, for workers' compensation, general liability and property insurance. CIRMA currently has 233 members in the workers' compensation pool. The Town pays an annual premium for its coverage. CIRMA is to be self-sustaining through members' premiums but reinsures in excess of \$1,000,000 for each insured occurrence. Members may be subject to supplemental assessment in the event of deficiencies; however, potential assessments are limited pursuant to the by-laws. The Town is subject to a \$300,000 per claim deductible for workers' compensation claims.

The self-insurance programs for medical insurance are being administered by a third-party administrator ("the administrator") and are reported as an internal service fund. Medical insurance premiums are based upon estimates by number of employees and type of coverage (single or family), trends in the insurance claims and estimates for administration. The claims liability reported is based upon the requirements of GASB Statements No. 10 and 30, which require that a liability for estimated claims incurred but not reported be recorded. The Town maintains stop loss coverage of \$175,000 for individual medical claims.

TOWN OF HAMDEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued  
June 30, 2009

---

Claims payable are estimated based on claims paid for the year. Claim transactions for the last two years are as follows:

Fiscal Year Ended	Claims Payable July 1	Current Year Claims and Changes in Estimates	Claims Paid	Claims Payable June 30
6/30/08	\$ 1,408,226	\$ 27,193,034	\$ 24,388,488	\$ 4,212,772
6/30/09	\$ 4,212,772	\$ 30,375,321	\$ 28,776,800	\$ 5,811,293

**Note 14. Pronouncements Issued, Not Yet Effective**

The Governmental Accounting Standards Board (GASB) has issued several pronouncements that have effective dates in the future that may impact future financial presentations.

Management has not currently determined what, if any, impact implementation of the following statements may have on the financial statements of the Town:

- ♦ GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets* will be implemented by the Town as required by the GASB during the fiscal year ending June 30, 2010. The statement requires that all intangible assets not specifically excluded by its scope provisions be classified as capital assets. The statement also provides authoritative guidance that specifically addresses the nature of these intangible assets.
- ♦ GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments* will be implemented by the Town as required by the GASB during the fiscal year ending June 30, 2010. The statement is intended to improve how state and local governments report information about derivative instruments – financial arrangements used by governments to manage specific risks or make investments – in their financial statements.
- ♦ GASB Statement Number 54, *Fund Balance Reporting and Governmental Fund Type Definitions* will be implemented by the Town as required by the GASB during the fiscal year ending June 30, 2011. This statement establishes accounting and financial reporting standards for all governments that report governmental funds. This statement establishes the criteria for classifying fund balances into specifically defined classifications and clarifies definitions for governmental fund types.

TOWN OF HAMDEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued  
June 30, 2009

---

- ◆ GASB Statement Number 56, *Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards* will be implemented by the Town as required by the GASB during the fiscal year ending June 30, 2011. This Statement establishes accounting and financial reporting standards for related party transactions, subsequent events, and going concern considerations for all state and local governments.

**Supplemental and Combining Nonmajor  
Fund Statements and Schedules**



**General Fund**



TOWN OF HAMDEN, CONNECTICUT

GENERAL FUND REVENUES - BUDGETARY BASIS - BUDGET AND ACTUAL  
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variance With
	Original	Final		Final Budget
				Positive (Negative)
<b>PROPERTY TAXES</b>				
Current Taxes	\$ 124,285,740	\$ 124,285,740	123,426,942	\$ (858,798)
Delinquent Taxes	1,150,000	1,150,000	985,842	(164,158)
Supplemental Taxes	956,760	956,760	1,017,050	60,290
Property tax interest	740,000	740,000	712,746	(27,254)
Property tax liens	8,500	8,500	13,032	4,532
Suspense collections	70,000	70,000	64,686	(5,314)
New construction	65,000	65,000	42,509	(22,491)
Sewer liens/area benefits	10	10	-	(10)
<b>Total property taxes</b>	<b>127,276,010</b>	<b>127,276,010</b>	<b>126,262,807</b>	<b>(1,013,203)</b>
<b>INTERGOVERNMENTAL</b>				
PILOT - State owned property	612,573	612,573	614,638	2,065
Elderly exemption freeze	16,720	16,720	22,630	5,910
Elderly exemption - circuit breaker	413,180	413,180	404,745	(8,435)
Disability exemption	7,220	7,220	7,299	79
PILOT - colleges and hospitals	2,461,578	2,461,578	2,208,782	(252,796)
Boat grant	9,094	9,094	9,094	-
Telecommunication access	250,000	250,000	306,480	56,480
PILOT - veterans exemption	110,690	110,690	111,673	983
Town Road Aid	329,144	329,144	328,095	(1,049)
Distressed municipalities	27,260	27,260	16,815	(10,445)
PILOT - machinery and equipment	324,940	324,940	294,526	(30,414)
Mashantucket Pequot fund	1,469,001	1,469,001	1,444,783	(24,218)
Adult education	177,299	177,299	188,976	11,677
Magnet schools	68,900	68,900	70,200	1,300
School construction	1,731,582	1,731,582	1,825,315	93,733
Public school transportation	849,729	849,729	911,771	62,042
State bond interest subsidies	537,731	537,731	537,731	-
Nonpublic school transportation	164,016	164,016	167,148	3,132
Nonpublic school health	168,000	168,000	155,178	(12,822)
Education cost sharing grant	23,030,761	23,030,761	22,953,133	(77,628)
PILOT - Greater New Haven WPCA	73,300	73,300	73,300	-
PILOT - Water Authority	640,022	640,022	656,069	16,047
CRRRA Reserve Payment	-	-	6,010,094	6,010,094
Miscellaneous grants	-	-	150	150
Grant/Administration	10,000	10,000	-	(10,000)
Special Education	1,900,000	1,900,000	1,848,189	(51,811)
<b>Total intergovernmental</b>	<b>35,382,740</b>	<b>35,382,740</b>	<b>41,166,814</b>	<b>5,784,074</b>
<b>INVESTMENT EARNINGS</b>	<b>990,000</b>	<b>990,000</b>	<b>426,895</b>	<b>(563,105)</b>

TOWN OF HAMDEN, CONNECTICUT

GENERAL FUND REVENUES - BUDGETARY BASIS - BUDGET AND ACTUAL

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>CHARGES FOR SERVICES</b>				
Other rents	7,830	7,830	27,747	19,917
Police extra duty	2,200,000	2,200,000	2,019,356	(180,644)
Assessor fees	852,900	852,900	318,947	(533,953)
Elderly services charges	6,000	6,000	4,409	(1,591)
Code Enforcement	60,000	60,000	19,695	(40,305)
Youth services charges	3,500	3,500	3,900	400
Public works charges	100,000	100,000	54,039	(45,961)
Library charges	35,000	35,000	28,261	(6,739)
Parks and recreations	967,000	967,000	782,118	(184,882)
Dog warden	4,000	4,000	3,252	(748)
Planning and zoning	131,750	131,750	79,483	(52,267)
<b>Total charges for services</b>	<b>4,367,980</b>	<b>4,367,980</b>	<b>3,341,207</b>	<b>(1,026,773)</b>
<b>LICENSES, PERMITS AND FEES</b>				
Town clerk	1,830,000	1,830,000	1,862,754	32,754
Police department	80,300	80,300	75,213	(5,087)
Fire department	79,000	79,000	89,848	10,848
Building	3,132,200	3,132,200	1,317,521	(1,814,679)
Engineering	29,475	29,475	26,018	(3,457)
Personnel	1,500	1,500	320	(1,180)
<b>Total licenses, permits and fees</b>	<b>5,152,475</b>	<b>5,152,475</b>	<b>3,371,674</b>	<b>(1,780,801)</b>
<b>MISCELLANEOUS REVENUES</b>				
Finance department	1,151,000	1,151,000	141,186	(1,009,814)
BOE medical	120,000	120,000	134,675	14,675
Workers' Comp. R.	75,000	75,000	19,662	(55,338)
WC Retro P.	35,000	35,000	-	(35,000)
Alice Peck	62,000	62,000	37,625	(24,375)
BOE BESB	44,600	44,600	7,691	(36,909)
Term Life revenue	16,000	16,000	29,247	13,247
Instrument rentals	7,000	7,000	-	(7,000)
Miscellaneous	260,000	260,000	51,210	(208,790)
<b>Total miscellaneous revenues</b>	<b>1,770,600</b>	<b>1,770,600</b>	<b>421,296</b>	<b>(1,349,304)</b>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	-	-	514,119	514,119
<b>Total revenues and other financing sources</b>	<b>\$ 174,939,805</b>	<b>\$ 174,939,805</b>	<b>\$ 175,504,812</b>	<b>\$ 565,007</b>

TOWN OF HAMDEN, CONNECTICUT

GENERAL FUND EXPENDITURES AND TRANSFERS OUT -  
 BUDGETARY BASIS - BUDGET AND ACTUAL  
 For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>GENERAL GOVERNMENT</b>				
Legislative council	\$ 2,169,316	\$ 584,064	\$ 574,375	\$ 9,689
Mayor	567,832	579,313	567,182	12,131
Elections and registrar	126,042	129,217	128,764	453
Finance	3,974,753	4,052,868	4,078,156	(25,288)
Tax Assessor	339,832	359,536	359,536	-
Review of assessments	5,400	5,400	5,400	-
Tax collector	486,444	460,375	443,983	16,392
Town attorney	292,409	337,408	329,277	8,131
Town clerk	460,027	483,936	449,055	34,881
Planning and zoning	437,994	456,011	448,638	7,373
Personnel	253,803	231,016	219,572	11,444
Economic development	133,113	158,213	156,674	1,539
Purchasing	730,650	730,800	668,190	62,610
Probate court	6,500	6,500	4,645	1,855
Board of ethics	1,000	-	-	-
<b>Total general government</b>	<b>9,985,115</b>	<b>8,574,657</b>	<b>8,433,447</b>	<b>141,210</b>
<b>PUBLIC SAFETY</b>				
Animal control	107,946	111,068	110,991	77
Police department	11,050,595	11,052,814	11,052,430	384
Fire department	10,437,806	10,235,056	10,080,814	154,242
<b>Total public safety</b>	<b>21,596,347</b>	<b>21,398,938</b>	<b>21,244,235</b>	<b>154,703</b>
<b>PUBLIC WORKS</b>				
Building administration	329,877	342,642	342,568	74
Public works department	9,784,161	10,949,560	10,794,530	155,030
Engineering	703,475	697,895	688,785	9,110
<b>Total public works</b>	<b>10,817,513</b>	<b>11,990,097</b>	<b>11,825,883</b>	<b>164,214</b>
<b>HEALTH AND WELFARE</b>				
Elderly services	405,205	408,707	406,811	1,896
Community services	269,355	327,124	325,926	1,198
Youth services	193,760	198,967	196,845	2,122
Mental health	164,934	157,434	157,080	354
Quinnipiac Valley health	299,571	299,571	299,571	-
Visiting nurses association	67,842	67,842	67,842	-
<b>Total health and welfare</b>	<b>1,400,667</b>	<b>1,459,645</b>	<b>1,454,075</b>	<b>5,570</b>
<b>BOARD OF EDUCATION</b>				
	77,436,335	77,436,335	77,432,925	3,410

(Continued)

TOWN OF HAMDEN, CONNECTICUT

GENERAL FUND EXPENDITURES AND TRANSFERS OUT -  
 BUDGETARY BASIS - BUDGET AND ACTUAL, Continued  
 For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>EMPLOYEE BENEFITS</b>				
Medical insurance	21,500,000	21,500,000	21,473,147	26,853
Pension	12,600,000	12,672,000	12,664,786	7,214
Fringes	2,836,790	3,029,429	3,301,284	(271,855)
<b>Total employee benefits</b>	<b>36,936,790</b>	<b>37,201,429</b>	<b>37,439,217</b>	<b>(237,788)</b>
<b>DEBT SERVICE</b>				
Principal retirements	8,715,000	8,715,000	8,715,000	-
Anticipated bonding	-	56,000	56,000	-
Interest	4,385,902	4,385,902	4,385,902	-
<b>Total debt service</b>	<b>13,100,902</b>	<b>13,156,902</b>	<b>13,156,902</b>	<b>-</b>
<b>Total general government</b>	<b>171,273,669</b>	<b>171,218,003</b>	<b>170,986,684</b>	<b>231,319</b>
<b>CULTURE AND RECREATION</b>				
Library	1,675,284	1,691,794	1,685,780	6,014
Parks and recreation	1,859,742	1,896,954	1,818,758	78,196
Arts programs	131,110	133,054	133,009	45
<b>Total culture and recreation</b>	<b>3,666,136</b>	<b>3,721,802</b>	<b>3,637,547</b>	<b>84,255</b>
<b>Total</b>	<b>\$ 174,939,805</b>	<b>\$ 174,939,805</b>	<b>\$ 174,624,231</b>	<b>\$ 315,574</b>

**Nonmajor Governmental Funds**



**This page intentionally left blank.**

TOWN OF HAMDEN, CONNECTICUT

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS

June 30, 2009

	Special Revenue					
	Human Services	Culture and Recreation	Public Safety	Public Works	Community Development	Town Revitalization Projects
<b>ASSETS</b>						
Cash and cash equivalents	\$ -	\$ -	\$ 193	\$ -	\$ 32,958	\$ 636,672
Receivables:						
Intergovernmental and other receivables	4,829	-	-	-	-	-
Inventories and prepaids	-	-	-	-	-	-
Due from other funds	305,457	2,188	95,329	126,180	-	99,519
<b>Total assets</b>	<b>\$ 310,286</b>	<b>\$ 2,188</b>	<b>\$ 95,522</b>	<b>\$ 126,180</b>	<b>\$ 32,958</b>	<b>\$ 736,191</b>
<b>LIABILITIES AND FUND BALANCES (DEFICITS)</b>						
<b>LIABILITIES</b>						
Accounts payable	\$ 6,759	\$ 185	\$ 5,622	\$ 1,635	\$ 128,662	\$ 3,116
Unearned revenues	-	-	193	-	-	-
Deferred revenue	-	-	-	-	-	-
Due to other funds	162,771	2,971	31,388	-	26,967	7,166
BAN payable	-	-	-	-	-	-
<b>Total liabilities</b>	<b>169,530</b>	<b>3,156</b>	<b>37,203</b>	<b>1,635</b>	<b>155,629</b>	<b>10,282</b>
<b>FUND BALANCES (DEFICITS)</b>						
Reserved for inventories	-	-	-	-	-	-
Reserved for encumbrances	305	-	-	-	63,624	15,929
Reserved for endowments	-	-	-	-	-	-
Unreserved and undesignated	140,451	(968)	58,319	124,545	(186,295)	709,980
<b>Total fund balances (deficits)</b>	<b>140,756</b>	<b>(968)</b>	<b>58,319</b>	<b>124,545</b>	<b>(122,671)</b>	<b>725,909</b>
<b>Total liabilities and fund balances (deficits)</b>	<b>\$ 310,286</b>	<b>\$ 2,188</b>	<b>\$ 95,522</b>	<b>\$ 126,180</b>	<b>\$ 32,958</b>	<b>\$ 736,191</b>

Special Revenue			Capital Projects						
Board of Education	General Government	Building Rental	Capital Project Fund	Farmington Canal	Hamden Middle School Fund	Brooksville Park Renovation and Acquisition Grant	Wintergreen Interdistrict Magnet School	Construction of Spring Glen School	
\$ 1,279,423	\$ -	\$ 127,369	\$ 244,929	\$ -	\$ -	\$ -	\$ 11,984	\$ -	
473,093	-	-	-	-	655,000	-	612,704	120,000	
21,207	-	-	-	-	-	-	-	-	
-	231,115	-	4,478,861	387,588	-	107,216	-	-	
<u>\$ 1,773,723</u>	<u>\$ 231,115</u>	<u>\$ 127,369</u>	<u>\$ 4,723,790</u>	<u>\$ 387,588</u>	<u>\$ 655,000</u>	<u>\$ 107,216</u>	<u>\$ 624,688</u>	<u>\$ 120,000</u>	
\$ 947,664	\$ 25,484	\$ -	\$ 132,250	\$ 40,551	\$ 84,833	\$ 1,885	\$ -	\$ 12,186	
-	-	-	-	-	-	-	-	-	
-	-	-	-	-	655,000	-	-	120,000	
189,920	13,327	-	-	-	2,419,324	-	1,129,558	733,228	
-	-	-	2,660,000	-	-	-	-	-	
<u>1,137,584</u>	<u>38,811</u>	<u>-</u>	<u>2,792,250</u>	<u>40,551</u>	<u>3,159,157</u>	<u>1,885</u>	<u>1,129,558</u>	<u>865,414</u>	
21,207	-	-	-	-	-	-	-	-	
-	27,080	-	-	232,742	35,069	-	-	-	
-	-	-	-	-	-	-	-	-	
614,932	165,224	127,369	1,931,540	114,295	(2,539,226)	105,331	(504,870)	(745,414)	
<u>636,139</u>	<u>192,304</u>	<u>127,369</u>	<u>1,931,540</u>	<u>347,037</u>	<u>(2,504,157)</u>	<u>105,331</u>	<u>(504,870)</u>	<u>(745,414)</u>	
<u>\$ 1,773,723</u>	<u>\$ 231,115</u>	<u>\$ 127,369</u>	<u>\$ 4,723,790</u>	<u>\$ 387,588</u>	<u>\$ 655,000</u>	<u>\$ 107,216</u>	<u>\$ 624,688</u>	<u>\$ 120,000</u>	

TOWN OF HAMDEN, CONNECTICUT

COMBINING BALANCE SHEET, Continued  
NONMAJOR GOVERNMENTAL FUNDS

June 30, 2009

	Capital Projects		Permanent Fund	Totals
	Bear Path School Renovations	Other Capital Projects	Permanent Fund	
<b>ASSETS</b>				
Cash and cash equivalents	\$ -	\$ 36,307	\$ 13,516	\$ 2,383,351
Receivables:				
Intergovernmental receivables	-	-	-	1,865,626
Other	-	-	-	21,207
Due from other funds	-	1,136,638	-	6,970,091
<b>Total assets</b>	<b>\$ -</b>	<b>\$ 1,172,945</b>	<b>\$ 13,516</b>	<b>\$ 11,240,275</b>
<b>LIABILITIES AND FUND BALANCES (DEFICITS)</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ 281,079	\$ -	\$ 1,671,911
Unearned revenues	-	-	-	193
Deferred revenue	-	-	-	775,000
Due to other funds	1,105,561	944,748	1,381	6,768,310
BAN payable	-	-	-	2,660,000
<b>Total liabilities</b>	<b>1,105,561</b>	<b>1,225,827</b>	<b>1,381</b>	<b>11,875,414</b>
<b>FUND BALANCES (DEFICITS)</b>				
Reserved for inventories	-	-	-	21,207
Reserved for encumbrances	-	644,581	-	1,019,330
Reserved for endowments	-	-	12,135	12,135
Unreserved and undesignated	(1,105,561)	(697,463)	-	(1,687,811)
<b>Total fund balances (deficits)</b>	<b>(1,105,561)</b>	<b>(52,882)</b>	<b>12,135</b>	<b>(635,139)</b>
<b>Total liabilities and fund balances (deficits)</b>	<b>\$ -</b>	<b>\$ 1,172,945</b>	<b>\$ 13,516</b>	<b>\$ 11,240,275</b>

**This page intentionally left blank.**

TOWN OF HAMDEN, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES (DEFICITS)

NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended June 30, 2009

	Special Revenue Funds					
	Human Services	Culture and Recreation	Public Safety	Public Works	Community Development	Town Revitalization Projects
<b>REVENUES</b>						
Intergovernmental	\$ 231,093	\$ -	\$ 91,928	\$ 190,795	\$ -	\$ 33,550
Investment earnings	-	-	-	-	-	5,660
Charges for services	189,625	-	-	-	778,813	22,886
Other	2,770	6,451	18,778	132,570	-	-
<b>Total revenues</b>	<b>423,488</b>	<b>6,451</b>	<b>110,706</b>	<b>323,365</b>	<b>778,813</b>	<b>62,096</b>
<b>EXPENDITURES</b>						
Education	-	-	-	-	-	-
General government	-	-	-	-	-	-
Public safety	-	-	133,186	-	-	-
Public works	-	-	-	176,108	-	-
Health and welfare	433,091	-	-	-	-	-
Culture and recreation	-	5,935	-	-	-	-
Employee benefits	-	-	-	-	-	-
Capital outlay	-	-	2,940	-	-	-
Community Development	-	-	-	-	841,889	141,400
<b>Total expenditures</b>	<b>433,091</b>	<b>5,935</b>	<b>136,126</b>	<b>176,108</b>	<b>841,889</b>	<b>141,400</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	-	-	-	-	-
Transfers out	(4,706)	-	(10,979)	-	-	-
Issuance of bond anticipation notes	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(4,706)</b>	<b>-</b>	<b>(10,979)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Change in fund balances (deficits)</b>	<b>(14,309)</b>	<b>516</b>	<b>(36,399)</b>	<b>147,257</b>	<b>(63,076)</b>	<b>(79,304)</b>
<b>FUND BALANCES (DEFICITS), beginning of year</b>	<b>155,065</b>	<b>(1,484)</b>	<b>94,718</b>	<b>(22,712)</b>	<b>(59,595)</b>	<b>805,213</b>
<b>FUND BALANCES (DEFICITS), end of year</b>	<b>\$ 140,756</b>	<b>\$ (968)</b>	<b>\$ 58,319</b>	<b>\$ 124,545</b>	<b>\$ (122,671)</b>	<b>\$ 725,909</b>

Special Revenue Funds			Capital Projects					
Board of Education	General Government	Building Rental	Capital Project Fund	Farmington Canal	Hamden Middle School Fund	Brooksvale Park Renovation & Acquisition Grant	Wintergreen Interdistrict Magnet School	Construction of Spring Glen School
\$ 627,740	\$ -	\$ -	\$ 408,061	\$ 2,389,704	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
-	200,508	127,369	-	-	-	-	-	-
-	225	-	159,740	-	-	-	-	-
627,740	200,733	127,369	567,801	2,389,704	-	-	-	-
64,660	-	-	-	-	-	-	-	-
-	14,829	-	-	-	-	-	-	-
-	-	-	-	-	-	6,831	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	109,034	-	-	-	-	-	-	-
-	-	-	5,701,450	2,530,651	42,333	-	-	-
-	-	-	-	-	-	-	-	9,823
64,660	123,863	-	5,701,450	2,530,651	42,333	6,831	-	9,823
-	-	-	56,000	-	-	-	-	-
-	-	-	(703,998)	-	-	-	-	-
-	-	-	16,215,000	-	-	-	-	-
-	-	-	15,567,002	-	-	-	-	-
563,080	76,870	127,369	10,433,353	(140,947)	(42,333)	(6,831)	-	(9,823)
73,059	115,434	-	(8,501,813)	487,984	(2,461,824)	112,162	(504,870)	(735,591)
\$ 636,139	\$ 192,304	\$ 127,369	\$ 1,931,540	\$ 347,037	\$ (2,504,157)	\$ 105,331	\$ (504,870)	\$ (745,414)

TOWN OF HAMDEN, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES (DEFICITS), Continued  
 NONMAJOR GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2009

	Capital Projects		Permanent Fund	Totals
	Bear Path School Renovations	Other Capital Projects	Permanent Fund	
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ 50,945	\$ -	\$ 4,023,816
Investment earnings	-	592	105	6,357
Charges for services	-	371,840	-	1,691,041
Other	-	30,000	-	350,534
<b>Total revenues</b>	<b>-</b>	<b>453,377</b>	<b>105</b>	<b>6,071,748</b>
<b>EXPENDITURES</b>				
Education	-	-	-	64,660
General government	-	-	-	14,829
Public safety	-	-	-	133,186
Public works	-	-	-	182,939
Health and welfare	-	-	-	433,091
Culture and recreation	-	46,000	-	51,935
Employee benefits	-	-	-	109,034
Capital outlay	-	1,268,556	-	9,545,930
Community Development	-	-	-	993,112
<b>Total expenditures</b>	<b>-</b>	<b>1,314,556</b>	<b>-</b>	<b>11,528,716</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	205,564	-	261,564
Transfers out	-	-	-	(719,683)
Issuance of bond anticipation notes	-	-	-	16,215,000
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>205,564</b>	<b>-</b>	<b>15,756,881</b>
<b>Change in fund balances (deficits)</b>	<b>-</b>	<b>(655,615)</b>	<b>105</b>	<b>10,299,913</b>
<b>FUND BALANCES (DEFICITS), beginning of year</b>	<b>(1,105,561)</b>	<b>602,733</b>	<b>12,030</b>	<b>(10,935,052)</b>
<b>FUND BALANCES (DEFICITS), end of year</b>	<b>\$ (1,105,561)</b>	<b>\$ (52,882)</b>	<b>\$ 12,135</b>	<b>\$ (635,139)</b>

**Internal Service Funds**



TOWN OF HAMDEN, CONNECTICUT

COMBINING STATEMENT OF NET ASSETS (DEFICITS)  
INTERNAL SERVICE FUNDS

June 30, 2009

	Workers' Compensation Fund	Medical Insurance Fund	Totals
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 438,890	\$ 12,829	\$ 451,719
Due from other funds	5,299	1,414	6,713
<b>Total assets</b>	<b>444,189</b>	<b>14,243</b>	<b>458,432</b>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable and accrued liabilities	1,013,805	-	1,013,805
Claims incurred but not reported	-	2,148,896	2,148,896
Due to other funds	-	4,535,132	4,535,132
<b>Total current liabilities</b>	<b>1,013,805</b>	<b>6,684,028</b>	<b>7,697,833</b>
Noncurrent liabilities:			
Claims payable	2,648,592	-	2,648,592
<b>Total liabilities</b>	<b>3,662,397</b>	<b>6,684,028</b>	<b>10,346,425</b>
<b>NET ASSETS (DEFICITS)</b>			
Unrestricted	\$ (3,218,208)	\$ (6,669,785)	\$ (9,887,993)

TOWN OF HAMDEN, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET

ASSETS (DEFICITS) - INTERNAL SERVICE FUNDS

For the Year Ended June 30, 2009

	Workers' Compensation Fund	Medical Insurance Fund	Totals
<b>OPERATING REVENUES</b>			
Charges for services	\$ 900,137	\$ 23,417,992	\$ 24,318,129
<b>Total operating revenues</b>	<b>900,137</b>	<b>23,417,992</b>	<b>24,318,129</b>
<b>OPERATING EXPENSES</b>			
Salaries, benefits and claims	2,362,163	28,013,158	30,375,321
<b>Total operating expenses</b>	<b>2,362,163</b>	<b>28,013,158</b>	<b>30,375,321</b>
<b>Operating loss</b>	<b>(1,462,026)</b>	<b>(4,595,166)</b>	<b>(6,057,192)</b>
<b>NONOPERATING REVENUES</b>			
Investment earnings	2,803	-	2,803
<b>Total nonoperating revenues</b>	<b>2,803</b>	<b>-</b>	<b>2,803</b>
<b>Change in net assets</b>	<b>(1,459,223)</b>	<b>(4,595,166)</b>	<b>(6,054,389)</b>
<b>FUND NET ASSETS (DEFICITS), beginning</b>	<b>(1,758,985)</b>	<b>(2,074,619)</b>	<b>(3,833,604)</b>
<b>FUND NET ASSETS (DEFICITS), ending</b>	<b>\$ (3,218,208)</b>	<b>\$ (6,669,785)</b>	<b>\$ (9,887,993)</b>

TOWN OF HAMDEN, CONNECTICUT

COMBINING STATEMENT OF CASH FLOWS  
NONMAJOR INTERNAL SERVICE FUNDS  
For the Year Ended June 30, 2009

	Workers' Compensation Fund	Medical Insurance Fund	Total
<b>Cash Flows From Operating Activities</b>			
Receipts from customers and users	\$ 900,137	23,417,992	\$ 24,318,129
Payments for benefits	(1,113,983)	(24,290,156)	(25,404,139)
<b>Net cash used in operating activities</b>	<b>(213,846)</b>	<b>(872,164)</b>	<b>(1,086,010)</b>
<b>Cash Flows From Investing Activities</b>			
Interest received on investments	2,803	-	2,803
<b>Net cash provided by investing activities</b>	<b>2,803</b>	<b>-</b>	<b>2,803</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(211,043)</b>	<b>(872,164)</b>	<b>(1,083,207)</b>
<b>CASH AND CASH EQUIVALENTS, beginning</b>	<b>649,933</b>	<b>884,993</b>	<b>1,534,926</b>
<b>CASH AND CASH EQUIVALENTS, ending</b>	<b>\$ 438,890</b>	<b>\$ 12,829</b>	<b>\$ 451,719</b>
<b>Reconciliations of Operating Loss to Net Cash Used in Operating Activities</b>			
Operating loss	\$ (1,462,026)	\$ (4,595,166)	\$ (6,057,192)
Adjustments to reconcile operating loss to net cash used in operating activities:			
Changes in assets and liabilities:			
Decrease in accounts payable and accrued liabilities	1,248,180	-	1,248,180
Increase in claims incurred but not reported	-	350,341	350,341
Increase in due to other funds	-	3,372,661	3,372,661
<b>Net cash used in operating activities</b>	<b>\$ (213,846)</b>	<b>\$ (872,164)</b>	<b>\$ (1,086,010)</b>

**This page intentionally left blank.**

**Fiduciary Funds**



TOWN OF HAMDEN, CONNECTICUT

COMBINING STATEMENT OF PRIVATE PURPOSE TRUST FUNDS AND  
AGENCY FUNDS

June 30, 2009

	Private Purpose Trust Funds			Total
	Library Gift Fund	Hamden Arts Commission	Other Private Purpose Trust Funds	
<b>ASSETS</b>				
Cash and cash equivalents	\$ 72,233	\$ 77,385	\$ 35,754	\$ 185,372
Due from other funds	9,408	-	87,124	96,532
<b>Total assets</b>	<b>81,641</b>	<b>77,385</b>	<b>122,878</b>	<b>281,904</b>
<b>LIABILITIES</b>				
Accounts payable and accrued expenses	684	-	10,655	11,339
Due to other funds	-	-	65,125	65,125
<b>Total liabilities</b>	<b>684</b>	<b>-</b>	<b>75,780</b>	<b>76,464</b>
<b>NET ASSETS HELD IN TRUST</b>	<b>\$ 80,957</b>	<b>\$ 77,385</b>	<b>\$ 47,098</b>	<b>\$ 205,440</b>

TOWN OF HAMDEN, CONNECTICUT

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS -  
FIDUCIARY FUNDS

For the Year Ended June 30, 2009

	Private Purpose Trust Funds			Total
	Library Gift Fund	Hamden Arts Commission	Other Private Purpose Trust Funds	
<b>Additions:</b>				
Other revenue	\$ 92,648	\$ 50,701	\$ 324,007	\$ 467,356
<b>Total additions</b>	<b>92,648</b>	<b>50,701</b>	<b>324,007</b>	<b>467,356</b>
<b>Investment Income:</b>				
Interest and dividends	581	26	113	720
<b>Net investment income</b>	<b>581</b>	<b>26</b>	<b>113</b>	<b>720</b>
<b>Total additions</b>	<b>93,229</b>	<b>50,727</b>	<b>324,120</b>	<b>468,076</b>
<b>Deductions:</b>				
Other deductions	112,938	18,130	383,088	514,156
<b>Net change in net assets</b>	<b>(19,709)</b>	<b>32,597</b>	<b>(58,968)</b>	<b>(46,080)</b>
<b>Net Assets Held in Trust, beginning of year</b>	<b>100,666</b>	<b>44,788</b>	<b>106,066</b>	<b>251,520</b>
<b>Net Assets Held in Trust, end of year</b>	<b>\$ 80,957</b>	<b>\$ 77,385</b>	<b>\$ 47,098</b>	<b>\$ 205,440</b>

TOWN OF HAMDEN, CONNECTICUT

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUND

For the Year Ended June 30, 2009

	Balance July 1, 2008	Additions	Deductions	Balance June 30, 2009
<b>SCHOOL ACTIVITY FUND</b>				
Assets:				
Cash and cash equivalents	\$ 111,474	\$ 571,593	\$ 601,442	\$ 81,625
Liability:				
Due to student groups	\$ 111,474	\$ 571,593	\$ 601,442	\$ 81,625
<b>ADULT ACTIVITY</b>				
Assets:				
Cash and cash equivalents	\$ 26,986	\$ 211,462	\$ 200,278	\$ 38,170
Liability:				
Due to adult groups	\$ 26,986	\$ 211,462	\$ 200,278	\$ 38,170
<b>PERFORMANCE BONDS</b>				
Assets:				
Cash and cash equivalents	\$ 890,436	\$ 213,533	\$ 134,953	\$ 969,016
Due from other funds	79,025	-	1,575	77,450
	\$ 969,461	\$ 213,533	\$ 136,528	\$ 1,046,466
Liability:				
Due to contractors	\$ 969,461	\$ 213,533	\$ 136,528	\$ 1,046,466
<b>TOTAL AGENCY FUND</b>				
<b>Total Assets</b>	<b>\$ 1,107,921</b>	<b>\$ 996,588</b>	<b>\$ 938,248</b>	<b>\$ 1,166,261</b>
<b>Total Liabilities</b>	<b>\$ 1,107,921</b>	<b>\$ 996,588</b>	<b>\$ 938,248</b>	<b>\$ 1,166,261</b>

**This page intentionally left blank.**

**Other Schedules**



**This page intentionally left blank.**

TOWN OF HAMDEN, CONNECTICUT

SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING

For the Year Ended June 30, 2009

Grand List Year	Balance Uncollected July 1, 2008	Current Levy	Lawful Corrections		Transfers to Suspense	Balance to be Collected
			Additions	Deletions		
1993	\$ 36,816	\$ -	\$ -	\$ 59,191	\$ -	\$ (22,375)
1994	56,707	-	-	-	-	56,707
1995	62,616	-	-	-	-	62,616
1996	64,048	-	-	-	-	64,048
1997	30,054	-	68	-	-	30,122
1998	45,996	-	-	-	-	45,996
1999	56,433	-	-	-	-	56,433
2000	10,433	-	-	-	-	10,433
2001	(23,819)	-	348	-	-	(23,471)
2002	(35,929)	-	306	-	1,232	(36,855)
2003	(38,035)	-	493	-	1,726	(39,268)
2004	(25,900)	-	72,937	-	23,256	23,781
2005	213,287	-	103,566	-	221,251	95,602
2006	1,408,912	-	-	50,043	-	1,358,869
2007	-	127,018,430	-	160,493	-	126,857,937
	<u>\$ 1,861,619</u>	<u>\$ 127,018,430</u>	<u>\$ 177,718</u>	<u>\$ 269,727</u>	<u>\$ 247,465</u>	<u>\$ 128,540,575</u>

Collections							Taxes Receivable June 30, 2009
Taxes	Interest	Lien Fees	Total	Overpayments			
\$ -	\$ -	\$ -	\$ -	\$ 22,375	\$ -		
2,969	-	-	2,969	21,769	75,507		
2,960	-	-	2,960	30,163	89,819		
2,962	-	-	2,962	31,379	92,465		
3,110	131	-	3,241	68,228	95,240		
2,990	-	-	2,990	56,819	99,825		
3,008	127	-	3,135	38,942	92,367		
2,587	102	-	2,689	61,990	69,836		
2,104	169	-	2,273	84,394	58,819		
932	-	-	932	94,431	56,644		
1,172	89	-	1,261	102,498	62,058		
69,704	25,341	48	95,093	137,265	91,342		
186,152	53,614	772	240,538	183,197	92,647		
1,000,706	189,002	7,035	1,196,743	112,097	470,260		
125,005,986	445,691	5,088	125,456,765	66,249	1,918,200		
<b>\$ 126,287,342</b>	<b>\$ 714,266</b>	<b>\$ 12,943</b>	<b>\$ 127,014,551</b>	<b>\$ 1,111,796</b>	<b>\$ 3,365,029</b>		

**This page intentionally left blank.**



