

TOWN OF HAMDEN, CONNECTICUT

**FINANCIAL REPORT
JUNE 30, 2010**

TOWN OF HAMDEN, CONNECTICUT

FINANCIAL REPORT

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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, 2010, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town of Hamden, Connecticut's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Pension Trust Fund, which represents 99% of the current assets and 98% 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. The Financial Statements of the Pension Trust Fund were not audited in accordance with "Governmental Auditing Standards". 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 report 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, 2010, and the respective changes in financial position and cash flows, where applicable thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with "Government Auditing Standards," we have also issued our report dated January 3, 2011 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's discussion and analysis, budgetary comparison information and the pension plan and other postemployment benefit plan schedules of funding progress and schedules of employer contributions are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods

of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The budgetary details and the supplemental combining and 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
January 3, 2011

Town of Hamden, Connecticut Management's Discussion and Analysis June 30, 2010

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, 2010. 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, 2010, of (\$85,227,350). The increase in deficit from FY2009 concerns primarily liabilities associated with pension and other post-employment benefits.
- ◆ On a government-wide basis, during the year, the Town's net assets (deficit) decreased by \$46,084,129 from (\$39,143,221) to (\$85,227,350).
- ◆ At the close of the year, the Town of Hamden's combined governmental funds, on a current financial resources basis, had a fund deficit of \$11,959,733, a decrease of \$19,949,363 from the prior fiscal year fund balance of \$7,989,630.
- ◆ At the end of the 2009/2010 fiscal year, the total fund balance for the General Fund alone was \$574,675, a decrease of \$8,050,094 from the prior fiscal year. Of the total fund balance as of June 30, 2010, \$574,675 represents the unreserved, undesignated General Fund fund-balance. The total General Fund fund-balance at year-end represents .3% of the total General Fund expenditures \$181,852,150 for the fiscal year ending June 30, 2010.
- ◆ The Town of Hamden's total long-term bonded indebtedness decreased by \$8,780,000 during the current fiscal year to \$94,295,000.

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. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Town 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 and the Memorial Town Hall 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 and expenditures on a budgetary basis can be found on page 47. This information is reported as required supplementary information.

The basic governmental fund financial statements (balance sheet and statement of revenues, expenditures and changes in fund balance) can be found on pages 13–15 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 16-18 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 19-20.

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 21–45 of this report.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Town of Hamden's progress in funding its obligation to provide pension benefits and other postemployment benefits to its employees and the General Fund budgetary comparison. This information can be found on pages 53 through 56 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position and an important determinant of its ability to finance services in the future. Town of Hamden governmental activities liabilities exceeded assets by \$85,227,350 on June 30, 2010. The growth in the deficit from FY2009 to FY2010 concerns primarily liabilities associated with pension and other post-employment benefits.

Town of Hamden, Connecticut Statement of Net Assets (Deficit)

	<u>June 30, 2010</u>	<u>June 30, 2009</u>
Current and other assets	\$ 37,768,887	\$ 35,137,043
Capital assets	<u>237,015,012</u>	<u>233,459,788</u>
Total assets	<u>274,783,899</u>	<u>268,596,831</u>
Other liabilities	53,348,480	23,567,298
Long-term liabilities	<u>306,662,769</u>	<u>284,172,954</u>
Total liabilities	<u>360,011,249</u>	<u>307,740,252</u>
Net assets:		
Investment in capital assets - net of related debt	132,386,138	132,291,807
Unrestricted (deficit)	<u>(217,613,488)</u>	<u>(171,435,028)</u>
Total net assets (deficit)	<u>\$ (85,227,350)</u>	<u>\$ (39,143,221)</u>

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

	Year Ended June 30, 2010	Year Ended June 30, 2009
Revenues:		
Program revenues:		
Charges for services	\$ 7,401,637	\$ 8,437,087
Operating grants and contributions	40,240,660	36,786,476
Capital grants and contributions	4,232,429	3,503,058
General revenues:		
Property taxes	126,204,843	126,390,177
Grants not restricted to specific purposes	4,214,109	5,441,466
Unrestricted investment earnings	181,966	435,796
Miscellaneous - CRRA payment	807,070	6,010,094
Total revenues	183,282,714	187,004,154
Expenses:		
General government	18,056,527	17,724,442
Education	140,941,152	133,901,275
Public safety	33,035,072	33,197,657
Public works	22,229,980	21,612,411
Health and welfare	1,814,256	1,887,761
Culture and recreation	6,450,264	5,897,084
Community development	2,770,973	2,662,790
Interest on long-term debt	4,068,619	4,385,902
Total expenses	229,366,843	221,269,322
Changes in net assets (deficit)	(46,084,129)	(34,265,168)
Net assets (deficit), beginning	(39,143,221)	(4,878,053)
Net assets (deficit), ending	\$ (85,227,350)	\$ (39,143,221)

Hamden's net assets decreased by \$46,084,129 during the fiscal year. This decrease is principally due to the change in other post-employment and pension benefits.

Governmental Activities

For governmental activities, approximately 69% of the revenues were derived from property taxes, followed by approximately 27% from intergovernmental revenues.

Major revenue factors included:

- ◆ Federal Stimulus Funding of approximately \$3.3 million.

For governmental activities, approximately 61% of the Town's expenses relate to education, 8% relate to general government, 10% relate to public work operations, 14% to public safety and the remaining 7% 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 \$19,141,974 and the net pension obligation increased by \$8,747,825.

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 \$574,675.

As stated earlier, the fund balances of the Town of Hamden's general fund decreased by \$8,050,094 during the current fiscal year. This decrease was due to lower than expected revenues from property taxes, intergovernmental revenues, building permits and other charges for services.

The Memorial Town Hall Fund had a fund deficit of \$9,587,575. This deficit will be eliminated when the Town replaces the short-term liability of Bond Anticipation Notes ("BAN") used to finance the project with long-term debt.

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 \$14,893,177, an increased deficit amount of \$5,005,184 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 \$166,696,584, which were lower than budgetary estimates by \$8,213,520.

Actual expenditures and transfers out on a budgetary basis totaled \$174,746,678, or \$163,426 less than budgeted.

Major contributors were:

- ◆ Revenues from property taxes, intergovernmental grants, building permits and other charges for services were less than anticipated.

Capital Assets and Debt Administration

Capital Assets. The Town of Hamden's investment in capital assets for its governmental activities as of June 30, 2010, amounts to \$362 million on a gross basis and \$237 million net of accumulated depreciation. This investment in capital assets includes land, buildings, land improvements, machinery and equipment, park facilities, roads and bridges.

Town of Hamden, Connecticut		
Capital Assets Net of Depreciation		
	June 30, 2010	June 30, 2009
Governmental funds capital assets:		
Land	\$ 18,281,108	\$ 17,581,108
Land improvements	14,889,500	13,008,841
Buildings and improvements	155,907,051	158,903,439
Machinery and equipment	2,977,283	4,131,305
Infrastructure	33,641,421	38,020,752
Construction in progress	11,318,649	1,814,343
Total	\$ 237,015,012	\$ 233,459,788

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 5 of this report.

Long-term debt. At the end of the current fiscal year, the Town of Hamden had total bonded debt outstanding of \$94,295,000; 100% of this debt is backed by the full faith and credit of the Town government.

	June 30, 2010	June 30, 2009
General obligation bonds	\$ 94,295,000	\$ 103,075,000
Bond anticipation notes	30,765,000	2,660,000
Total	\$ 125,060,000	\$ 105,735,000

During the year, the Town issued \$12.7 million in Refunding General Obligation Bonds. The Town has an AA- rating from Fitch Investors Service and a Standard and Poor's rating of A+ and Moody's Investors Services of Aa3.

Additional information on the Town's long-term debt can be found in Note 8.

Economic Factors and 2010/2011 Budgeting Information

The Town has not been immune from the effects of the national economic downturn. As of June 2010, the unemployment rate for the Hamden labor market area was 7.8% compared with 7.1% for the prior year. The Connecticut overall unemployment rate stands at 8.9%, compared with 8.0% for the same time last year. In consideration of these factors the following budgeting information is provided:

FY 2009/2010

- While funding the Town's pension plan remains a significant challenge, the assets of the plan grew by \$5.5 million from FY 2009 to FY 2010.
- As of June 2010, fifty-five of the Town's employees were enrolled in the Connecticut Municipal Employees' Retirement System ("CMERS"). Guardian employees (police and fire) hired after July 1, 2006 participate in CMERS and are not eligible for the Town's pension plan. Similarly, service employees hired after July 1, 2007 participate in CMERS and are not eligible for the pension plan.

FY 2010/2011

- To strengthen the Town's financial position, the administration obtained approval from the Legislative Council regarding its operating budget for FY 2010/2011 that reorganized departments, reduced the workforce, achieved savings in regional services (transportation for the elderly), and eliminated certain functions such as Town management of the Astorino Ice Rink.
- In May 2010, the Town issued \$12.68 million in refunding/restructuring bonds that would allow it in FY 2010/2011 to apply savings in debt service, substantially decreases the deficit in the Medical Insurance Fund.
- The Town eliminated a deficit of \$8.6 million in its Medical Insurance Fund by restructuring its debt in May 2010, thereby lowering its debt service in FY 2010/2011, and applying the savings to the deficit.
- The Town budgeted revenue of \$2 million from the Connecticut Resource Recovery Authority, ("CRRA") but received \$3.7 million in November 2010 and intends for the overage of \$1.7 million to flow through to fund balance as of June 30, 2011. It anticipates receiving an additional payment of \$570,000 from CRRA in April 2011 which it would allow to flow to fund balance, as well.

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.

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Basic Financial Statements

TOWN OF HAMDEN, CONNECTICUT

STATEMENT OF NET ASSETS (DEFICIT)

June 30, 2010

	Primary Government <u>Governmental Activities</u>
Assets	
Cash and cash equivalents	\$ 19,444,665
Receivables, net of allowance for collection losses:	
Property taxes	4,489,138
Intergovernmental and other	3,636,662
Inventories and prepaids	21,207
Due from fiduciary funds	9,912
Noncurrent assets:	
Long-term intergovernmental receivable, net	10,167,303
Capital assets not being depreciated	29,599,757
Capital assets being depreciated, net of accumulated depreciation	<u>207,415,255</u>
Total assets	<u><u>274,783,899</u></u>
Liabilities	
Accounts payable and accruals	18,953,120
Accrued interest payable	1,547,461
Due to fiduciary funds	156,854
Unearned revenue	1,926,045
Bond anticipation notes payable	30,765,000
Noncurrent liabilities:	
Due in less than one year	3,669,097
Due in more than one year	<u>302,993,672</u>
Total liabilities	<u><u>360,011,249</u></u>
Net Assets (Deficit)	
Investment in capital assets, net of related debt	132,386,138
Unrestricted (deficit)	<u>(217,613,488)</u>
Total net assets (deficit)	<u><u>\$ (85,227,350)</u></u>

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

TOWN OF HAMDEN, CONNECTICUT

BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2010

	Major Funds			Total Governmental Funds
	General Fund	Memorial Town Hall Fund	Nonmajor Governmental Funds	
Assets				
Cash and cash equivalents	\$ 16,742,544	\$ -	\$ 2,091,446	\$ 18,833,990
Receivables (net of allowances for collection losses:				
Property taxes	4,489,138	-	-	4,489,138
Intergovernmental and other receivables	12,056,110	-	1,505,560	13,561,670
Inventories and prepaids	-	-	21,207	21,207
Due from other funds	11,137,940	13,963,342	7,062,410	32,163,692
Total assets	\$ 44,425,732	\$ 13,963,342	\$ 10,680,623	\$ 69,069,697
Liabilities				
Accounts payable and accruals	\$ 8,064,139	\$ 2,098,401	\$ 1,672,803	\$ 11,835,343
Unearned revenues	1,926,045	-	-	1,926,045
Deferred revenues	12,820,778	-	-	12,820,778
Due to other funds	21,040,095	-	2,642,169	23,682,264
Bond anticipation notes payable	-	21,452,516	9,312,484	30,765,000
Total liabilities	43,851,057	23,550,917	13,627,456	81,029,430
Fund Balances (Deficits)				
Reserved for:				
Inventories	-	-	21,207	21,207
Encumbrances	-	19,263,843	702,459	19,966,302
Endowments	-	-	12,135	12,135
Unreserved, undesignated, reported in:				
General Fund	574,675	-	-	574,675
Special revenue funds	-	-	1,336,703	1,336,703
Capital projects funds	-	(28,851,418)	(5,019,337)	(33,870,755)
Total fund balances (deficits)	574,675	(9,587,575)	(2,946,833)	(11,959,733)
Total liabilities and fund balances (deficits)	\$ 44,425,732	\$ 13,963,342	\$ 10,680,623	

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

Capital assets, net of accumulated depreciation of \$125,242,468, 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.	237,015,012
Other long-term assets are not available to pay for current-period expenditures and, therefore, are not recognized as revenues in the funds.	12,820,778
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.	(14,893,177)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(306,662,769)
Accrued interest payable	(1,547,461)
Net assets (deficit) of governmental activities	\$ (85,227,350)

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, 2010

	Major Funds			Total Governmental Funds
	General Fund	Memorial Town Hall Fund	Nonmajor Governmental Funds	
REVENUES				
Property taxes	\$ 125,961,736	\$ -	\$ -	\$ 125,961,736
Intergovernmental	34,352,842	-	11,523,450	45,876,292
State on-behalf payments	6,267,000	-	-	6,267,000
Permits, fees and other	2,893,495	-	-	2,893,495
Income from investments	181,966	-	-	181,966
Charges for services	2,915,983	-	1,592,159	4,508,142
Miscellaneous	497,043	-	310,027	807,070
Total revenues	173,070,065	-	13,425,636	186,495,701
EXPENDITURES				
Current:				
Education	77,492,620	-	7,887,297	85,379,917
State on-behalf payments	6,267,000	-	-	6,267,000
General government	8,486,693	-	162,646	8,649,339
Public safety	21,353,567	-	49,810	21,403,377
Public works	10,972,530	-	372,582	11,345,112
Health & welfare	1,373,735	-	400,412	1,774,147
Culture and recreation	3,633,624	-	11,671	3,645,295
Employee benefits	38,579,075	-	101,355	38,680,430
Community development	-	-	1,588,168	1,588,168
Debt service:				
Principal retirements	8,800,000	-	-	8,800,000
Interest and other charges	4,068,619	-	-	4,068,619
Anticipated bonding cost	390,000	-	-	390,000
Bond issuance cost	255,465	-	-	255,465
Capital outlay	179,222	9,587,575	4,866,085	14,632,882
Total expenditures	181,852,150	9,587,575	15,440,026	206,879,751
Revenues over (under) expenditures	(8,782,085)	(9,587,575)	(2,014,390)	(20,384,050)
OTHER FINANCING SOURCES (USES)				
Transfers in	297,304	-	1,984,597	2,281,901
Transfers out	-	-	(2,281,901)	(2,281,901)
Payments to escrow agent	(13,081,300)	-	-	(13,081,300)
Bond premium	656,765	-	-	656,765
Refunding bond proceeds	12,680,000	-	-	12,680,000
Proceeds from capital leases	179,222	-	-	179,222
Total other financing sources (uses)	731,991	-	(297,304)	434,687
Change in fund balances (deficits)	(8,050,094)	(9,587,575)	(2,311,694)	(19,949,363)
FUND BALANCES (DEFICITS), beginning	8,624,769	-	(635,139)	7,989,630
FUND BALANCES (DEFICITS), ending	\$ 574,675	\$ (9,587,575)	\$ (2,946,833)	\$ (11,959,733)

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, 2010**

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

Net change in fund balances (deficits) – total governmental funds \$ (19,949,363)

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. 3,555,224

Net change in previously recognized revenues in the statement of activities. (2,259,940)

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. 8,342,145

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. (30,767,011)

Internal Service Funds, the net revenue (expense) of internal service funds is reported with governmental activities. (5,005,184)

Change in net assets (deficits) of governmental activities \$ (46,084,129)

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, 2010

	<u>Governmental Activities</u>
	<u>Internal Service Funds</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 610,675
Other receivables	242,295
Due from other funds	5,298
Total assets	<u>858,268</u>
LIABILITIES AND NET ASSETS	
Current liabilities:	
Accounts payable and accrued liabilities	1,085,911
Claims incurred but not reported	1,976,510
Due to other funds	8,633,668
Total current liabilities	<u>11,696,089</u>
Noncurrent liabilities:	
Claims payable	<u>4,055,356</u>
Total liabilities	<u>15,751,445</u>
NET ASSETS (DEFICIT)	
Net assets (deficit)	<u>(14,893,177)</u>
Total net assets	<u><u>\$ (14,893,177)</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, 2010**

	Governmental Activities
	<u>Internal Service Funds</u>
OPERATING REVENUES	
Charges for services	\$ 26,345,165
Total operating revenues	<u>26,345,165</u>
OPERATING EXPENSES	
Claims expense	31,350,838
Total operating expenses	<u>31,350,838</u>
Operating loss	(5,005,673)
NONOPERATING REVENUES	
Interest income	489
Total nonoperating revenues	<u>489</u>
Change in net assets	(5,005,184)
FUND NET ASSETS (DEFICIT), beginning	<u>(9,887,993)</u>
FUND NET ASSETS (DEFICIT), ending	<u><u>\$(14,893,177)</u></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, 2010

	Governmental Activities
	<u>Internal Service Funds</u>
Cash Flows From Operating Activities	
Receipts from customers and users	\$ 26,345,165
Cash payments for claims and fees	<u>(26,186,698)</u>
Net cash provided by operating activities	<u>158,467</u>
Cash Flows From Investing Activities	
Interest received on investments	<u>489</u>
Net increase in cash and cash equivalents	158,956
Cash and Cash Equivalents	
Beginning	<u>451,719</u>
Ending	<u><u>\$ 610,675</u></u>
Reconciliation of Operating Loss to Net Cash Provided by Operating Activities	
Operating loss	\$ (5,005,673)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Changes in assets and liabilities:	
Increase in other receivables	(242,295)
Increase in accounts payable and accrued liabilities	1,478,871
Increase in claims incurred but not reported	(172,386)
Increase in due from other funds	1,414
Increase in due to other funds	<u>4,098,536</u>
Net cash provided by operating activities	<u><u>\$ 158,467</u></u>

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, 2010

	Pension Trust Fund	Agency Funds	Private Purpose Trust Funds
ASSETS			
Cash and cash equivalents	\$ 5,901,488	\$ 688,694	\$ 172,442
Investments, at fair value	65,218,104	-	-
Other receivables	193,188	-	-
Prepaid expenses	14,617	-	-
Due from other funds	-	77,450	79,404
Total assets	71,327,397	766,144	251,846
LIABILITIES			
Due to others	-	766,144	-
Accounts payable and accruals	87,410	-	8,911
Due to other funds	-	-	9,912
Total liabilities	87,410	766,144	18,823
NET ASSETS HELD IN TRUST FOR PENSION AND OTHER	\$ 71,239,987	\$ -	\$ 233,023

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, 2010

	Pension Trust Fund	Private Purpose Trust Fund Funds
Contributions:		
Town of Hamden	\$ 12,500,000	\$ -
Plan members	1,968,410	-
Total contributions	<u>14,468,410</u>	<u>-</u>
Investment Income		
Interest and dividends	-	102,873
Net appreciation in fair value of investments	10,203,559	-
Other income	-	321,341
	<u>10,203,559</u>	<u>424,214</u>
Less investment expenses:		
Investment management fees	(284,134)	-
Net investment income	<u>9,919,425</u>	<u>424,214</u>
Total additions	24,387,835	424,214
DEDUCTIONS		
Benefits and other deductions	18,784,600	396,631
Administrative	100,740	-
	<u>18,885,340</u>	<u>396,631</u>
Change in net assets	5,502,495	27,583
NET ASSETS		
Beginning of year	<u>65,737,492</u>	<u>205,440</u>
End of year	<u>\$ 71,239,987</u>	<u>\$ 233,023</u>

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

TOWN OF HAMDEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

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

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.

TOWN OF HAMDEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2010

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 benefit 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.

The *Memorial Town Hall Fund* accounts for the activities of the Memorial Town Hall construction.

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.

Proprietary Funds:

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. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Town has elected not to follow subsequent private-sector guidance.

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

TOWN OF HAMDEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2010

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.

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. The NOPEBO is recorded as a non-current liability in the government-wide financial statements.

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.

TOWN OF HAMDEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued **June 30, 2010**

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 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 \$165,000. 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.

TOWN OF HAMDEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2010

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

Assets	Years
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.

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 column of the 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 reductions to long-term debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. 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 Deficit - This category represents the net assets of the Town, which are not restricted for any project or other purpose. Deficits require future funding.

TOWN OF HAMDEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2010

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.

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	\$ 94,295,000
Deferred charges	(353,902)
Capital leases payable	948,528
Compensated absences	8,735,837
Landfill closure	148,722
Claims and judgments	4,500,000
Net pension obligation	127,201,232
Heart and hypertension	6,591,926
Net OPEB obligations	<u>64,595,426</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at net assets - governmental activities	<u><u>\$ 306,662,769</u></u>

TOWN OF HAMDEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2010

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	\$ 14,849,474
Depreciation expense	<u>(11,294,250)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 3,555,224</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	\$ (92,000)
Deferred charges	(731,209)
Capital leases incurred	(179,222)
Refunding of general obligation bonds	(12,680,000)
Principal repayments and defeasance:	
General obligation debt	21,460,000
Capital lease payments	<u>564,576</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 8,342,145</u>

TOWN OF HAMDEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2010

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	\$ (270,687)
Net change in accrued interest	65,149
Pension obligation	(8,747,825)
Landfill costs	43,838
Heart and hypertension	(2,715,512)
Other post-employment obligation	<u>(19,141,974)</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ (30,767,011)</u>

Note 3. 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, 2010

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, 2010, approximately \$21,534,000 of the Town's bank balance of approximately \$22,535,000 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, 2010:

Cash and Cash Equivalents

Deposits with financial institutions	\$ 26,132,078
State of Connecticut Short-Term Investment Fund	75,211
Total cash and cash equivalents	<u>26,207,289</u>

Investments

Pension Trust Funds:	
U.S. Government Agency Securities	7,149,164 *
U.S. Government Securities	5,313,352 *
Corporate and Other Bonds	10,668,741 *
Common Stock	38,301,681 *
Mutual Funds	3,785,166
Total investments	<u>65,218,104</u>
Total cash and investments	<u>\$ 91,425,393</u>

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

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

Statement of Net Assets

Cash and cash equivalents	\$ 19,444,665
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Fiduciary Funds:

Cash and cash equivalents	6,762,624
Investments	65,218,104
	<u>71,980,728</u>

Total cash, cash equivalents and investments	<u>\$ 91,425,393</u>
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TOWN OF HAMDEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2010

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	75,211	\$ 75,211	\$ -	\$ -	\$ -
U.S. Government Agency Securities	7,149,164	-	-	-	7,149,164
U.S. Government Securities	5,313,352	-	3,704,392	530,104	1,078,856
Corporate and Other Bonds	10,668,741	847,951	2,843,524	2,251,074	4,726,192
TOTAL	\$ 23,206,468	\$ 923,162	\$ 6,547,916	\$ 2,781,178	\$ 12,954,212

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	\$ 2,214,305	\$ 5,313,352	\$ 75,211
AA+	300,446	-	-
AA	631,584	-	-
AA-	110,373	-	-
A+	143,591	-	-
A	1,761,111	-	-
A-	304,742	-	-
BBB+	912,581	-	-
BBB	1,448,947	-	-
BBB-	2,344,761	-	-
BB+	351,798	-	-
B	72,710	-	-
B-	71,792	-	-
	\$ 10,668,741	\$ 5,313,352	\$ 75,211

TOWN OF HAMDEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2010

Foreign currency risk: Exposure to foreign currency risk results from investments in foreign currency-denominated securities. The Board's investment policy regarding foreign currency risk places limits on the value of investments in individual foreign companies and provides benchmarks to prevent excessive allocations to any sector, region or country. The investment manager may enter into foreign exchange contracts to hedge exposure to foreign currency fluctuations, but direct speculation on foreign currency movement is prohibited.

As of June 30, 2010, the Plan's foreign current risk associated with its investment was as follows:

Country	Currency	Common Stock
Australia	Dollar	\$ 392,035
Brazil	Real	210,938
Canada	Dollar	207,511
China	Yuan	173,295
France	Euro	670,999
Germany	Euro	852,583
Hong Kong	Dollar	166,228
Italy	Euro	305,484
Japan	Yen	1,328,848
Mexico	Peso	269,293
Netherlands	Euro	745,881
Norway	Kroner	318,063
Singapore	Dollar	202,441
Spain	Euro	313,318
Switzerland	Franc	703,364
United Kingdom	Pound Sterling	1,354,925
		\$ 8,215,206

Note 4. Interfund Receivables, Payables and Transfers

As of June 30, 2010, interfund receivables and payables that resulted from various interfund transactions were as follows:

	Due From Other Funds	Due To Other Funds
General Fund	\$ 11,137,940	\$ 21,040,095
Memorial Town Hall Fund	13,963,342	-
Non-Major Governmental and Other Funds	7,224,562	11,285,749
Totals	\$ 32,325,844	\$ 32,325,844

TOWN OF HAMDEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2010

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, 2010 were as follows:

	Transfers From Other Funds	Transfers To Other Funds
General Fund	\$ 297,304	\$ -
Non-Major Governmental Funds	1,984,597	2,281,901
Totals	\$ 2,281,901	\$ 2,281,901

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

TOWN OF HAMDEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2010

Note 5. Capital Assets

Capital asset activity for the year ended June 30, 2010 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 17,581,108	\$ 700,000	\$ -	\$ 18,281,108
Construction in progress	1,814,343	9,504,306	-	11,318,649
Total capital assets, not being depreciated	<u>19,395,451</u>	<u>10,204,306</u>	-	<u>29,599,757</u>
Capital assets, being depreciated:				
Land improvements	16,564,056	2,846,608	-	19,410,664
Buildings and improvements	200,924,867	1,034,333	-	201,959,200
Machinery and equipment	22,338,944	725,908	-	23,064,852
Infrastructure	88,184,688	38,319	-	88,223,007
Total capital assets being depreciated	<u>328,012,555</u>	<u>4,645,168</u>	-	<u>332,657,723</u>
Less accumulated depreciation for:				
Land improvements	3,555,215	965,949	-	4,521,164
Buildings and improvements	42,021,428	4,030,721	-	46,052,149
Machinery and equipment	18,207,639	1,879,930	-	20,087,569
Infrastructure	50,163,936	4,417,650	-	54,581,586
Total accumulated depreciation	<u>113,948,218</u>	<u>11,294,250</u>	-	<u>125,242,468</u>
Total capital assets, being depreciated, net	<u>214,064,337</u>	<u>(6,649,082)</u>	-	<u>207,415,255</u>
Governmental activities capital assets, net	<u>\$ 233,459,788</u>	<u>\$ 3,555,224</u>	<u>\$ -</u>	<u>\$ 237,015,012</u>

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

General government	\$ 768,872
Education	3,277,491
Public Safety	310,563
Public Works	6,795,800
Health and Welfare	40,109
Culture and Recreation	101,415
Total depreciation expense	<u>\$ 11,294,250</u>

TOWN OF HAMDEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2010

Note 6. 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
	<u> </u>	<u> </u>
General Funds:		
Taxes and accrued interest on delinquent property taxes	\$ 2,653,475	\$ -
School construction receivable	10,167,303	-
Advance tax collections	-	736,458
Tax overpayments	-	1,189,587
	<u> </u>	<u> </u>
Total deferred/unearned revenue	\$ 12,820,778	\$ 1,926,045
	<u><u> </u></u>	<u><u> </u></u>

Note 7. Bond Anticipation Notes Payable

The Town has \$30,765,000 of bond anticipation notes outstanding as of June 30, 2010. The bond anticipation notes, due August 25, 2010, bear interest at 1.25%. In August 2010, these (BANS) were refinanced through the issuance of \$30,765,000 of general obligation bond anticipation notes which will be due August 24, 2011.

Bond anticipation note transactions for the year ended June 30, 2010 were as follows:

Outstanding, July 1, 2009	\$ 18,875,000
Borrowings	45,335,000
Repayments	<u>(33,445,000)</u>
Outstanding, June 30, 2010	<u><u>\$ 30,765,000</u></u>

TOWN OF HAMDEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2010

The following projects are those with Bond Anticipation Notes outstanding as of June 30, 2010. They will be financed in the future with long-term debt:

Hamden High School improvements	\$	416,000
Ridge Hill School		303,680
Land acquisition (Putnam Avenue)		2,175,000
Short span bridges		1,000,000
Police headquarters/Memorial Town Hall		21,452,516
FY 2007/2008 capital improvements		1,553,696
Hamden Middle School		2,884,185
Spring Glen School		371,000
Bear Path School		608,923
	\$	<u>30,765,000</u>

Note 8. Long-Term Obligations

A summary of changes in outstanding long-term debt during the year ended June 30, 2010 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 103,075,000	\$ 12,680,000	\$ 21,460,000	\$ 94,295,000	\$ -
Deferred charges	(1,177,111)	731,209	(92,000)	(353,902)	(24,972)
Total bonds payable	<u>101,897,889</u>	<u>13,411,209</u>	<u>21,368,000</u>	<u>93,941,098</u>	<u>(24,972)</u>
Capital leases	1,333,882	179,222	564,576	948,528	536,168
Landfill post-closure care, Note 11	192,560	-	43,838	148,722	43,838
Compensated absences	8,465,150	4,011,252	3,740,565	8,735,837	2,700,000
Net pension obligation, Note 9	118,453,407	21,247,825	12,500,000	127,201,232	-
Heart and hypertension	3,876,414	3,246,147	530,635	6,591,926	414,063
Claims and judgments, Note 11	4,500,000	-	-	4,500,000	-
OPEB obligation, Note 9	45,453,452	30,193,936	11,051,962	64,595,426	-
Governmental activity long-term liabilities	<u>\$ 284,172,754</u>	<u>\$ 72,289,591</u>	<u>\$ 49,799,576</u>	<u>\$ 306,662,769</u>	<u>\$ 3,669,097</u>

TOWN OF HAMDEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2010

General obligation bonds

As of June 30, 2010, 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 2030.	\$ 50,454,154
General bonds with interest rates ranging from 2.70% to 6.0% and varying expiration dates ranging from March 2006 to July 2030.	<u>43,840,846</u>
Total general obligation bonds	<u><u>\$ 94,295,000</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>
2011	\$ -	\$ 3,759,346	\$ 3,759,346
2012	10,005,000	4,056,046	14,061,046
2013	10,410,000	3,278,309	13,688,309
2014	9,120,000	2,846,953	11,966,953
2015	9,130,000	2,438,903	11,568,903
2016	8,775,000	2,055,959	10,830,959
2017	6,955,000	1,748,561	8,703,561
2018	6,885,000	1,488,689	8,373,689
2019	5,605,000	1,248,573	6,853,573
2020	5,430,000	1,028,785	6,458,785
2021	4,575,000	819,934	5,394,934
2022	3,520,000	651,047	4,171,047
2023	3,525,000	505,644	4,030,644
2024	2,580,000	377,472	2,957,472
2025	2,580,000	268,441	2,848,441
2026	2,315,000	165,947	2,480,947
2027	1,085,000	95,359	1,180,359
2028	600,000	60,750	660,750
2029	600,000	36,750	636,750
2030	600,000	12,375	612,375
	<u>\$ 94,295,000</u>	<u>\$ 26,943,843</u>	<u>\$ 121,238,843</u>

TOWN OF HAMDEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2010

2010 General Obligation Bond – In-substance Defeasance

In May 2010, the Town issued \$12,680,000 of general obligation bonds with interest rates ranging from 3.0% to 4.0% of which was used to advance refund portions of the outstanding principal amounts of the general obligation bonds of the Town dated June 6, 2001, June 15, 2003, September 15, 2004, July 15, 2005, July 15, 2006 and August 15, 2009 (the "Refunding Bonds"). Of the net proceeds of \$13,336,765 (after payment of \$255,465 in underwriters fees and other costs), \$13,081,300 was placed in an irrevocable trust fund under an Escrow Agreement dated May 2010 between the Town and the Escrow Holder. The Escrow Holder used the proceeds to purchase a portfolio of non-callable direct obligations of the United States of America ("Government Obligations"). The Government Obligations will have maturities and interest rates sufficient to pay principal and interest payments and redemption premiums on the Refunding Bonds on the date the payments are due.

The Town advance refunded the above bonds which resulted in an economic loss (difference between the present values of the debt service payments on the old and new debt) of \$323,431, and a loss of \$1,773,896 between the old debt payments and the new debt payments.

The balance in the escrow was approximately \$13 million at June 30, 2010. The balance of the defeased bonds was approximately \$13 million at June 30, 2010. As a result, the refunded bonds are considered defeased and the liability has been removed from the basic financial statements.

Bonds authorized but unissued

Total authorized but unissued debt at June 30, 2010 is as follows:

General purpose	\$ 47,673,921
Schools	3,417,333
	<u>\$ 51,091,254</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	\$ 284,222,381	\$ 90,107,767	\$ 194,114,614
Unfunded Pension Benefit Obligation	378,963,174	-	378,963,174
Schools	568,444,761	53,871,487	514,573,274
Sewers	473,703,968	1,407,000	472,296,968
Urban renewal	410,543,439	-	410,543,439

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, or \$884,247,406.

TOWN OF HAMDEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2010

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, 2010 was approximately \$1,728,000. Additional payments for principal and interest aggregating approximately \$11,535,000 are to be received through the bonds' maturity dates.

Conduit Debt

Conduit debt obligations are certain limited-obligation revenue bonds, certificates of participation, or similar debt instruments issued by a state or local governmental entity for the express purpose of providing capital financing for a specific third party that is not a part of the issuer's financial reporting entity. Although conduit debt obligations bear the name of the governmental issuer, the issuer has no obligation for such debt beyond the resources provided by a lease or loan with the third party on whose behalf they are issued.

The Town has issued revenue bonds, the proceeds of which will be used for financing the design and construction of the Whitney Center Project. The bonds are secured by the property financed and are payable from the Whitney Center operations. Accordingly, the bonds were not reported in the general purpose financial statements. As of June 30, 2010, there is \$89,895,000 of revenue bonds outstanding.

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 2014. Original cost of capital assets under such lease agreements are approximately \$2,992,504 with accumulated depreciation of \$1,778,286.

Future minimum lease payments under the capital leases as of June 30, 2010 are as follows:

Year Ending June 30,		
2011	\$	536,168
2012		294,949
2013		130,986
2014 and forward		32,747
Total minimum lease payments		994,850
Less amount representing interest		(46,322)
	\$	<u>948,528</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, 2010 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.

TOWN OF HAMDEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2010

Note 9. 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.

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 (MERS) 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.

TOWN OF HAMDEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2010

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

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

The 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	\$ 18,911,433
Interest on net pension obligation	9,476,273
Adjustment to annual required contribution	<u>(7,139,881)</u>
Annual pension cost	21,247,825
Contributions made	<u>12,500,000</u>
Increase in net pension obligation	8,747,825
Net pension obligation, beginning of year	<u>118,453,407</u>
Net pension obligation, end of year	<u><u>\$ 127,201,232</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
6/30/08	\$ 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
6/30/10	\$ 21,247,825	\$ 12,500,000	58.8	\$ 127,201,232

TOWN OF HAMDEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2010

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, 2008	\$ 85,832,527	\$ 303,003,978	\$ 217,171,451	28.33%	\$ 33,976,398	639.18%

Historical Trend Information – The schedules of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, present multi-year trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the AALs for benefits.

Actuarial assumptions are as follows:

Valuation Date:	7/1/08
Actuarial Cost Method:	Entry Age Normal Method
Amortization Method:	Level Percent of Salary Based on 4% Increases
Remaining Amortization Period:	28 Years Closed as of 7/1/2008
Asset Valuation Method:	Market Value
Actuarial Assumptions:	
Investment Rate of Return:	8.0%
Projected Salary Increases:	5.0%

Connecticut Municipal Employee’s Retirement System

A. Plan Description

Employees hired into the Guardian services after July 1, 2006 participate in the Municipal Employees’ Retirement System (MERS). MERS is the administrator of a cost-sharing, multiple employer public employee retirement system (PERS) established by the State of Connecticut and administered by the State Retirement Commission to provide pension benefits for the employees of participating municipalities. MERS is considered to be a part of the State of Connecticut’s financial reporting entity and is included in the State’s financial reports as a pension trust fund. The Municipal Employees’ Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the system. That report may be obtained by writing to the State of Connecticut Retirement and Benefit Services Division, Office of the State Controller, 55 Elm Street, Hartford, CT 06106.

TOWN OF HAMDEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2010

B. Plan Provisions

Plan provisions are set by Statute of the State of Connecticut. MERS provides retirement benefits, as well as death and disability benefits. Annual cost of living increases are applied to disabled and non-disabled retirement benefits and vary based upon member age and date of retirement. For members that retired prior to January 1, 2002, increases between 3% and 5% are paid to those who have reached age 65 and effective January 1, 2002, increases of 2.5% are paid to those who have not yet reached age 65. For those retiring after December 31, 2001, increases between 2.5% and 6.0% are paid regardless of age. All benefits vest after 5 years of continuous service or 15 years of active aggregate service. Vested members who retire after age 55 or after 25 years of service, irrespective of age, are entitled to an annual retirement benefit, payable monthly for life, in an amount for each year of service equal to:

- ◆ If not covered by Social Security: 2% of the average of earnings for the three highest paid years of service.
- ◆ If covered by Social Security: 1-1/2% of the average of earnings for the three highest paid years of service not in excess of the year's breakpoint, plus 2% of the average of earnings for the three highest paid years of service in excess of the year's breakpoint.

C. Funding Policy

Covered employees are required by State Statute to contribute 2-1/4% of earnings upon which Social Security tax is paid, plus 5% earnings on which no Social Security tax is paid. Each participating municipality is required to contribute the amounts necessary to finance the remaining costs of the plan. Employees not covered by Social Security are required to contribute 5% of all earnings.

The required and actual contribution were as follows:

2009	\$	164,786
2010	\$	205,571

Connecticut State Teachers' Retirement System

The faculty and professional personnel of the Board of Education participate in a contributory, cost sharing multi-employer 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.

TOWN OF HAMDEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2010

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 \$6,267,000 for the year ended June 30, 2010.

Other post-employment benefits

The Town provides post-employment 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, 2009. The post-employment 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 2010, the Town contributions were \$11,051,962 were made on a pay-as-you-go basis.

Membership in the plan consisted of the following at July 1, 2009, the date of the last actuarial valuation.

Retirees and beneficiaries receiving benefits	1,059
Active plan members	<u>1,192</u>
Total	<u><u>2,251</u></u>

OPEB Obligation

Annual required contribution	\$ 30,951,154
Interest on net pension obligation	1,818,138
Adjustment to ARC	<u>(2,575,356)</u>
Annual OPEB cost	30,193,936
Contributions made	<u>(11,051,962)</u>
Increase in net OPEB liability	19,141,974
Net OPEB obligation, beginning of year	<u>45,453,452</u>
Net OPEB obligation, end of year	<u><u>\$ 64,595,426</u></u>

TOWN OF HAMDEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2010

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, 2009 is \$344,724,721.

Three Year Trend Information

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

Fiscal Year Ending	Annual OPEB Cost	Actual Contributions	Percentage of Cost Contributed	Net OPEB Obligation
6/30/10	\$ 30,193,936	\$ 11,051,962	36.6%	\$ 64,595,426
6/30/09	33,659,975	11,653,382	34.6%	45,453,452
6/30/08	32,365,361	5,718,502	17.7%	26,646,859

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)
7/01/09	\$ -	\$ 344,724,721	\$ 344,724,721	0%	N/A	N/A

Historical Trend Information – The schedules of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, present multi-year trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the AALs for benefits.

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.

TOWN OF HAMDEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2010

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

Valuation Date:	July 1, 2009
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	N/A
Amortization Method:	Level Payments
Remaining Amortization Period:	26 Years
Actuarial Assumptions:	
Investment Rate of Return:	4.0%
Inflation Rate:	N/A
Medical Trend Rate:	9.25% graded to 5% at a rate of .75% per year over 7 years
Prescription Drug Trend:	10.25% graded to 5% at a rate of .75% per year over 7 years
Dental Cost Trend Rate:	5%
Vision Cost Trend Rate:	3%

Note 10. Fund Deficits

The following funds had fund deficits as of June 30, 2010:

Capital Projects Funds:	
Wintergreen Interdistrict Magnet School	\$ (504,870)
Hamden Middle School	(2,064,206)
Bear Path School Renovations	(1,105,561)
Memorial Town Hall	(9,587,575)
Capital Projects Fund	(2,977,420)
Special Revenue Funds:	
Culture and Recreation	(3,064)
Community Development	(157,604)
Public Works	(10,500)
Internal Service Funds:	
Workers' Compensation Fund	(4,652,317)
Medical Insurance Fund	(10,240,860)

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

Note 11. 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.

TOWN OF HAMDEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued **June 30, 2010**

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 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 \$148,722, 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, 2010. 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, 2010.

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.

TOWN OF HAMDEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2010

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 12. 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 for claims from July 1, 1999 to June 30, 2009. The Board of Education was also covered by CIRMA on a fully insured basis for this same period of time.

Beginning on July 1, 2009, the Town and Board of Education became Self Insured for workers' compensation coverage. The program was reinsured through New York Marine & General Insurance Company. The Town retains the first \$500,000 of each loss. PMA of Connecticut serves as the Claims Administrator for the program.

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.

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

Fiscal Year Ended	Current Year			
	Claims Payable July 1	Changes in Estimates	Claims Paid	Claims Payable June 30
6/30/09	\$ 4,212,772	\$ 30,375,321	\$ 28,776,800	\$ 5,811,293
6/30/10	\$ 5,811,293	\$ 31,350,838	\$ 30,044,354	\$ 7,117,777

TOWN OF HAMDEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2010

Note 13. 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. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.** This Statement 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. The implementation of This Statement will result in changes to the classification of fund balances in the Town's governmental funds.
- ◆ **GASB Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*.** The provisions of Statement 57 related to the use and reporting of the alternative measurement method are effective immediately. The provisions related to the frequency and timing of measurements are effective for actuarial valuations first used to report funded status information in OPEB plan financial statements for periods beginning after June 15, 2011.
- **GASB Statement No. 59, *Financial Instruments Omnibus*.** The objective of this Statement is to update and improve existing standards regarding financial reporting and disclosure requirements of certain financial instruments and external investment pools for which significant issues have been identified in practice.

**Required Supplementary
Information**

TOWN OF HAMDEN, CONNECTICUT

REQUIRED SUPPLEMENTARY INFORMATION

STATEMENT OF REVENUES AND EXPENDITURES AND OTHER FINANCING SOURCES - BUDGETARY BASIS -

BUDGET AND ACTUAL - GENERAL FUND

For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget
	Original	Final		Positive (Negative)
REVENUES				
Property taxes, interest and liens	\$ 126,724,801	\$ 126,724,801	\$ 125,961,736	\$ (763,065)
Intergovernmental	37,394,723	37,394,723	33,949,057	(3,445,666)
Licenses, permits and fees	4,619,780	4,619,780	2,893,495	(1,726,285)
Charges for services	4,094,200	4,094,200	2,915,983	(1,178,217)
Investment earnings	700,000	700,000	181,966	(518,034)
Miscellaneous	1,376,600	1,376,600	497,043	(879,557)
Total revenues	174,910,104	174,910,104	166,399,280	(8,510,824)
EXPENDITURES				
Current:				
Education	77,500,000	77,500,000	77,492,620	7,380
General government	9,937,978	8,134,412	8,082,908	51,504
Public safety	21,118,019	21,386,878	21,353,567	33,311
Public works	10,333,414	11,215,103	10,972,530	242,573
Health and welfare	1,422,658	1,373,881	1,373,735	146
Culture and recreation	3,609,553	3,659,811	3,633,624	26,187
Employee benefits	37,749,139	38,381,400	38,579,075	(197,675)
Debt service:				
Principal retirements	8,800,000	8,800,000	8,800,000	-
Interest	4,049,343	4,068,619	4,068,619	-
Anticipated bonding	390,000	390,000	390,000	-
Total expenditures	174,910,104	174,910,104	174,746,678	163,426
Revenues over (under) expenditures	-	-	(8,347,398)	(8,347,398)
OTHER FINANCING SOURCES				
Transfers in	-	-	297,304	297,304
Revenues and other financing sources over expenditures and other financing sources	\$ -	\$ -	\$ (8,050,094)	\$ (8,050,094)

See Notes to Required Supplementary Information.

TOWN OF HAMDEN, CONNECTICUT

**REQUIRED SUPPLEMENTARY INFORMATION
A RECONCILIATION OF GENERAL FUND BUDGETARY BASIS
June 30, 2010**

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, 2010	\$ 166,696,584	\$ 174,746,678
On-behalf payments for state teachers retirement	6,267,000	6,267,000
Purchases of equipment under capital lease obligations not recognized for budgetary purposes	179,222	179,222
Bond issue costs	-	255,465
Elderly tax abatement	403,785	403,785
Balance, GAAP Basis, June 30, 2010	<u>\$ 173,546,591</u>	<u>\$ 181,852,150</u>

See Notes to Required Supplementary Information.

TOWN OF HAMDEN, CONNECTICUT

**REQUIRED SUPPLEMENTARY INFORMATION
PENSION PLAN
June 30, 2010**

Schedule of Funding Progress

Actuarial Valuation Date*	Actuarial Valuation of Assets	Actuarial Accrued Liability (AAL) Entry Age	Unfunded/ (Overfunded) AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
07/01/04	\$ 83,785,549	\$ 239,835,010	\$ 156,049,461	34.93%	\$ 30,840,947	505.98%
07/01/05	N/A	N/A	N/A	N/A	N/A	N/A
07/01/06	82,718,403	278,847,512	196,139,109	29.66%	30,598,423	641.01%
07/01/07	N/A	N/A	N/A	N/A	N/A	N/A
07/01/08	85,832,527	303,003,978	217,171,451	28.33%	33,976,398	639.18%
07/01/09	N/A	N/A	N/A	N/A	N/A	N/A

Schedule of Employer Contributions

Year Ended June 30,	Annual Required Contribution	Percentage Contributed
2010	\$ 18,911,433	66.1%
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%

TOWN OF HAMDEN, CONNECTICUT

REQUIRED SUPPLEMENTARY INFORMATION
OTHER POST-EMPLOYMENT BENEFITS (OPEB)
June 30, 2010

Schedule of Funding Progress - OPEB

Actuarial Valuation Date*	Actuarial Valuation of Assets (a)	Accrued Liability (b)	Unfunded/Accrued Liability (UAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
OPEB						
07/01/2008	\$ -	\$ 366,234,442	\$ 366,234,442	0.0%	N/A	N/A
07/01/2009	-	344,724,721	344,724,721	0.0%	N/A	N/A

Schedule of Employer Contributions-OPEB

Year Ended June 30,	Annual Required Contribution	Percentage Contributed
2010	\$ 30,951,154	35.7%
2009	33,659,975	17.6%
2008	32,365,361	17.6%

TOWN OF HAMDEN, CONNECTICUT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2010

Note 1. Budgets and Budgetary Accounting

The budgetary basis of accounting and the Town's general budget policies are as follows:

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

There were no additional appropriations for the year ended June 30, 2010.

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.

TOWN OF HAMDEN, CONNECTICUT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION, Continued
June 30, 2010

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.

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

General Fund

TOWN OF HAMDEN, CONNECTICUT

SCHEDULE OF GENERAL FUND REVENUES - BUDGETARY BASIS - BUDGET AND ACTUAL
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
PROPERTY TAXES				
Current Taxes	\$ 123,843,031	\$ 123,843,031	123,127,657	\$ (715,374)
Delinquent Taxes	1,100,000	1,100,000	1,142,623	42,623
Supplemental Taxes	956,760	956,760	833,982	(122,778)
Property tax interest	740,000	740,000	757,152	17,152
Property tax liens	15,000	15,000	13,521	(1,479)
Suspense collections	70,000	70,000	66,155	(3,845)
Sewer Liens/Area Benefits	10	10	-	(10)
New construction	-	-	20,646	20,646
Total property taxes	126,724,801	126,724,801	125,961,736	(763,065)
INTERGOVERNMENTAL				
PILOT - State owned property	515,659	515,659	516,532	873
Elderly exemption freeze	13,680	13,680	16,000	2,320
Elderly exemption - circuit breaker	410,060	410,060	403,785	(6,275)
Disability exemption	7,000	7,000	7,177	177
PILOT - colleges and hospitals	2,051,879	2,051,879	2,026,529	(25,350)
Boat grant	9,094	9,094	4,659	(4,435)
Telecommunication access	275,000	275,000	269,293	(5,707)
PILOT - veterans exemption	111,378	111,378	113,031	1,653
Town Road Aid	296,230	296,230	327,078	30,848
Distressed municipalities	9,955	9,955	10,053	98
PILOT - machinery and equipment	346,005	346,005	245,002	(101,003)
Mashantucket Pequot fund	1,200,000	1,200,000	919,527	(280,473)
Adult education	215,396	215,396	220,549	5,153
Magnet schools	63,180	63,180	53,300	(9,880)
School construction	1,558,424	1,558,424	1,728,047	169,623
Public school transportation	1,050,804	1,050,804	648,255	(402,549)
State bond interest subsidies	483,958	483,958	470,248	(13,710)
Nonpublic school transportation	196,461	196,461	183,508	(12,953)
Nonpublic school health	151,502	151,502	147,284	(4,218)
Education cost sharing grant	23,030,761	23,030,761	19,639,497	(3,391,264)
PILOT - Greater New Haven WPCA	73,300	73,300	73,300	-
PILOT - Water Authority	656,302	656,302	647,741	(8,561)
CRRRA Reserve Payment	2,100,000	2,100,000	-	(2,100,000)
Miscellaneous grants	-	-	164	164
Special Education	2,000,000	2,000,000	1,992,815	(7,185)
Federal Stimulus - Title I	398,695	398,695	-	(398,695)
Federal Stimulus - Fiscal Stability	170,000	170,000	3,285,683	3,115,683
Total intergovernmental	37,394,723	37,394,723	33,949,057	(3,445,666)
INVESTMENT EARNINGS	700,000	700,000	181,966	(518,034)

TOWN OF HAMDEN, CONNECTICUT

SCHEDULE OF GENERAL FUND REVENUES - BUDGETARY BASIS - BUDGET AND ACTUAL, Continued
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variance With
	Original	Final		Final Budget Positive (Negative)
CHARGES FOR SERVICES				
Other rents	58,000	58,000	46,312	(11,688)
Police extra duty	2,262,500	2,262,500	1,816,814	(445,686)
Police extra duty vehicle	145,600	145,600	17,325	(128,275)
Assessor fees	426,400	426,400	91,688	(334,712)
Elderly services charges	6,000	6,000	3,769	(2,231)
Code Enforcement	25,000	25,000	23,521	(1,479)
Youth services charges	3,500	3,500	2,420	(1,080)
Public works charges	90,000	90,000	49,301	(40,699)
Library charges	32,000	32,000	34,828	2,828
Parks and recreations	948,200	948,200	768,893	(179,307)
Dog warden	3,500	3,500	3,952	452
Planning and zoning	93,500	93,500	57,160	(36,340)
Total charges for services	4,094,200	4,094,200	2,915,983	(1,178,217)
LICENSES, PERMITS AND FEES				
Town clerk	1,611,000	1,611,000	1,231,580	(379,420)
Police department	115,150	115,150	67,796	(47,354)
Fire department	101,000	101,000	83,617	(17,383)
Building	2,763,000	2,763,000	1,488,090	(1,274,910)
Engineering	29,630	29,630	21,952	(7,678)
Personnel	-	-	460	460
Total licenses, permits and fees	4,619,780	4,619,780	2,893,495	(1,726,285)
MISCELLANEOUS REVENUES				
Finance department	361,600	361,600	370,171	8,571
BOE medical	120,000	120,000	113,306	(6,694)
Workers' Comp. R.	75,000	75,000	7,349	(67,651)
WC Retro P.	35,000	35,000	-	(35,000)
Term Life revenue	20,000	20,000	3,877	(16,123)
Miscellaneous	15,000	15,000	2,340	(12,660)
Wintergreen Ave. Magnet	750,000	750,000	-	(750,000)
Total miscellaneous revenues	1,376,600	1,376,600	497,043	(879,557)
OTHER FINANCING SOURCES				
Transfers in	-	-	297,304	297,304
Total revenues and other financing sources	\$ 174,910,104	\$ 174,910,104	\$ 166,696,584	\$ (8,213,520)

TOWN OF HAMDEN, CONNECTICUT

SCHEDULE OF GENERAL FUND EXPENDITURES AND TRANSFERS OUT -
 BUDGETARY BASIS - BUDGET AND ACTUAL
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
GENERAL GOVERNMENT				
Legislative council	\$ 2,123,805	\$ 628,359	\$ 622,118	\$ 6,241
Mayor	562,455	564,634	564,355	279
Elections and registrar	138,714	143,366	143,362	4
Finance	3,955,945	3,682,945	3,681,880	1,065
Tax Assessor	354,472	354,472	354,432	40
Review of assessments	3,600	2,400	2,400	-
Tax collector	461,979	469,266	467,138	2,128
Town attorney	322,108	357,298	356,682	616
Town clerk	481,519	404,151	396,578	7,573
Planning and zoning	455,960	460,950	455,722	5,228
Personnel	216,492	211,482	203,882	7,600
Economic development	154,929	172,846	172,386	460
Purchasing	699,000	675,243	658,954	16,289
Probate court	6,500	6,500	3,019	3,481
Board of ethics	500	500	-	500
Total general government	9,937,978	8,134,412	8,082,908	51,504
PUBLIC SAFETY				
Animal control	113,430	126,100	124,553	1,547
Police department	10,866,396	10,863,656	10,838,027	25,629
Fire department	10,138,193	10,397,122	10,390,987	6,135
Total public safety	21,118,019	21,386,878	21,353,567	33,311
PUBLIC WORKS				
Building administration	328,863	339,333	338,735	598
Public works department	9,292,886	10,204,856	9,971,342	233,514
Engineering	506,900	472,719	471,881	838
Traffic/Transportation	204,765	198,195	190,572	7,623
Total public works	10,333,414	11,215,103	10,972,530	242,573
HEALTH AND WELFARE				
Elderly services	408,058	390,247	390,238	9
Community services	285,781	277,872	277,785	87
Youth services	194,530	173,327	173,277	50
Mental health	164,934	163,080	163,080	-
Quinnipiac Valley health	299,742	299,742	299,742	-
Visiting nurses association	69,613	69,613	69,613	-
Total health and welfare	1,422,658	1,373,881	1,373,735	146
BOARD OF EDUCATION				
	77,500,000	77,500,000	77,492,620	7,380

(Continued)

TOWN OF HAMDEN, CONNECTICUT

SCHEDULE OF GENERAL FUND EXPENDITURES AND TRANSFERS OUT -
 BUDGETARY BASIS - BUDGET AND ACTUAL, Continued
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
EMPLOYEE BENEFITS				
Medical insurance	22,300,000	22,467,505	22,467,505	-
Pension	12,830,000	12,705,585	12,705,571	14
Fringes	2,619,139	3,208,310	3,405,999	(197,689)
Total employee benefits	37,749,139	38,381,400	38,579,075	(197,675)
DEBT SERVICE				
Principal retirements	8,800,000	8,800,000	8,800,000	-
Interest	4,049,343	4,068,619	4,068,619	-
Anticipated bonding	390,000	390,000	390,000	-
Total debt service	13,239,343	13,258,619	13,258,619	-
Total general government	171,300,551	171,250,293	171,113,054	137,239
CULTURE AND RECREATION				
Library	1,702,033	1,690,216	1,688,602	1,614
Parks and recreation	1,782,877	1,844,952	1,820,429	24,523
Arts programs	124,643	124,643	124,593	50
Total culture and recreation	3,609,553	3,659,811	3,633,624	26,187
Total	\$ 174,910,104	\$ 174,910,104	\$ 174,746,678	\$ 163,426

Nonmajor Governmental Funds

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TOWN OF HAMDEN, CONNECTICUT

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2010

	Special Revenue					
	Human Services	Culture and Recreation	Public Safety	Public Works	Community Development	Town Revitalization Projects
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ 1,060	\$ -	\$ 21,044	\$ 519,544
Receivables:						
Intergovernmental and other receivables	4,829	-	-	-	-	-
Inventories and prepaids	-	-	-	-	-	-
Due from other funds	313,770	5,907	116,282	2,531	-	101,127
Total assets	\$ 318,599	\$ 5,907	\$ 117,342	\$ 2,531	\$ 21,044	\$ 620,671
LIABILITIES AND FUND BALANCES (DEFICITS)						
LIABILITIES						
Accounts payable	\$ 4,485	\$ -	\$ 4,390	\$ 11,091	\$ 154,487	\$ 21,140
Due to other funds	222,679	8,971	27,617	1,940	24,161	-
BAN payable	-	-	-	-	-	-
Total liabilities	227,164	8,971	32,007	13,031	178,648	21,140
FUND BALANCES (DEFICITS)						
Reserved for inventories	-	-	-	-	-	-
Reserved for encumbrances	305	-	12,187	5,456	42,031	-
Reserved for endowments	-	-	-	-	-	-
Unreserved and undesignated	91,130	(3,064)	73,148	(15,956)	(199,635)	599,531
Total fund balances (deficits)	91,435	(3,064)	85,335	(10,500)	(157,604)	599,531
Total liabilities and fund balances (deficits)	\$ 318,599	\$ 5,907	\$ 117,342	\$ 2,531	\$ 21,044	\$ 620,671

Special Revenue			Capital Projects				
Board of Education	General Government	Building Rental	Farmington Canal	Hamden Middle School Fund	Brooksvale Park Renovation and Acquisition Grant	Wintergreen Interdistrict Magnet School	Construction of Spring Glen School
\$ 1,107,781	\$ -	\$ 152,904	\$ -	\$ -	\$ -	\$ 11,984	\$ -
	-	-	-	-	-	-	-
691,653	-	-	-	-	-	612,704	-
21,207	-	-	-	-	-	-	-
-	239,412	-	579,128	819,979	99,888	-	498,367
<u>\$ 1,820,641</u>	<u>\$ 239,412</u>	<u>\$ 152,904</u>	<u>\$ 579,128</u>	<u>\$ 819,979</u>	<u>\$ 99,888</u>	<u>\$ 624,688</u>	<u>\$ 498,367</u>
\$ 1,165,224	\$ 15,401	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,362
189,920	1,352	-	-	-	-	1,129,558	-
-	-	-	-	2,884,185	-	-	371,000
<u>1,355,144</u>	<u>16,753</u>	<u>-</u>	<u>-</u>	<u>2,884,185</u>	<u>-</u>	<u>1,129,558</u>	<u>373,362</u>
21,207	-	-	-	-	-	-	-
-	28,304	-	55,455	-	-	-	-
-	-	-	-	-	-	-	-
<u>444,290</u>	<u>194,355</u>	<u>152,904</u>	<u>523,673</u>	<u>(2,064,206)</u>	<u>99,888</u>	<u>(504,870)</u>	<u>125,005</u>
<u>465,497</u>	<u>222,659</u>	<u>152,904</u>	<u>579,128</u>	<u>(2,064,206)</u>	<u>99,888</u>	<u>(504,870)</u>	<u>125,005</u>
<u>\$ 1,820,641</u>	<u>\$ 239,412</u>	<u>\$ 152,904</u>	<u>\$ 579,128</u>	<u>\$ 819,979</u>	<u>\$ 99,888</u>	<u>\$ 624,688</u>	<u>\$ 498,367</u>

TOWN OF HAMDEN, CONNECTICUT

COMBINING BALANCE SHEET, Continued
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2010

	Capital Projects			Permanent Fund	Totals
	Bear Path School Renovations	Capital Project Fund	Other Capital Projects	Permanent Fund	
ASSETS					
Cash and cash equivalents	\$ -	\$ 244,818	\$ 18,793	\$ 13,518	\$ 2,091,446
Receivables:					
Intergovernmental and other receivables	-	-	196,374	-	1,505,560
Inventories and prepaids	-	-	-	-	21,207
Due from other funds	-	2,789,040	1,496,979	-	7,062,410
Total assets	\$ -	\$ 3,033,858	\$ 1,712,146	\$ 13,518	\$ 10,680,623
LIABILITIES AND FUND BALANCES (DEFICITS)					
LIABILITIES					
Accounts payable	\$ -	\$ 266,902	\$ 27,321	\$ -	\$ 1,672,803
Due to other funds	496,638	296,000	241,950	1,383	2,642,169
BAN payable	608,923	5,448,376	-	-	9,312,484
Total liabilities	1,105,561	6,011,278	269,271	1,383	13,627,456
FUND BALANCES (DEFICITS)					
Reserved for inventories	-	-	-	-	21,207
Reserved for encumbrances	(103,186)	115,705	546,202	-	702,459
Reserved for endowments	-	-	-	12,135	12,135
Unreserved and undesignated	(1,002,375)	(3,093,125)	896,673	-	(3,682,634)
Total fund balances (deficits)	(1,105,561)	(2,977,420)	1,442,875	12,135	(2,946,833)
Total liabilities and fund balances (deficits)	\$ -	\$ 3,033,858	\$ 1,712,146	\$ 13,518	\$ 10,680,623

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TOWN OF HAMDEN, CONNECTICUT

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES (DEFICITS)
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2010**

	Special Revenue Funds					
	Human Services	Culture and Recreation	Public Safety	Public Works	Community Development	Town Revitalization Projects
REVENUES						
Intergovernmental	\$ 146,146	\$ -	\$ 24,467	\$ 131,466	\$ -	\$ 480,048
Charges for services	202,218	-	-	-	883,847	59,335
Other	2,727	9,575	52,359	100,628	-	-
Total revenues	351,091	9,575	76,826	232,094	883,847	539,383
EXPENDITURES						
Education	-	-	-	-	-	-
General government	-	-	-	-	-	-
Public safety	-	-	49,810	-	-	-
Public works	-	-	-	367,139	-	-
Health and welfare	400,412	-	-	-	-	-
Culture and recreation	-	11,671	-	-	-	-
Employee benefits	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Community Development	-	-	-	-	918,780	665,761
Total expenditures	400,412	11,671	49,810	367,139	918,780	665,761
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Change in fund balances (deficits)	(49,321)	(2,096)	27,016	(135,045)	(34,933)	(126,378)
FUND BALANCES (DEFICITS),						
beginning of year	140,756	(968)	58,319	124,545	(122,671)	725,909
FUND BALANCES (DEFICITS),						
end of year	\$ 91,435	\$ (3,064)	\$ 85,335	\$ (10,500)	\$ (157,604)	\$ 599,531

Special Revenue Funds			Capital Projects				
Board of Education	General Government	Building Rental	Farmington Canal	Hamden Middle School Fund	Brooksvale Park Renovation & Acquisition Grant	Wintergreen Interdistrict Magnet School	Construction of Spring Glen School
\$ 7,716,655	\$ -	\$ -	\$ 447,235	\$ 672,856	\$ -	\$ -	\$ 119,449
-	160,356	-	-	-	-	-	-
-	4,000	25,535	-	-	-	-	-
<u>7,716,655</u>	<u>164,356</u>	<u>25,535</u>	<u>447,235</u>	<u>672,856</u>	<u>-</u>	<u>-</u>	<u>119,449</u>
7,887,297	-	-	-	-	-	-	-
-	32,646	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	5,443	-	-
-	-	-	-	-	-	-	-
-	101,355	-	-	-	-	-	-
-	-	-	215,144	232,905	-	-	-
-	-	-	-	-	-	-	3,627
<u>7,887,297</u>	<u>134,001</u>	<u>-</u>	<u>215,144</u>	<u>232,905</u>	<u>5,443</u>	<u>-</u>	<u>3,627</u>
-	-	-	-	-	-	-	754,597
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	754,597
(170,642)	30,355	25,535	232,091	439,951	(5,443)	-	870,419
636,139	192,304	127,369	347,037	(2,504,157)	105,331	(504,870)	(745,414)
<u>\$ 465,497</u>	<u>\$ 222,659</u>	<u>\$ 152,904</u>	<u>\$ 579,128</u>	<u>\$ (2,064,206)</u>	<u>\$ 99,888</u>	<u>\$ (504,870)</u>	<u>\$ 125,005</u>

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, 2010

	Capital Projects			Permanent Fund	Totals
	Bear Path School Renovations	Capital Projects Fund	Other Capital Projects	Permanent Fund	
REVENUES					
Intergovernmental	\$ -	\$ 1,272,734	\$ 512,394	\$ -	\$ 11,523,450
Charges for services	-	-	286,403	-	1,592,159
Other	-	115,203	-	-	310,027
Total revenues	-	1,387,937	798,797	-	13,425,636
EXPENDITURES					
Education	-	-	-	-	7,887,297
General government	-	-	130,000	-	162,646
Public safety	-	-	-	-	49,810
Public works	-	-	-	-	372,582
Health and welfare	-	-	-	-	400,412
Culture and recreation	-	-	-	-	11,671
Employee benefits	-	-	-	-	101,355
Capital outlay	-	4,014,996	403,040	-	4,866,085
Community Development	-	-	-	-	1,588,168
Total expenditures	-	4,014,996	533,040	-	15,440,026
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	1,230,000	-	1,984,597
Transfers out	-	(2,281,901)	-	-	(2,281,901)
Total other financing sources (uses)	-	(2,281,901)	1,230,000	-	(297,304)
Change in fund balances (deficits)	-	(4,908,960)	1,495,757	-	(2,311,694)
FUND BALANCES (DEFICITS), beginning of year	(1,105,561)	1,931,540	(52,882)	12,135	(635,139)
FUND BALANCES (DEFICITS), end of year	\$ (1,105,561)	\$ (2,977,420)	\$ 1,442,875	\$ 12,135	\$ (2,946,833)

Internal Service Funds

TOWN OF HAMDEN, CONNECTICUT

COMBINING STATEMENT OF NET ASSETS (DEFICITS)
INTERNAL SERVICE FUNDS

June 30, 2010

	Workers' Compensation Fund	Medical Insurance Fund	Totals
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 241,357	\$ 369,318	\$ 610,675
Other receivables	242,295	-	242,295
Due from other funds	5,298	-	5,298
Total assets	488,950	369,318	858,268
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	1,085,911	-	1,085,911
Claims incurred but not reported	-	1,976,510	1,976,510
Due to other funds	-	8,633,668	8,633,668
Total current liabilities	1,085,911	10,610,178	11,696,089
Noncurrent liabilities:			
Claims payable	4,055,356	-	4,055,356
Total liabilities	5,141,267	10,610,178	15,751,445
NET ASSETS (DEFICITS)			
Unrestricted	\$ (4,652,317)	\$ (10,240,860)	\$ (14,893,177)

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, 2010

	Workers' Compensation Fund	Medical Insurance Fund	Totals
OPERATING REVENUES			
Charges for services	\$ 1,595,382	\$ 24,749,783	\$ 26,345,165
Total operating revenues	1,595,382	24,749,783	26,345,165
OPERATING EXPENSES			
Salaries, benefits and claims	3,029,980	28,320,858	31,350,838
Total operating expenses	3,029,980	28,320,858	31,350,838
Operating loss	(1,434,598)	(3,571,075)	(5,005,673)
NONOPERATING REVENUES			
Investment earnings	489	-	489
Total nonoperating revenues	489	-	489
Change in net assets	(1,434,109)	(3,571,075)	(5,005,184)
FUND NET ASSETS (DEFICITS), beginning	(3,218,208)	(6,669,785)	(9,887,993)
FUND NET ASSETS (DEFICITS), ending	\$ (4,652,317)	\$ (10,240,860)	\$ (14,893,177)

TOWN OF HAMDEN, CONNECTICUT

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2010

	Workers' Compensation Fund	Medical Insurance Fund	Total
Cash Flows From Operating Activities			
Receipts from customers and users	\$ 1,595,382	24,749,783	\$ 26,345,165
Payments for benefits	(1,793,404)	(24,393,294)	(26,186,698)
Net cash (used in) provided by operating activities	(198,022)	356,489	158,467
Cash Flows From Investing Activities			
Interest received on investments	489	-	489
Net cash provided by investing activities	489	-	489
Net increase (decrease) in cash and cash equivalents	(197,533)	356,489	158,956
CASH AND CASH EQUIVALENTS, beginning	438,890	12,829	451,719
CASH AND CASH EQUIVALENTS, ending	\$ 241,357	\$ 369,318	\$ 610,675
Reconciliations of Operating Loss to Net Cash Used in Operating Activities			
Operating loss	\$ (1,434,598)	\$ (3,571,075)	\$ (5,005,673)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:			
Changes in assets and liabilities:			
Increase in other receivables	(242,295)	-	(242,295)
Decrease in accounts payable and accrued liabilities	1,478,871	-	1,478,871
Increase in claims incurred but not reported	-	(172,386)	(172,386)
Increase in due from other funds	-	1,414	1,414
Increase in due to other funds	-	4,098,536	4,098,536
Net cash (used in) provided by operating activities	\$ (198,022)	\$ 356,489	\$ 158,467

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Fiduciary Funds

TOWN OF HAMDEN, CONNECTICUT

COMBINING STATEMENT OF PRIVATE PURPOSE TRUST FUNDS AND
AGENCY FUNDS

June 30, 2010

	Private Purpose Trust Funds			Total
	Library Gift Fund	Hamden Arts Commission	Other Private Purpose Trust Funds	
ASSETS				
Cash and cash equivalents	\$ 71,449	\$ 68,217	\$ 32,776	\$ 172,442
Due from other funds	-	-	79,404	79,404
Total assets	71,449	68,217	112,180	251,846
LIABILITIES				
Accounts payable and accrued expenses	297	-	8,614	8,911
Due to other funds	8,326	-	1,586	9,912
Total liabilities	8,623	-	10,200	18,823
NET ASSETS HELD IN TRUST	\$ 62,826	\$ 68,217	\$ 101,980	\$ 233,023

TOWN OF HAMDEN, CONNECTICUT

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS -
FIDUCIARY FUNDS

For the Year Ended June 30, 2010

	Private Purpose Trust Funds			Total
	Library Gift Fund	Hamden Arts Commission	Other Private Purpose Trust Funds	
Additions:				
Other revenue	\$ 558	\$ 42,704	\$ 278,079	\$ 321,341
Total additions	558	42,704	278,079	321,341
Investment Income:				
Interest and dividends	102,838	35	-	102,873
Net investment income	102,838	35	-	102,873
Total additions	103,396	42,739	278,079	424,214
Deductions:				
Other deductions	121,527	51,907	223,197	396,631
Net change in net assets	(18,131)	(9,168)	54,882	27,583
Net Assets Held in Trust, beginning of year	80,957	77,385	47,098	205,440
Net Assets Held in Trust, end of year	\$ 62,826	\$ 68,217	\$ 101,980	\$ 233,023

TOWN OF HAMDEN, CONNECTICUT

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUND

For the Year Ended June 30, 2010

	Balance July 1, 2009	Additions	Deductions	Balance June 30, 2010
SCHOOL ACTIVITY FUND				
Assets:				
Cash and cash equivalents	\$ 81,625	\$ 651,862	\$ 660,259	\$ 73,228
Liability:				
Due to student groups	\$ 81,625	\$ 651,862	\$ 660,259	\$ 73,228
ADULT ACTIVITY				
Assets:				
Cash and cash equivalents	\$ 38,170	\$ 215,002	\$ 204,581	\$ 48,591
Liability:				
Due to adult groups	\$ 38,170	\$ 215,002	\$ 204,581	\$ 48,591
PERFORMANCE BONDS				
Assets:				
Cash and cash equivalents	\$ 969,016	\$ 124,015	\$ 526,156	\$ 566,875
Due from other funds	77,450	-	-	77,450
	<u>\$ 1,046,466</u>	<u>\$ 124,015</u>	<u>\$ 526,156</u>	<u>\$ 644,325</u>
Liability:				
Due to contractors	<u>\$ 1,046,466</u>	<u>\$ 124,015</u>	<u>\$ 526,156</u>	<u>\$ 644,325</u>
TOTAL AGENCY FUNDS				
Total Assets	<u>\$ 1,166,261</u>	<u>\$ 990,879</u>	<u>\$ 1,390,996</u>	<u>\$ 766,144</u>
Total Liabilities	<u>\$ 1,166,261</u>	<u>\$ 990,879</u>	<u>\$ 1,390,996</u>	<u>\$ 766,144</u>

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Other Schedules

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TOWN OF HAMDEN, CONNECTICUT

SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING
 For the Year Ended June 30, 2010

Grand List Year	Balance Uncollected July 1, 2009	Current Levy	Lawful Corrections		Transfers to Suspense	Balance to be Collected
			Additions	Deletions		
1994	\$ 53,738	\$ -	\$ -	\$ 53,738	\$ -	\$ -
1995	59,656	-	-	-	-	59,656
1996	61,086	-	-	-	-	61,086
1997	27,012	-	-	-	-	27,012
1998	43,006	-	-	-	-	43,006
1999	53,425	-	-	-	-	53,425
2000	7,846	-	-	-	-	7,846
2001	(25,575)	-	-	-	-	(25,575)
2002	(37,787)	-	-	-	-	(37,787)
2003	(40,440)	-	333	-	-	(40,107)
2004	(45,923)	-	-	13,787	-	(59,710)
2005	(90,550)	-	-	2,004	-	(92,554)
2006	358,163	-	-	1,960	211,949	144,254
2007	1,851,951	-	-	10,638	-	1,841,313
2008	-	126,540,044	-	391,296	-	126,148,748
	<u>\$ 2,275,608</u>	<u>\$ 126,540,044</u>	<u>\$ 333</u>	<u>\$ 473,423</u>	<u>\$ 211,949</u>	<u>\$ 128,130,613</u>

Collections						Taxes
Taxes	Interest	Lien Fees	Total	Overpayments	Receivable	June 30, 2010
\$ -	\$ -	\$ -	\$ -		\$ -	
-	-	-	-	30,163		89,819
-	-	-	-	31,379		92,465
-	-	-	-	68,228		95,240
-	-	-	-	56,819		99,825
58	93	24	175	38,942		92,309
104	152	24	280	61,990		69,732
594	603	24	1,221	82,850		56,681
337	461	24	822	93,119		54,995
568	354	24	946	102,498		61,823
5,454	3,041	24	8,519	133,219		68,055
(21,958)	408	72	(21,478)	159,512		88,916
152,749	43,648	900	197,297	112,023		103,528
1,058,711	224,961	8,297	1,291,969	65,772		848,374
124,256,197	436,722	4,054	124,696,973	144,275		2,036,826
<u>\$ 125,452,814</u>	<u>\$ 710,443</u>	<u>\$ 13,467</u>	<u>\$ 126,176,724</u>	<u>\$ 1,180,789</u>		<u>\$ 3,858,588</u>

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