

**TOWN OF HAMDEN, CONNECTICUT**

FINANCIAL REPORT

June 30, 2012



**TOWN OF HAMDEN, CONNECTICUT**

**FINANCIAL REPORT**

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**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, 2012, 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 98% of the assets and 93% 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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, 2012, 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 30, 2013 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate

operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Hamden, Connecticut's basic financial statements. The supplemental combining and nonmajor fund statements and schedules, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The supplemental combining and nonmajor fund statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental combining and nonmajor fund statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

*McGladrey LLP*

New Haven, Connecticut  
January 30, 2013

# **Town of Hamden, Connecticut Management's Discussion and Analysis June 30, 2012**

Our discussion and analysis of the financial performance of the Town of Hamden, Connecticut (the "Town"), provides an overview of the Town's financial activities for the fiscal year ended June 30, 2012. 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, 2012, of (\$159,065,037). The increase in deficit from FY2011 concerns primarily liabilities associated with pension and other post-employment benefits.
- ◆ On a government-wide basis, during the year, the Town's net (deficit) increased by \$36,202,433 from (\$122,862,604) to (\$159,065,037).
- ◆ At the close of the year, the Town of Hamden's combined governmental funds, on a current financial resources basis, had a fund balance of \$13,488,092, an increase of \$11,287,415 from the prior fiscal year fund balance of \$2,200,677.
- ◆ At the end of the 2011/2012 fiscal year, the total fund balance for the General Fund alone was \$1,194,991, an increase of \$637,427 from the prior fiscal year. The total General Fund fund balance at year-end represents .6% of the total General Fund expenditures of \$189,196,483 for the fiscal year ending June 30, 2012.
- ◆ The Town of Hamden's total long-term bonded indebtedness increased by \$14,760,000 during the current fiscal year to \$143,055,000.

## **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, the Memorial Town Hall Fund, and the Capital Project 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 53. 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 21–51 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 53-57 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 \$159,065,037 on June 30, 2012. The growth in the deficit from FY2011 to FY2012 concerns primarily liabilities associated with pension and other post-employment benefits.

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

	June 30, 2012	June 30, 2011
Current and other assets	<b>\$ 38,530,600</b>	\$ 44,272,497
Capital assets	<b>250,386,409</b>	246,963,092
<b>Total assets</b>	<b>288,917,009</b>	291,235,589
Other liabilities	<b>23,052,100</b>	40,619,725
Long-term liabilities	<b>424,929,946</b>	373,478,468
<b>Total liabilities</b>	<b>447,982,046</b>	414,098,193
Net assets (deficit):		
Investment in capital assets - net of related debt	<b>122,583,892</b>	121,117,196
Restricted	<b>1,417,170</b>	1,753,144
Unrestricted (deficit)	<b>(283,066,099)</b>	(245,732,944)
<b>Total net assets (deficit)</b>	<b>\$ (159,065,037)</b>	\$ (122,862,604)

By far the largest portion of the Town of Hamden's net assets (deficit) 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  
Summary Statement of Activities**

	<b>Year Ended June 30, 2012</b>	<b>Year Ended June 30, 2011</b>
<b>Revenues:</b>		
Program revenues:		
Charges for services	\$ 7,456,859	\$ 7,432,205
Operating grants and contributions	40,799,215	46,814,420
Capital grants and contributions	3,485,822	2,925,708
General revenues:		
Property taxes	141,101,541	133,347,771
Grants not restricted to specific purposes	5,044,633	4,280,439
Unrestricted investment earnings	57,819	146,992
Miscellaneous	843,090	547,951
Bond premiums	-	741,219
<b>Total revenues</b>	<b>198,788,979</b>	<b>196,236,705</b>
<b>Expenses:</b>		
General government	15,913,822	19,522,044
Education	143,825,365	142,380,758
Public safety	35,190,149	34,880,145
Public works	24,794,603	23,285,677
Health and welfare	2,210,476	1,918,176
Culture and recreation	3,851,179	5,468,072
Community development	3,623,877	2,274,246
Interest on long-term debt	5,581,941	4,142,841
<b>Total expenses</b>	<b>234,991,412</b>	<b>233,871,959</b>
Changes in net assets (deficit)	<b>(36,202,433)</b>	<b>(37,635,254)</b>
Net assets (deficit), beginning	<b>(122,862,604)</b>	<b>(85,227,350)</b>
Net assets (deficit), ending	<b>\$ (159,065,037)</b>	<b>\$ (122,862,604)</b>

Hamden's net deficit increased by \$36,202,433 during the fiscal year. This increase in the deficit is principally due to the change in other post-employment and pension benefits.

**Governmental Activities**

For governmental activities, approximately 71% of the revenues were derived from property taxes, followed by approximately 25% from intergovernmental revenues.

Major revenue factors included:

- ◆ Property tax revenue increased by \$7,753,770 due to a revaluation and mill rate increase.

For governmental activities, approximately 61% of the Town's expenses relate to education, 6% relate to general government, 11% relate to public work operations, 15% 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 and net pension obligations increased in total by \$36,424,184 over the prior year amounts.

### **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, unassigned 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, the fund balance of the general fund was \$1,194,991.

As stated earlier, the fund balances of the Town of Hamden's general fund increased by \$637,427 during the current fiscal year. This increase was due to higher than expected revenues from property taxes and lower than expected operating expenditures.

The Memorial Town Hall Fund had a fund balance of \$6,612,257. The increase in fund balance of \$11,684,496 was primarily due to bonding.

The Capital Project Fund had an increase in fund balance of \$509,459, principally due to bonding over capital outlay expenditures.

**Proprietary Funds.** The deficit of the Internal Service Funds at the end of the year was \$6,863,904, a decrease in deficit of \$1,577,112 over the prior year due to lower 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 other financing sources were \$180,702,118, which were lower than budgetary estimates by \$168,483.

Actual expenditures and transfers out on a budgetary basis totaled \$179,241,187, or \$1,629,414 less than budgeted.

Major contributors were:

- ◆ Revenues from 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, 2012, amounts to \$398 million on a gross basis and \$250 million net of accumulated depreciation. This investment in capital assets includes land, buildings, land improvements, machinery and equipment, park facilities, roads and bridges.

<b>Town of Hamden, Connecticut</b>		
<b>Capital Assets Net of Depreciation</b>		
	<b>June 30, 2012</b>	June 30, 2011
Governmental funds capital assets:		
Land	<b>\$ 18,281,108</b>	\$ 18,281,108
Land improvements	<b>16,914,375</b>	16,222,618
Buildings and improvements	<b>149,297,210</b>	152,691,304
Machinery and equipment	<b>3,728,839</b>	3,609,803
Infrastructure	<b>25,530,865</b>	29,988,878
Construction in progress	<b>36,634,012</b>	26,169,381
<b>Total</b>	<b>\$ 250,386,409</b>	<b>\$ 246,963,092</b>

The major capital asset events during the current fiscal year included building improvements to several properties as well as land and equipment 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 bonds payable outstanding of \$143,055,000; 100% of this debt is backed by the full faith and credit of the Town government.

	<b>June 30, 2012</b>	June 30, 2011
Bonds payable	<b>\$ 143,055,000</b>	\$ 128,295,000
Bond anticipation notes	<b>1,070,000</b>	17,725,000
<b>Total</b>	<b>\$ 144,125,000</b>	<b>\$ 146,020,000</b>

During the year, the Town recognized \$25 million in bond proceeds from previous bond anticipation notes. Upon issuance of the municipal bond insurance policy at the time of delivery of the bonds by Assured Guaranty Municipal Corp., the bonds are expected to be rated "A2" by Moody's Investor's Service and "A" by Standard & Poor's.

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

## **Economic Factors and 2012/2013 Budgeting Information**

The Town has not been immune from the effects of the national economic downturn. As of June 2012, the unemployment rate for the Hamden labor market area was 9.7%, compared with 9.3% for the prior June. Connecticut's overall unemployment rate stood at 8.4% in June 2012, compared with 9.1% the previous June.

**FY 2011/2012**

- The Town's mill rate was 34.77, an increase from 31.16 in FY 2010/2011. In part, the increased mill rate is a function of a revaluation, but revenues from property taxes exceed those in FY 2010/2011 by \$6.5 million.
- Features of the operating budget include reorganized departments, reduced workforce, and savings achieved in regional services (transportation for the elderly).
- The Internal Service Funds reduced their fund deficit as a result of lower claims expense.

**FY 2012/2013**

- Anticipated state aid to the Town is estimated at approximately \$5 million, significantly less than in FY 2011/2012.

Over the next several years, the Town of Hamden will continue to face significant budgetary challenges, chiefly the following: 1) building its fund balance; 2) improving the funding of its pension plan; 3) contributing to Other Post-Employment Benefits ("OPEB").

**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, 2012

	Primary Government <u>Governmental Activities</u>
<b>Assets</b>	
Cash and cash equivalents	\$ 24,712,868
Receivables, net of allowance for collection losses:	
Property taxes	4,534,255
Intergovernmental and other	1,308,182
Inventories and prepaids	21,207
Noncurrent assets:	
Long-term intergovernmental receivable, net	7,954,088
Capital assets not being depreciated	54,915,120
Capital assets being depreciated, net of accumulated depreciation	195,471,289
<b>Total assets</b>	<u>288,917,009</u>
<b>Liabilities</b>	
Accounts payable and accruals	18,701,464
Accrued interest payable	1,598,747
Due to fiduciary funds	210,304
Unearned revenue	1,471,585
Bond anticipation notes payable	1,070,000
Long-term liabilities:	
Due in less than one year	15,020,283
Due in more than one year	409,909,663
<b>Total liabilities</b>	<u>447,982,046</u>
<b>Net Assets (Deficit)</b>	
Investment in capital assets, net of related debt	122,583,892
Restricted	1,417,170
Unrestricted (deficit)	(283,066,099)
<b>Total net assets (deficit)</b>	<u>\$ (159,065,037)</u>

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



TOWN OF HAMDEN, CONNECTICUT

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2012

	Major Funds			Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Memorial Town Hall Fund	Capital Project Fund		
<b>Assets</b>					
Cash and cash equivalents	\$ 21,263,770	\$ -	\$ 241,810	\$ 1,693,388	\$ 23,198,968
Receivables (net of allowances for collection losses:					
Property taxes	4,534,255	-	-	-	4,534,255
Intergovernmental and other receivables	8,451,679	-	-	617,533	9,069,212
Inventories and prepaids	-	-	-	21,207	21,207
Due from other funds	3,284,981	7,233,419	7,240,092	2,399,583	20,158,075
<b>Total assets</b>	<b>\$ 37,534,685</b>	<b>\$ 7,233,419</b>	<b>\$ 7,481,902</b>	<b>\$ 4,731,711</b>	<b>\$ 56,981,717</b>
<b>Liabilities</b>					
Accounts payable and accruals	\$ 7,492,382	\$ 511,162	\$ 883,868	\$ 1,237,891	\$ 10,125,303
Unearned revenues	1,404,069	-	-	67,516	1,471,585
Deferred revenues	10,453,059	-	-	-	10,453,059
Due to other funds	16,990,184	-	1,471,054	1,912,440	20,373,678
Bond anticipation notes payable	-	110,000	450,000	510,000	1,070,000
<b>Total liabilities</b>	<b>36,339,694</b>	<b>621,162</b>	<b>2,804,922</b>	<b>3,727,847</b>	<b>43,493,625</b>
<b>Fund Balances</b>					
Nonspendable	-	-	-	21,207	21,207
Restricted	-	-	-	1,417,170	1,417,170
Committed	-	6,612,257	4,676,980	748,205	12,037,442
Unassigned	1,194,991	-	-	(1,182,718)	12,273
<b>Total fund balances</b>	<b>1,194,991</b>	<b>6,612,257</b>	<b>4,676,980</b>	<b>1,003,864</b>	<b>13,488,092</b>
<b>Total liabilities and fund balances</b>	<b>\$ 37,534,685</b>	<b>\$ 7,233,419</b>	<b>\$ 7,481,902</b>	<b>\$ 4,731,711</b>	

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

Capital assets, net of accumulated depreciation of \$147,483,320, 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.	250,386,409
Deferred revenues are not available to pay for current-period expenditures and, therefore, are not recognized in the funds.	10,453,059
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.	(6,863,904)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(424,929,946)
Accrued interest payable not recorded in funds	(1,598,747)

Net assets (deficit) of governmental activities \$ (159,065,037)

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, 2012

	Major Funds			Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Memorial Town Hall Fund	Capital Project Fund		
<b>REVENUES</b>					
Property taxes	\$ 139,969,770	\$ -	\$ -	\$ -	\$ 139,969,770
Intergovernmental	33,848,172	275,000	-	8,915,526	43,038,698
State on-behalf payments	8,670,000	-	-	-	8,670,000
Permits, fees and other	1,850,190	-	-	-	1,850,190
Income from investments	57,819	-	-	-	57,819
Charges for services	3,049,056	-	-	2,557,613	5,606,669
Miscellaneous	840,319	-	-	2,771	843,090
<b>Total revenues</b>	<b>188,285,326</b>	<b>275,000</b>	<b>-</b>	<b>11,475,910</b>	<b>200,036,236</b>
<b>EXPENDITURES</b>					
Current:					
Education	79,103,548	-	-	8,249,235	87,352,783
State on-behalf payments	8,670,000	-	-	-	8,670,000
General government	8,784,999	-	-	-	8,784,999
Public safety	22,832,084	-	-	165,340	22,997,424
Public works	12,612,013	-	-	328,888	12,940,901
Health & welfare	1,674,518	-	-	448,311	2,122,829
Culture and recreation	2,646,040	-	-	10,693	2,656,733
Employee benefits	37,534,036	-	-	-	37,534,036
Community development	-	-	-	1,491,752	1,491,752
Debt service:					
Principal retirement	10,005,000	-	-	-	10,005,000
Interest and other charges	5,135,304	-	-	-	5,135,304
Bond issuance costs	198,941	-	-	-	198,941
Capital outlay	-	5,556,504	6,192,014	2,775,658	14,524,176
<b>Total expenditures</b>	<b>189,196,483</b>	<b>5,556,504</b>	<b>6,192,014</b>	<b>13,469,877</b>	<b>214,414,878</b>
<b>Revenues over (under) expenditures</b>	<b>(911,157)</b>	<b>(5,281,504)</b>	<b>(6,192,014)</b>	<b>(1,993,967)</b>	<b>(14,378,642)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	587,527	-	-	-	587,527
Transfers out	-	-	(587,527)	-	(587,527)
Bond proceeds	-	16,966,000	7,289,000	450,000	24,705,000
Bond premium	1,376,614	-	-	-	1,376,614
Payment to escrow agent	(13,565,557)	-	-	-	(13,565,557)
Refunding bond proceeds	13,150,000	-	-	-	13,150,000
<b>Total other financing sources (uses)</b>	<b>1,548,584</b>	<b>16,966,000</b>	<b>6,701,473</b>	<b>450,000</b>	<b>25,666,057</b>
<b>Change in fund balances (deficits)</b>	<b>637,427</b>	<b>11,684,496</b>	<b>509,459</b>	<b>(1,543,967)</b>	<b>11,287,415</b>
<b>FUND BALANCES (DEFICITS), beginning</b>	<b>557,564</b>	<b>(5,072,239)</b>	<b>4,167,521</b>	<b>2,547,831</b>	<b>2,200,677</b>
<b>FUND BALANCES, ending</b>	<b>\$ 1,194,991</b>	<b>\$ 6,612,257</b>	<b>\$ 4,676,980</b>	<b>\$ 1,003,864</b>	<b>\$ 13,488,092</b>

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

**TOWN OF HAMDEN, CONNECTICUT**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES (DEFICITS) OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2012**

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

Net change in fund balances – total governmental funds	\$ 11,287,415
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.	3,423,317
Certain revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(1,247,257)
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.	(15,881,206)
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.	(35,361,814)
Internal Service Funds, the net revenue (expense) of internal service funds is reported with governmental activities.	<u>1,577,112</u>
Change in net assets (deficit) of governmental activities	<u><u>\$ (36,202,433)</u></u>

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, 2012

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	Governmental Activities
	<u>Internal Service Funds</u>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 1,513,900
Other receivables	193,058
Due from other funds	5,299
<b>Total assets</b>	<u>1,712,257</u>
<b>LIABILITIES AND NET ASSETS (DEFICIT)</b>	
Current liabilities:	
Accounts payable and accrued liabilities	651,487
Claims incurred but not reported	3,452,980
<b>Total current liabilities</b>	<u>4,104,467</u>
Noncurrent liabilities:	
Claims payable	4,471,694
<b>Total liabilities</b>	<u>8,576,161</u>
<b>NET ASSETS (DEFICIT)</b>	
Net assets (deficit)	(6,863,904)
<b>Total net assets (deficit)</b>	<u>\$ (6,863,904)</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, 2012

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	Governmental Activities
	Internal Service Funds
<b>OPERATING REVENUES</b>	
Charges for services	\$ 35,813,410
<b>Total operating revenues</b>	<u>35,813,410</u>
<b>OPERATING EXPENSES</b>	
Claims expense	34,236,298
<b>Total operating expenses</b>	<u>34,236,298</u>
<b>Change in net assets (deficit)</b>	1,577,112
<b>FUND NET ASSETS (DEFICIT), beginning</b>	<u>(8,441,016)</u>
<b>FUND NET ASSETS (DEFICIT), ending</b>	<u>\$ (6,863,904)</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, 2012

	Governmental Activities Internal Service Funds
<b>Cash Flows From Operating Activities</b>	
Receipts from customers and users	\$ 35,791,352
Cash payments for claims and fees	(34,871,450)
<b>Net cash provided by operating activities</b>	<u>919,902</u>
<b>Net increase in cash and cash equivalents</b>	919,902
<b>Cash and Cash Equivalents</b>	
Beginning	<u>593,998</u>
Ending	<u>\$ 1,513,900</u>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</b>	
Operating income	\$ 1,577,112
Adjustments to reconcile operating income to net cash provided by operating activities:	
Changes in assets and liabilities:	
Increase in other receivables	(22,058)
Decrease in accounts payable and accrued liabilities	(180,359)
Decrease in claims incurred but not reported	(251,088)
Decrease in due to other funds	(203,705)
<b>Net cash provided by operating activities</b>	<u>\$ 919,902</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, 2012

	Pension Trust Fund	Agency Funds	Private Purpose Trust Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,857,260	\$ 592,832	\$ 230,127
Investments, at fair value	54,700,985	-	-
Other receivables	82,530	-	-
Prepaid expenses	1,373,202	-	-
Due from other funds	-	77,450	133,979
<b>Total assets</b>	<b>58,013,977</b>	<b>670,282</b>	<b>364,106</b>
<b>LIABILITIES</b>			
Due to others	-	670,282	-
Accounts payable and accruals	94,139	-	19,381
Due to other funds	-	-	1,125
<b>Total liabilities</b>	<b>94,139</b>	<b>670,282</b>	<b>20,506</b>
<b>NET ASSETS HELD IN TRUST FOR PENSION AND OTHER</b>	<b>\$ 57,919,838</b>	<b>\$ -</b>	<b>\$ 343,600</b>

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

TOWN OF HAMDEN, CONNECTICUT

**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS - FIDUCIARY FUNDS**  
**For the Year Ended June 30, 2012**

	Pension Trust Fund	Private Purpose Trust Fund Funds
<b>ADDITIONS</b>		
Contributions:		
Town of Hamden	\$ 3,040,000	\$ -
Plan members	2,138,782	-
<b>Total contributions</b>	<b>5,178,782</b>	<b>-</b>
Investment Income		
Interest and dividends	1,873,993	183
Net depreciation in fair value of investments	(1,586,273)	-
Other income	-	415,087
	287,720	415,270
Less investment expenses:		
Investment management fees	(274,549)	-
<b>Net investment income</b>	<b>13,171</b>	<b>415,270</b>
<b>Total additions</b>	<b>5,191,953</b>	<b>415,270</b>
<b>DEDUCTIONS</b>		
Benefits and other deductions	20,586,244	412,953
Administrative	103,868	-
	20,690,112	412,953
<b>Change in net assets</b>	<b>(15,498,159)</b>	<b>2,317</b>
<b>NET ASSETS HELD IN TRUST FOR PENSION AND OTHER</b>		
Beginning of year	73,417,997	341,283
End of year	<b>\$ 57,919,838</b>	<b>\$ 343,600</b>

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

## **TOWN OF HAMDEN, CONNECTICUT**

### **NOTES TO FINANCIAL STATEMENTS**

**June 30, 2012**

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#### **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 the proprietary and 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.

## TOWN OF HAMDEN, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2012

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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.

The *Capital Project Fund* accounts for various capital projects of the Town.

The other governmental funds of the Town are considered nonmajor and are as follows:

The *Special Revenue Funds* are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

The *Capital Project Funds* are used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlay.

The *Permanent Fund* is used to account for assets which are committed to specific purposes.

Additionally, the government reports the following other 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.

## TOWN OF HAMDEN, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2012

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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.

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.

## TOWN OF HAMDEN, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2012

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#### Property taxes

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

#### Encumbrances

Encumbrances represent external commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts and other external commitments for the expenditure of resources are recorded to assign that portion of the applicable appropriation, is utilized in the governmental funds. Encumbrances outstanding at year-end are reported as an assigned 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 \$164,000. 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 activities 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, 2012**

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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 governmental 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.

## TOWN OF HAMDEN, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2012

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#### Net assets

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

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

*Restricted Net Assets* - These amounts are restricted to specific purposes when constraints placed on the use of resources are either (a) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislations.

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

#### Fund Balance

In the government fund financial statements, the Town classified fund balances as follows (as applicable):

- Nonspendable Fund Balance – Amounts which cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.
- Restricted Fund Balance - These amounts are restricted to specific purposes when constraints placed on the use of resources are either (a) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislations.
- Committed Fund Balance – This represents amounts constrained prior to year-end for a specific purpose by a government using its highest level of decision-making authority (Town of Hamden Town Council). Amounts remain committed until action is taken by the Town Council (Resolution) to remove or revise the limitations.
- Assigned Fund Balance – Amounts constrained for the intent to be used for a specific purpose by a governing board or a body or official that has been delegated authority to assign amounts.
- Unassigned Fund Balance – The residual amount not allocated to any other fund balance category in the General Fund and any residual deficit balance of any other governmental funds.

When both restricted and unrestricted amounts are available for use, it is the Town's practice to use restricted resources first. Additionally, the Town would first use committed, then assigned, and lastly unassigned.

TOWN OF HAMDEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued  
June 30, 2012

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**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 (deficit) – governmental activities as reported in the government-wide statement of net assets (deficit). 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	\$ 143,055,000
Deferred charges	1,028,279
Capital leases payable	158,863
Compensated absences	8,553,094
Landfill closure	152,162
Net pension obligation	161,294,925
Heart and hypertension	5,777,125
Net OPEB obligations	100,410,498
Environmental contingency	<u>4,500,000</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at net assets - governmental activities	<u>\$ 424,929,946</u>

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

The governmental fund statement of revenues, expenditures, and changes in fund balances (deficits) includes a reconciliation between net changes in fund balances (deficits) – total governmental funds and changes in net assets (deficit) 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	\$ 14,497,946
Depreciation expense	<u>(11,074,629)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 3,423,317</u>

**TOWN OF HAMDEN, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2012**

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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	\$ 109,619
Deferred charges	(1,466,828)
Issuance of bond anticipation notes	(24,705,000)
Refunding of general obligation bonds	(13,150,000)
Principal repayments and defeasance:	
General obligation debt	23,095,000
Capital lease payments	<u>236,003</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ (15,881,206)</u>

Another element of that reconciliation states that “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.” The details of this difference are as follows:

Compensated absences	\$ 594,359
Net change in accrued interest	208,458
Pension obligation	(19,216,401)
Landfill costs	43,838
Heart and hypertension	215,715
Other post-employment obligation	<u>(17,207,783)</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ (35,361,814)</u>

**Note 3. Cash, Cash Equivalents and Investments**

Deposits: The Town and the Pension Trust Fund do 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

## TOWN OF HAMDEN, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2012

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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.

Concentration of credit risk: The Town, which includes the Pension Trust Fund, 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.

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, 2012, approximately \$29,836,000 of the Town's bank balance of approximately \$31,094,000 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. Mutual funds are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form.

**TOWN OF HAMDEN, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2012**

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Cash and investments of the Town consist of the following at June 30, 2012:

<b>Cash and Cash Equivalents</b>	
Deposits with financial institutions	\$ 27,317,581
State of Connecticut Short-Term Investment Fund	75,506
<b>Total cash and cash equivalents</b>	<u>27,393,087</u>
<b>Investments</b>	
Pension Trust Funds:	
U.S. Government Agency Securities	3,887,259 *
U.S. Government Securities	5,117,932 *
Corporate and Other Bonds	7,525,849 *
Common Stock	36,417,280 *
Mutual Funds	1,752,665
<b>Total investments</b>	<u>54,700,985</u>
<b>Total cash and investments</b>	<u>\$ 82,094,072</u>

\* These investments are uninsured and unregistered, with securities held by the counterparty in the Town's name or Pension Plan's name.

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

<b>Statement of Net Assets</b>	
Cash and cash equivalents	<u>\$ 24,712,868</u>
<b>Fiduciary Funds:</b>	
Cash and cash equivalents	2,680,219
Investments	54,700,985
	<u>57,381,204</u>
<b>Total cash, cash equivalents and investments</b>	<u>\$ 82,094,072</u>

**TOWN OF HAMDEN, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2012**

*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	\$ 75,506	\$ 75,506	\$ -	\$ -	\$ -
U.S. Government Agency Securities	3,887,259	-	-	-	3,887,259
U.S. Government Securities	5,117,932	-	5,117,932	-	-
Corporate and Other Bonds	7,525,849	165,064	1,270,867	2,115,625	3,974,293
<b>TOTAL</b>	<b>\$ 16,606,546</b>	<b>\$ 240,570</b>	<b>\$ 6,388,799</b>	<b>\$ 2,115,625</b>	<b>\$ 7,861,552</b>

*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	\$ 423,364	\$ 3,887,259	\$ 75,506
AA+	90,728	-	-
AA-	250,594	-	-
A+	197,817	-	-
A	831,827	-	-
A-	1,378,438	-	-
BBB+	642,945	-	-
BBB	1,605,755	-	-
BBB-	500,443	-	-
BB+	89,589	-	-
B-	1,692	-	-
Below B-	127,154	-	-
Unrated	1,385,503	-	-
	<b>\$ 7,525,849</b>	<b>\$ 3,887,259</b>	<b>\$ 75,506</b>

**TOWN OF HAMDEN, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2012**

*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, 2012, the Plan's foreign currency risk associated with its investment was as follows:

Country/Currency		Common Stock
Argentina	Peso	\$ 70,014
Australia	Dollar	188,018
Brazil	Real	419,616
China	Yuan	161,697
France	Euro	877,510
Germany	Euro	871,760
India	Rupee	210,010
Israel	Sheqel	223,152
Italy	Euro	262,071
Japan	Yen	1,055,709
Mexico	Peso	503,761
Netherlands	Euro	927,948
Norway	Kroner	170,265
South Korea	Won	124,038
Switzerland	Franc	529,783
United Kingdom	Pound Sterling	1,475,518
<b>Totals</b>		<b>\$ 8,070,870</b>

**Note 4. Interfund Receivables, Payables and Transfers**

As of June 30, 2012, interfund receivables and payables that resulted from various interfund transactions were as follows:

	Due From Other Funds	Due To Other Funds
General Fund	\$ 3,284,981	\$ 16,990,184
Memorial Town Hall Fund	7,233,419	-
Capital Project Fund	7,240,092	1,471,054
Non-Major Governmental Funds	2,399,583	1,912,440
Internal Service Funds	5,299	-
Fiduciary Funds	211,429	1,125
<b>Totals</b>	<b>\$ 20,374,803</b>	<b>\$ 20,374,803</b>

The outstanding balances between funds result mainly from the time lag between the dates that (1) bond proceeds are recognized, (2) interfund goods and services are provided or reimbursable expenditures

**TOWN OF HAMDEN, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2012**

occur, (3) transactions are recorded in the accounting system, and (4) payments between funds are made.

Interfund transfers during the year ended June 30, 2012 were as follows:

	Transfers From Other Funds	Transfers To Other Funds
General Fund	\$ 587,527	\$ -
Capital Project Fund	-	587,527
<b>Totals</b>	<b>\$ 587,527</b>	<b>\$ 587,527</b>

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

**Note 5. Capital Assets**

Capital asset activity for the year ended June 30, 2012 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 18,281,108	\$ -	\$ -	\$ 18,281,108
Construction in progress	26,169,381	10,464,631	-	36,634,012
Total capital assets, not being depreciated	44,450,489	10,464,631	-	54,915,120
Capital assets, being depreciated:				
Land improvements	21,841,134	1,862,534	-	23,703,668
Buildings and improvements	202,790,806	666,591	-	203,457,397
Machinery and equipment	25,260,877	1,504,190	-	26,765,067
Infrastructure	89,028,477	-	-	89,028,477
Total capital assets being depreciated	338,921,294	4,033,315	-	342,954,609
Less accumulated depreciation for:				
Land improvements	5,618,516	1,170,777	-	6,789,293
Buildings and improvements	50,099,502	4,060,685	-	54,160,187
Machinery and equipment	21,651,074	1,385,154	-	23,036,228
Infrastructure	59,039,599	4,458,013	-	63,497,612
Total accumulated depreciation	136,408,691	11,074,629	-	147,483,320
Total capital assets, being depreciated, net	202,512,603	(7,041,314)	-	195,471,289
Governmental activities capital assets, net	\$ 246,963,092	\$ 3,423,317	\$ -	\$ 250,386,409

**TOWN OF HAMDEN, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2012**

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

General government	\$ 616,574
Education	2,635,399
Public Safety	522,148
Public Works	7,084,476
Health and Welfare	87,647
Culture and Recreation	128,385
Total depreciation expense	<u><u>\$ 11,074,629</u></u>

**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>
<b>General Fund:</b>		
Taxes and accrued interest receivables on delinquent property taxes	\$ 3,695,770	\$ -
School construction and other receivables	6,757,289	-
Tax overpayments	-	1,404,069
	<u>10,453,059</u>	<u>1,404,069</u>
<b>Other Nonmajor Governmental Funds:</b>		
Grant advances	-	67,516
	<u>                    </u>	<u>                    </u>
<b>Total deferred/unearned revenue</b>	<u><u>\$ 10,453,059</u></u>	<u><u>\$ 1,471,585</u></u>

**TOWN OF HAMDEN, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2012**

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**Note 7. Bond Anticipation Notes Payable and Subsequent Event**

The Town has \$25,775,000 of bond anticipation notes outstanding as of June 30, 2012. The bond anticipation notes were due on August 23, 2012 and bear interest at 3%.

Bond anticipation note transactions for the year ended June 30, 2012 were as follows:

Outstanding, July 1, 2011	\$ 51,725,000
Borrowings	25,775,000
Repayments	(51,725,000)
Outstanding, June 30, 2012	<u>\$ 25,775,000</u>

Reported as:

Bond anticipation notes	\$ 1,070,000
Long-term debt	\$ 24,705,000

The following projects are those with Bond Anticipation Notes outstanding as of June 30, 2012. They will be financed in the future with long-term debt:

Police headquarters/Memorial Town Hall	\$ 17,076,000
Bear Path School	510,000
FY 2010/2011 capital improvements	1,150,000
FY 2011/2012 capital improvements	7,039,000
	<u>\$ 25,775,000</u>

Subsequent event

In August 2012, \$480,000 of these (BANS) were refinanced through the issuance of \$480,000 of general obligation bond anticipation notes which will be due August 15, 2013. In August 2012, the Town issued \$24,705,000 in general obligation bonds. The bonds bear interest of 2% - 5% and mature serially from August 15, 2013 through August 15, 2032. Of the \$25,775,000 in bond anticipation notes outstanding, \$24,705,000 was financed with the August 2012 issue and is considered long-term debt in the government-wide financial statements and other financing sources in the Governmental Fund financial statements.

**TOWN OF HAMDEN, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2012**

**Note 8. Long-Term Obligations**

A summary of changes in outstanding long-term debt during the year ended June 30, 2012 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
<b>Governmental activities:</b>					
Bonds payable:					
General obligation bonds	\$ 128,295,000	\$ 13,150,000	\$ 23,095,000	\$ 118,350,000	\$ 10,550,000
Deferred charges	(328,930)	1,466,828	(109,619)	1,028,279	100,000
Bond anticipation notes (Note 7)	-	24,705,000	-	24,705,000	-
<b>Total bonds payable</b>	<b>127,966,070</b>	<b>39,321,828</b>	<b>22,985,381</b>	<b>144,083,279</b>	<b>10,650,000</b>
Capital leases	394,866	-	236,003	158,863	126,445
Landfill post-closure care (Note 11)	196,000	-	43,838	152,162	43,838
Compensated absences	9,147,453	2,756,940	3,351,299	8,553,094	3,300,000
Net pension obligation (Note 9)	142,078,524	22,256,401	3,040,000	161,294,925	-
Heart and hypertension	5,992,840	686,824	902,539	5,777,125	900,000
Environmental contingency (Note 11)	4,500,000	-	-	4,500,000	-
OPEB obligation (Note 9)	83,202,715	33,055,026	15,847,243	100,410,498	-
<b>Governmental activity long-term liabilities</b>	<b>\$ 373,478,468</b>	<b>\$ 98,077,019</b>	<b>\$ 46,406,303</b>	<b>\$ 424,929,946</b>	<b>\$ 15,020,283</b>

**General obligation bonds**

As of June 30, 2012, the outstanding general obligation bonded indebtedness of the Town was as follows:

	Outstanding Amount
School bonds with interest rates ranging from 2.10% to 6.0% and varying expiration dates ranging from March 2006 through August 2032.	\$ 47,455,755
General bonds with interest rates ranging from 2.70% to 6.0% and varying expiration dates ranging from March 2006 through August 2032.	70,894,245
<b>Total general obligation bonds</b>	<b>\$ 118,350,000</b>

## TOWN OF HAMDEN, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2012

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

	Principal	Interest	Total
2013	\$ 10,550,000	\$ 4,959,406	\$ 15,509,406
2014	10,470,000	3,962,515	14,432,515
2015	10,920,000	3,555,628	14,475,628
2016	10,535,000	3,150,496	13,685,496
2017	9,715,000	2,783,393	12,498,393
2018	8,645,000	2,449,026	11,094,026
2019	7,355,000	2,149,567	9,504,567
2020	7,180,000	1,864,411	9,044,411
2021	6,325,000	1,585,560	7,910,560
2022	5,270,000	1,355,422	6,625,422
2023	5,275,000	1,157,519	6,432,519
2024	4,330,000	974,659	5,304,659
2025	4,330,000	806,567	5,136,567
2026	4,065,000	642,822	4,707,822
2027	2,835,000	504,422	3,339,422
2028	2,350,000	395,437	2,745,437
2029	2,350,000	297,063	2,647,063
2030	2,350,000	198,312	2,548,312
2031	1,750,000	111,562	1,861,562
2032	1,750,000	37,187	1,787,187
	<u>\$ 118,350,000</u>	<u>\$ 32,940,974</u>	<u>\$ 151,290,974</u>

#### 2012 General Obligation Bond – In-substance Defeasance

In September 2011, the Town issued \$13,150,000 of general obligation bonds, with interest rates ranging from 3.0% to 4.0%, the proceeds of which were used to advance refund portions of the outstanding principal amounts of the general obligation bonds of the Town dated June 5, 2001 and July 15, 2005 (the "Refunding Bonds"). The net proceeds of \$13,565,557 (\$13,764,498, less payment of \$198,941 in underwriters fees and other costs), were placed in an irrevocable trust fund under an Escrow Agreement dated September 2011 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 gain (difference between the present values of the debt service payments on the old and new debt) of approximately \$.5 million, and a gain of approximately \$.4 million between the old debt payments and the new debt payments.

The balance in the escrow was approximately \$13.6 million at June 30, 2012. The balance of the defeased bonds was approximately \$13.6 million at June 30, 2012. As a result, the refunded bonds are considered defeased and the liability has been removed from the basic financial statements.

## TOWN OF HAMDEN, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2012

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#### Bonds authorized but unissued

Total authorized but unissued debt at June 30, 2012 is as follows:

General purpose	\$	4,312,675
Schools		1,600,541
	\$	<u>5,913,216</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	\$ 314,824,338	\$ 99,209,920	\$ 215,614,418
Unfunded Pension Benefit Obligation	419,765,784	-	419,765,784
Schools	629,648,676	50,126,296	579,522,380
Sewers	524,707,230	702,000	524,005,230
Urban renewal	454,746,266	-	454,746,266

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, or \$979,453,496.

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, 2012 was approximately \$2,039,000. Additional payments for principal and interest aggregating approximately \$7,400,000 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, 2012, there is \$70,930,000 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

**TOWN OF HAMDEN, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2012**

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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 \$2,746,591.

Future minimum lease payments under the capital leases as of June 30, 2012 are as follows:

Year Ending June 30,	
2013	\$ 130,986
2014	<u>32,747</u>
Total minimum lease payments	163,733
Less amount representing interest	<u>(4,870)</u>
	<u>\$ 158,863</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, 2012 is recorded in the government-wide statements since the benefits are to be funded from future financial resources and will be paid from the General Fund.

**Note 9. Employee Retirement Systems**

**Town Plan**

The Town of Hamden is the administrator of a single employer, contributory 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 participate in the Connecticut Municipal Retirement System (CMERS) and are not eligible to participate in the Plan. Similarly, service employees hired after July 1, 2007 participate in CMERS and are not eligible for the pension 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.

**TOWN OF HAMDEN, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2012**

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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, who were hired before July 1, 2007. As of June 30, 2007, such employee's benefits are 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 Town's Legislative Council.

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

Service employees currently contribute 5.5% of their annual covered salary. Guardian employees contribute 6% of covered salary. Covered salary includes regular payroll, vacation, holiday, personal, longevity and sick time payroll.

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

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

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

Net Pension Obligation

Annual required contribution	\$ 19,850,851
Interest on net pension obligation	11,366,282
Adjustment to annual required contribution	<u>(8,960,732)</u>
Annual pension cost	22,256,401
Contributions made	<u>3,040,000</u>
Increase in net pension obligation	19,216,401
Net pension obligation, beginning of year	<u>142,078,524</u>
Net pension obligation, end of year	<u><u>\$ 161,294,925</u></u>

**TOWN OF HAMDEN, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2012**

Membership in the Plan consisted of the following at July 1, 2010, the date of the last actuarial valuation:

Retirees and beneficiaries receiving benefits	664
Terminated plan members entitled to, but not yet receiving benefits	27
Active plan members	568
<b>Total</b>	<b>1,259</b>

**Three Year Trend Information:**

Year Ending	Annual Pension Cost (APC)	Actual Contribution	Percentage of APC Contributed	Net Pension Obligation
6/30/10	\$ 21,247,825	\$ 12,500,000	58.8%	\$ 127,201,232
6/30/11	\$ 21,427,292	\$ 6,550,000	30.6%	\$ 142,078,524
6/30/12	\$ 22,256,401	\$ 3,040,000	13.7%	\$ 161,294,925

***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, 2010	\$ 81,352,519	\$ 323,748,595	\$ 242,396,076	25.13%	\$ 33,051,700	733.38%

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 involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress, immediately following the notes to the financial statements (RSI) presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time, relative to the actuarial accrued liability for benefits.

## TOWN OF HAMDEN, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2012

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Actuarial assumptions are as follows:

Valuation Date:	7/1/10
Actuarial Cost Method:	Entry Age Normal Method
Amortization Method:	Level Percent of Salary Based on 4% Increases
Remaining Amortization Period:	26 Years Closed as of 7/1/2010
Asset Valuation Method:	Market Value
Actuarial Assumptions:	
Investment Rate of Return:	8.0%
Projected Salary Increases:	4.0%

#### **Connecticut Municipal Employee's Retirement System**

##### **A. Plan Description**

Employees hired into the Guardian services after July 1, 2006 participate in the Connecticut Municipal Employees' Retirement System (CMERS), as do service employees hired after July 1, 2007. CMERS 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. CMERS 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.

##### **B. Plan Provisions**

Plan provisions are set by Statute of the State of Connecticut. CMERS 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.

**TOWN OF HAMDEN, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2012**

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**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:

2010	\$	205,571
2011	\$	499,985
2012	\$	636,284

**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.

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 \$8,670,000 for the year ended June 30, 2012.

**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 defined benefit post retirement healthcare 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, 2012. 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

**TOWN OF HAMDEN, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2012**

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 Entry Age Normal Method. For fiscal year 2012, the Town contributions were \$15,847,243 were made on a pay-as-you-go basis.

Membership in the plan consisted of the following at July 1, 2012, the date of the last actuarial valuation:

Retirees and beneficiaries receiving benefits	1,170
Active plan members	<u>804</u>
<b>Total</b>	<b><u><u>1,974</u></u></b>

Annual OPEB Cost and Net OPEB Obligation

Annual required contribution	\$ 34,822,130
Interest on net pension obligation	3,328,109
Adjustment to ARC	<u>(5,095,213)</u>
Annual OPEB cost	33,055,026
Contributions made	<u>(15,847,243)</u>
Increase in net OPEB liability	17,207,783
Net OPEB obligation, beginning of year	<u>83,202,715</u>
Net OPEB obligation, end of year	<b><u><u>\$ 100,410,498</u></u></b>

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 and based on the valuation at July 1, 2012. 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, 2012 is \$439,980,586.

**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
6/30/12	\$ 33,055,026	\$ 15,847,243	47.9%	\$ 100,410,498
6/30/11	30,937,360	12,330,071	39.9%	83,202,715
6/30/10	30,193,936	11,051,962	36.6%	64,595,426

**TOWN OF HAMDEN, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2012**

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**Funded Status and Funding Progress**

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)
7/01/12	\$ -	\$ 439,980,586	\$ 439,980,586	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.

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

Valuation Date:	July 1, 2012
Actuarial Cost Method:	Projected Unit Credit
Asset Valuation Method:	N/A
Amortization Method:	Level Dollar Closed, 30 Years
Remaining Amortization Period:	26 Years
Actuarial Assumptions:	
Investment Rate of Return:	4.0%
Inflation Rate:	2.0%
Medical Trend Rate:	8.50% graded to 5.00% over 7 years
Prescription Drug Trend:	7.50% graded to 5.00% over 5 years
Dental Cost Trend Rate:	5%
Vision Cost Trend Rate:	3%

**TOWN OF HAMDEN, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2012**

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**Note 10. Fund Deficits**

The following funds had fund deficits as of June 30, 2012:

**Capital Projects Funds:**

Farmington Canal	\$ (50,629)
Wintergreen Interdistrict Magnet School	(504,870)
Bear Path School Renovations	(474,168)

**Special Revenue Funds:**

Culture and Recreation	(1,498)
Public Works	(129,121)
Community Development	(22,432)

**Internal Service Funds:**

Workers' Compensation Fund	(6,280,426)
Medical Insurance Fund	(583,478)

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.

**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.

## TOWN OF HAMDEN, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2012

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The Town has recorded a long-term liability of \$4.5 million dollars to recognize the estimated costs of the consent order. DEP released its final remediation standards plan in October 2007 and anticipates finalizing engineering plans in Fiscal 2013.

#### **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 \$152,162, 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, 2012. 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 disposal contract**

On July 1, 2010, the Town, in collaboration with four other municipalities, began a new ten-year solid waste disposal contract with Covanta Projects L.P. of Wallingford, Connecticut. Under this contract, all curbside solid waste collected in Hamden is transported to Covanta's mass-burn solid waste resource recovery and electric generation plant in Wallingford (the "System"), the same location used under the twenty-year agreement with the Connecticut Resources Recovery Authority that expired on June 30, 2010. The new contract offers two five-year options to extend for any or all of the participating municipalities.

Under the terms of the new contract, the Town is required to deliver or cause to be delivered to the System acceptable solid waste generated within its boundaries with a minimum commitment of 14,850 tons per year and to pay a uniform per-ton disposal service fee therefore. The aggregate minimum commitment of the five participating municipalities is 66,285 tons per year. For the last five years, the Town has delivered more than 30,000 tons annually. The Town's commitment to pay disposal fees is a "put-or-pay" commitment, meaning that, if the commitment of the five participating municipalities is not met by the total delivery of all five participating municipalities, or by other solid wastes delivered in any year and, if the Town does not meet its minimum commitment, it must pay the disposal fee for its proportionate share of the aggregate minimum commitment, minus the amount of total acceptable solid waste delivered. Disposal fees are payable, provided that the System is accepting solid waste delivered by or on behalf of the Town, regardless of whether such solid waste is processed at Covanta's facility in Wallingford. Should the facility be unable to process this waste, it will be sent to other facilities owned by Covanta at no additional cost to the Town.

The Town's obligation to pay disposal fees is absolute and unconditional so long as Covanta accepts the Town's solid waste. The Town has pledged its full faith and credit to the payment of the disposal fees and has agreed to enforce or levy and collect all taxes, cost-sharing or other assessments or charges and take other such action as may be necessary to pay the fees. For the fiscal years ended June 30, 2007, 2008, 2009, 2010 and 2011, the disposal fees were \$58, \$59, \$60, \$60 and \$65 per ton, respectively. In fiscal year 2012, the fees are \$66.21 per ton.

#### **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.

## TOWN OF HAMDEN, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2012

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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 \$250,000 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	Claims Payable	Current Year Claims and Changes in Estimates	Claims Paid	Claims Payable June 30
6/30/11	\$ 7,117,777	\$ 33,856,633	\$ 31,966,802	\$ 9,007,608
6/30/12	\$ 9,007,608	\$ 34,236,298	\$ 34,667,745	\$ 8,576,161

**TOWN OF HAMDEN, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2012**

**Note 13. Fund Balances**

Below is a table of fund balance categories and classifications at June 30, 2012 for the Town governmental funds:

	General Fund	Memorial Town Hall Fund	Capital Project Fund	Nonmajor Governmental Funds
<b>Fund balances:</b>				
<b>Non-spendable:</b>				
Inventory	\$ -	\$ -	\$ -	\$ 21,207
<b>Total non-spendable</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21,207</b>
<b>Restricted:</b>				
General government	-	-	-	332,543
Public safety	-	-	-	139,741
Social services	-	-	-	96,176
Education	-	-	-	848,710
<b>Total restricted</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,417,170</b>
<b>Committed:</b>				
Capital projects	-	6,612,257	4,676,980	748,205
<b>Total committed</b>	<b>-</b>	<b>6,612,257</b>	<b>4,676,980</b>	<b>748,205</b>
<b>Unassigned:</b>				
General government	1,194,991	-	-	(1,182,718)
<b>Total unassigned</b>	<b>1,194,991</b>	<b>-</b>	<b>-</b>	<b>(1,182,718)</b>
<b>Total fund balance</b>	<b>\$ 1,194,991</b>	<b>\$ 6,612,257</b>	<b>\$ 4,676,980</b>	<b>\$ 1,003,864</b>

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

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

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

- **GASB Statement No. 60, Accounting and Financial Reporting for Service Concession Arrangements**, issued November 2010, will be effective for the Town beginning with its year ending June 30, 2013. This Statement is intended to improve financial reporting by addressing issues related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership. Specifically, this Statement improves financial reporting by establishing recognition, measurement, and disclosure requirements SCAs for both transferors and governmental operators, requiring governments to account for and report SCAs in the same manner, which improves the comparability of financial statements. This Statement also improves the decision usefulness of financial reporting by requiring that specific relevant disclosures be made by transferors and governmental operators about SCAs.

## TOWN OF HAMDEN, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2012

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- **GASB Statement No. 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34***, issued November 2010, will be effective for the Town beginning with its year ending June 30, 2013. This Statement is intended to improve financial reporting for a governmental financial reporting entity by improving guidance for including, presenting, and disclosing information about component units and equity interest transactions of a financial reporting entity. The amendments to the criteria for including component units allow users of financial statements to better assess the accountability of elected officials by ensuring that the financial reporting entity includes only organizations for which the elected officials are financially accountable or that are determined by the government to be misleading to exclude. The amendments to the criteria for blending also improve the focus of a financial reporting entity on the primary government by ensuring that the primary government includes only those component units that are so intertwined with the primary government that they are essentially the same as the primary government, and by clarifying which component units have that characteristic.
- **GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements***, issued January 2011, will be effective for the Town beginning with its year ending June 30, 2013. This Statement is intended to enhance the usefulness of the Codification of Governmental Accounting and Financial Reporting Standards by incorporating guidance that previously could only be found in certain FASB and AICPA pronouncements. This Statement incorporates into the GASB's authoritative literature the applicable guidance previously presented in the following pronouncements issued before November 30, 1989: FASB Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the AICPA's Committee on Accounting Procedure. By incorporating and maintaining this guidance in a single source, the GASB believes that GASB 62 reduces the complexity of locating and using authoritative literature needed to prepare state and local government financial reports.
- **GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position***, issued July 2011, will be effective for the Town beginning with its year ending June 30, 2013. This Statement is intended to improve financial reporting by providing citizens and other users of state and local government financial reports with information about how past transactions will continue to impact a government's financial statements in the future. This Statement provides a new statement of net position format to report all assets, deferred outflows of resources, liabilities deferred inflows of resources, and net position (which is the net residual amount of the other elements). The Statement requires that deferred outflows of resources and deferred inflows of resources be reported separately from assets and liabilities. This Statement also amends certain provisions of Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*, and related pronouncements to reflect the residual measure in the statement of financial position as net position, rather than net assets.
- **GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities***, clarifies the appropriate reporting of deferred outflows of resources and deferred inflows of resources to ensure consistency in financial reporting. GASB Concepts Statement (CON) No. 4, *Elements of Financial Statements*, specifies that recognition of deferred outflows and deferred inflows should be limited to those instances specifically identified in authoritative GASB pronouncements. Consequently, guidance was needed to determine which balances being reported as assets and liabilities should actually be reported as deferred outflows of resources or deferred inflows of resources, according to the definitions in CON 4. Based on those definitions, GASB 65 reclassifies certain items currently being reported as assets and liabilities as deferred outflows of resources and deferred inflows of resources. In addition, GASB 65 recognizes certain items currently being reported as assets and liabilities as outflows of resources and inflows of resources. The provisions

## TOWN OF HAMDEN, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2012

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of this Statement will be effective for the Town beginning with the period ending June 30, 2014, and would be applied on a prospective basis. Early adoption is encouraged

- **GASB Statement No. 66, *Technical Corrections - 2012***, enhances the usefulness of financial reports by resolving conflicting accounting and financial reporting guidance that could diminish the consistency of financial reporting. GASB 66 amends GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, by removing the provision that limits fund-based reporting of a state or local government's risk financing activities to the general fund and the internal service fund types. As a result, governments would base their decisions about governmental fund type usage for risk financing activities on the definitions in GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The Statement also amends GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, by modifying the specific guidance on accounting for: (a) operating lease payments that vary from a straight-line basis; (b) the difference between the initial investment (purchase price) and the principal amount of a purchased loan or group of loans; and (c) servicing fees related to mortgage loans that are sold when the stated service fee rate differs significantly from a current (normal) servicing fee rate. These changes would eliminate any uncertainty regarding the application of GASB Statement No. 13, *Accounting for Operating Leases with Scheduled Rent Increases*, and result in guidance that is consistent with the requirements in GASB Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*, respectively. The provisions of this Statement will be effective for the Town beginning with the year ending June 30, 2014, and would be applied on a prospective basis. Early adoption is encouraged.
- **GASB Statement 67, *Financial Reporting for Pension Plans***. The objective of this Statement is to improve financial reporting by state and local governmental pension plans. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency. This Statement replaces the requirements of Statements No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and No. 50, *Pension Disclosures*, as they relate to pension plans that are administered through trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The requirements of Statements 25 and 50 remain applicable to pension plans that are not administered through trusts covered by the scope of this Statement and to define contribution plans that provide postemployment benefits other than pensions. The provisions of this Statement will be effective for the Town beginning with year ending June 30, 2014.
- **GASB Statement 68, *Accounting and Financial Reporting for Pensions***. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency. The provisions of this Statement will be effective for the Town beginning with year ending June 30, 2015.

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**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, 2012

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Property taxes, interest and liens	\$ 140,061,681	\$ 139,876,681	\$ 139,969,770	\$ 93,089
Intergovernmental	32,897,662	32,897,662	32,827,551	(70,111)
Licenses, permits and fees	2,190,080	2,190,080	1,772,572	(417,508)
Charges for services	3,414,178	3,599,178	2,864,268	(734,910)
Investment earnings	197,500	197,500	57,819	(139,681)
Miscellaneous	2,109,500	2,109,500	1,860,495	(249,005)
<b>Total revenues</b>	<b>180,870,601</b>	<b>180,870,601</b>	<b>179,352,475</b>	<b>(1,518,126)</b>
<b>EXPENDITURES</b>				
Current:				
Education	79,115,000	79,115,000	79,103,548	11,452
General government	9,726,840	8,672,036	8,312,140	359,896
Public safety	22,709,403	23,085,101	22,840,809	244,292
Public works	11,582,703	12,394,817	12,172,899	221,918
Health and welfare	1,517,941	1,550,273	1,522,223	28,050
Culture and recreation	2,664,017	2,651,677	2,625,032	26,645
Employee benefits	37,734,887	37,581,887	37,524,232	57,655
Debt service:				
Interest	10,005,000	10,005,000	10,005,000	-
Anticipated bonding	5,814,810	5,814,810	5,135,304	679,506
<b>Total expenditures</b>	<b>180,870,601</b>	<b>180,870,601</b>	<b>179,241,187</b>	<b>1,629,414</b>
<b>Revenues over (under) expenditures</b>	<b>-</b>	<b>-</b>	<b>111,288</b>	<b>111,288</b>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	-	-	587,527	587,527
Bond premium	-	-	762,116	762,116
	-	-	1,349,643	1,349,643
<b>Revenues and other financing sources over (under) expenditures and other financing sources</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,460,931</b>	<b>\$ 1,460,931</b>

See Notes to Required Supplementary Information.

**TOWN OF HAMDEN, CONNECTICUT**

**REQUIRED SUPPLEMENTARY INFORMATION  
A RECONCILIATION OF GENERAL FUND BUDGETARY BASIS  
For the Year Ended June 30, 2012**

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A reconciliation of General Fund budgetary basis is as follows:

	General Fund	
	Revenues and Other Financing Sources	Expenditures
Balance, budgetary basis, June 30, 2012	\$ 180,702,118	\$ 179,241,187
On-behalf payments for state teachers retirement	8,670,000	8,670,000
GASB No. 54 effect	262,851	272,961
GAAP expenditure not recognized for budget purposes	-	813,394
Bond issuance costs	-	198,941
Balance, GAAP Basis, June 30, 2012	<u>\$ 189,634,969</u>	<u>\$ 189,196,483</u>

See Notes to Required Supplementary Information.

**TOWN OF HAMDEN, CONNECTICUT**

**REQUIRED SUPPLEMENTARY INFORMATION  
PENSION PLAN  
June 30, 2012**

***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
07/01/06	\$ 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
07/01/10	81,352,519	323,748,595	242,396,076	25.13%	33,051,700	733.38%
07/01/11	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
2012	\$ 19,850,851	15.3%
2011	19,088,623	34.3%
2010	18,911,433	66.1%
2009	18,292,235	68.3%
2008	16,754,259	71.6%
2007	15,956,437	56.4%

**TOWN OF HAMDEN, CONNECTICUT**

**REQUIRED SUPPLEMENTARY INFORMATION  
OTHER POST-EMPLOYMENT BENEFITS (OPEB)  
June 30, 2012**

***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)
<b>OPEB</b>						
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
07/01/2012	-	439,980,586	439,980,586	0.0%	N/A	N/A

***Schedule of Employer Contributions-OPEB***

Year Ended June 30,	Annual Required Contribution	Percentage Contributed
2012	\$ 34,822,130	45.5%
2011	32,076,366	38.4%
2010	30,951,154	35.7%
2009	33,659,975	17.6%
2008	32,365,361	17.6%

## TOWN OF HAMDEN, CONNECTICUT

### NOTE TO REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2012

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#### **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, 2012.

#### **Special revenue funds**

The Town does not have legally adopted annual budgets for its special revenue funds. Budgets for the various special revenue funds which are utilized to account for specific grant programs are established in accordance with the requirements of the grantor agencies. Such budgets are non-lapsing and may comprise more than one fiscal year.

#### **Capital project funds**

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

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**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, 2012

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>PROPERTY TAXES</b>				
Current Taxes	\$ 136,854,186	\$ 136,854,186	\$ 136,319,390	\$ (534,796)
Delinquent Taxes	1,150,000	1,150,000	1,480,964	330,964
Supplemental Taxes	833,982	833,982	1,151,632	317,650
Property tax interest	730,000	730,000	906,246	176,246
Property tax liens	13,508	13,508	10,143	(3,365)
Suspense collections	270,000	270,000	101,395	(168,605)
Sewer Liens/Area Benefits	5	5	-	(5)
New construction	25,000	25,000	-	(25,000)
Tax liens	185,000	-	-	-
<b>Total property taxes</b>	<b>140,061,681</b>	<b>139,876,681</b>	<b>139,969,770</b>	<b>93,089</b>
<b>INTERGOVERNMENTAL</b>				
PILOT - State owned property	612,916	612,916	613,167	251
Elderly exemption freeze	12,000	12,000	12,000	-
Elderly exemption - circuit breaker	382,500	382,500	412,610	30,110
Disability exemption	8,000	8,000	9,310	1,310
PILOT - colleges and hospitals	2,230,352	2,230,352	2,230,298	(54)
Boat grant	90,000	90,000	120,573	30,573
Telecommunication access	285,000	285,000	171,541	(113,459)
PILOT - veterans exemption	122,727	122,727	149,415	26,688
Town Road Aid	327,078	327,078	327,760	682
Distressed municipalities	20,618	20,618	8,643	(11,975)
PILOT - machinery and equipment	230,771	230,771	227,518	(3,253)
Mashantucket Pequot fund	921,531	921,531	945,919	24,388
Adult education	217,900	217,900	212,814	(5,086)
Magnet schools	95,000	95,000	22,100	(72,900)
School construction	1,711,308	1,711,308	1,711,309	1
Public school transportation	514,610	514,610	553,904	39,294
State bond interest subsidies	327,687	327,687	327,587	(100)
Nonpublic school transportation	207,062	207,062	145,086	(61,976)
Nonpublic school health	151,502	151,502	124,371	(27,131)
Education cost sharing grant	23,030,761	23,030,761	23,014,903	(15,858)
PILOT - Greater New Haven WPCA	73,300	73,300	73,300	-
PILOT - Water Authority	724,756	724,756	788,507	63,751
CRRRA Reserve Payment	593,183	593,183	624,782	31,599
Miscellaneous grants	7,000	7,000	134	(6,866)
Federal Stimulus - Fiscal Stability	100	100	-	(100)
<b>Total intergovernmental</b>	<b>32,897,662</b>	<b>32,897,662</b>	<b>32,827,551</b>	<b>(70,111)</b>
<b>INVESTMENT EARNINGS</b>	<b>197,500</b>	<b>197,500</b>	<b>57,819</b>	<b>(139,681)</b>

(Continued)

TOWN OF HAMDEN, CONNECTICUT

SCHEDULE OF GENERAL FUND REVENUES - BUDGETARY BASIS - BUDGET AND ACTUAL, Continued  
 For the Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>CHARGES FOR SERVICES</b>				
Other rents	6,330	6,330	4,615	(1,715)
Police extra duty	2,175,000	2,175,000	2,045,718	(129,282)
Police extra duty vehicle	15,000	15,000	40,338	25,338
Assessor fees	49,000	234,000	5,897	(228,103)
Elderly services charges	4,140	4,140	4,048	(92)
Code Enforcement	15,000	15,000	10,964	(4,036)
Youth services charges	4,500	4,500	4,630	130
Public works charges	163,750	163,750	57,245	(106,505)
Library charges	38,025	38,025	32,589	(5,436)
Arts & Recreation	10,000	10,000	-	(10,000)
Town Center Park	6,000	6,000	-	(6,000)
Parks and recreations	699,833	699,833	519,457	(180,376)
Planning and zoning	227,600	227,600	138,767	(88,833)
<b>Total charges for services</b>	<b>3,414,178</b>	<b>3,599,178</b>	<b>2,864,268</b>	<b>(734,910)</b>
<b>LICENSES, PERMITS AND FEES</b>				
Town clerk	1,331,500	1,331,500	978,693	(352,807)
Police department	112,650	112,650	102,480	(10,170)
Fire department	90,000	90,000	92,149	2,149
Building	614,000	614,000	560,035	(53,965)
Engineering	40,930	40,930	33,515	(7,415)
Personnel	1,000	1,000	5,700	4,700
<b>Total licenses, permits and fees</b>	<b>2,190,080</b>	<b>2,190,080</b>	<b>1,772,572</b>	<b>(417,508)</b>
<b>MISCELLANEOUS REVENUES</b>				
BOE medical	110,000	110,000	44,210	(65,790)
Workers' Comp. R.	3,500	3,500	23,108	19,608
Insurance Dividend	30,000	30,000	-	
Quinnipiac University	100,000	100,000	75,000	
Term Life revenue	21,000	21,000	28,182	7,182
Miscellaneous	2,000	2,000	2,001	1
Special Ed Excess Cost-Offset	-	-	400	400
Special Ed Excess Cost Revenue	1,525,000	1,525,000	945,620	(579,380)
Sale of Surplus Vehicles	10,000	10,000	4,505	(5,495)
Relocation Reimbursement	4,500	4,500	3,000	(1,500)
Animal Control	3,500	3,500	2,273	(1,227)
Miscellaneous - Finance Office	300,000	300,000	732,196	432,196
<b>Total miscellaneous revenues</b>	<b>2,109,500</b>	<b>2,109,500</b>	<b>1,860,495</b>	<b>(249,005)</b>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	-	-	587,527	587,527
Bond premium	-	-	762,116	762,116
	-	-	1,349,643	1,349,643
<b>Total revenues and other financing sources</b>	<b>\$ 180,870,601</b>	<b>\$ 180,870,601</b>	<b>\$ 180,702,118</b>	<b>\$ (168,483)</b>

TOWN OF HAMDEN, CONNECTICUT

SCHEDULE OF GENERAL FUND EXPENDITURES AND TRANSFERS OUT -  
 BUDGETARY BASIS - BUDGET AND ACTUAL  
 For the Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>GENERAL GOVERNMENT</b>				
Legislative council	\$ 1,918,540	\$ 740,963	\$ 712,991	\$ 27,972
Mayor	594,606	603,174	593,230	9,944
Elections and registrar	204,206	192,499	149,978	42,521
Finance	3,813,100	3,845,810	3,735,404	110,406
Tax Assessor	401,325	304,265	292,656	11,609
Review of assessments	3,600	5,400	5,400	-
Tax collector	439,463	424,083	421,750	2,333
Town attorney	380,457	480,901	429,087	51,814
Town clerk	493,942	459,503	440,382	19,121
Planning and zoning	455,040	481,705	469,170	12,535
Personnel	112,671	247,200	224,287	22,913
Economic development	150,268	152,389	152,358	31
Purchasing	750,272	725,794	682,037	43,757
Probate court	4,350	4,350	3,410	940
Board of ethics	5,000	4,000	-	4,000
<b>Total general government</b>	<b>9,726,840</b>	<b>8,672,036</b>	<b>8,312,140</b>	<b>359,896</b>
<b>PUBLIC SAFETY</b>				
Animal control	131,391	145,778	142,682	3,096
Police department	11,435,165	11,695,877	11,681,887	13,990
Fire department	11,142,847	11,243,446	11,016,240	227,206
<b>Total public safety</b>	<b>22,709,403</b>	<b>23,085,101</b>	<b>22,840,809</b>	<b>244,292</b>
<b>PUBLIC WORKS</b>				
Building administration	358,502	363,239	360,544	2,695
Public works department	10,471,775	11,310,635	11,097,262	213,373
Engineering	527,783	530,411	528,541	1,870
Traffic/Transportation	224,643	190,532	186,552	3,980
<b>Total public works</b>	<b>11,582,703</b>	<b>12,394,817</b>	<b>12,172,899</b>	<b>221,918</b>
<b>HEALTH AND WELFARE</b>				
Elderly services	431,177	430,431	424,798	5,633
Community services	270,134	296,465	289,779	6,686
Youth services	282,009	288,756	282,035	6,721
Mental health	163,080	163,080	163,080	-
Quinnipiac Valley health	301,928	301,928	301,928	-
Visiting nurses association	69,613	69,613	60,603	9,010
<b>Total health and welfare</b>	<b>1,517,941</b>	<b>1,550,273</b>	<b>1,522,223</b>	<b>28,050</b>
<b>BOARD OF EDUCATION</b>				
	79,115,000	79,115,000	79,103,548	11,452

(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, 2012

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>EMPLOYEE BENEFITS</b>				
Medical insurance	30,331,387	30,329,187	30,329,187	-
Pension	3,670,000	3,677,000	3,676,284	716
Fringes	3,733,500	3,575,700	3,518,761	56,939
<b>Total employee benefits</b>	<b>37,734,887</b>	<b>37,581,887</b>	<b>37,524,232</b>	<b>57,655</b>
<b>DEBT SERVICE</b>				
Interest	10,005,000	10,005,000	10,005,000	-
Anticipated bonding	5,814,810	5,814,810	5,135,304	679,506
<b>Total debt service</b>	<b>15,819,810</b>	<b>15,819,810</b>	<b>15,140,304</b>	<b>679,506</b>
<b>Total general government</b>	<b>178,206,584</b>	<b>178,218,924</b>	<b>176,616,155</b>	<b>1,602,769</b>
<b>CULTURE AND RECREATION</b>				
Library	1,869,705	1,831,675	1,811,521	20,154
Arts programs	794,312	820,002	813,511	6,491
<b>Total culture and recreation</b>	<b>2,664,017</b>	<b>2,651,677</b>	<b>2,625,032</b>	<b>26,645</b>
<b>Total expenditures and other financing uses</b>	<b>\$ 180,870,601</b>	<b>\$ 180,870,601</b>	<b>\$ 179,241,187</b>	<b>\$ 1,629,414</b>

**Nonmajor Governmental Funds**



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TOWN OF HAMDEN, CONNECTICUT

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
June 30, 2012

	Special Revenue				
	Human Services	Culture and Recreation	Public Safety	Public Works	Community Development
<b>ASSETS</b>					
Cash and cash equivalents	\$ -	\$ -	\$ 20,619	\$ -	\$ 12,511
Receivables:					
Intergovernmental and other receivables	4,829	-	-	-	-
Inventories and prepaids	-	-	-	-	-
Due from other funds	120,665	7,473	143,076	8,313	-
<b>Total assets</b>	<b>\$ 125,494</b>	<b>\$ 7,473</b>	<b>\$ 163,695</b>	<b>\$ 8,313</b>	<b>\$ 12,511</b>
<b>LIABILITIES AND FUND BALANCES (DEFICITS)</b>					
<b>LIABILITIES</b>					
Accounts payable	\$ 3,652	\$ -	\$ 9,040	\$ 5,999	\$ 10,552
Unearned revenues	-	-	-	-	-
Due to other funds	25,666	8,971	14,914	131,435	24,391
BAN payable	-	-	-	-	-
<b>Total liabilities</b>	<b>29,318</b>	<b>8,971</b>	<b>23,954</b>	<b>137,434</b>	<b>34,943</b>
<b>FUND BALANCES (DEFICITS)</b>					
Nonspendable	-	-	-	-	-
Restricted	96,176	-	139,741	-	-
Committed	-	-	-	-	-
Unassigned	-	(1,498)	-	(129,121)	(22,432)
<b>Total fund balances (deficits)</b>	<b>96,176</b>	<b>(1,498)</b>	<b>139,741</b>	<b>(129,121)</b>	<b>(22,432)</b>
<b>Total liabilities and fund balances (deficits)</b>	<b>\$ 125,494</b>	<b>\$ 7,473</b>	<b>\$ 163,695</b>	<b>\$ 8,313</b>	<b>\$ 12,511</b>

Special Revenue		Capital Projects				
Town Revitalization Projects	Board of Education	Farmington Canal	Hamden Middle School Fund	Brooksvale Park Renovation and Acquisition Grant	Wintergreen Interdistrict Magnet School	Construction of Spring Glen School
261,265	\$ 1,337,089	\$ -	\$ -	\$ -	\$ 11,984	\$ -
-	-	-	-	-	612,704	-
-	21,207	-	-	-	-	-
112,221	-	-	288,196	63,888	-	378,868
<u>\$ 373,486</u>	<u>\$ 1,358,296</u>	<u>\$ -</u>	<u>\$ 288,196</u>	<u>\$ 63,888</u>	<u>\$ 624,688</u>	<u>\$ 378,868</u>
\$ 40,943	\$ 230,943	\$ 9,714	\$ -	\$ -	\$ -	\$ 2,312
-	67,516	-	-	-	-	-
-	189,920	40,915	-	-	1,129,558	-
-	-	-	-	-	-	-
<u>40,943</u>	<u>488,379</u>	<u>50,629</u>	<u>-</u>	<u>-</u>	<u>1,129,558</u>	<u>2,312</u>
-	21,207	-	-	-	-	-
332,543	848,710	-	-	-	-	-
-	-	-	288,196	63,888	-	376,556
-	-	(50,629)	-	-	(504,870)	-
<u>332,543</u>	<u>869,917</u>	<u>(50,629)</u>	<u>288,196</u>	<u>63,888</u>	<u>(504,870)</u>	<u>376,556</u>
<u>\$ 373,486</u>	<u>\$ 1,358,296</u>	<u>\$ -</u>	<u>\$ 288,196</u>	<u>\$ 63,888</u>	<u>\$ 624,688</u>	<u>\$ 378,868</u>

TOWN OF HAMDEN, CONNECTICUT

COMBINING BALANCE SHEET, Continued  
 NONMAJOR GOVERNMENTAL FUNDS  
 June 30, 2012

	Capital Projects		Permanent Fund	Totals
	Bear Path School Renovations	Other Capital Projects	Permanent Fund	
<b>ASSETS</b>				
Cash and cash equivalents	\$ -	\$ 36,307	\$ 13,613	\$ 1,693,388
Receivables:				
Intergovernmental and other receivables	-	-	-	617,533
Inventories and prepaids	-	-	-	21,207
Due from other funds	35,832	1,241,051	-	2,399,583
<b>Total assets</b>	<u>\$ 35,832</u>	<u>\$ 1,277,358</u>	<u>\$ 13,613</u>	<u>\$ 4,731,711</u>
<b>LIABILITIES AND FUND BALANCES (DEFICITS)</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ 924,736	\$ -	\$ 1,237,891
Unearned revenues	-	-	-	67,516
Due to other funds	-	345,289	1,381	1,912,440
BAN payable	510,000	-	-	510,000
<b>Total liabilities</b>	<u>510,000</u>	<u>1,270,025</u>	<u>1,381</u>	<u>3,727,847</u>
<b>FUND BALANCES (DEFICITS)</b>				
Nonspendable	-	-	-	21,207
Restricted	-	-	-	1,417,170
Committed	-	7,333	12,232	748,205
Unassigned	(474,168)	-	-	(1,182,718)
<b>Total fund balances (deficits)</b>	<u>(474,168)</u>	<u>7,333</u>	<u>12,232</u>	<u>1,003,864</u>
<b>Total liabilities and fund balances (deficits)</b>	<u>\$ 35,832</u>	<u>\$ 1,277,358</u>	<u>\$ 13,613</u>	<u>\$ 4,731,711</u>

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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, 2012

	Special Revenue Funds				
	Human Services	Culture and Recreation	Public Safety	Public Works	Community Development
<b>REVENUES</b>					
Intergovernmental	\$ 415,124	\$ 10,308	\$ 207,336	\$ 227,216	\$ 527,198
Charges for services	-	-	-	-	-
Other	2,319	-	-	-	-
<b>Total revenues</b>	<b>417,443</b>	<b>10,308</b>	<b>207,336</b>	<b>227,216</b>	<b>527,198</b>
<b>EXPENDITURES</b>					
Education	-	-	-	-	-
Public safety	-	-	165,340	-	-
Public works	-	-	-	328,888	-
Health and welfare	448,311	-	-	-	-
Culture and recreation	-	10,693	-	-	-
Capital outlay	-	-	-	-	-
Community Development	-	-	-	-	520,184
<b>Total expenditures</b>	<b>448,311</b>	<b>10,693</b>	<b>165,340</b>	<b>328,888</b>	<b>520,184</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Bond proceeds	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Change in fund balances (deficits)</b>	<b>(30,868)</b>	<b>(385)</b>	<b>41,996</b>	<b>(101,672)</b>	<b>7,014</b>
<b>FUND BALANCES (DEFICITS), beginning of year</b>	<b>127,044</b>	<b>(1,113)</b>	<b>97,745</b>	<b>(27,449)</b>	<b>(29,446)</b>
<b>FUND BALANCES (DEFICITS), end of year</b>	<b>\$ 96,176</b>	<b>\$ (1,498)</b>	<b>\$ 139,741</b>	<b>\$ (129,121)</b>	<b>\$ (22,432)</b>

Special Revenue Funds		Capital Projects				
Town Revitalization Projects	Board of Education	Farmington Canal	Hamden Middle School Fund	Brooksvale Park Renovation & Acquisition Grant	Wintergreen Interdistrict Magnet School	Construction of Spring Glen School
\$ 508,439	\$ 5,907,525	\$ 514,729	\$ -	\$ -	\$ -	\$ -
20,636	2,527,077	-	-	-	-	-
390	-	-	-	-	-	-
<u>529,465</u>	<u>8,434,602</u>	<u>514,729</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	8,249,235	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
90,366	-	1,040,968	-	37,850	-	-
971,568	-	-	-	-	-	-
<u>1,061,934</u>	<u>8,249,235</u>	<u>1,040,968</u>	<u>-</u>	<u>37,850</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(532,469)	185,367	(526,239)	-	(37,850)	-	-
<u>865,012</u>	<u>684,550</u>	<u>475,610</u>	<u>288,196</u>	<u>101,738</u>	<u>(504,870)</u>	<u>376,556</u>
<u>\$ 332,543</u>	<u>\$ 869,917</u>	<u>\$ (50,629)</u>	<u>\$ 288,196</u>	<u>\$ 63,888</u>	<u>\$ (504,870)</u>	<u>\$ 376,556</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, 2012

	Capital Projects		Permanent Fund	Totals
	Bear Path School Renovations	Other Capital Projects	Permanent Fund	
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ 597,651	\$ -	\$ 8,915,526
Charges for services	-	9,900	-	2,557,613
Other	-	-	62	2,771
<b>Total revenues</b>	<b>-</b>	<b>607,551</b>	<b>62</b>	<b>11,475,910</b>
<b>EXPENDITURES</b>				
Education	-	-	-	8,249,235
Public safety	-	-	-	165,340
Public works	-	-	-	328,888
Health and welfare	-	-	-	448,311
Culture and recreation	-	-	-	10,693
Capital outlay	-	1,606,474	-	2,775,658
Community Development	-	-	-	1,491,752
<b>Total expenditures</b>	<b>-</b>	<b>1,606,474</b>	<b>-</b>	<b>13,469,877</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Bond proceeds	450,000	-	-	450,000
<b>Total other financing sources (uses)</b>	<b>450,000</b>	<b>-</b>	<b>-</b>	<b>450,000</b>
<b>Change in fund balances (deficits)</b>	<b>450,000</b>	<b>(998,923)</b>	<b>62</b>	<b>(1,543,967)</b>
<b>FUND BALANCES (DEFICITS), beginning of year</b>	<b>(924,168)</b>	<b>1,006,256</b>	<b>12,170</b>	<b>2,547,831</b>
<b>FUND BALANCES (DEFICITS), end of year</b>	<b>\$ (474,168)</b>	<b>\$ 7,333</b>	<b>\$ 12,232</b>	<b>\$ 1,003,864</b>

**Internal Service Funds**



TOWN OF HAMDEN, CONNECTICUT

COMBINING STATEMENT OF NET ASSETS (DEFICITS)  
INTERNAL SERVICE FUNDS  
June 30, 2012

	Workers' Compensation Fund	Medical Insurance Fund	Totals
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 90,347	\$ 1,423,553	\$ 1,513,900
Other receivables	-	193,058	193,058
Due from other funds	5,299	-	5,299
<b>Total assets</b>	<b>95,646</b>	<b>1,616,611</b>	<b>1,712,257</b>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable and accrued liabilities	651,487	-	651,487
Claims incurred but not reported	1,252,891	2,200,089	3,452,980
<b>Total current liabilities</b>	<b>1,904,378</b>	<b>2,200,089</b>	<b>4,104,467</b>
Noncurrent liabilities:			
Claims payable	4,471,694	-	4,471,694
<b>Total liabilities</b>	<b>6,376,072</b>	<b>2,200,089</b>	<b>8,576,161</b>
<b>NET ASSETS (DEFICITS)</b>			
Unrestricted	\$ (6,280,426)	\$ (583,478)	\$ (6,863,904)

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, 2012

	Workers' Compensation Fund	Medical Insurance Fund	Totals
<b>OPERATING REVENUES</b>			
Charges for services	\$ 1,411,815	\$ 34,401,595	\$ 35,813,410
<b>Total operating revenues</b>	<b>1,411,815</b>	<b>34,401,595</b>	<b>35,813,410</b>
<b>OPERATING EXPENSES</b>			
Salaries, benefits and claims	697,308	33,538,990	34,236,298
<b>Total operating expenses</b>	<b>697,308</b>	<b>33,538,990</b>	<b>34,236,298</b>
<b>Change in net assets (deficits)</b>	<b>714,507</b>	<b>862,605</b>	<b>1,577,112</b>
<b>FUND NET ASSETS (DEFICITS), beginning</b>	<b>(6,994,933)</b>	<b>(1,446,083)</b>	<b>(8,441,016)</b>
<b>FUND NET ASSETS (DEFICITS), ending</b>	<b>\$ (6,280,426)</b>	<b>\$ (583,478)</b>	<b>\$ (6,863,904)</b>

TOWN OF HAMDEN, CONNECTICUT

COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
For the Year Ended June 30, 2012

	Workers' Compensation Fund	Medical Insurance Fund	Total
<b>Cash Flows From Operating Activities</b>			
Receipts from customers and users	\$ 1,411,815	\$ 34,379,537	\$ 35,791,352
Payments for benefits	(1,551,454)	(33,319,996)	(34,871,450)
<b>Net cash (used in) provided by operating activities</b>	<b>(139,639)</b>	<b>1,059,541</b>	<b>919,902</b>
 <b>Net (decrease) increase in cash and cash equivalents</b>	 <b>(139,639)</b>	 <b>1,059,541</b>	 <b>919,902</b>
 <b>CASH AND CASH EQUIVALENTS, beginning</b>	 <b>229,986</b>	 <b>364,012</b>	 <b>593,998</b>
 <b>CASH AND CASH EQUIVALENTS, ending</b>	 <b>\$ 90,347</b>	 <b>\$ 1,423,553</b>	 <b>\$ 1,513,900</b>
 <b>Reconciliations of Operating Income to Net Provided by (Used in) Operating Activities:</b>			
Operating income	\$ 714,507	\$ 862,605	\$ 1,577,112
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:			
Changes in assets and liabilities:			
Increase in other receivables	-	(22,058)	(22,058)
Decrease in accounts payable and accrued liabilities	(180,359)	-	(180,359)
(Decrease) increase in claims incurred but not reported	(673,787)	422,699	(251,088)
Decrease in due to other funds	-	(203,705)	(203,705)
<b>Net cash provided by (used in) operating activities</b>	<b>\$ (139,639)</b>	<b>\$ 1,059,541</b>	<b>\$ 919,902</b>

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**Fiduciary Funds**



TOWN OF HAMDEN, CONNECTICUT

COMBINING STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUNDS

June 30, 2012

	Private Purpose Trust Funds			Total
	Library Gift Fund	Hamden Arts Commission	Other Private Purpose Trust Funds	
<b>ASSETS</b>				
Cash and cash equivalents	\$ 147,138	\$ 51,179	\$ 31,810	\$ 230,127
Due from other funds	3,952	-	130,027	133,979
<b>Total assets</b>	<b>151,090</b>	<b>51,179</b>	<b>161,837</b>	<b>364,106</b>
<b>LIABILITIES</b>				
Accounts payable and accrued expenses	-	-	19,381	19,381
Due to other funds	-	-	1,125	1,125
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>20,506</b>	<b>20,506</b>
<b>NET ASSETS HELD IN TRUST</b>	<b>\$ 151,090</b>	<b>\$ 51,179</b>	<b>\$ 141,331</b>	<b>\$ 343,600</b>

TOWN OF HAMDEN, CONNECTICUT

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS -  
FIDUCIARY FUNDS

For the Year Ended June 30, 2012

	Private Purpose Trust Funds			Total
	Library Gift Fund	Hamden Arts Commission	Other Private Purpose Trust Funds	
<b>Additions:</b>				
Other revenue	\$ 227,617	\$ 27,454	\$ 160,016	\$ 415,087
<b>Total additions</b>	<u>227,617</u>	<u>27,454</u>	<u>160,016</u>	<u>415,087</u>
Investment Income:				
Interest and dividends	173	10	-	183
<b>Net investment income</b>	<u>173</u>	<u>10</u>	<u>-</u>	<u>183</u>
<b>Total additions</b>	<u>227,790</u>	<u>27,464</u>	<u>160,016</u>	<u>415,270</u>
<b>Deductions:</b>				
Other deductions	150,628	40,379	221,946	412,953
<b>Net change in net assets</b>	<u>77,162</u>	<u>(12,915)</u>	<u>(61,930)</u>	<u>2,317</u>
<b>Net Assets Held in Trust, beginning of year</b>	<u>73,928</u>	<u>64,094</u>	<u>203,261</u>	<u>341,283</u>
<b>Net Assets Held in Trust, end of year</b>	<u>\$ 151,090</u>	<u>\$ 51,179</u>	<u>\$ 141,331</u>	<u>\$ 343,600</u>

TOWN OF HAMDEN, CONNECTICUT

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS

For the Year Ended June 30, 2012

	Balance July 1, 2011	Additions	Deductions	Balance June 30, 2012
<b>SCHOOL ACTIVITY FUND</b>				
Assets:				
Cash and cash equivalents	\$ 89,445	\$ 720,119	\$ 736,472	\$ 73,092
Liability:				
Due to student groups	\$ 89,445	\$ 720,119	\$ 736,472	\$ 73,092
<b>ADULT ACTIVITY</b>				
Assets:				
Cash and cash equivalents	\$ 58,882	\$ 173,994	\$ 186,821	\$ 46,055
Liability:				
Due to adult groups	\$ 58,882	\$ 173,994	\$ 186,821	\$ 46,055
<b>PERFORMANCE BONDS</b>				
Assets:				
Cash and cash equivalents	\$ 527,606	\$ -	\$ 53,921	\$ 473,685
Due from other funds	77,450	-	-	77,450
	<u>\$ 605,056</u>	<u>\$ -</u>	<u>\$ 53,921</u>	<u>\$ 551,135</u>
Liability:				
Due to contractors	\$ 605,056	\$ -	\$ 53,921	\$ 551,135
<b>TOTAL AGENCY FUNDS</b>				
<b>Total Assets</b>	<u>\$ 753,383</u>	<u>\$ 894,113</u>	<u>\$ 977,214</u>	<u>\$ 670,282</u>
<b>Total Liabilities</b>	<u>\$ 753,383</u>	<u>\$ 894,113</u>	<u>\$ 977,214</u>	<u>\$ 670,282</u>

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**Other Schedules**



TOWN OF HAMDEN, CONNECTICUT

BALANCE SHEET - BY ACCOUNT - GENERAL FUND

June 30, 2012

	General Fund	General Government	Building Rental	Eliminate Interfund Receivables	Totals
<b>ASSETS</b>					
Cash and cash equivalents	\$ 21,242,474	\$ -	\$ 21,296	\$ -	\$ 21,263,770
Receivables:					
Property taxes	4,534,255	-	-	-	4,534,255
Due from other funds	3,284,981	407,057	-	(407,057)	3,284,981
Intergovernmental receivables	8,451,679	-	-	-	8,451,679
<b>Total assets</b>	<u>\$ 37,513,389</u>	<u>\$ 407,057</u>	<u>\$ 21,296</u>	<u>\$ (407,057)</u>	<u>\$ 37,534,685</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts and other payables	\$ 7,457,976	\$ 34,406	\$ -	\$ -	\$ 7,492,382
Due to other funds	17,397,241	-	-	(407,057)	16,990,184
Unearned revenue	1,404,069	-	-	-	1,404,069
Deferred revenue	10,453,059	-	-	-	10,453,059
<b>Total liabilities</b>	<u>36,712,345</u>	<u>34,406</u>	<u>-</u>	<u>(407,057)</u>	<u>36,339,694</u>
<b>FUND BALANCES</b>					
Unassigned	801,044	372,651	21,296	-	1,194,991
<b>Total fund balances</b>	<u>801,044</u>	<u>372,651</u>	<u>21,296</u>	<u>-</u>	<u>1,194,991</u>
<b>Total liabilities and fund balances</b>	<u>\$ 37,513,389</u>	<u>\$ 407,057</u>	<u>\$ 21,296</u>	<u>\$ (407,057)</u>	<u>\$ 37,534,685</u>

TOWN OF HAMDEN, CONNECTICUT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BY ACCOUNT - GENERAL FUND  
 For the Year Ended June 30, 2012

	General Fund	General Government	Building Rental	Eliminate Interfund Transfers	Totals
<b>REVENUES</b>					
Property taxes	\$ 139,969,770	\$ -	\$ -	\$ -	\$ 139,969,770
Permits, fees and other	1,850,190	-	-	-	1,850,190
State on-behalf payments	8,670,000	-	-	-	8,670,000
Intergovernmental	33,848,172	-	-	-	33,848,172
Charges for services	2,788,925	178,876	81,255	-	3,049,056
Investment income	57,819	-	-	-	57,819
Miscellaneous	837,599	2,720	-	-	840,319
<b>Total revenues</b>	<u>188,022,475</u>	<u>181,596</u>	<u>81,255</u>	<u>-</u>	<u>188,285,326</u>
<b>EXPENDITURES</b>					
Current:					
General government	8,666,281	118,718	-	-	8,784,999
Culture and recreation	2,646,040	-	-	-	2,646,040
State on-behalf payments	8,670,000	-	-	-	8,670,000
Public safety	22,832,084	-	-	-	22,832,084
Health and welfare	1,520,275	-	154,243	-	1,674,518
Public works	12,612,013	-	-	-	12,612,013
Employee benefits	37,534,036	-	-	-	37,534,036
Education	79,103,548	-	-	-	79,103,548
Debt Service:					
Principal retirement	10,005,000	-	-	-	10,005,000
Interest and other charges	5,135,304	-	-	-	5,135,304
Bond issuance costs	198,941	-	-	-	198,941
<b>Total expenditures</b>	<u>188,923,522</u>	<u>118,718</u>	<u>154,243</u>	<u>-</u>	<u>189,196,483</u>
<b>Revenues over (under) expenditures</b>	<u>(901,047)</u>	<u>62,878</u>	<u>(72,988)</u>	<u>-</u>	<u>(911,157)</u>
<b>OTHER FINANCING SOURCES</b>					
Transfers in	587,527	-	-	-	587,527
Bond premium	1,376,614	-	-	-	1,376,614
Payment to escrow agent	(13,565,557)	-	-	-	(13,565,557)
Refunding bond proceeds	13,150,000	-	-	-	13,150,000
<b>Net other financing sources</b>	<u>1,548,584</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,548,584</u>
<b>Net change in fund balances</b>	647,537	62,878	(72,988)	-	637,427
<b>FUND BALANCES</b> , beginning of year July 1, 2011	<u>153,507</u>	<u>309,773</u>	<u>94,284</u>	<u>-</u>	<u>557,564</u>
<b>FUND BALANCES</b> , end of year June 30, 2012	<u>\$ 801,044</u>	<u>\$ 372,651</u>	<u>\$ 21,296</u>	<u>\$ -</u>	<u>\$ 1,194,991</u>

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TOWN OF HAMDEN, CONNECTICUT

SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING

For the Year Ended June 30, 2012

Grand List Year	Balance Uncollected July 1, 2011	Current Levy	Lawful Corrections		Transfers to Suspense	Balance to be Collected
			Additions	Deletions		
1996	\$ 61,371	\$ -	\$ -	\$ 61,371	\$ -	\$ -
1997	27,276	-	-	7,873	-	19,403
1998	40,269	-	-	7,738	-	32,531
1999	53,367	-	-	8,413	-	44,954
2000	7,793	-	-	3,369	-	4,424
2001	(26,122)	-	-	3,480	-	(29,602)
2002	(38,124)	-	-	3,383	-	(41,507)
2003	(40,676)	-	-	3,997	-	(44,673)
2004	(68,154)	-	-	4,228	-	(72,382)
2005	(70,744)	-	717	4,045	-	(74,072)
2006	(12,402)	-	818	4,283	-	(15,867)
2007	78,417	-	674	4,387	-	74,704
2008	433,534	-	2,331	16,133	193,972	225,760
2009	1,873,145	-	-	32,479	-	1,840,666
2010	-	139,649,041	131,702	758,643	-	139,022,100
	<u>\$ 2,318,950</u>	<u>\$ 139,649,041</u>	<u>\$ 136,242</u>	<u>\$ 923,822</u>	<u>\$ 193,972</u>	<u>\$ 140,986,439</u>

Collections							Taxes
Taxes	Interest	Lien Fees	Total	Overpayments	Receivable June 30, 2012		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
-	-	-	-	-	68,253	87,656	
-	-	-	-	-	55,752	88,283	
-	-	-	-	-	38,968	83,922	
-	-	-	-	-	62,682	67,106	
-	-	-	-	-	84,592	54,990	
-	-	-	-	-	94,411	52,904	
-	-	-	-	-	102,558	57,885	
-	-	-	-	-	137,346	64,964	
-	-	-	-	-	161,497	87,425	
4,902	2,177	48	7,127	112,081	91,312		
29,028	14,132	192	43,353	51,047	96,723		
133,829	45,983	804	180,616	118,530	210,461		
1,281,798	230,195	6,238	1,518,231	60,266	619,134		
137,684,629	472,216	3,757	138,160,602	256,086	1,593,557		
<u>\$ 139,134,186</u>	<u>\$ 764,704</u>	<u>\$ 11,039</u>	<u>\$ 139,909,928</u>	<u>\$ 1,404,069</u>	<u>\$ 3,256,322</u>		

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