

**TOWN OF HAMDEN, CONNECTICUT**

**AUDITED FINANCIAL STATEMENTS**

**JUNE 30, 2014**

TOWN OF HAMDEN, CONNECTICUT

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**TOWN OF HAMDEN, CONNECTICUT**

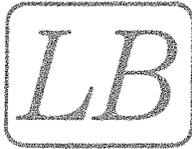
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## LEVITSKY & BERNEY

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### INDEPENDENT AUDITOR'S REPORT

Legislative Council  
Town of Hamden, Connecticut  
Hamden CT 06514

#### **Report on the Financial Statements**

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, 2014, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

#### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of activities of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Hamden, Connecticut as of June 30, 2014, and the respective changes in the financial position, and, where applicable, cash flows thereof and the respective budgetary comparisons for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *management's discussion and analysis* on pages 3a through 3g and the pension and other post employment benefit information provided on RSI-1 through RSI-4 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 standard 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.

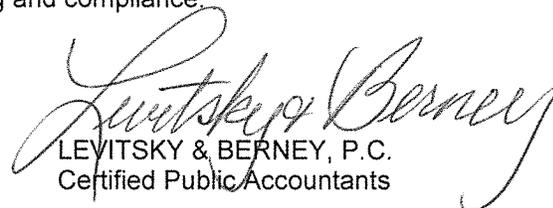
Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Town of Hamden, Connecticut's basic financial statements. The combining schedules are presented for additional analysis and are not a required part of the basic financial statements.

The combining schedules are the responsibility of management and was derived from and directly related to the underlying accounting and other records used to prepare the basic financial statements. Such information has 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 combining schedules are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated January 28, 2015 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town of Hamden, Connecticut's internal control over financial reporting and compliance.

  
LEVITSKY & BERNEY, P.C.  
Certified Public Accountants

January 28, 2015

# Town of Hamden, Connecticut Management's Discussion and Analysis June 30, 2014

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, 2014. 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 position on June 30, 2014, of (\$230,752,294). The increase in deficit from FY2013 concerns primarily liabilities associated with pension and other post-employment benefits.
- On a government-wide basis, during the year, the Town's net position decreased by \$31,839,012 compared to a \$40,450,181 decrease in 2013.
- At the close of the year, the Town of Hamden's combined governmental funds, on a current financial resources basis, had a fund balance deficit of \$9,448,274, a decrease of \$12,992,768 from the prior fiscal year fund balance of \$3,544,494. The capital expenditures on the bonded projects totaling \$15,716,512 resulted in this deficit. Approximately \$27,523,425 of bond anticipation notes are expected to be funded in the future.
- At the end of the 2014 fiscal year, the total fund balance for the General Fund alone was \$2,217,340, an increase of \$528,270 from the prior fiscal year. The total General Fund balance at year-end represents 1.07% of the total General Fund expenditures of \$207,944,664 for the fiscal year ending June 30, 2014.
- The Town of Hamden's total long-term bonded indebtedness decreased by \$10,935,000 during the current fiscal year to \$119,040,000 through general fund payments and refunding of debt.

## 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 in Exhibits A and B 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 19 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 in Exhibit F. 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 in Exhibits C and D 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 in Exhibits G, H and I 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 in Exhibit J and K of this report

**Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately after the Exhibits in 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 \$230,752,294 on June 30, 2014. The growth in the deficit from FY2014 to FY2013 concerns primarily liabilities associated with pension and other post-employment benefits.

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

	June 30, 2014	June 30, 2013
Current and other assets	\$ 39,281,797	43,617,424
Deferred outflows on resources	600,839	
Capital assets	252,774,701	249,949,352
<b>Total assets and deferred outflows on resources</b>	<b>\$ 292,657,337</b>	<b>293,566,776</b>
Other liabilities	\$ 37,981,356	31,774,704
Deferred inflows on resources	3,866,814	
Long-term liabilities	481,561,461	460,705,354
<b>Total liabilities and deferred inflows on resources</b>	<b>\$ 523,409,631</b>	<b>492,480,058</b>
Net assets (deficit):		
Investment in capital assets - net of related debt	\$ 130,581,284	114,791,519
Restricted	10,877	9,413
Unrestricted (deficit)	(361,344,455)	(313,714,214)
<b>Total net assets (deficit)</b>	<b>\$ (230,752,294)</b>	<b>(198,913,282)</b>

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 and the unrestricted deficit position related to the net retirement obligations. In accordance with new reporting standards deferred outflows and inflows of resources were separated for 2014.

Town of Hamden, Connecticut  
Summary Statement of Activities

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	June 30, 2014	June 30, 2013
<b>Operating Revenues:</b>		
Charges for services	\$ 6,517,442	\$ 6,800,005
Operating grants and contributions	46,275,584	44,206,414
Capital grants and contributions	1,701,590	1,608,539
 <b>General revenues:</b>		
Property taxes	159,222,981	148,598,770
Grants not restricted to specific purposes	6,775,474	8,084,101
Unrestricted investment earnings	79,206	81,423
Miscellaneous	753,440	887,317
Bond premiums		
<b>Total revenues</b>	<b>\$ 221,325,717</b>	<b>\$ 210,266,569</b>
 <b>Expenses:</b>		
General government	\$ 15,741,544	\$ 17,970,793
Education	154,284,108	149,599,746
Public safety	37,599,665	40,088,683
Public works	31,722,982	27,647,569
Health and welfare	3,195,578	3,445,439
Culture and recreation	4,083,994	4,448,724
Interest on long-term debt	6,536,858	7,515,796
<b>Total expenses</b>	<b>\$ 253,164,729</b>	<b>\$ 250,716,750</b>
 Changes in net assets (deficit)	 \$ (31,839,012)	 \$ (40,450,181)
Net assets (deficit), beginning (restated)	(198,913,282)	(158,463,101)
Net assets (deficit), ending	\$ (230,752,264)	\$ (198,913,282)

The Town of Hamden's net deficit position increased by \$31,839,012 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 72% of the revenues were derived from property taxes, followed by approximately 24% from intergovernmental revenues.

Major revenue factors included:

- Property tax revenue increased by \$10,624,211 due to a mill rate increase.

For governmental activities, approximately 61% of the Town's expenses relate to education, 6% relate to general government, 13% relate to public works operations, 15% to public safety and the remaining 5% 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 \$33,402,760 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 \$2,217,340.

As stated earlier, the fund balances of the Town of Hamden's general fund increased by \$528,270 during the current fiscal year. This increase was due to lower than expected operating expenditures.

The **Memorial Town Hall Fund** had a fund balance of \$51,251. The decrease in fund balance of \$2,528,988 was primarily due to the expenditures of previously bonded funds. This fund is approaching the completion of the project.

The **Capital Project Fund** had a decrease in fund balance of \$12,252,518 which included the capital expenditures of previously borrowed funds.

**Proprietary Funds.** The deficit of the Internal Service Funds at the end of the year was \$5,124,767, a decrease in deficit of \$696,257 over the prior year due to increased funding and less claims.

### **General Fund Budgetary Highlights**

During the year, actual revenues and other financing sources were \$198,666,043, which were lower than budgetary estimates by \$2,423,896.

Actual expenditures and transfers out on a budgetary basis totaled \$198,117,685 or \$3,422,250 less than budgeted.

Major contributors were:

- Revenues from property taxes, 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, 2014, amounts to \$421 million on a gross basis and \$253 million net of accumulated depreciation. This investment in capital assets includes land, buildings, land improvements, machinery and equipment, park facilities, roads and bridges.

Town of Hamden, Connecticut		
Capital Assets Net of Depreciation		
	June 30, 2014	June 30, 2013
Governmental funds capital assets:		
Land	\$ 18,281,108	18,281,108
Land improvements	14,597,869	15,736,622
Buildings and improvements	141,736,396	145,450,401
Machinery and equipment	8,132,031	5,029,564
Infrastructure	16,617,012	21,073,938
Construction in progress	53,410,285	44,377,719
Total	\$ 252,774,701	\$ 249,949,352

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 7 of this report.

**Long-term debt.** At the end of the current fiscal year, the Town of Hamden had total bonds payable outstanding of \$119,040,000, compared to \$129,975,000 at the beginning of the year. 100% of this debt is backed by the full faith and credit of the Town government. Upon issuance of the municipal bond insurance policy at the time of delivery of the bonds by Assured Guaranty Municipal Corp., the bonds were rated on April 16, 2013 to be "A3" by Moody's Investor's Service and "A" by Standard & Poor's.

The Town has been active in reducing the long-term liabilities derived from the pension and other post-employment obligations. The Town set up and began to fund an irrevocable trust for future OPEB obligations and has been approved for and plans to bond a portion of the pension obligation.

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

## **Economic Factors and 2014/2015 Budgeting Information**

The Town has not been immune from the effects of the national economic downturn and slow recovery. As of June 2014, the unemployment rate for the Hamden labor market area was 7.7%, compared with 7.7% for the prior June. Connecticut's overall unemployment rate stood at 7.8% in June 2014, compared with 8.5% the previous June.

## **FY 2014/2015**

Over the next several years, the Town of Hamden will continue to face significant budgetary challenges, chiefly the following: 1) building its general 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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STATEMENT OF NET POSITION  
June 30, 2014

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	Primary Government Governmental Activities
<b>Assets:</b>	
Cash and cash equivalents	\$ 29,194,932
Receivables, net	10,065,658
Inventory	21,207
Capital assets:	
Capital assets, not being depreciated	71,691,393
Capital assets, being depreciated, net	181,083,308
<b>Total assets</b>	<u>\$ 292,056,498</u>
<b>Deferred outflows on resources</b>	
Deferred charges	<u>\$ 600,839</u>
<b>Liabilities:</b>	
Accounts payable and accrued expenses	\$ 7,269,757
Accrued interest	2,983,271
External balances	204,903
Bond anticipation notes	27,523,425
Noncurrent liabilities:	
Due within one year	57,086,972
Due in more than one year	424,474,489
<b>Total liabilities</b>	<u>\$ 519,542,817</u>
<b>Deferred inflows on resources</b>	
Advance tax collections	\$ 2,561,187
Loss on refunding debt	1,305,627
<b>Total deferred inflow on resources</b>	<u>\$ 3,866,814</u>
<b>Net position:</b>	
Invested in capital assets, net of related debt	\$ 130,581,284
Restricted	10,877
Unrestricted	(361,344,455)
<b>Total net position</b>	<u>\$ (230,752,294)</u>

\* After internal balances have been eliminated

TOWN OF HAMDEN, CONNECTICUT

STATEMENT OF CHANGES IN NET POSITION  
 For the Year Ended June 30, 2014

<u>Functions/programs</u>	<u>Expenses</u>	<u>Program Revenues</u>
		<u>Charges for Services</u>
<b>Primary Government:</b>		
Governmental activities:		
General government	\$ 15,741,544	2,555,848
Public safety	37,599,665	2,174,467
Public works	31,722,982	368,879
Health and welfare	3,195,578	189,016
Cultural and recreation	4,083,994	276,686
Education	154,284,108	952,546
Interest on long-term debt	6,536,858	
<b>Total governmental activities</b>	<b>\$ 253,164,729</b>	<b>6,517,442</b>
<b>Total primary government</b>	<b>\$ 253,164,729</b>	<b>6,517,442</b>

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

EXHIBIT B

Program Revenues		Net (Expenses) Revenue and Changes in Net Assets Primary Government
Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities Total
1,274,817	338,613	(11,572,266)
224,881	211,525	(34,988,792)
921,626	694,320	(29,738,157)
		(3,006,562)
290,771	457,132	(3,059,405)
43,563,489		(109,768,073)
		(6,536,858)
<u>46,275,584</u>	<u>1,701,590</u>	<u>(198,670,113)</u>
<u>46,275,584</u>	<u>1,701,590</u>	<u>(198,670,113)</u>

**General revenues:**

Property taxes	\$ 159,222,981
Grants and contributions not restricted for specific programs	6,775,474
Unrestricted investment earnings	79,206
Other unrestricted income	<u>753,440</u>

**Total general revenues and transfers** \$ 166,831,101

**Change in net position** \$ (31,839,012)

**Net position, beginning** \$ (198,913,282)

**Net position, ending** \$ (230,752,294)

**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**June 30, 2014**

	Major Funds				Total Governmental Funds
	General	Memorial Town Hall Projects	Capital Project Fund	Nonmajor Governmental Funds	
<b>Assets</b>					
Cash and cash equivalents	\$ 24,543,152	265,764	244,320	1,521,233	26,574,469
Receivables, net	9,062,296			788,141	9,850,437
Due from other funds	3,065,406	212,405	18,254,000	2,732,041	24,263,852
Inventories				21,207	21,207
<b>Total assets</b>	<b>\$ 36,670,854</b>	<b>478,169</b>	<b>18,498,320</b>	<b>5,062,622</b>	<b>60,709,965</b>
<b>Liabilities, Deferred Inflows and Fund Balances</b>					
<b>Liabilities:</b>					
Accounts and other payables	\$ 1,989,541	426,918	4,647,833	61,713	7,126,005
Due to other funds	21,428,997		735,090	2,309,746	24,473,833
Bond anticipation notes			26,405,000	1,118,425	27,523,425
<b>Total liabilities</b>	<b>\$ 23,418,538</b>	<b>426,918</b>	<b>31,787,923</b>	<b>3,489,884</b>	<b>59,123,263</b>
<b>Deferred inflows of resources:</b>					
Payments in advance	\$ 2,561,187				2,561,187
Unearned revenues	8,473,789				8,473,789
<b>Total deferred inflows of resources</b>	<b>\$ 11,034,976</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,034,976</b>
<b>Fund balances:</b>					
Nonspendable	\$			21,207	21,207
Restricted for:					
Donor's intentions				10,877	10,877
Committed for:					
Other					-
Assigned	1,135			2,220,922	2,222,057
Unassigned	2,216,205	51,251	(13,289,603)	(680,268)	(11,702,415)
<b>Total fund balances</b>	<b>\$ 2,217,340</b>	<b>51,251</b>	<b>(13,289,603)</b>	<b>1,572,738</b>	<b>(9,448,274)</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 36,670,854</b>	<b>478,169</b>	<b>18,498,320</b>	<b>5,062,622</b>	

Amounts reported for governmental activities in the statement of net assets (**Exhibit A**) are different because:

<b>Capital assets</b> used in the governmental activities are not financial resources and therefore, are not reported in the funds.	252,774,701
<b>Other long-term assets</b> are not available to pay for current period expenditures, and, therefore, are deferred in the funds.	8,473,789
<b>Internal service funds</b> are used by management to charge the costs of risk management to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities column in the statement of net assets.	(5,124,767)
<b>Long-term liabilities</b> , including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(477,427,743)
<b>Net assets of governmental activities (Exhibit A)</b>	<b>\$ (230,752,294)</b>

The accompanying notes are an integral part of the financial statement.

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS)  
GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2014**

	Major Funds				Total Governmental Funds
	General	Memorial Town Hall Projects	Capital Projects	Nonmajor Governmental Funds	
<b>Revenues:</b>					
Property taxes and assessments	\$ 157,520,523				157,520,523
Intergovernmental	43,373,808	110,000	228,613	10,924,450	54,636,871
Charges for services	5,054,413			510,483	5,564,896
Investment income	79,206				79,206
Miscellaneous	2,924,984			407,898	3,332,882
<b>Total revenues</b>	<b>\$ 208,952,934</b>	<b>110,000</b>	<b>228,613</b>	<b>11,842,831</b>	<b>221,134,378</b>
<b>Expenditures:</b>					
Current:					
General government	\$ 9,876,460				9,876,460
Public safety	24,291,467			85,475	24,376,942
Public works	12,000,310			565,141	12,565,451
Public health	1,617,268			407,072	2,024,340
Culture and recreation	2,560,646			13,119	2,573,765
Education	91,700,269			8,240,416	99,940,685
Other	49,684,877			1,154,747	50,839,624
Capital outlay		3,010,381	12,706,131		15,716,512
Debt service	16,213,367				16,213,367
<b>Total expenditures</b>	<b>\$ 207,944,664</b>	<b>3,010,381</b>	<b>12,706,131</b>	<b>10,465,970</b>	<b>234,127,146</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>\$ 1,008,270</b>	<b>(2,900,381)</b>	<b>(12,477,518)</b>	<b>1,376,861</b>	<b>(12,992,768)</b>
<b>Other financing sources (uses)</b>					
Transfer from other funds	\$	371,393	225,000	255,000	851,393
Transfer to other funds	(480,000)			(371,393)	(851,393)
Proceeds from sale of bonds					-
<b>Total other financing sources (uses)</b>	<b>\$ (480,000)</b>	<b>371,393</b>	<b>225,000</b>	<b>(116,393)</b>	<b>-</b>
<b>Net changes in fund balances</b>	<b>\$ 528,270</b>	<b>(2,528,988)</b>	<b>(12,252,518)</b>	<b>1,260,468</b>	<b>(12,992,768)</b>
<b>Fund balances (deficits) - beginning</b>	<b>1,689,070</b>	<b>2,580,239</b>	<b>(1,037,085)</b>	<b>312,270</b>	<b>3,544,494</b>
<b>Fund balances (deficits) - ending</b>	<b>\$ 2,217,340</b>	<b>51,251</b>	<b>(13,289,603)</b>	<b>1,572,738</b>	<b>(9,448,274)</b>

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

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES (DEFICIT) OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2014

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Differences in amounts reported for government wide activities in the Statement of Activities are due to:

Net change in fund balances - total governmental funds (Exhibit D)	\$ (12,992,768)
Governmental funds report <b>capital outlays</b> 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.	2,825,349
<b>Revenues</b> previously recognized in the statement of activities that provided current financial resources in the current year.	191,338
The issuance of <b>long-term debt</b> (e.g., bonds, leases) provide 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 position. 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.	(22,559,188)
The net expense of certain activities of <b>internal service funds</b> is reported with governmental activities.	<u>696,257</u>
Change in net position of governmental activities (Exhibit B)	<u>\$ (31,839,012)</u>

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

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGETARY BASIS - BUDGET AND ACTUAL - GENERAL FUND  
For the Year Ended June 30, 2014**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive/ (Negative)
	Original	Final		
<b>Revenues:</b>				
Property taxes	\$ 158,449,582	158,449,582	157,520,523	(929,059)
Intergovernmental	32,801,945	33,820,360	34,386,917	566,557
Charges for services	3,909,528	3,937,528	2,471,264	(1,466,264)
Investment income	75,000	75,000	79,206	4,206
Licenses, permits and fees	2,540,963	2,810,963	2,583,149	(227,814)
Other revenues	1,924,958	1,996,506	1,624,984	(371,522)
<b>Total revenues</b>	<b>\$ 199,701,976</b>	<b>201,089,939</b>	<b>198,666,043</b>	<b>(2,423,896)</b>
<b>Expenditures:</b>				
Current:				
General government	\$ 10,982,671	10,590,727	9,876,460	714,267
Public safety	24,080,020	24,360,188	24,291,467	68,721
Public works	11,202,642	12,522,135	12,000,310	521,825
Health and welfare	1,616,889	1,654,555	1,617,268	37,287
Cultural and recreation	2,702,488	2,596,464	2,560,646	35,818
Education	81,400,000	81,400,000	81,393,290	6,710
Employee benefits	51,202,487	51,451,091	49,684,877	1,766,214
Debt service:				
Principal retirements	12,190,000	11,686,410	11,415,000	271,410
Interest and other charges	4,774,779	5,278,369	5,278,367	2
<b>Total expenditures</b>	<b>\$ 200,151,976</b>	<b>201,539,939</b>	<b>198,117,685</b>	<b>3,422,254</b>
<b>Revenues over (under) expenditures</b>	<b>\$ (450,000)</b>	<b>(450,000)</b>	<b>548,358</b>	<b>998,358</b>
<b>Other financing sources (uses):</b>				
Premium on debt issuance	\$ 450,000	450,000	-	(450,000)
Transfers In				-
<b>Total other financing sources (uses)</b>	<b>\$ 450,000</b>	<b>450,000</b>	<b>-</b>	<b>(450,000)</b>
<b>Revenues Over Expenditures and Other Financing Sources (Uses)</b>	<b>\$ -</b>	<b>-</b>	<b>548,358</b>	<b>548,358</b>

Timing differences in education budget and accrual basis	(20,088)
Net Change in unassigned fund balance	\$ 528,270
Unassigned fund balance, July 1, 2013	1,687,935
Unassigned fund balance, June 30, 2014	\$ 2,216,205

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

STATEMENT OF NET FUND POSITION  
 PROPRIETARY FUNDS  
 June 30, 2014

	Governmental Activities
	Internal Service Funds
	<u>                    </u>
<b>Assets</b>	
Current assets:	
Cash and cash equivalents	\$ 2,620,463
Receivables, net of allowance	215,000
Due from other funds	5,299
<b>Total assets</b>	<u>\$ 2,840,762</u>
 <b>Liabilities</b>	
Current liabilities:	
Accounts payable & accrued liabilities	\$ 143,752
Due to other funds	-
<b>Total current liabilities</b>	<u>\$ 143,752</u>
Noncurrent liabilities:	
Incurred, but not reported claims	\$ 7,821,777
Notes payable, less current portion	
<b>Total noncurrent liabilities</b>	<u>\$ 7,821,777</u>
<b>Total liabilities</b>	<u>\$ 7,965,529</u>
 <b>Net Fund Position</b>	
Unrestricted	\$ (5,124,767)
<b>Total net fund position</b>	<u>\$ (5,124,767)</u>

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

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET FUND POSITION  
 PROPRIETARY FUNDS  
 For the Year Ended June 30, 2014

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	Governmental Activities
	<u>Internal Service Funds</u>
<b>Operating revenues:</b>	
Employer's contribution	\$ 16,218,168
Employee contribution	<u>3,436,924</u>
<b>Total operating revenues</b>	<u>\$ 19,655,092</u>
<b>Operating expenses:</b>	
Salaries and benefits	\$ 18,958,835
<b>Total operating expenses</b>	<u>\$ 18,958,835</u>
<b>Operating income (loss)</b>	<u>\$ 696,257</u>
<b>Change in Net Fund Position</b>	\$ 696,257
<b>Net Fund Position, beginning</b>	<u>(5,821,024)</u>
<b>Net Fund Position, ending</b>	<u><u>\$ (5,124,767)</u></u>

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

**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
For the Year Ended June 30, 2014

	Governmental Activities <u>Internal Service Funds</u>
<b>Cash Flows From Operating Activities</b>	
Receipts from customers	\$ 19,646,589
Payments to suppliers	
Payments to employees	(19,455,744)
Internal activity-payments from (to) other funds	
<b>Net cash flows from operating activities</b>	<u>\$ 190,845</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	\$ 190,845
<b>Cash and Cash Equivalents, beginning</b>	<u>2,429,618</u>
<b>Cash and Cash Equivalents, ending</b>	<u><u>\$ 2,620,463</u></u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used In)</b>	
<b>Operating Activities:</b>	
Operating Income (Loss)	\$ 696,257
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:	
Depreciation	
Changes in assets and liabilities:	
Decrease (increase) in receivable accounts	(8,503)
Decrease (increase) in due from other funds	
Increase (decrease) in accounts payable	(575,261)
Increase (decrease) in payments in advance	
Increase (decrease) in due to other funds	
Increase (decrease) in claims incurred but not reported	<u>78,352</u>
<b>Net cash flows from operating activities</b>	<u><u>\$ 190,845</u></u>

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

STATEMENT OF FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 June 30, 2014

	Pension Trust Fund	Other Post Employment Benefits	Private Purpose Trust Funds	Agency Funds
<b>Assets</b>				
Cash and cash equivalents	\$ 2,576,821	100,000	431,140	693,168
Investments, at fair value:				
Common stocks	21,309,523			
Mutual funds	26,134,560			
Accounts receivable	120,681			
External balances	230		143,413	77,450
Prepaid expenses	14,617			
<b>Total assets</b>	<b>\$ 50,156,432</b>	<b>100,000</b>	<b>574,553</b>	<b>770,618</b>
<b>Liabilities</b>				
Accounts payable and accrued expenses	\$ 43,637		7,557	
Other liabilities		943,073	16,411	
Held for deposit for others				770,618
<b>Total liabilities</b>	<b>\$ 43,637</b>	<b>943,073</b>	<b>23,968</b>	<b>770,618</b>
<b>Net Position:</b>				
Net Position - Held in Trust for Pension Benefits and Other Purposes	<b>\$ 50,112,795</b>	<b>(843,073)</b>	<b>550,585</b>	<b>-</b>

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

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 For the Year Ended June 30, 2014

	Pension Trust Funds	Other Post Employment Benefits	Private Purpose Trust Funds
<b>ADDITIONS</b>			
<b>Contributions:</b>			
Town of Hamden	\$ 12,500,000	17,769,283	
Employees	2,181,831		
Other			288,937
<b>Total contributions</b>	<u>\$ 14,681,831</u>	<u>17,769,283</u>	<u>288,937</u>
<b>Investment earnings:</b>			
Net increase in fair value of investments	\$ 6,110,943		
Interest and dividends	1,061,277		
Less: Investment expenses	(175,419)		
<b>Total investment earnings</b>	<u>\$ 6,996,801</u>	<u>-</u>	<u>-</u>
<b>Total additions</b>	<u>\$ 21,678,632</u>	<u>17,769,283</u>	<u>288,937</u>
<b>DEDUCTIONS</b>			
Benefits paid to participants	\$ 23,582,140	18,612,356	
Administrative expenses	76,352		
Other deductions			247,218
<b>Total deductions</b>	<u>\$ 23,658,492</u>	<u>18,612,356</u>	<u>247,218</u>
<b>Change in net position</b>	<u>\$ (1,979,860)</u>	<u>(843,073)</u>	<u>41,719</u>
<b>NET POSITION, beginning</b>	<u>\$ 52,092,655</u>		<u>508,866</u>
<b>NET POSITION, ending</b>	<u>\$ 50,112,795</u>	<u>(843,073)</u>	<u>550,585</u>

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

TOWN OF HAMDEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

June 30, 2014

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**Note 1 - Summary of Significant Accounting Policies**

Reporting Entity

The Town of Hamden, Connecticut (the "Town") was founded in 1664 and incorporated as a Town 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 and 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.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

**Government-wide financial statements**

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment of, 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*.

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

## TOWN OF HAMDEN, CONNECTICUT

### NOTES TO THE FINANCIAL STATEMENTS, Continued June 30, 2014

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As a general rule, the effect of inter-fund activity, or internal balances, has been eliminated from the government-wide financial statements. Exceptions to this rule are charges between the business-type funds and the various other functions of the Town. Elimination of these charges would distort the direct costs and program revenues reported for the various functions.

#### **Fund financial statements**

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

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

Property taxes are levied on all taxable assessed property on the grand list of October 1 prior to the beginning of the fiscal year. Real estate taxes are payable in two installments (July 1 and January 1). Personal property taxes are payable annually (July 1) and motor vehicle taxes are due in one single payment on July 1. Liens are filed on delinquent real estate taxes within one year. Revenues from property taxes are recognized when they become available. Available means due, or past due, and receivable within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the Town considers property tax revenue to be available if they are collected within 60 days of the end of the fiscal year.

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

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

## TOWN OF HAMDEN, CONNECTICUT

### NOTES TO THE FINANCIAL STATEMENTS, Continued June 30, 2014

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The Town reports the following major governmental funds:

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

The **Memorial Town Hall Fund** accounts for the activities of the Memorial Town Hall construction, which is a separately stated Capital project funded mainly through general obligation bonds to construct and revitalize the Town's historical Town Hall.

The **capital projects fund** is used to account for resources used for capital expenditures or for the acquisition or construction of capital facilities, improvements and equipment. Most of the capital outlays are financed by the issuance of general obligation bonds and capital grants. Other sources include current tax revenues and low interest state loans.

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:

Additionally, the Town reports the following fund types:

The **internal service fund** account for employee medical and workers' compensation insurance provided to employees of the Town.

The **private-purpose trust fund** is used to account for assets held by the Town in a trustee capacity or as an agent on behalf of others.

The **agency funds** account for monies held as a custodian for outside groups and agencies such as student activity funds, senior trip funds and performance bonds.

The **pension trust fund** is used to account for the accumulation of resources to be used for retirement benefits.

## TOWN OF HAMDEN, CONNECTICUT

### NOTES TO THE FINANCIAL STATEMENTS, Continued June 30, 2014

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations.

The principal operating revenues of the proprietary funds are charges to customers for services. Operating expenses for the internal service funds include the cost of providing administering the employee benefits. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

#### 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.

## TOWN OF HAMDEN, CONNECTICUT

### NOTES TO THE FINANCIAL STATEMENTS, Continued June 30, 2014

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#### **Net other post-employment benefit obligations – cont'd**

On October 7, 2013 the Town's Legislative Council approved an ordinance to establish a trust fund to fund current and future post-employment health care benefits for eligible retired employees of the Town. The Mayor and the President of the Legislative Council will serve as trustees of the Trust. The Trustees will also serve as the Plan Administrator. The Legislative Council shall have authority to amend or terminate the Trust.

#### Assets, Liabilities and Net Assets or Equity

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

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

##### **Investments**

Investments are stated at the fair value using 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 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.

##### **Inventories**

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

##### **Receivables and payables**

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

**TOWN OF HAMDEN, CONNECTICUT**

**NOTES TO THE FINANCIAL STATEMENTS, Continued**  
**June 30, 2014**

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

All accounts and property tax receivables are shown net of an allowance for uncollectible accounts. Trade account receivables allowance for uncollectible accounts is estimated based on the inherent risk associated with the accounts.

**Capital assets**

Capital assets, which include property, plant and equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$10,000 and an estimated useful life in excess of two years.

Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the net assets or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of the business-type activities is included as part of the capitalized value of the assets constructed.

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

<u>Asset</u>	<u>Years</u>
Land Improvements	20
Buildings and improvements	25-50
Infrastructure	10-65
Machinery and equipment	5-20

Capital assets are reported as expenditures and no depreciation expense is reported in the governmental fund financial statements.

**Compensated absences**

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

## TOWN OF HAMDEN, CONNECTICUT

### NOTES TO THE FINANCIAL STATEMENTS, Continued June 30, 2014

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#### Deferred outflows/inflows of resources

The statement of net position (Exhibit A) reports a separate section for deferred outflows of resources. This separate financial element represents a consumption of net position that applies to a future period or periods and so will not be recognized as an outflow of resources until a future period. The city reports borrowing costs as well as a deferred charge on refunding as a result from the differences in the carrying value of refunded debt and its reacquisition price. These amounts are deferred and amortized over the shorter of the life of the related debt.

The statement of net position (Exhibit A) and the balance sheet for the government funds (Exhibit C) report a separate section for deferred inflows of resources. This separate financial element represents the addition of net position or fund balance that applies to future period and will not be recognized as revenue until that time. The city reports advance tax collections in the statement of net position and the balance sheet for the government funds. The government funds report unavailable revenue, which arises only under the modified accrual basis of accounting because it does not meet the measurable and available criteria for the recognition in the current period.

#### Long-term obligations

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

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

#### Fund equity and net position

In the government-wide financial statements, net position is classified in the following categories:

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

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

The ***unrestricted net position*** represents the net position of the Town which is not restricted for any project or other purpose.

## TOWN OF HAMDEN, CONNECTICUT

### NOTES TO THE FINANCIAL STATEMENTS, Continued June 30, 2014

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

The **nonspendable fund balances** are those net assets that are not in expendable form or are legally or contractually required to be maintained.

The **restricted fund balances** are defined in the same manner as for the restricted government-wide net assets.

The **Committed fund balances** are those balances that can only be used for a specific purpose as a result of constraints imposed by formal action of the government's highest level of decision-making authority. For the *Town of Hamden*, that was considered to be the Board of Aldermen.

**Assigned fund balances** are amounts that are contained by the government's intent to be used as a specific purpose.

**Unassigned fund balance** is defined as the residual classification for the general fund and includes those remaining balances that cannot be categorized in the four categories.

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.

#### Note 2 - Budgets and Budgetary Accounting

##### General Fund

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.

TOWN OF HAMDEN, CONNECTICUT

NOTES TO THE FINANCIAL STATEMENTS, Continued  
June 30, 2014

- 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, 2014.

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

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

	<u>Revenues</u>	<u>Expenditures and Encumbrances</u>
<b>Balance, budgetary basis</b>	\$ 198,666,043	198,117,685
The pay down of debt by the General Fund on-behalf of the capital projects fund was reclassified as other financial uses		(480,000)
<b>State Teachers' Retirement</b> "on-behalf" payment, not recognized for budgetary purposes	10,286,891	10,286,891
<b>Timing differences</b> between the Town's Education expense and the accrual basis of Accounting		<u>20,088</u>
<b>Balance, GAAP basis</b>	\$ <u>208,952,934</u>	<u>207,944,664</u>

Special Revenue Funds

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

TOWN OF HAMDEN, CONNECTICUT

NOTES TO THE FINANCIAL STATEMENTS, Continued  
June 30, 2014

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Capital Projects Funds

Legal authorization for expenditures of the Capital Projects Funds is provided by the related bond ordinances and/or intergovernmental grant agreements or Connecticut State Statutes. Capital appropriations do not lapse until the purpose for which the appropriation was made has been accomplished or abandoned.

**Note 3 - Reconciliation of Government-wide and Fund Financial Statements**

Explanation of Certain Differences between the Government Fund Balance Sheet and the Government-wide Statement of Net Position

The details of the components included in Exhibit C are as follows:

**Capitalized assets** are expensed in the fund financial statements in the period the expense is incurred while the expense is incurred over the useful life of the related asset in the government-wide financial statements:

Land	\$	18,281,108
Construction in progress		53,410,285
Net capital assets being depreciated		<u>181,083,308</u>
Net adjustment to increase fund balance to arrive at net assets of government activities	\$	<u>252,774,701</u>

**Long-term liabilities**, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds. The detail of this difference is as follows:

Long-term debt	\$	(119,040,000)
Deferred charges on debt		(6,083,692)
Net Obligations on retirement plans		(333,190,587)
Compensated Absences		(6,536,824)
Heart and Hypertension		(5,011,369)
Landfill Closure		(82,000)
Claims and Judgments		(4,500,000)
Accrued interest on debt		<u>(2,983,271)</u>
Net adjustment to reduce fund balance to arrive at net assets of government activities	\$	<u>(477,427,743)</u>

**Other long-term assets** are not available to pay for current period expenditures, and, therefore, are deferred in the funds. This amount includes the following:

Delinquent property tax and interest	\$	4,942,675
Noncurrent account receivable		<u>3,531,114</u>
Net adjustment to increase fund balance to arrive at net assets of government activities	\$	<u>8,473,789</u>

TOWN OF HAMDEN, CONNECTICUT

NOTES TO THE FINANCIAL STATEMENTS, Continued  
June 30, 2014

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

The governmental fund statement of revenues, expenditures and changes in fund balances includes reconciliation between net changes in fund balances - total governmental funds and changes in net position 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:

Acquisitions	\$ 13,880,087
Depreciation	<u>(11,054,738)</u>
Net Adjustment to increase net changes in fund balances to arrive at changes in net assets of governmental activities	<u>\$ 2,825,349</u>

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

Payments of debt	\$ 10,935,000
Premium and savings (loss) on new issuances	(1,061,431)
Amortization of bond premiums and savings	160,572
Net change in net obligation on retirement plans	(33,402,760)
Net change in other liabilities	<u>809,431</u>
Net adjustment to reduce net changes in fund balances to arrive at changes in net position of governmental activities	<u>\$ (22,559,188)</u>

**Note 4 - Deposits and Investments**

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

	<u>Deposit</u>	<u>Investments</u>	<u>Total</u>
<b>Cash and cash equivalents:</b>			
Governmental Funds	\$ 23,433,718	3,140,751	26,574,469
Internal Service Funds	2,620,463		2,620,463
Fiduciary funds	3,801,129		3,801,129
<b>Investments:</b>			
Fiduciary funds(pension)		<u>47,444,083</u>	<u>47,444,083</u>
<b>Total Deposits and Investments</b>	<u>\$ 29,855,310</u>	<u>50,584,834</u>	<u>80,440,144</u>

**TOWN OF HAMDEN, CONNECTICUT**

**NOTES TO THE FINANCIAL STATEMENTS, Continued**  
**June 30, 2014**

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Deposits

The carrying amounts of the Town's deposits at June 30, 2014 consist of the following:

Bank Deposit Accounts	\$	29,839,264
Certified Deposits		10,645
Cash on Hand		<u>5,401</u>
<b>Total Deposits</b>	<b>\$</b>	<b><u>29,855,310</u></b>

**Custodial Credit Risk**

As of June 30, 2014, the carrying amount of the Town's deposits had bank balances of approximately \$34,086,430. The amount of the bank balance covered under federal depository insurance was approximately \$859,000. The remaining deposits were uninsured, however, provisions of the Connecticut General Statutes provide for protection against loss in excess of deposit insurance by requiring all qualified public depositories to maintain segregated collateral for public deposits. As of June 30, 2014 approximately \$3,490,000 of uninsured deposits were collateralized under the provision.

Investments

As of June 30, 2014, the Town held the following investments:

<u>Investment Type</u>	<u>Fund</u>	<u>Fair Value</u>	<u>Weighted Average to Maturity (years)</u>	<u>Risk</u>
State Investment Fund	General Fund	\$ 75,730	.02	-
Money Market Account	General Fund	3,065,021	.02	-
Common Stock	Trust Funds	21,309,523	n/a	-
Mutual Funds	Trust Funds	<u>26,134,560</u>	n/a	-
Total Investments		\$ <u>50,584,834</u>		

**Interest Rate Risk**

Interest rate risk is the risk that changes in the market interest rates which will adversely affect the fair value of an investment. The Town has no formal policy specifically related to interest rate risk. The Town minimizes its exposure to interest rate risk by investing its operating funds in short-term investments.

**Credit Risk**

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. It is the Town's policy to invest only in securities that meet the ratings requirements set by General State Statute Chapter 112, Section 7-400 as follows:

TOWN OF HAMDEN, CONNECTICUT

NOTES TO THE FINANCIAL STATEMENTS, Continued  
June 30, 2014

**Investment Policies**

The Town maintains an investment policy, which excludes certain private purpose fund investments. The Town's investment policy strictly prohibits all funds to invest in investments not included in Chapter 12, Section 7-400 of the State Connecticut's General Statutes.

**Note 5 - Receivables, Payables, and Unearned or Unavailable Funds**

The receivables as of June 30, 2014 for the Town's individual major funds and non-major, internal service and fiduciary funds in the aggregate, including the applicable allowance for uncollectible accounts are as follows:

	<u>General Fund</u>	<u>Non-major Funds</u>	<u>Internal Service</u>	<u>Total</u>
Property taxes	\$ 5,013,573			5,013,573
Intergovernmental	3,531,114	788,141		4,319,255
Accounts	<u>517,830</u>		<u>215,000</u>	<u>732,830</u>
<b>Net Total Receivables</b>	<b>\$ <u>9,062,517</u></b>	<b><u>788,141</u></b>	<b><u>215,000</u></b>	<b><u>10,065,658</u></b>

Unearned and Unavailable Funds

Governmental funds did not recognize revenue in connection with receivables for revenue that are not considered to be available to liquidate liabilities in the current period. Governmental funds also did not recognize revenue recognition in connection with resources that have been received but not yet earned. At the end of the fiscal year the components of receipts not recognized and unearned revenues reported in the governmental fund were as follows:

	<u>Unavailable</u>	<u>Unearned</u>	<u>Total</u>
<b>General Fund:</b>			
Delinquent property taxes	\$ 4,683,892		4,683,892
Overpayments		521,596	521,596
Tax payments in advance		2,039,591	2,039,591
Delinquent account receivable	258,783		258,783
Advanced payments on grants	<u>3,531,114</u>		<u>3,531,114</u>
<b>Total Deferred Revenue</b>	<b>\$ <u>8,473,789</u></b>	<b><u>2,561,187</u></b>	<b><u>11,034,976</u></b>

TOWN OF HAMDEN, CONNECTICUT

NOTES TO THE FINANCIAL STATEMENTS, Continued  
June 30, 2014

Payables

Payables as of June 30, 2014 for the Town's individual major funds and non-major funds were as follows:

	<u>Vendors</u>	<u>Payroll</u>	<u>Cash Overdraft</u>	<u>Total</u>
General Fund	\$ 938,391	1,051,150		1,989,541
Memorial Town Hall	426,918			426,918
Capital Projects Fund	4,647,833			4,647,833
Non-major Funds	<u>59,350</u>		<u>2,363</u>	<u>61,713</u>
<b>Total governmental funds</b>	<b>\$ <u>6,072,492</u></b>	<b><u>1,051,150</u></b>	<b><u>2,363</u></b>	<b><u>7,126,005</u></b>

Temporary Notes Payables

**Bond anticipation notes**

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

	<u>Beginning Balance</u>	<u>Borrowings</u>	<u>Repayments</u>	<u>Ending Balance</u>
<b>Bond anticipation notes:</b>				
August 2012 BAN	\$ 480,000		480,000	
April 2012 BAN	2,500,000		1,381,575	1,118,425
May 2013 BAN	13,975,000	13,975,000	13,975,000	13,975,000
December 2013 BAN		<u>12,430,000</u>		<u>12,430,000</u>
Total governmental funds	<b>\$ <u>16,955,000</u></b>	<b><u>26,405,000</u></b>	<b><u>15,836,575</u></b>	<b><u>27,523,425</u></b>

**Note 6 - Inter-fund Receivables, Payables and Transfers**

Inter-funds Receivables and Payables

Inter-fund receivables and payables at June 30, 2014 consisted of the following:

<u>Fund</u>	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 3,065,406	21,428,997
Memorial Town Hall	212,405	
Capital Projects	18,254,000	735,090
Nonmajor	2,732,041	2,309,746
Internal Service Fund	5,299	
Pension Trust Fund	230	
Private Purpose Trusts	143,413	16,411
Performance Bond	<u>77,450</u>	
	<b>\$ <u>24,490,244</u></b>	<b><u>24,490,244</u></b>

TOWN OF HAMDEN, CONNECTICUT

NOTES TO THE FINANCIAL STATEMENTS, Continued  
June 30, 2014

Inter-fund Transfers

The general fund paid down on taxable short-term notes maintained in two capital project funds in the amount of \$480,000.

A transfer of funds was made to reallocate from non-major funds to the major fund for the Memorial Town Hall Projects. This amount was \$371,393.

**Note 7 - Capital Assets**

Capital assets activity for the year ended June 30, 2014 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
<b>Governmental Activities</b>				
Capital assets not being depreciated:				
Land	\$ 18,281,108			18,281,108
Construction in progress	44,377,719	9,032,566		53,410,285
Total capital assets, not being deprec.	<u>\$ 62,658,827</u>	<u>9,032,566</u>	<u>-</u>	<u>71,691,393</u>
Capital assets being depreciated:				
Land Improvements	\$ 23,703,668	39,000		23,742,668
Buildings and improvements	202,563,473	350,959		202,914,432
Machinery and equipment	29,211,191	4,534,849	77,287	33,668,753
Infrastructure	89,028,477			89,028,477
Total capital assets being depreciated	<u>\$ 344,506,809</u>	<u>4,924,808</u>	<u>77,287</u>	<u>349,354,330</u>
Less: Accumulated depreciation:				
Land Improvements	\$ 7,967,046	1,177,753		9,144,799
Buildings and improvements	57,113,073	4,064,963		61,178,036
Machinery and equipment	24,181,627	1,355,095		25,536,722
Infrastructure	67,954,538	4,456,927		72,411,465
Total accumulated depreciation	<u>\$ 157,216,284</u>	<u>11,054,738</u>	<u>-</u>	<u>168,271,022</u>
<b>Net capital assets, being depreciated</b>	<u>\$ 187,290,525</u>	<u>(6,129,930)</u>	<u>77,287</u>	<u>181,083,308</u>
<b>Total capital assets, governmental</b>	<u>\$ 249,949,352</u>	<u>2,902,636</u>	<u>77,287</u>	<u>252,774,701</u>

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

<b>Governmental Activities:</b>	
General government	\$ 526,488
Education	2,642,666
Public safety	471,152
Public works	7,201,763
Health and welfare	87,488
Community services	<u>125,181</u>
<b>Total depreciation expense- governmental activities</b>	<u>\$ 11,054,738</u>

TOWN OF HAMDEN, CONNECTICUT

NOTES TO THE FINANCIAL STATEMENTS, Continued  
 June 30, 2014

**Note 8 - Long-Term Liabilities**

Long-term debt liabilities activity for the year ended June 30, 2014 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u>	<u>Due In One Year</u>
<b>Governmental Activities:</b>					
Long-Term Debt:					
General obligation bonds	\$ 129,975,000		10,935,000	119,040,000	7,935,000
Total Long-Term Debt	<u>\$ 129,975,000</u>	<u>-</u>	<u>10,935,000</u>	<u>119,040,000</u>	<u>7,935,000</u>
Deferred amount on:					
(Gain) Loss on					
Bond premium	\$ 5,539,476		160,572	5,378,904	160,572
Net long-term debt	<u>\$ 135,514,476</u>		<u>11,095,572</u>	<u>124,418,904</u>	<u>8,095,572</u>
Other Long-Term Liabilities:					
Net pension obligation	\$ 180,153,863	28,687,321	12,500,000	196,341,184	27,600,000
Net OPEB obligation	119,633,964	34,884,722	17,669,283	136,849,403	17,700,000
Compensated Absences	7,059,459		522,635	6,536,824	3,300,000
Claims Payable	8,462,438		640,661	7,821,777	
Heart and hypertension	5,639,397		628,028	5,011,369	375,000
Landfill	98,400		16,400	82,000	16,400
Claims and judgments	<u>4,500,000</u>			<u>4,500,000</u>	
Total governmental activities long-term liabilities	<u>\$ 461,061,997</u>	<u>63,572,043</u>	<u>43,072,579</u>	<u>481,561,461</u>	<u>57,086,972</u>

General Obligation Bonds

The Town issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business type activities and are direct obligations and pledge the good faith and credit of the government. Certain general obligation bonds are to be repaid by revenues of the enterprise funds. These bonds generally are issued as 5 year and 20 year serial bonds with equal amounts of principal maturing each year. As of June 30, 2014, the outstanding general obligation bonded indebtedness of the Town was as follows:

TOWN OF HAMDEN, CONNECTICUT

NOTES TO THE FINANCIAL STATEMENTS, Continued  
 June 30, 2014

	<u>General</u>	<u>Refunding</u>
<b>\$23,325,000 G.O.B. refunding 2004</b> , issue of 6/15/2004 due 7/15/2020, interest at 3.75% to 5%, annual principal payments of \$2,095,000 to \$640,000		10,020,000
<b>\$12,215,000 G.O.B. 2009A</b> , issue of 8/15/2009, due 8/15/2029, interest at 3.75% to 4.0%, annual principal payments of \$600,000 to \$625,000	9,115,000	
<b>\$3,190,000 G.O.B. Taxable 2009B</b> , issue of 8/15/2009, due 8/15/2024, interest at 5.0% to 5.5%, annual principal payments of \$ \$265,000	2,920,000	
<b>\$4,950,000 G.O.B. refunding 2010A</b> , issue of 8/15/2010, due 8/15/2020, interest at 3.0% to 4.0%, annual principal payments of \$400,000		2,800,000
<b>\$7,415,000 G.O.B. 2010B refunding</b> , issue of 8/15/2010, due 8/1/2017, interest at 3.0% to 5%, annual principal payments of \$630,000		4,410,000
<b>\$34,000,000 G.O.B. 2011A</b> , issue of 8/24/2011, due 8/15/2031, interest at 2.0% to 4.25%, annual principal payments of \$1,750,000 to \$10,500,000	28,345,000	
<b>\$13,150,000 G.O.B. refunding 2011B</b> , issue of 9/1/2011, due 7/15/2018, interest at 3.0% to 4.00%, annual principal payments of \$1,235,000 to \$3,335,000		11,020,000
<b>\$24,705,000 G.O.B. 2012</b> , issue of 8/15/12, due 8/15/2032, interest at 2.0% to 5.0%, annual principal payments of \$1,235,000 to \$6,175,000	20,995,000	
<b>\$29,415,000 G.O.B. refunding 2013</b> , issue of 5/2/2013 due 8/25/2025 with interest of 5.0% and annual principal payments of \$2,685,000 to 3,835,000		29,415,000
<b>Total general obligation bonds</b>	<u>\$ 61,375,000</u>	<u>57,665,000</u>

TOWN OF HAMDEN, CONNECTICUT

NOTES TO THE FINANCIAL STATEMENTS, Continued  
 June 30, 2014

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

Year Ended, June 30	Governmental Activity	
	Principal	Interest
2015	7,935,000	4,616,008
2016	7,410,000	4,312,358
2017	8,470,000	4,022,779
2018	10,695,000	3,659,188
2019-2022	84,530,000	18,976,180
<b>Total</b>	<b>\$ 119,040,000</b>	<b>35,586,513</b>

**Bonds authorized but unissued**

Under regulations issued by the Internal Revenue Service, effective March 2, 1992, in order for capital projects to be funded through tax-exempt debt, all projects must be appropriated and designated as being funded through debt prior to any expenditure on these projects.

The Town has authorized but unissued bonds relating to capital projects and pension deficit funding at June 30, 2014, as follows:

General Purpose	\$ 26,405,000
Pension Deficit Funding	<u>125,000,000</u>
<b>Total</b>	<b><u>\$ 151,405,000</u></b>

**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:

Category	Debt Limit	Indebtedness	Balance
General	\$ 354,580,337	108,805,000	245,775,337
Pension	472,773,783	125,000,000	347,773,783
Schools	709,160,675	33,108,886	676,051,789
Sewers	590,967,229		590,967,229
Urban Development	512,171,598		512,171,598

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, or \$1,103,138,827.

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, 2014 was approximately \$1,699,000. Additional payments for principal and interest aggregating approximately \$3,740,000 are to be received through the bonds' maturity dates.

**TOWN OF HAMDEN, CONNECTICUT**

**NOTES TO THE FINANCIAL STATEMENTS, Continued**  
**June 30, 2014**

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**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, 2014, there is \$61,897,000 of revenue bonds outstanding.

**Defeased Bonds**

The Town has issued general obligation refunding bonds to provide resources to purchase U.S. Governmental, State, and local government securities that were then placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of general obligation bonds. As a result, the refunded bonds are considered defeased and the liability has been removed from the governmental activities column of the statement of net assets. The amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is the same as the life of the new debt issued. The advanced refunding was undertaken to reduce total debt service payments over the next 15 years. The amount deferred was amortized over this period. The amount as of June 30, 2014 that was considered to be defeased was \$5,826,849.

**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 Plan issues a separate, stand-alone audited financial report. The report can be obtained upon request.

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.

## TOWN OF HAMDEN, CONNECTICUT

### NOTES TO THE FINANCIAL STATEMENTS, Continued June 30, 2014

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

Guardian employees receive normal pension benefits upon the earlier of age 60 or completion of 20 years of credited service, 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, upon the earlier of age 65, the completion of 30 years of credited service, or age 55 and completion of 20 years of credited service, 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 85% except for employees with the required years of service, who were hired before July 1, 1978. As of June 30, 2008, 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 6.5% of their average annual compensation. Guardian employees contributed 8.5% of average annual compensation. Average compensation includes regular base salary, longevity payments and any workers compensation payments.

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.

#### **Summary of Significant Accounting Policies**

Basis of Accounting: Financial statements are prepared using the accrual basis of accounting for the three defined benefit pension plans. Employee and employer contributions are recognized as revenues in the period in which employee services are performed. Benefits and refunds are recognized when due and payable in accordance with the terms of the plans.

TOWN OF HAMDEN, CONNECTICUT

NOTES TO THE FINANCIAL STATEMENTS, Continued  
June 30, 2014

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Method Used to Value Investments: Investments are reported at fair value. Securities traded on a national exchange are valued at the last reported sales price. Investment income is recognized as earned.

Administrative Costs: Administrative costs of the Plan are financed through investment earnings.

**Investments**

Investment Policy: The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the PERS Board by a majority vote of its members. It is the policy of the PERS Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The assets must be invested with the care, skill and diligence that a prudent person acting in this capacity would exercise to comply with all objectives outlined herein, the Investment Advisors Act of 1940 and all other governing statutes.

Based on recommendations the Plan's investment advisors, the Board has established reasonable guidelines for each asset class, specifying acceptable and/or prohibited investments, limits on asset and asset class exposures, risk constraints, and investment return objectives. The Board will from time-to time elect to invest in commingled funds, recognizing the benefits of such funds as investment vehicles, the ability to diversify more extensively than in small, direct investment accounts and the lower costs that are generally associated with these funds.

Investment management of the assets of the Town shall be in accordance with the following asset allocation guidelines:

<u>Asset Class</u>	<u>Target Allocation</u>
Equity – domestic	40
Equity – international	15
Fixed Income	40
Real Estate	<u>5</u>
Total	<u>100%</u>

Rate of Return: For the year ended June 30, 2014, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses was 14.44%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

TOWN OF HAMDEN, CONNECTICUT

NOTES TO THE FINANCIAL STATEMENTS, Continued  
June 30, 2014

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**Net Pension Liability**

In accordance with GASB Statement No 67, the components of the net pension liability of the Town at June 30, 2014 were as follows:

Total pension liability	\$ 452,501,230
Plan fiduciary net position	<u>50,112,795</u>
City's Net Pension Liability	<u>\$ 402,388,435</u>
Plan fiduciary net position as a percentage Of the total liability	11.07%

The Town's net pension liability will be required to be recorded on the government-wide statement of net position at June 30, 2015.

Actuarial Assumptions: The total pension liability was determined by an actuarial valuation as of June 30, 2014, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0%
Salary increases	2.5%
Investment rate of return	7.0% including inflation, net of pension plan investment expense

Healthy mortality rates were based on the sex-distinct RP-2000 Combined Healthy Mortality Table, projected 19 years with Scale BB,

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pensions plan's target asset allocation as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>
Domestic Equity	9.20%	40
International Equity	9.70	15
Fixed Income	4.80	40
Real Estate	7.00	<u>5</u>
Total		<u>100%</u>

## TOWN OF HAMDEN, CONNECTICUT

### NOTES TO THE FINANCIAL STATEMENTS, Continued June 30, 2014

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Discount Rate: The blended discount rate used to measure the total pension liability is 7.00%. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current negotiated contribution rates: 8.50% of annual compensation for Guardians, and 7.50% of annual compensation for Service employees, increasing to 7.75% effective July 1, 2015 and to 8.00% effective July 1, 2016. Town contributions are assumed to be made in accordance with Section 219 of Public Act 14-217, specifically 50% of the actuarially determined contribution for the fiscal year ending June 30, 2015, 55% of the actuarially determined contribution for the fiscal year ending June 30, 2016, 70% of the actuarially determined contribution for the fiscal year ending June 30, 2017, 80% of the actuarially determined contribution for the fiscal year ending June 30, 2018, and 100% of the actuarially determined contribution thereafter. The actuarially determined contribution is equal to the total normal cost plus a 30-year closed amortization of the unfunded actuarial accrued liability, beginning July 1, 2014. Amortization payments are expected to grow by 2% annually. Income amounting to \$123 million from a pension obligation bond issuance is assumed in the fiscal year ending June 30, 2015.

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	\$ 27,688,031
Interest on net pension obligation	12,610,770
Adjustment to annual required contribution	<u>(11,611,480)</u>
Annual pension cost	\$ 28,687,321
Contributions made	<u>(12,500,000)</u>
Increase in net pension obligation	\$ 16,187,321
Net pension obligation, beginning of year	<u>180,153,863</u>
Net pension obligation, end of year	<u>\$ 196,341,184</u>

Membership in the Plan consisted of the following at July 1, 2014, the date of the last actuarial valuation:

Retirees and beneficiaries receiving benefits	737
Terminated plan members entitled to, but not yet receiving benefits	24
Active plan members	<u>437</u>
Total	<u>1,198</u>

TOWN OF HAMDEN, CONNECTICUT

NOTES TO THE FINANCIAL STATEMENTS, Continued  
June 30, 2014

Three Year Trend Information:

Year Ending	Annual Pension Cost (APC)	Annual Contribution	Percentage of APC Contributed	Net Pension Obligation
6/30/12	\$ 22,256,401	3,040,000	13.7 %	161,294,925
6/30/13	28,198,938	9,340,000	33.1	180,153,863
6/30/14	28,687,321	12,500,000	43.6	196,341,184

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
7/1/2010	\$ 81,352,519	323,748,595	242,396,076	25.13 %	33,051,700	733.38
7/1/2012	58,842,127	419,266,994	360,424,867	14.03	31,241,635	1153.67
7/1/2014	46,762,549	452,501,230	405,738,681	10.33	29,347,110	1382.55

Historical Trend Information – The schedules of funding progress, found in the Plan’s separate stand alone, audited financial report, 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.

Actuarial assumptions are as follows: Valuation Date:	7/1/14
Actuarial Cost Method:	Entry Age Normal Method
Amortization Method:	Level Percent, with 2% Annual Increases
Remaining Amortization Period:	30 Years Closed as of 7/1/2014
Asset Valuation Method:	Market Value, less unrecognized returns in each of the last five years.
Actuarial Assumptions:	
Investment Rate of Return:	7.0%
Projected Salary Increases:	2.5% per year
Cost-of-Living Adjustments	3.00% per year

## TOWN OF HAMDEN, CONNECTICUT

### NOTES TO THE FINANCIAL STATEMENTS, Continued June 30, 2014

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#### 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 on or after January 1, 2002, 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:

1. If not covered by Social Security: 2% of the average final compensation times years of service.
2. If covered by Social Security: 1-1/6% of the average of earnings not in excess of the taxable wage base for the 10 highest paid years, plus 2% of the average of earnings for the three highest paid years of service that is in excess of the average of earnings not in excess of the taxable wage base for the 10 highest paid years.

##### 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.

## TOWN OF HAMDEN, CONNECTICUT

### NOTES TO THE FINANCIAL STATEMENTS, Continued June 30, 2014

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The required and actual contributions were as follows:

2012	\$	636,284
2013		923,474
2014		1,110,466

#### 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 ten years of credited 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 Town/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 \$10,286,891 for the year ended June 30, 2014.

#### 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, 2014. The post-employment plan does not issue stand-alone financial reports.

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

The contribution requirements of plan members and the Town are established and may be amended by the Town. The Town determines the required contribution using the Entry Age Normal Method. For fiscal year 2014, the Town contributions made on a pay-as-you go basis were \$17,669,283.

TOWN OF HAMDEN, CONNECTICUT

NOTES TO THE FINANCIAL STATEMENTS, Continued  
June 30, 2014

Membership in the plan consisted of the following at July 1, 2014, the date of the last actuarial valuation:

Retirees and beneficiaries receiving benefits	1,289
Active plan members	<u>843</u>
Total	<u><u>2,132</u></u>

The calculation of the change in net OPEB obligation for the year ended June 30, 2014 is as follows:

Annual required contribution	\$ 37,757,368
Interest on net pension obligation	4,785,359
Adjustment to ARC	<u>(7,658,005)</u>
Annual OPEB cost	\$ 34,884,722
Contributions made	<u>(17,669,283)</u>
Increase in net OPEB liability	\$ 17,215,439
Net OPEB obligation, beginning of year	<u>119,633,964</u>
Net OPEB obligation, end of year	<u><u>\$ 136,849,403</u></u>

The Town's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45 and based on the valuation at July 1, 2014. 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, 2014 is \$451,966,876.

**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:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Actual Contributions</u>	<u>Percentage of Cost Contributed</u>	<u>Net OPEB Obligation</u>
6/30/14	\$ 34,884,722	17,669,283	50.7 %	136,849,403
6/30/13	33,920,115	14,696,649	43.3 %	119,633,964
6/30/12	33,055,026	15,847,243	47.9	100,410,498

TOWN OF HAMDEN, CONNECTICUT

NOTES TO THE FINANCIAL STATEMENTS, Continued  
 June 30, 2014

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**Funded Status and Funding Progress**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Accrued Liability (AAL) Actuarial (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7/01/14	\$ -	\$ 451,966,876	451,966,876	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, 2014
Actuarial Cost Method:	Projected Unit Credit
Asset Valuation Method:	N/A
Amortization Method:	Level Dollar Closed, 30 Years
Remaining Amortization Period:	24 Years as of July 1, 2014
Actuarial Assumptions:	
Investment Rate of Return:	4.0% (pay-as-you-go)
Inflation Rate:	2.0%
Projected Salary Increases:	N/A
Non-Medicare Medical Trend Rate:	7.5% graded to 5.0% over 5 years
Medicare Medical Trend Rate:	6.5% graded to 5.0% over 3 years
Prescription Drug Trend:	8.5% graded to 5.00% over 7 years
Dental Cost Trend Rate:	4.0%
Administrative Expense Trend Rate:	3.0%
ACA Excise Tax Threshold Trend Rate:	3.5% in 2018, 2.5% thereafter

## TOWN OF HAMDEN, CONNECTICUT

### NOTES TO THE FINANCIAL STATEMENTS, Continued June 30, 2014

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#### Note 10 - Commitments and Contingencies

##### Lawsuits

There were several personal injury, negligence and personnel related lawsuits pending against the Town. The outcome and eventual liability of the Town, if any in these cases, is not known at this time. Other than that below, based upon consultation with counsel, the Town's management estimates that potential claims against the Town not covered by insurance resulting from such litigation would not materially affect the financial position of the Town.

##### Environmental Contingency

The Town's Newhall site contains wetlands and low-lying areas that were used by the public for dumping. This was common practice throughout Connecticut until the late 1900's. Public health officials had encouraged the filling of wetlands and low-lying land to protect public health. Today we know that the waste included metals and chemicals that polluted the soil. Although the owners of the polluted properties have changed since the dumping began, it is now the responsibility of the Town of Hamden, the South Central Regional Water Authority, the State Department of Energy and Environmental Protection (DEEP) and Olin Corporation to remediate the pollution. This was established through a legal settlement and a consent order.

Through the consent order, the Town has agreed to remediate Mill Rock Park and the portion of the Hamden Community Center (former Newhall Street School) not owned by the Regional Water Authority. The Town has recorded a long-term liability of \$4.5 million dollars to recognize the estimated local costs of fulfilling the consent order. DEEP released its final remediation standards plan in October 2007.

The Town's residential remediation, comprising more than three hundred individual properties, was completed in 2012. The remediation of two parks is expected to extend from 2014 to 2015, and the remediation efforts of the South Central Regional Water Authority are currently planned for 2015 and 2016.

##### 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 in 1991. The liability for the landfill post-closure care, aggregating \$82,000, is based on the amount estimated to be paid for all equipment, facilities and services required to monitor and maintain the landfill as of June 30, 2014. 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.

##### Operating Contracts

#### **Municipal solid waste management services contract**

The Town has entered into the municipal solid waste management services contract, as amended, (the Service Contract) with Covanta Projects L.P. of Wallingford pursuant to which it participates with four other Connecticut Municipalities. Under the contract, all curbside solid waste collected in Hamden is transported to Covanta's mass-burn solid waste resource recovery and electric generation facility in Wallingford (the "System"), the same location used

## TOWN OF HAMDEN, CONNECTICUT

### NOTES TO THE FINANCIAL STATEMENTS, Continued

June 30, 2014

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under the twenty-year agreement with the Connecticut Resources Recovery Authority that expired on June 30, 2010. The Covanta contract offers two five year options to extend for any or all of the participating municipalities.

Under the Service 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 payment (the Service Payment). The current fee is \$69.09 per ton. The aggregated minimum commitment of the five Contracting Municipalities is 66,285 tons per year. The Town's Service Payment commitment is a "put-or-pay" commitment in that if the aggregate minimum commitment of the Contracting Municipalities is not met by the total deliveries of all the Contracting Municipalities in any year, the Town must pay the Service Payment for its full portion of the aggregate minimum commitment even if it did not deliver that full portion. Disposal fees are payable, provided 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. If the facility is not able to process this waste, it will be sent to other facilities owned by Covanta at no additional cost to the Town.

As amended, effective February 1, 2012, the service payment applicable in any contract year is calculated by increasing the fee for the immediately preceding contract year by an amount equal to one hundred percent of the percentage increase, if any, in the CPI during the twelve month period ending on March 31<sup>st</sup> of the immediately preceding contract year. However, the annual increase in the fee shall not be less than 1.75%, or more than 3.5% for any contract year.

The amended contract also provides for a reserve account, to be held by Wallingford, for the benefit of the original contracted municipalities, and is to be funded initially with \$2,000,000 from funds paid to the original municipalities by the CRRA, and thereafter by reserve charges to be collected by Covanta from the original municipalities and their authorized haulers, and remitted to Wallingford for deposit in the reserve account. The Town of Hamden's contribution to the reserve was 23.06% of the total reserve balance requirement, or \$461,200. There were no additional reserve fees added per ton for the year ended June 30, 2014.

The Town's obligation to pay disposal fees is absolute and unconditional as long as Covanta accepts the Town's solid waste. The Town has pledged its full faith and credit to the payment of disposal fees and has also agreed to enforce or levy and collect all taxes, cost sharing or other assessments or charges and take all such other action as may be necessary to pay the fees.

#### **Software Maintenance Agreement**

The Town entered into a software license and maintenance agreement on August 13, 2012 with a technology company. The total amount of the lease is \$631,866. The term of the agreement is for three years from September 1, 2012 through August 31, 2015, with payments of \$52,655 due on the first day of each three months (quarterly) until the end of the term.

#### **Bus Service Contract**

The Hamden Board of Education, as of July 1, 2010, has contracted with a school bus service company to supply and maintain school buses (in quantity and capacity) and personnel as required to fulfill Hamden's Public School transportation needs. The term of the contract is for five years ending June 30, 2015. The contract does not include the cost of fuel, which is to be

## TOWN OF HAMDEN, CONNECTICUT

### NOTES TO THE FINANCIAL STATEMENTS, Continued June 30, 2014

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paid for by the Board of Education. The service company carries and pays for the cost of insurance.

Transportation service types vary and the cost of those services vary by mileage rate or hourly rate, depending on the service type. For the current year ending June 30, 2014, and the remaining 2014 year, the fees range from \$25.85 and \$49.67 per hour, and \$2.88 and \$2.95 per mile. If transportation needs materially increase or decrease during the contract period, the parties shall negotiate in good faith to adjust rates at which services are provided to cover the cost structure of such changes. For the fiscal year ending June 30, 2014, the amount paid on the service contract was \$5,758,227.

In addition to service fees, the Board of Education pays an annual charge to the service company for the provision of a performance bond, or comparable approved security, and the company's cost of a GPS system. The amounts due under the performance bond provision are \$28,000 and \$28,750 for the years ending June 30, 2014 and 2015 respectively. Amounts due for the GPS systems are \$425 per vehicle for each year of the contract.

#### Construction Contracts

The Town has various construction projects in progress at June 30, 2014.

#### Risk Management and Self-Insurance

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

The Town was a member of the 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, auto and property insurance. The Town is subject to a \$300,000 per claim deductible for workers' compensation claims from July 1, 1999 to June 30, 2009. The Board of Education was covered by CIRMA on a fully insured basis for the same time period.

As of July 1, 2009, the Town and Board of Education became self-insured for workers' compensation coverage. Since July 1, 2010 the reinsurance for workers' compensation self-insurance program is provided through Safety National. 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, Anthem Blue Cross Blue Shield ("the administrator") and are reported as an internal service fund. Medical insurance premiums are based upon estimates by the number of employees and types of coverage (single or family), trends in 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 reported, be recorded. The Town maintains stop loss coverage of \$250,000 for individual medical claims.

**TOWN OF HAMDEN, CONNECTICUT**

**NOTES TO THE FINANCIAL STATEMENTS, Continued**  
**June 30, 2014**

Payments related to heart and hypertension are administered by the Town and accounted for in the General Fund as liabilities are incurred. The Town records an estimate for claims incurred but not reported in the long-term liabilities.

Changes in the balance of claims liabilities for the worker's compensation, medical insurance and heart and hypertension were as follows:

<u>Fiscal Year Ended June 30,</u>	<u>Claims Payable Beginning</u>	<u>Claims and Changes in Estimates</u>	<u>Claims Paid</u>	<u>Claims Payable Ending</u>
Worker's Compensation & Medical Insurance				
2013	\$ 8,576,161	33,517,187	34,173,001	7,920,347
2014	7,920,347	19,357,174	19,455,744	7,821,777
Heart and Hypertension				
2013	5,777,125	234,812	372,540	5,639,397
2014	5,639,397	(50,267)	577,761	5,011,369
Total				
2013	14,353,286	33,751,999	34,545,541	13,559,744
2014	13,559,744	19,306,907	20,033,505	12,833,146

**Note 11 - Fund Deficits and Adjustments to Net Assets and Net Position**

Fund Deficits

The Town has the following Fund Deficits at June 30, 2014 and expects to eliminate the deficits in the future as follows:

<u>Fund</u>	<u>Deficit</u>	<u>Plan For Elimination</u>
Capital Projects	\$ 13,289,603	Bond temporary note
Human Services	23,145	Future receipt of grant
Culture and Recreation	7,801	Future miscellaneous revenue
Community Development	41,890	Future receipt of grant
Other Capital Projects	225,501	Future bonding
Wintergreen Interdistrict	504,870	Future receipt of grant
Public Emergency Fund	844,227	Future bonding and FEMA grants
Worker's Compensation	6,595,782	Future charges for services

**Note 12 – Adjustment**

The GASB issued Statement No. 67, *Financial Reporting for Pension Plans – An amendment of GASB Statement No. 25*, which replaces the requirements of GASB Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and GASB Statement No. 50, *Pension Disclosures (GASB 67)*, as they relate to pension plans that are administered through trusts or similar arrangements meeting certain criteria. GASB 67 builds upon the existing framework for financial reports of defined benefit pension plans, which includes a statement of fiduciary net position (the amount held in a trust for paying retirement benefits) and a statement of changes in fiduciary net position.

## TOWN OF HAMDEN, CONNECTICUT

### NOTES TO THE FINANCIAL STATEMENTS, Continued June 30, 2014

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GASB 67 enhances note disclosures and required supplementary information for both defined benefit and defined contribution pension plans. The provisions in GASB 67 are effective for financial statements for periods beginning after June 15, 2013. The Town adopted the provisions of GASB 67 as of July 1, 2013.

#### **Note 13 - Subsequent Events**

##### General Obligation Bond

On July 29, 2013 the Town's Legislative Council approved an ordinance to appropriate up to \$125,000,000 for deposit into the Town's Retirement Plan in order to fund a portion of the Town's unfunded net pension obligation. The Council also authorized the issuance of \$125,000,000 in taxable general obligation bonds to provide the pension funding. The bonds have not yet been issued as of the date of this report.

##### General Obligation Bond Anticipation Note

On August 21, 2014, the Town issued a general obligation bond in the amount of \$26,405,000 to permanently finance maturing BANS. The bond's final maturity date is August 15, 2034 and has interests rate ranging from 2% to 5%.

On August 21, 2014, the Town issued a short term note in anticipation of a general obligation bond in the amount of \$17,960,000. The note will be paid in full on August 20, 2015 with an interest rate of 1.25%.

##### Recently Issued Accounting Standards

The GASB has issued new accounting standards that will become effective in future years. Management is currently evaluating the effect implementation of the following standards will have on its financial statements.

The GASB has issued Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27*, which replaces the requirements of GASB Statement No. 27 *Accounting for Pensions by State and Local Governmental Employers*, and GASB Statement No. 50, *Pension Disclosures*, as they relate to governments that provide pensions through pension plans administered as trusts or similar arrangements that meet certain criteria, GASB 68 will require governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. GASB 68 will also enhance accountability and transparency through revised and new note disclosures and required supplementary information. The provisions in GASB 68 are effective for fiscal years beginning after June 15, 2014 and early adoption is permitted.

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**REQUIRED SUPPLEMENTARY INFORMATION**  
**PENSION PLAN**  
**June 30, 2014**

	<u>2014</u>
Total pension liability:	
Service cost	\$ 6,238,891
Interest	31,148,927
Differences between expected and actual experience	5,302,529
Benefit payments, including refunds of member contributions	<u>(23,582,140)</u>
Net change in total pension liability	19,108,207
Total pension liability - beginning	\$ <u>433,393,023</u>
Total pension liability - ending	\$ <u><u>452,501,230</u></u>
Plan fiduciary net position:	
Contributions - employer	\$ 12,500,000
Contributions - employee	2,181,831
Net investment income	6,996,801
Benefit payments, including refunds of member contributions	(23,582,140)
Administrative expense	(76,352)
Other	-
Net change in plan fiduciary net position	\$ <u>(1,979,860)</u>
Plan fiduciary net position - beginning	<u>52,092,655</u>
Plan fiduciary net position - ending	\$ <u><u>50,112,795</u></u>
Net Pension Liability - Ending	\$ <u><u>402,388,435</u></u>
Plan fiduciary net position as a percentage of the total pension liability	11.07%
Covered-employee payroll	\$ 29,347,110
Net pension liability as a percentage of covered-employee payroll	1371.13%

## Notes to Schedule:

Benefit changes: There have been no changes in benefit provisions since GASB 67 implementation.

Changes of assumptions: There have been no assumption changes since GASB 67 implementation.

**REQUIRED SUPPLEMENTARY INFORMATION**  
**PENSION**  
**June 30, 2014**

Schedule of Employer Contributions  
*Last Ten Fiscal Years*

Year Ended June	Actuarially Determined Contributions	Contributions In Relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2014	\$ 27,688,031	12,500,000	15,188,031	29,347,110	42.59%
2013	27,145,128	9,340,000	17,805,128	N/A	N/A
2012	19,850,851	3,040,000	16,810,851	31,241,635	9.73%
2011	19,088,623	6,550,000	12,538,623	N/A	N/A
2010	18,911,433	12,500,000	6,411,433	33,051,700	37.82%
2009	18,292,235	12,500,000	5,792,235	N/A	N/A
2008	16,754,259	12,000,000	4,754,259	33,976,398	35.32%
2007	15,956,437	9,000,000	6,956,437	N/A	N/A
2006	13,951,743	6,000,000	7,951,743	30,598,423	19.61%
2005	13,287,374	3,000,000	10,287,374	N/A	N/A

Notes To Schedule:

Valuation Date

Actuarially determined contribution rate for the fiscal year ended June 30, 2014 was calculated using a July 1, 2012 biannual valuation. Future valuations will be completed annually.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level percent with 2% annual increases: closed period
Remaining amortization period	30 years remaining as of July 1, 2014
Asset Valuation method	Market value of assets less unrecognized returns in each of the last 5 years.

Actuarial Assumptions

Investment Rate of Return	7.00%
Inflation Rate	3.00%
Projected Salary Increases	2.50%
Cost-of-Living Adjustments	3.00%
Administrative Expenses	\$100,000, increasing 3% annually
Retirement Rates	
Service-	Age 55-61, 5.0% retirement probability; 62-64, 15.0%; 65, 75.0%; 66-69, 50.0%; 70, 100.0%
Guardian-	Age 60-64, 25.0% retirement probability; 65, 100.0%
Mortality Rates:	
Healthy-	RP-2000 Combined Healthy Mortality Table, projected 19 years with Scale BB
Disabled-	RP-2000 Disabled Retiree Table Table, projected 19 years with Scale BB

REQUIRED SUPPLEMENTARY INFORMATION  
PENSION PLAN  
June 30, 2014

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*Schedule of Funding Progress*

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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
07/01/08 \$	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
07/01/12	58,842,127	419,266,994	360,424,867	14.03%	31,241,635	1153.67%
07/01/13	N/A	N/A	N/A	N/A	N/A	N/A
07/01/14	46,762,549	452,501,230	405,738,681	10.33%	29,347,110	1382.55%

TOWN OF HAMDEN, CONNECTICUT

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REQUIRED SUPPLEMENTARY INFORMATION  
OTHER POST- EMPLOYMENT BENEFITS (OPEB)

June 30, 2014

*Schedule of Funding Progress OPEB*

Actuarial Valuation Date	Actuarial Valuation of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a/c)
07/01/09	\$ -	344,724,721	344,724,721	0.0%	N/A	N/A
07/01/12	-	439,980,586	439,980,586	0.0%	N/A	N/A
07/01/14	-	451,966,876	451,966,876	0.0%	N/A	N/A

*Schedule of Employer Contributions OPEB*

Year Ended June 30,	Annual Required Contribution	Percentage Contributed
2014	\$ 37,757,368	46.8%
2013	36,186,117	40.6%
2012	34,822,130	45.5%
2011	32,076,366	38.4%
2010	30,951,154	35.7%
2009	30,659,975	34.6%

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**SCHEDULE OF GENERAL FUND REVENUES AND OTHER FINANCING SOURCES**  
**BUDGETARY BASIS - BUDGET AND ACTUAL**  
**For the Year Ended June 30, 2014**

	Budgeted Amounts		Actual Amounts - Budgetary Basis	Variance With Final Budget Positive/ Negative
	Original	Final		
<b>PROPERTY TAXES</b>				
Current taxes	\$ 154,954,582	154,954,582	153,365,816	1,588,766
Delinquent taxes	1,350,000	1,350,000	1,715,845	(365,845)
Supplemental taxes	1,175,000	1,175,000	1,397,141	(222,141)
Property tax interest	825,000	825,000	965,748	(140,748)
Property tax liens	10,000	10,000	9,525	475
Suspense collections	110,000	110,000	66,448	43,552
New construction	25,000	25,000	-	25,000
Tax liens	-	-	-	-
<b>Total property taxes</b>	<b>\$ 158,449,582</b>	<b>158,449,582</b>	<b>157,520,523</b>	<b>929,059</b>
<b>INTERGOVERNMENTAL</b>				
PILOT - State owned property	\$ 764,791	764,791	899,598	(134,807)
Elderly exemption freeze	10,000	10,000	4,000	6,000
Elderly exemption - circuit breaker	420,000	420,000	393,456	26,544
Disability exemption	10,056	10,056	9,409	647
PILOT - colleges and hospitals	2,468,244	2,578,737	2,724,546	(145,809)
Telecommunication access	145,114	145,114	139,381	5,733
PILOT - veterans exemption	146,783	146,783	138,603	8,180
Town road aid	671,756	671,756	669,782	1,974
Distressed municipalities	32,173	32,173	8,163	24,010
PILOT - machinery and equipment	-	-	-	-
Mashantucket Pequot fund	769,111	769,111	933,650	(164,539)
Adult education	249,282	249,282	258,444	(9,162)
Magnet schools	22,100	22,100	23,400	(1,300)
School construction	1,511,119	1,511,119	1,511,119	-
Public school transportation	-	571,101	571,101	-
State bond interest subsidies	187,809	187,809	187,809	-
Nonpublic school transportation	30,831	30,831	165,394	(134,563)
Nonpublic school health	136,928	136,928	149,844	(12,916)
Education cost sharing grant	23,030,761	23,030,761	23,067,312	(36,551)
PILOT - Gr New Haven WPCA	73,300	73,300	73,300	-
PILOT - Water Authority	821,657	888,847	888,853	(6)
CRRA reserve payment	-	-	-	-
Special ed excess cost	1,300,000	1,300,000	1,300,000	-
Miscellaneous grants	130	269,761	269,753	8
Federal stimulus - fiscal stability	-	-	-	-
FEMA	-	-	-	-
Capital rd/repair funding	-	-	-	-
<b>Total intergovernmental</b>	<b>\$ 32,801,945</b>	<b>33,820,360</b>	<b>34,386,917</b>	<b>(566,557)</b>
<b>Charges for services</b>				
Other rents	\$ 10,000	10,000	4,738	5,262
Police extra duty	2,625,000	2,625,000	1,843,157	781,843
Police extra duty vehicle	60,000	60,000	79,288	(19,288)
Assessor fees	37,500	39,000	5,963	33,037
Elderly services charges	6,500	6,500	4,318	2,182
Code enforcement	12,500	12,500	9,961	2,539
QU EMT	-	-	57,312	(57,312)
Youth services charges	6,500	6,500	10,212	(3,712)
Public works charges	178,845	178,845	47,412	131,433
Library charges	30,100	30,125	26,656	3,469
Arts & recreation	610,583	610,583	230,762	379,821
Planning and zoning	332,000	358,475	151,485	206,990
<b>Total charges for services</b>	<b>\$ 3,909,528</b>	<b>3,937,528</b>	<b>2,471,264</b>	<b>1,466,264</b>

(Continued)

**SCHEDULE OF GENERAL FUND REVENUES AND OTHER FINANCING SOURCES**  
**BUDGETARY BASIS - BUDGET AND ACTUAL**  
**For the Year Ended June 30, 2014**

	Budgeted Amounts		Actual Amounts - Budgetary Basis	Variance With Final Budget Positive/ (Negative)
	Original	Final		
<b>INVESTMENT EARNINGS</b>	\$ 75,000	75,000	79,206	(4,206)
<b>LICENSES, PERMITS AND FEES</b>				
Town clerk	\$ 1,524,500	1,794,500	1,800,720	(6,220)
Police department	177,350	177,350	96,843	80,507
Fire department	145,000	145,000	86,126	58,874
Building	651,583	651,583	551,985	99,598
Engineering	40,530	40,530	45,695	(5,165)
Personnel	2,000	2,000	1,780	220
<b>Total licenses, permits &amp; fees</b>	\$ 2,540,963	2,810,963	2,583,149	227,814
<b>MISCELLANEOUS REVENUES</b>				
BOE medical	\$ 110,000	110,000	136,334	(26,334)
Workers' Comp.	3,500	59,900	115,356	(55,456)
Term life revenue	25,000	25,000	23,775	1,225
Miscellaneous	3,000	3,000	2,064	936
School bus enforcement	15,000	15,000	18,013	(3,013)
Quinnipiac University	75,000	75,000	50,000	25,000
Town Center Park	20,000	20,000	-	20,000
Town Project	1,215,658	1,215,658	230,319	985,339
Extra duty interest	-	1,480	1,489	(9)
Sale of surplus vehicles	50,000	50,000	-	50,000
Relocation reimbursement	5,000	5,000	525	4,475
Animal control	2,800	2,800	2,611	189
Miscellaneous - finance office	400,000	413,668	1,044,498	(630,830)
<b>Total miscellaneous revenues</b>	\$ 1,924,958	1,996,506	1,624,984	371,522
<b>OTHER FINANCING SOURCES</b>				
Transfers in	\$ -	-	-	-
Bond premium	450,000	450,000	-	450,000
<b>Total financing sources</b>	\$ 450,000	450,000	-	450,000
<b>Total revenues and other financing sources</b>	\$ 200,151,976	201,539,939	198,666,043	2,873,896

GENERAL FUND - EXPENDITURES AND OTHER FINANCING USES -  
BUDGETARY BASIS - BUDGET AND ACTUAL  
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts - Budgetary Basis	Variance With Final Budget Positive/ (Negative)
	Original	Final		
<b>GENERAL GOVERNMENT</b>				
Legislative council	\$ 1,674,317	859,194	837,917	21,277
Emergency and contingency fund				-
Mayor	441,259	608,472	595,811	12,661
Elections and registrar	174,884	164,145	156,424	7,721
Finance	4,514,671	4,403,044	3,888,474	514,570
Tax assessor	254,254	262,502	261,126	1,376
Review of assessments	3,600	3,600	3,600	-
Tax collector	348,207	307,206	304,678	2,528
Town attorney	453,869	553,783	536,074	17,709
Town clerk	838,548	942,577	903,889	38,688
Planning and zoning	475,489	485,628	467,647	17,981
Personnel	285,816	284,999	276,323	8,676
Economic development	104,974	104,974	104,970	4
Purchasing	1,402,533	1,605,353	1,535,211	70,142
Probate court	5,250	5,250	4,316	934
Board of ethics	5,000	-	-	-
<b>Total general government</b>	<b>\$ 10,982,671</b>	<b>10,590,727</b>	<b>9,876,460</b>	<b>714,267</b>
<b>PUBLIC SAFETY</b>				
Animal control	\$ 152,866	155,667	146,082	9,585
Police department	12,354,518	12,356,096	12,312,449	43,647
Fire department	11,572,636	11,848,425	11,832,936	15,489
<b>Total public safety</b>	<b>\$ 24,080,020</b>	<b>24,360,188</b>	<b>24,291,467</b>	<b>68,721</b>
<b>PUBLIC WORKS</b>				
Building administration	\$ 372,836	380,402	379,761	641
Public works department	10,146,310	11,436,048	10,974,256	461,792
Engineering	484,583	491,121	465,817	25,304
Traffic/Transportation	198,913	214,564	180,476	34,088
<b>Total public works</b>	<b>\$ 11,202,642</b>	<b>12,522,135</b>	<b>12,000,310</b>	<b>521,825</b>
<b>HEALTH AND WELFARE</b>				
Elderly services	\$ 455,834	440,170	436,925	3,245
Community services	267,451	311,594	302,406	9,188
Youth services	337,616	346,802	335,489	11,313
Mental health	164,934	164,934	163,080	1,854
Quinnipiac Valley health	320,166	320,167	319,253	914
Visiting nurses association	70,888	70,888	60,115	10,773
<b>Total health and welfare</b>	<b>\$ 1,616,889</b>	<b>1,654,555</b>	<b>1,617,268</b>	<b>37,287</b>
<b>BOARD OF EDUCATION</b>	<b>\$ 81,400,000</b>	<b>81,400,000</b>	<b>81,393,290</b>	<b>6,710</b>

(Continued)

GENERAL FUND - EXPENDITURES AND OTHER FINANCING USES -  
BUDGETARY BASIS - BUDGET AND ACTUAL  
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts - Budgetary Basis	Variance With Final Budget Positive/ (Negative)
	Original	Final		
<b>CULTURE AND RECREATION</b>				
Library	\$ 1,909,382	1,819,516	1,799,702	19,814
Arts programs	793,106	776,948	760,944	16,004
<b>Total culture and recreation</b>	<b>\$ 2,702,488</b>	<b>2,596,464</b>	<b>2,560,646</b>	<b>35,818</b>
<b>EMPLOYEE BENEFITS</b>				
Medical insurance	\$ 34,070,000	34,070,000	32,347,451	1,722,549
Pension	13,500,000	13,610,466	13,610,466	-
Fringes	3,632,487	3,770,625	3,726,960	43,665
<b>Total employee benefits</b>	<b>\$ 51,202,487</b>	<b>51,451,091</b>	<b>49,684,877</b>	<b>1,766,214</b>
<b>DEBT SERVICE</b>				
Principal	\$ 12,190,000	11,686,410	11,415,000	271,410
Interest	4,774,779	5,278,369	5,278,367	2
<b>Total debt service</b>	<b>\$ 16,964,779</b>	<b>16,964,779</b>	<b>16,693,367</b>	<b>271,412</b>
<b>Total expenditures and other financing uses</b>	<b>\$ 200,151,976</b>	<b>201,539,939</b>	<b>198,117,685</b>	<b>3,422,254</b>

TOWN OF HAMDEN, CONNECTICUT

COMBINING BALANCE SHEET  
 NON-MAJOR GOVERNMENTAL FUNDS  
 June 30, 2014

	<u>Special Revenue</u>		
	<u>Human Services</u>	<u>Culture and Recreation</u>	<u>Public Safety</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$		954
Receivables, net	4,778		
Due from other funds	34,800	4,251	432,407
Inventory			
<b>Total assets</b>	<b>\$ 39,578</b>	<b>4,251</b>	<b>433,361</b>
<b>LIABILITIES AND FUND BALANCES (DEFICITS)</b>			
<b>Liabilities</b>			
Accounts payable and accrued liabilities	\$ 166		13,299
Deferred revenue			
Due to other funds	62,557	12,052	152,186
BANS Payable			
<b>Total liabilities</b>	<b>\$ 62,723</b>	<b>12,052</b>	<b>165,485</b>
<b>Fund Balance (Deficit)</b>			
Nonspendable	\$		
Restricted for:			
Donor's intentions			
Committed			
Assigned			275,591
Unassigned	(23,145)	(7,801)	(7,715)
<b>Total fund balance (deficit)</b>	<b>\$ (23,145)</b>	<b>(7,801)</b>	<b>267,876</b>
<b>Total liabilities and fund balances (deficits)</b>	<b>\$ 39,578</b>	<b>4,251</b>	<b>433,361</b>

Special Revenue

Public Works	Community Development	Town Revitalization	Board of Education	Total Special Revenue
525	7,101	273,979	1,179,506	1,462,065
82,554	1,628	431,768	170,659	175,437
			21,207	987,408
<u>83,079</u>	<u>8,729</u>	<u>705,747</u>	<u>1,371,372</u>	<u>2,646,117</u>
1,259	24,830	7,024		46,578
53,594	25,789	893	189,920	-
<u>54,853</u>	<u>50,619</u>	<u>7,917</u>	<u>189,920</u>	<u>496,991</u>
			21,207	-
45,095	17,921	697,830	1,160,245	-
(16,869)	(59,811)			-
<u>28,226</u>	<u>(41,890)</u>	<u>697,830</u>	<u>1,181,452</u>	<u>2,196,682</u>
<u>83,079</u>	<u>8,729</u>	<u>705,747</u>	<u>1,371,372</u>	<u>(115,341)</u>
				2,102,548
				<u>2,646,117</u>

(Continued)

TOWN OF HAMDEN, CONNECTICUT

COMBINING BALANCE SHEET  
 NON-MAJOR GOVERNMENTAL FUNDS, Continued  
 June 30, 2014

	<b>Capital Projects</b>		
	<u>Farmington Canal</u>	<u>Hamden Middle School Fund</u>	<u>Brooksvale Park Renovation And Acquisition Grant</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$		
Receivables, net			
Due from other funds	305,770	287,748	63,888
Inventory			
<b>Total assets</b>	<b>\$ 305,770</b>	<b>287,748</b>	<b>63,888</b>
<b>LIABILITIES AND FUND BALANCE (DEFICITS)</b>			
<b>Liabilities</b>			
Accounts payable and accrued liabilities	\$		
Deferred revenue			
Due to other funds			
BANS Payable			
<b>Total liabilities</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>
<b>Fund Balance (Deficit)</b>			
Nonspendable	\$		
Restricted for:			
Donor's intentions			
Committed			
Assigned			
Unassigned	305,770	287,748	63,888
<b>Total fund balance (deficit)</b>	<b>\$ 305,770</b>	<b>287,748</b>	<b>63,888</b>
<b>Total liabilities and fund balances (deficits)</b>	<b>\$ 305,770</b>	<b>287,748</b>	<b>63,888</b>

Capital Projects				
Wintergreen Interdistrict Magnet School	Construction of Spring Glen School	Bear Path School Renovations	Other Capital Projects	Total Capital Projects
11,984			36,307	48,291
612,704				612,704
	378,868	35,809	393,761	1,465,844
				-
<u>624,688</u>	<u>378,868</u>	<u>35,809</u>	<u>430,068</u>	<u>2,126,839</u>
	2,363		8,350	10,713
1,129,558		35,809	647,219	1,812,586
				-
<u>1,129,558</u>	<u>2,363</u>	<u>35,809</u>	<u>655,569</u>	<u>1,823,299</u>
				-
				-
				-
(504,870)	376,505	-	24,240 (249,741)	24,240 279,300
<u>(504,870)</u>	<u>376,505</u>	<u>-</u>	<u>(225,501)</u>	<u>303,540</u>
<u>624,688</u>	<u>378,868</u>	<u>35,809</u>	<u>430,068</u>	<u>2,126,839</u>

(Continued)

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COMBINING BALANCE SHEET  
 NON-MAJOR GOVERNMENTAL FUNDS, Continued  
 June 30, 2014

	Public Emergency Account	Permanent Funds	Total Nonmajor Governmental Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$	10,877	1,521,233
Receivables, net			788,141
Due from other funds	278,789		2,732,041
Inventory			21,207
<b>Total assets</b>	<b>\$ 278,789</b>	<b>10,877</b>	<b>5,062,622</b>
<b>LIABILITIES AND FUND BALANCE (DEFICITS)</b>			
<b>Liabilities</b>			
Accounts payable and accrued liabilities	\$ 4,422		61,713
Deferred revenue			-
Due to other funds	169		2,309,746
BANS Payable	1,118,425		1,118,425
<b>Total liabilities</b>	<b>\$ 1,123,016</b>	<b>-</b>	<b>3,489,884</b>
<b>Fund Balance (Deficit)</b>			
Nonspendable	\$		21,207
Restricted for:			
Donor's intentions		10,877	10,877
Committed			-
Assigned			2,220,922
Unassigned	(844,227)		(680,268)
<b>Total fund balance (deficit)</b>	<b>\$ (844,227)</b>	<b>10,877</b>	<b>1,572,738</b>
<b>Total liabilities and fund balances (deficits)</b>	<b>\$ 278,789</b>	<b>10,877</b>	<b>5,062,622</b>

TOWN OF HAMDEN, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES (DEFICITS) - NON-MAJOR GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2014

	<u>Special Revenue</u>		
	<u>Human Services</u>	<u>Culture and Recreation</u>	<u>Public Safety</u>
<b>Revenues</b>			
Intergovernmental	\$ 290,771		220,256
Charges for services			
Investment income			
Other	300	2,955	716
<b>Total revenues</b>	<u>\$ 291,071</u>	<u>2,955</u>	<u>220,972</u>
<b>Expenditures</b>			
Public safety			\$ 85,475
Public works			
Health and human services	407,072		
Culture and recreation		13,119	
Education			
Other			
<b>Total expenditures</b>	<u>\$ 407,072</u>	<u>13,119</u>	<u>85,475</u>
<b>Revenue over (under) expenditures</b>	<u>\$ (116,001)</u>	<u>(10,164)</u>	<u>135,497</u>
<b>Other Financing Sources</b>			
Bond Proceeds			
Transfers in			
Transfers (out)			
<b>Total other financing sources</b>	<u>\$ -</u>	<u>-</u>	<u>-</u>
<b>Changes in Fund Balances (Deficits)</b>	<u>\$ (116,001)</u>	<u>(10,164)</u>	<u>135,497</u>
<b>Fund Balances (Deficits) - beginning</b>	<u>92,856</u>	<u>2,363</u>	<u>132,379</u>
<b>Fund Balances (Deficits) - ending</b>	<u>\$ (23,145)</u>	<u>(7,801)</u>	<u>267,876</u>

Special Revenue

Public Works	Community Development	Town Revitalization	Board of Education	Total Special Revenue
211,077	368,271	342,278 321,467	8,128,820 189,016	9,561,473 510,483
33,876				37,847
244,953	368,271	663,745	8,317,836	10,109,803
283,931				85,475 283,931 407,072 13,119
	361,536	80,740	8,240,416	8,240,416 442,276
283,931	361,536	80,740	8,240,416	9,472,289
(38,978)	6,735	583,005	77,420	637,514
-	-	-	-	-
(38,978)	6,735	583,005	77,420	637,514
67,204	(48,625)	114,825	1,104,032	1,465,034
28,226	(41,890)	697,830	1,181,452	2,102,548

(Continued)

TOWN OF HAMDEN, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES (DEFICITS) - NON-MAJOR GOVERNMENTAL FUNDS, (Continued)  
 For the Year Ended June 30, 2014

	<b>Capital Projects</b>		
	<u>Farmington Canal</u>	<u>Hamden Middle School Fund</u>	<u>Brooksvale Park Renovation And Acquisition Grant</u>
<b>Revenues</b>			
Intergovernmental	\$ 457,132		
Charges for services			
Investment income			
Other			
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Total revenues</b>	<u>\$ 457,132</u>	<u>-</u>	<u>-</u>
<b>Expenditures</b>			
Public safety	\$		
Public works			
Health and human services			
Culture and recreation			
Education			
Other	26,750		
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Total expenditures</b>	<u>\$ 26,750</u>	<u>-</u>	<u>-</u>
<b>Revenue Over (Under) Expenditures</b>	<u>\$ 430,382</u>	<u>-</u>	<u>-</u>
<b>Other Financing Sources</b>			
Bond Insurance			
Transfers in	\$		
Transfers (out)			
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Total other financing sources</b>	<u>\$ -</u>	<u>-</u>	<u>-</u>
<b>Changes in Fund Balances (Deficits)</b>	<u>\$ 430,382</u>	<u>-</u>	<u>-</u>
<b>Fund Balances (Deficits) - beginning</b>	<u>(124,612)</u>	<u>287,748</u>	<u>63,888</u>
<b>Fund Balances (Deficits) - ending</b>	<u>\$ 305,770</u>	<u>287,748</u>	<u>63,888</u>

<b>Capital Projects</b>				
Wintergreen Interdistrict Magnet School	Construction of Spring Glen School	Bear Path School Renovations	Other Capital Projects	Total Capital Projects
			211,525	668,657
				-
-	-	-	211,525	668,657
			685,721	712,471
-	-	-	685,721	712,471
-	-	-	(474,196)	(43,814)
		255,000		-
			(371,393)	255,000 (371,393)
-	-	255,000	(371,393)	(116,393)
-	-	255,000	(845,589)	(160,207)
(504,870)	376,505	(255,000)	620,088	463,747
(504,870)	376,505	-	(225,501)	303,540

(Continued)

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES (DEFICITS) - NON-MAJOR GOVERNMENTAL FUNDS, Continued  
For the Year Ended June 30, 2014

	Public Emergency Account	Permanent Funds Account	Total Nonmajor Governmental Funds
<b>Revenues</b>			
Intergovernmental	\$ 694,320		10,924,450
Charges for services			510,483
Investment income			-
Other	368,587	1,464	407,898
<b>Total revenues</b>	<b>\$ 1,062,907</b>	<b>1,464</b>	<b>11,842,831</b>
<b>Expenditures</b>			
Public safety	\$		85,475
Public works	281,210		565,141
Health and human services			407,072
Culture and recreation			13,119
Education			8,240,416
Other			1,154,747
<b>Total expenditures</b>	<b>\$ 281,210</b>	<b>-</b>	<b>10,465,970</b>
<b>Revenue Over (Under) Expenditures</b>	<b>\$ 781,697</b>	<b>1,464</b>	<b>1,376,861</b>
<b>Other Financing Sources</b>			
Bond Insurance			-
Transfers in	\$		255,000
Transfers (out)			(371,393)
<b>Total other financing sources</b>	<b>\$ -</b>	<b>-</b>	<b>(116,393)</b>
<b>Changes in Fund Balances (Deficits)</b>	<b>\$ 781,697</b>	<b>1,464</b>	<b>1,260,468</b>
<b>Fund Balances (Deficits) - beginning</b>	<b>(1,625,924)</b>	<b>9,413</b>	<b>312,270</b>
<b>Fund Balances (Deficits) - ending</b>	<b>\$ (844,227)</b>	<b>10,877</b>	<b>1,572,738</b>

INTERNAL SERVICE FUNDS  
 COMBINING STATEMENT OF NET FUND POSITION  
 June 30, 2014

	Workers' Compensation Fund	Medical Insurance Fund	Total
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 155,154	2,465,309	2,620,463
Other receivables		215,000	215,000
Due from other funds	5,299		5,299
<b>Total assets</b>	<b>\$ 160,453</b>	<b>2,680,309</b>	<b>2,840,762</b>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 143,752		143,752
Due to other funds			-
Claims payable			
<b>Total current liabilities</b>	<b>\$ 143,752</b>	<b>-</b>	<b>143,752</b>
Noncurrent liabilities:			
Claims incurred but not reported	\$ 6,612,483	1,209,294	7,821,777
<b>Total liabilities</b>	<b>\$ 6,756,235</b>	<b>1,209,294</b>	<b>7,965,529</b>
<b>NET POSITION</b>			
Unrestricted	\$ (6,595,782)	1,471,015	(5,124,767)
<b>Total net position</b>	<b>\$ (6,595,782)</b>	<b>1,471,015</b>	<b>(5,124,767)</b>

**INTERNAL SERVICE FUNDS**  
**COMBINING REVENUES, EXPENSES AND CHANGES IN NET FUND POSITION**  
**June 30, 2014**

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	Workers' Compensation Fund	Medical Insurance Fund	Total
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>OPERATING REVENUES</b>			
Employer contribution	\$ 1,640,000	14,578,168	16,218,168
Employee contribution		3,436,924	3,436,924
<b>Total operating revenues</b>	<u>\$ 1,640,000</u>	<u>18,015,092</u>	<u>19,655,092</u>
<b>OPERATING EXPENSES</b>			
Salaries, benefits and claims	\$ 2,552,127	16,406,708	18,958,835
<b>Total operating expenses</b>	<u>\$ 2,552,127</u>	<u>16,406,708</u>	<u>18,958,835</u>
<b>Changes in Fund Net Position</b>	\$ (912,127)	1,608,384	696,257
<b>FUND NET POSITION, beginning</b>	<u>(5,683,655)</u>	<u>(137,369)</u>	<u>(5,821,024)</u>
<b>FUND NET POSITION, Ending</b>	<u>\$ (6,595,782)</u>	<u>1,471,015</u>	<u>(5,124,767)</u>

**INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
June 30, 2014**

	Workers' Compensation Fund	Medical Insurance Fund	Total
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers and users	\$ 1,640,000	18,006,589	19,646,589
Payments for benefits	<u>(1,668,270)</u>	<u>(17,787,474)</u>	<u>(19,455,744)</u>
<b>Net cash (used in) provided by operating activities</b>	<b>\$ <u>(28,270)</u></b>	<b><u>219,115</u></b>	<b><u>190,845</u></b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>\$ (28,270)</b>	<b>219,115</b>	<b>190,845</b>
<b>CASH AND CASH EQUIVELANTS, beginning</b>	<u>183,424</u>	<u>2,246,194</u>	<u>2,429,618</u>
<b>CASH AND CASH EQUIVELANTS, ending</b>	<b>\$ <u><u>155,154</u></u></b>	<b><u><u>2,465,309</u></u></b>	<b><u><u>2,620,463</u></u></b>
<b>Reconciliation of Operating Income to Net Cash Provided by (used in) Operating Activities</b>			
Change in Net Fund Position	\$ (912,127)	1,608,384	696,257
Adjustment to reconcile operating income to net cash provided by (used in) operating activities:			
Change in assets and liabilities:			
Increase/decrease in other receivables		(8,503)	(8,503)
Decrease/increase in accounts payable and accrued expenses	(32,870)	(542,391)	(575,261)
(Decrease) increase in claims payable	<u>916,727</u>	<u>(838,375)</u>	<u>78,352</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>\$ <u><u>(28,270)</u></u></b>	<b><u><u>219,115</u></u></b>	<b><u><u>190,845</u></u></b>

PRIVATE PURPOSE TRUST FUNDS  
 COMBINING STATEMENT OF NET POSITION  
 June 30, 2014

	Library Fund	Hamden Arts Commission	Other Private Purpose Trust Funds	Total
<b>ASSETS</b>				
Cash and cash equivalents	\$ 252,548	145,543	33,049	431,140
External Balances	<u>3,952</u>		<u>139,461</u>	<u>143,413</u>
<b>Total Assets</b>	<u>\$ 256,500</u>	<u>145,543</u>	<u>172,510</u>	<u>574,553</u>
<b>LIABILITIES</b>				
Accounts payable	\$		7,557	7,557
External Balances			<u>16,411</u>	<u>16,411</u>
<b>Total Liabilities</b>	<u>\$ -</u>	<u>-</u>	<u>23,968</u>	<u>23,968</u>
<b>NET POSITION</b>				
Held in trust for specific purposes	<u>\$ 256,500</u>	<u>145,543</u>	<u>148,542</u>	<u>550,585</u>

PRIVATE PURPOSE TRUST FUNDS  
 COMBINING STATEMENT OF CHANGES IN NET POSITION  
 June 30, 2014

	Library Fund	Hamden Arts Commission	Other Private Purpose Trust Funds	Total
<b>ADDITIONS</b>				
Other	\$ 117,575	46,806	124,556	288,937
<b>Total additions</b>	<u>\$ 117,575</u>	<u>46,806</u>	<u>124,556</u>	<u>288,937</u>
<b>Investment earnings</b>				
Net increase in fair value	\$			-
Interest and dividends				-
Less: Investment expense				-
<b>Total investment earnings</b>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>DEDUCTIONS</b>				
Benefits	\$			
Other	64,766	49,236	133,216	247,218
<b>Total deductions</b>	<u>\$ 64,766</u>	<u>49,236</u>	<u>133,216</u>	<u>247,218</u>
<b>Change in net position</b>	<u>\$ 52,809</u>	<u>(2,430)</u>	<u>(8,660)</u>	<u>41,719</u>
<b>Net Position - beginning</b>	<u>203,691</u>	<u>147,973</u>	<u>157,202</u>	<u>508,866</u>
<b>Net Position - ending</b>	<u>\$ 256,500</u>	<u>145,543</u>	<u>148,542</u>	<u>550,585</u>

AGENCY FUNDS  
 COMBINING STATEMENT OF FIDUCIARY NET POSITION  
 June 30, 2014

	School Activity Funds	Adult Activity Funds	Performance Bonds	Total
<b>ASSETS</b>				
Cash and cash equivalents	\$ 231,020	20,276	441,872	693,168
External Balances			77,450	77,450
<b>Total Assets</b>	<b>\$ 231,020</b>	<b>20,276</b>	<b>519,322</b>	<b>770,618</b>
<b>LIABILITIES</b>				
Other liabilities				-
Held for deposits for others	231,020	20,276	519,322	770,618
<b>Total Liabilities</b>	<b>\$ 231,020</b>	<b>20,276</b>	<b>519,322</b>	<b>770,618</b>
<b>NET POSITION</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>-</b>

**AGENCY FUNDS**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**For the Year ended June 30, 2014**

	Balance July 1, 2014	Additions	Deductions	Balance June 30, 2014
<b>School Activity Fund</b>				
Assets:				
Cash and cash equivalents	\$ 152,241	78,779		231,020
Liabilities:				
Deposits held for others	\$ 152,241	78,779	-	231,020
<b>Adult Activity Fund</b>				
Assets:				
Cash and cash equivalents	\$ 25,158		4,882	20,276
Liabilities:				
Deposits held for others	\$ 25,158	-	4,882	20,276
<b>Performance Bonds</b>				
Assets:				
Cash and cash equivalents	\$ 452,222		10,350	441,872
Liabilities:				
Deposits held for others	\$ 452,222	-	10,350	441,872
<b>Total Agency Funds</b>				
Assets:				
Cash and cash equivalents	\$ 629,621	78,779	15,232	693,168
Liabilities:				
Deposits held for others	\$ 629,621	78,779	15,232	693,168

TOWN OF HAMDEN, CONNECTICUT

SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING  
For the Year Ended June 30, 2014

Grand List Year	Uncollected Balance & New Levy July 1, 2012	Lawful Corrections		Transfers to (Recoveries From) Suspense	Balance to be Collected
		Increases	Decreases		
1998	\$ 82,655		(82,655)		-
1999	78,319				78,319
2000	59,521				59,521
2001	47,521				47,521
2002	45,379	371	(12)		45,738
2003	49,382	99	(6)		49,475
2004	55,206				55,206
2005	75,729	368			76,097
2006	75,110	17,393	(567)		91,936
2007	77,405	17,550			94,955
2008	171,804	17,539	(2,930)		186,413
2009	257,392	18,607	(11,144)		264,855
2010	693,576	29,034	(84,312)		638,298
2011	2,282,193	323,355	(123,127)		2,482,421
Total	\$ 4,051,192	424,316	(304,753)	-	4,170,755
2012	158,191,868	207,926	(882,137)	-	157,517,657
Total	\$ 162,243,060	632,242	(1,186,890)	-	161,688,412

SCHEDULE 12

Collections				Uncollected Balance June 30, 2013
Taxes	Interest	Lien Fees	Total	
			-	-
			-	78,319
			-	59,521
			-	47,521
98			98	45,640
93			93	49,382
78	117		195	55,128
3,822	24,730	24	28,576	72,275
			-	91,936
			-	94,955
4,747	1,523	24	6,294	181,666
41,975	24,149	257	66,381	222,880
161,334	86,962	688	248,984	476,964
1,526,684	249,636	5,422	1,781,742	955,737
1,738,831	387,117	6,415	2,132,363	2,431,924
154,936,008	519,022	3,868	155,458,898	2,581,649
156,674,839	906,139	10,283	157,591,261	5,013,573

TOWN OF HAMDEN, CONNECTICUT

SCHEDULE OF DEBT LIMITATION  
For the Year Ended June 30, 2014

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	<u>General Purpose</u>
<b>Debt Limitation:</b>	
2 1/4 Times Base	\$ 354,580,337
4 1/2 Times Base	
3 3/4 Times Base	
3 1/4 Times Base	
3 Times Base	
7 Times Base	
	<hr/>
<b>Total Debt Limitation</b>	<b>\$ 354,580,337</b>
<b>Indebtedness:</b>	
Bonds payable	\$ 82,400,000
Bonds authorized and unissued	<u>26,405,000</u>
<b>Total Indebtedness</b>	<b>\$ 108,805,000</b>
<b>Less: School Construction Grants Receivable</b>	<u>-</u>
<b>Total Indebtedness of the Town</b>	<b>\$ 108,805,000</b>
<b>Debt Limitation In Excess of Outstanding and Authorized Debt</b>	<b>\$ 245,775,337</b>

Total Tax Collections (Including Interest and Lien Fees)  
 For The Year Ended June 30, 2014 \$ 157,591,261

Reimbursement For Revenue Loss On:  
 Elderly Tax Relief - Freeze -

**Base** \$ 157,591,261

<u>Schools</u>	<u>Sewers</u>	<u>Urban Renewal</u>	<u>Pension Bonding</u>	<u>Total Debt</u>
709,160,675	590,967,229	512,171,598	472,773,783	1,103,138,827
<u>709,160,675</u>	<u>590,967,229</u>	<u>512,171,598</u>	<u>472,773,783</u>	<u>1,103,138,827</u>
36,640,000			125,000,000	119,040,000 151,405,000
36,640,000	-	-	125,000,000	270,445,000
<u>3,531,114</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,531,114</u>
<u>33,108,886</u>	<u>-</u>	<u>-</u>	<u>125,000,000</u>	<u>266,913,886</u>
<u>676,051,789</u>	<u>590,967,229</u>	<u>512,171,598</u>	<u>347,773,783</u>	<u>836,224,941</u>

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