

Restated

TOWN OF HAMDEN, CONNECTICUT

AUDITED FINANCIAL STATEMENTS

JUNE 30, 2015

TOWN OF HAMDEN, CONNECTICUT

TABLE OF CONTENTS

		<u>Page Number</u>
<u>FINANCIAL SECTION</u>		
Independent Auditor's Report		1-2
Management's Discussion and Analysis		3a-3g
Basic Financial Statements:		
Government-Wide Financial Statements:		
	<u>Exhibit</u>	
Statement of Net Position	A	4
Statement of Changes in Net Position	B	5-6
Fund Financial Statements:		
Balance Sheet - Governmental Funds	C	7
Statement of Revenues, Expenditures, and Changes In Fund Balances (Deficit) – Governmental Funds	D	8
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances (Deficit) of Governmental Funds to the Statement of Activities	E	9
Statement of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis - Budget and Actual - General Fund	F	10
Statement of Fund Net Position - Proprietary Funds	G	11
Statement of Revenues, Expenses and Changes in Fund Net Position (Deficit) - Proprietary Funds	H	12
Statement of Cash Flows - Proprietary Funds	I	13
Statement of Fiduciary Net Position - Fiduciary Funds	J	14
Statement of Changes in Fiduciary Net Position - Fiduciary Funds	K	15
Notes to Financial Statements		16-49

TOWN OF HAMDEN, CONNECTICUT

TABLE OF CONTENTS

Required Supplementary Information:

Changes in the Town's Net Pension Liability	RSI-1	50
Schedule of Contributions	RSI-2	51
Schedule of Funding Progress	RSI-3	52
Pension Expense	RSI-4	53
Other Post-Employment Benefits (OPEB)	RSI-5	54
Net Pension Liability – Teachers Retirement System	RSI-6	55
Net Pension Liability – CMERS	RSI-7	56

Supplemental and Combining Nonmajor Fund Statements and Schedules

	<u>Schedule</u>	<u>Page Number</u>
General Fund		
General Fund Revenues and Other Financing Sources- Budgetary Basis -Budget and Actual	1	57-58
General Fund Expenditures, Encumbrances and Other Financing Uses - Budgetary Basis – Budget and Actual	2	59-60
Non-Major Governmental Funds		
Combining Balance Sheet	3	61-65
Combining Statement of Revenues, Expenditures And Changes in Fund Balances (Deficits)	4	66-70
Internal Service Funds:		
Combining Statement of Net Fund Position	5	71
Combining Statement of Revenues, Expenses and Changes In Net Fund Position	6	72
Combining Statement of Cash Flows	7	73
Private Purpose Trust Funds:		
Combining Statement of Net Position	8	74
Combining Statement of Changes in Net Position	9	75
Agency Funds:		
Combining Statement of Fiduciary Net Position	10	76
Combining Statement of Changes in Assets and Liabilities	11	77
Other Schedules		
Schedule of Property Taxes Levied, Collected And Outstanding	12	78-79
Schedule of Debt Limitation	13	80-81



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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, 2015, 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, 2015, 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 standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

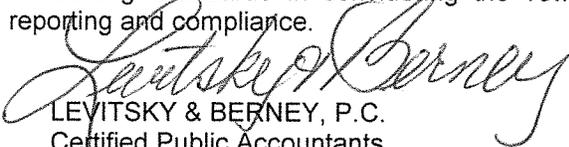
Other Information

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 February 10, 2016 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 the Town of Hamden, Connecticut's internal control over financial reporting and compliance.


LEVITSKY & BERNEY, P.C.
Certified Public Accountants
Woodbridge, CT

February 10, 2016, except for the restatement of the Beginning Net Position of the Town as of July 1, 2014 to reflect the implementation of GASB No. 68 along with all associated disclosures in the "Notes to the Financial Statements" and "Required Supplementary Information", the reclassification of Unearned Revenues as reported on the Balance Sheet from "Deferred Inflow of Resources" to "Liabilities", the inclusion of proceeds from Pension Funding Bonds as an "Other Financing Source" on Exhibit D, and the addition of Note 13 to describe the reasons for the restatements, for which the date is April 26, 2016.

Town of Hamden, Connecticut Management's Discussion and Analysis June 30, 2015

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, 2015. 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, 2015, of (\$484,305,050). The increase in deficit from FY2014 concerns primarily liabilities associated with bonds issued in the current year.
- On a government-wide basis, during the year, the Town's net position decreased by \$47,505,505 compared to a \$31,839,012 decrease in 2014.

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 \$2,289,990, an increase of \$7,159,419 from the prior fiscal year fund balance of \$9,449,409. The capital expenditures on the bonded projects totaling \$21,161,805 resulted in this deficit

At the end of the 2015 fiscal year, the total fund balance for the General Fund alone was \$3,043,752, an increase of \$827,547 from the prior fiscal year. The total General Fund balance at year-end represents 1.46% of the total General Fund expenditures of \$208,005,986 for the fiscal year ending June 30, 2015.

- The Town of Hamden's total long-term bonded indebtedness increased by \$143,230,000 during the current fiscal year to \$262,270,000 through the issuance of pension funding bonds and general obligation bonds.

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 \$484,305,050 on June 30, 2015. The growth in the deficit from FY2015 to FY2014 concerns primarily liabilities associated with the issue of bonds

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

	June 30, 2015	June 30, 2014 *
Current and other assets	\$ 35,915,658	39,281,797
Deferred outflows on resources	544,293	600,839
Capital assets	260,225,060	252,774,701
Total assets and deferred outflows on resources	\$ 296,685,011	292,657,337
Other liabilities	\$ 31,871,825	37,981,356
Deferred inflows on resources	8,256,378	3,866,814
Long-term liabilities (740,861,858	687,608,712
Total liabilities and deferred inflows on resources	\$ 780,990,061	729,456,882
Net assets (deficit):		
Investment in capital assets - net of related debt	\$ 122,955,059	130,581,284
Restricted	10,943	10,877
Unrestricted (deficit)	(607,271,052)	(567,391,706)
Total net assets (deficit)	\$ (484,305,050)	(436,799,545)

* - Restated for GASB 68

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. Deferred outflows and inflows of resources were separated for 2015.

Town of Hamden, Connecticut
Summary Statement of Activities

	June 30, 2015	June 30, 2014
Operating Revenues:		
Charges for services	\$ 6,311,454	\$ 6,517,442
Operating grants and contributions	39,892,994	46,275,584
Capital grants and contributions	1,731,870	1,701,590
 General revenues:		
Property taxes	164,346,117	159,222,981
Grants not restricted to specific purposes	6,422,987	6,775,474
Unrestricted investment earnings	109,947	79,206
Miscellaneous	613,747	753,440
Bond premiums		
Total revenues	\$ 219,429,116	\$ 221,325,717
 Expenses:		
General government	\$ 17,118,599	\$ 15,741,544
Education	156,213,467	154,284,108
Public safety	42,494,099	37,599,665
Public works	35,233,621	31,722,982
Health and welfare	3,882,182	3,195,578
Culture and recreation	4,870,239	4,083,994
Interest on long-term debt	7,122,414	6,536,858
Total expenses	\$ 266,934,621	\$ 253,164,729
Changes in net assets (deficit)	\$ (47,505,505)	\$ (31,839,012)
Net assets (deficit), beginning (restated)	(436,799,545)	(404,960,533)
Net assets (deficit), ending	\$ (484,305,050)	\$ (436,799,545)

The Town of Hamden's net deficit position increased by \$47,505,505 during the fiscal year. This increase in the deficit is principally due to the issue of pension funding and general obligation bonds.

Governmental Activities

For governmental activities, approximately 75% of the revenues were derived from property taxes, followed by approximately 22% from intergovernmental revenues.

Major revenue factors included:

- Property tax revenue increased by \$5,123,136 due to a mill rate increase.

For governmental activities, approximately 59% of the Town's expenses relate to education, 6% relate to general government, 13% relate to public works operations, 16% to public safety and the remaining 6% relate to interest expense, health and welfare, community development and culture and recreation.

Major expense factors include:

- Functional expenses generally increased due primarily to the issue of pension funding and general obligation bonds.

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 \$3,043,752.

As stated earlier, the fund balances of the Town of Hamden's general fund increased by \$827,547 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 \$598. The decrease in fund balance of \$50,653 was primarily due to the expenditures of previously bonded funds. This fund is approaching the completion of the project.

The **Capital Project Fund** had an increase in fund balance of \$5,293,913 which included increase in funding and the current year capital expenditures.

Proprietary Funds. The deficit of the Internal Service Funds at the end of the year was \$4,935,632, a decrease in deficit of \$189,135 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 \$205,605,117, which were lower than budgetary estimates by \$1,510,354.

Actual expenditures and transfers out on a budgetary basis totaled \$204,797,658 or \$2,317,813 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, 2015, amounts to \$440 million on a gross basis and \$260 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, 2015	June 30, 2014
Governmental funds capital assets:			
Land	\$	18,281,108	18,281,108
Land improvements		13,845,613	14,597,869
Buildings and improvements		139,745,533	141,736,396
Machinery and equipment		7,678,030	8,132,031
Infrastructure		12,219,949	16,617,012
Construction in progress		68,454,825	53,410,285
Total	\$	260,225,058	\$ 252,774,701

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 \$262,270,000, compared to \$119,040,000 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 2015, the unemployment rate for the Hamden labor market area was 5.7%, compared with 7.7% for the prior June. Connecticut's overall unemployment rate stood at 5.8% in June 2015, compared with 7.8% 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, 2015

	Primary Government <u>Governmental Activities</u>
Assets:	
Cash and cash equivalents	\$ 27,379,735
Receivables, net	8,514,716
Inventory	21,207
Capital assets:	
Capital assets, not being depreciated	86,735,935
Capital assets, being depreciated, net	<u>173,489,125</u>
Total assets	<u>\$ 296,140,718</u>
Deferred outflows on resources	
Deferred charges	<u>\$ 544,293</u>
Liabilities:	
Accounts payable and accrued expenses	\$ 7,027,979
Accrued interest	6,657,144
External balances	226,702
Bond anticipation notes	17,960,000
Noncurrent liabilities:	
Due within one year	48,158,350
Due in more than one year	<u>692,703,508</u>
Total liabilities	<u>\$ 772,733,683</u>
Deferred inflows on resources	
Advance tax collections	\$ 2,949,787
Loss on refunding debt	<u>5,306,591</u>
Total deferred inflow on resources	<u>\$ 8,256,378</u>
Net position:	
Net Investment in Capital Assets	\$ 122,955,059
Restricted	10,943
Unrestricted	<u>(607,271,052)</u>
Total net position	<u>\$ (484,305,050)</u>

* After internal balances have been eliminated

TOWN OF HAMDEN, CONNECTICUT

STATEMENT OF CHANGES IN NET POSITION
 For the Year Ended June 30, 2015

<u>Functions/programs</u>	<u>Expenses</u>	<u>Program Revenues</u>
		<u>Charges for Services</u>
Primary Government:		
Governmental activities:		
General government	\$ 17,118,599	2,277,356
Public safety	42,494,099	2,210,611
Public works	35,233,621	397,255
Health and welfare	3,882,182	192,406
Cultural and recreation	4,870,239	278,616
Education	156,213,467	955,210
Interest on long-term debt	7,122,414	
Total governmental activities	\$ 266,934,621	6,311,454
Total primary government	\$ 266,934,621	6,311,454

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
1,272,303	326,747	(13,242,193)
225,288	210,610	(39,847,590)
920,812	733,212	(33,182,342)
		(3,689,776)
300,669	461,301	(3,829,653)
37,173,922		(118,084,335)
		(7,122,414)
<u>39,892,994</u>	<u>1,731,870</u>	<u>(218,998,303)</u>
<u>39,892,994</u>	<u>1,731,870</u>	<u>(218,998,303)</u>

General revenues:

Property taxes	\$ 164,346,117
Grants and contributions not restricted for specific programs	6,422,987
Unrestricted investment earnings	109,947
Other unrestricted income	<u>613,747</u>
Total general revenues and transfers	<u>\$ 171,492,798</u>
Change in net position	<u>\$ (47,505,505)</u>
Net position, beginning	<u>\$ (436,799,545)</u>
Net position, ending	<u><u>\$ (484,305,050)</u></u>

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2015

	Major Funds				Total Governmental Funds
	General	Memorial Town Hall Projects	Capital Project Fund	Nonmajor Governmental Funds	
Assets					
Cash and cash equivalents	\$ 24,303,396	(15,044)	239,151	1,522,262	26,049,765
Receivables, net	7,510,307			788,141	8,298,448
Due from other funds	4,368,282	15,642	15,204,501	2,654,038	22,242,463
Inventories				21,207	21,207
Total assets	\$ 36,181,985	598	15,443,652	4,985,648	56,611,883
Liabilities, Deferred Inflows and Fund Balances					
Liabilities:					
Accounts and other payables	\$ 3,462,812		3,362,977	93,482	6,919,271
Due to other funds	18,127,283		2,116,365	2,230,816	22,474,464
Bond anticipation notes			17,960,000		17,960,000
Unearned revenues	7,087,662				7,087,662
Total liabilities	\$ 28,677,757	-	23,439,342	2,324,298	54,441,397
Deferred inflows of resources:					
Payments in advance	\$ 4,460,476				4,460,476
Total deferred inflows of resources	\$ 4,460,476	-	-	-	4,460,476
Fund balances:					
Nonspendable				21,207	21,207
Restricted for:					
Donor's intentions				10,943	10,943
Committed for:					
Other					-
Assigned				2,112,955	2,112,955
Unassigned	3,043,752	598	(7,995,690)	516,245	(4,435,095)
Total fund balances	\$ 3,043,752	598	(7,995,690)	2,661,350	(2,289,990)
Total liabilities, deferred inflows of resources and fund balances	\$ 36,181,985	598	15,443,652	4,985,648	

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

Capital assets used in the governmental activities are not financial resources and therefore, are not reported in the funds.	260,225,060
Other long-term assets are not available to pay for current period expenditures, and, therefore, are deferred in the funds.	7,087,662
Internal service funds 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.	(4,935,632)
Long-term liabilities , including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(744,392,150)
Net assets of governmental activities (Exhibit A)	\$ (484,305,050)

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS)
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2015**

	Major Funds			Nonmajor Governmental Funds	Total Governmental Funds
	General	Memorial Town Hall Projects	Capital Projects		
Revenues:					
Property taxes and assessments	\$ 162,646,202				162,646,202
Intergovernmental	37,141,207	65	26,405,000	13,672,739	77,219,011
Charges for services	5,267,502			116,294	5,383,796
Investment income	109,947				109,947
Miscellaneous	1,644,345			283,277	1,927,622
Total revenues	\$ 206,809,203	65	26,405,000	14,072,310	247,286,578
Expenditures:					
Current:					
General government	\$ 8,448,513				8,448,513
Public safety	26,975,603			217,117	27,192,720
Public works	12,000,404			423,874	12,424,278
Public health	1,699,785			260,772	1,960,557
Culture and recreation	2,742,750			19,309	2,762,059
Education	84,858,213			11,341,073	96,199,286
Other	57,096,850			721,553	57,818,403
Capital outlay		50,718	21,111,087		21,161,805
Debt service	14,183,868				14,183,868
Total expenditures	\$ 208,005,986	50,718	21,111,087	12,983,698	242,151,489
Excess (deficiency) of revenues over (under) expenditures	\$ (1,196,783)	(50,653)	5,293,913	1,088,612	5,135,089
Other financing sources (uses)					
Transfer from other funds	\$ 1,037,259				1,037,259
Transfer to other funds	(122,303,087)				(122,303,087)
Proceeds from sale of bonds	123,290,158				123,290,158
Total other financing sources (uses)	\$ 2,024,330	-	-	-	2,024,330
Net changes in fund balances	\$ 827,547	(50,653)	5,293,913	1,088,612	7,159,419
Fund balances (deficits) - beginning	2,216,205	51,251	(13,289,603)	1,572,738	(9,449,409)
Fund balances (deficits) - ending	\$ 3,043,752	598	(7,995,690)	2,661,350	(2,289,990)

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, 2015

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)	\$ 7,159,419
Governmental funds report capital outlays as expenditures; however, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	7,450,357
The issuance of long-term debt (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.	(62,304,416)
The net expense of certain activities of internal service funds is reported with governmental activities.	<u>189,135</u>
Change in net position of governmental activities (Exhibit B)	<u>\$ (47,505,505)</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, 2015**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive/ (Negative)
	Original	Final		
Revenues:				
Property taxes	\$ 163,325,203	163,325,203	162,646,202	(679,001)
Intergovernmental	33,281,643	33,544,414	33,912,791	368,377
Charges for services	4,111,950	4,181,827	2,837,590	(1,344,237)
Investment income	60,000	67,000	109,947	42,947
Licenses, permits and fees	2,757,910	2,757,910	2,429,912	(327,998)
Other revenues	3,237,900	3,239,117	1,644,345	(1,594,772)
Total revenues	\$ 206,774,606	207,115,471	203,580,787	(3,534,684)
Expenditures:				
Current:				
General government	\$ 10,049,062	8,855,995	8,448,514	407,481
Public safety	27,189,380	27,466,361	26,975,604	490,757
Public works	11,673,664	12,440,102	12,000,403	439,699
Health and welfare	1,707,102	1,765,851	1,699,786	66,065
Cultural and recreation	2,820,797	2,827,464	2,742,749	84,715
Education	81,650,000	81,650,000	81,649,885	115
Employee benefits	56,799,250	57,224,937	57,096,849	128,088
Debt service:				
Principal retirements	9,053,425	9,053,425	9,053,425	-
Interest and other charges	5,831,336	5,831,336	5,130,443	700,893
Total expenditures	\$ 206,774,016	207,115,471	204,797,658	2,317,813
Revenues over (under) expenditures	\$ 590	-	(1,216,871)	(1,216,871)
Other financing sources (uses):				
Premium on debt issuance	\$		987,071	987,071
Transfers In			1,037,259	1,037,259
Total other financing sources (uses)	\$ -	-	2,024,330	2,024,330
Revenues Over Expenditures and Other Financing Sources (Uses)	\$ 590	-	807,459	807,459

Timing differences in education budget and accrual basis	<u>20,088</u>
Net Change in unassigned fund balance	\$ 827,547
Unassigned fund balance, July 1, 2014	<u>2,216,205</u>
Unassigned fund balance, June 30, 2015	<u>\$ 3,043,752</u>

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

STATEMENT OF NET FUND POSITION
 PROPRIETARY FUNDS
 June 30, 2015

	Governmental Activities
	Internal Service Funds
	<u> </u>
Assets	
Current assets:	
Cash and cash equivalents	\$ 1,329,970
Receivables, net of allowance	216,268
Due from other funds	5,299
Total assets	<u>\$ 1,551,537</u>
Liabilities	
Current liabilities:	
Accounts payable & accrued liabilities	\$ 108,708
Due to other funds	-
Total current liabilities	<u>\$ 108,708</u>
Noncurrent liabilities:	
Incurred, but not reported claims	\$ 6,378,461
Notes payable, less current portion	
Total noncurrent liabilities	<u>\$ 6,378,461</u>
Total liabilities	<u>\$ 6,487,169</u>
Net Fund Position	
Unrestricted	\$ (4,935,632)
Total net fund position	<u>\$ (4,935,632)</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, 2015

	Governmental Activities <u>Internal Service Funds</u>
Operating revenues:	
Employer's contribution	\$ 18,077,842
Employee contribution	<u>5,217,424</u>
Total operating revenues	<u>\$ 23,295,266</u>
Operating expenses:	
Salaries and benefits	\$ 23,106,131
Total operating expenses	<u>\$ 23,106,131</u>
Operating income (loss)	<u>\$ 189,135</u>
Change in Net Fund Position	\$ 189,135
Net Fund Position, beginning	<u>(5,124,767)</u>
Net Fund Position, ending	<u>\$ (4,935,632)</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, 2015

	Governmental Activities
	Internal Service Funds
	<u> </u>
Cash Flows From Operating Activities	
Receipts from customers	\$ 22,962,849
Payments to suppliers	
Payments to employees	(24,253,342)
Internal activity-payments from (to) other funds	
	<u> </u>
Net cash flows from operating activities	\$ (1,290,493)
Net increase (decrease) in cash and cash equivalents	\$ (1,290,493)
Cash and Cash Equivalents, beginning	<u>2,620,463</u>
Cash and Cash Equivalents, ending	<u><u>\$ 1,329,970</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used In)	
Operating Activities:	
Operating Income (Loss)	\$ 189,135
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	(1,268)
Decrease (increase) in due from other funds	
Increase (decrease) in accounts payable	(35,044)
Increase (decrease) in payments in advance	
Increase (decrease) in due to other funds	
Increase (decrease) in claims incurred but not reported	<u>(1,443,316)</u>
Net cash flows from operating activities	\$ (1,290,493)

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

STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 June 30, 2015

	Pension Trust Fund	Other Post Employment Benefits	Private Purpose Trust Funds	Agency Funds
Assets				
Cash and cash equivalents	\$ 43,209,796	200,000	434,573	693,168
Investments, at fair value:				
Common stocks	55,021,123			
Mutual funds	74,586,052			
Equity real estate	8,104,142			
Accounts receivable	66,075			
External balances	-		154,264	77,450
Prepaid expenses	14,617			
Total assets	\$ 181,001,805	200,000	588,837	770,618
Liabilities				
Accounts payable and accrued expenses	\$ 65,189		18,625	
Due to broker for securities purchased	17,310,963			
Other liabilities		1,068,591	5,012	
Held for deposit for others				770,618
Total liabilities	\$ 17,376,152	1,068,591	23,637	770,618
Net Position:				
Net Position - Held in Trust for Pension Benefits and Other Purposes	\$ 163,625,653	(868,591)	565,200	-

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, 2015

	Pension Trust Funds	Other Post Employment Benefits	Private Purpose Trust Funds
ADDITIONS			
Contributions:			
Income from pension deficit funding bond	\$ 122,303,087		
Town of Hamden	\$ 14,768,025	17,438,134	
Employees	2,232,086		
Other			294,427
Total contributions	\$ 139,303,198	17,438,134	294,427
Investment earnings:			
Net decrease in fair value of investments	\$ (2,830,619)		
Interest and dividends	1,629,339		1,635
Less: Investment expenses	(154,454)		
Total investment earnings	\$ (1,355,734)	-	1,635
Total additions	\$ 137,947,464	17,438,134	296,062
DEDUCTIONS			
Benefits paid to participants	\$ 24,325,333	17,463,652	
Administrative expenses	109,273		
Other deductions			281,447
Total deductions	\$ 24,434,606	17,463,652	281,447
Change in net position	\$ 113,512,858	(25,518)	14,615
NET POSITION, beginning	\$ 50,112,795	(843,073)	550,585
NET POSITION, ending	\$ 163,625,653	(868,591)	565,200

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

TOWN OF HAMDEN, CONNECTICUT

NOTES TO THE FINANCIAL STATEMENTS, Continued June 30, 2015

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.

The Town adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, and its amendment, GASB No. 71, effective July 1, 2014. These statements revised and established new financial reporting requirements for most governments that provide their employees with pension benefits. Among other requirements, Statement No. 68 required governments providing defined benefit pensions to recognize their total obligation for pension benefits as a liability for the first time and calls for recognition of more pension expense than is currently required. The effects of the implementation of these statements are as follows: The beginning net position was decreased by \$206,047,251, a net pension liability of \$402,388,435 was added and a net pension obligation of \$196,341,184 was removed.

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*.

TOWN OF HAMDEN, CONNECTICUT

NOTES TO THE FINANCIAL STATEMENTS, Continued June 30, 2015

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 revenue 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.

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, 2015

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, 2015

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 liability is measured as the portion of the actuarial present value of projected benefits that is attributed to past periods of employee service (total pension liability), net of the pension plan's fiduciary net position. The pension plan's fiduciary net position is determined using the same valuation that are used by the pension plan for purposes of preparing g its statement of fiduciary net position. The net pension liability is measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year, consistently applied from period to period. The net pension liability is reported in the statement of net position as a non-current liability. In the governmental funds, expenditures are recognized when they are paid or are expected to be paid with current available resources.

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 OF HAMDEN, CONNECTICUT

NOTES TO THE FINANCIAL STATEMENTS, Continued June 30, 2015

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.

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, 2015

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, 2015

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 Town 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 Town 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, 2015

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, 2015

- 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, 2015.

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>
Balance, budgetary basis	\$ 203,580,787	204,797,659
The pay down of debt by the General Fund on-behalf of the capital projects fund was reclassified as other financial uses		
State Teachers' Retirement "on-behalf" payment, not recognized for budgetary purposes	3,228,416	3,228,416
Timing differences between the Town's Education expense and the accrual basis of Accounting		<u>(20,089)</u>
Balance, GAAP basis	<u>\$ 206,809,203</u>	<u>208,005,986</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, 2015

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		68,454,826
Net capital assets being depreciated		<u>173,489,126</u>
Net adjustment to increase fund balance to arrive at net assets of government activities	\$	<u>260,225,060</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	\$	(262,270,000)
Deferred charges on debt		(15,247,243)
Net Pension Liability		(290,814,288)
Net OPEB Obligation		(154,079,102)
Compensation Absences		(6,038,590)
Heart and Hypertension		(4,720,583)
Landfill Closure		(65,200)
Claims and Judgments		(4,500,000)
Accrued interest on debt		<u>(6,657,144)</u>
Net adjustment to reduce fund balance to arrive at net assets of government activities	\$	<u>(744,392,150)</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	\$	5,067,237
Noncurrent account receivable		<u>2,020,425</u>
Net adjustment to increase fund balance to arrive at net assets of government activities	\$	<u>7,087,662</u>

TOWN OF HAMDEN, CONNECTICUT

NOTES TO THE FINANCIAL STATEMENTS, Continued

June 30, 2015

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	\$	19,259,325
Depreciation		<u>(11,808,968)</u>
Net Adjustment to increase net changes in fund balances to arrive at changes in net assets of governmental activities	\$	<u>7,450,357</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:

Issuance of debt	\$	(151,405,000)
Payments of debt		8,175,000
Premium and savings (loss) on new issuances		(14,759,980)
Amortization of bond premiums and savings		160,571
Net change in net pension liability		111,574,147
Net change in net OPEB obligation		(17,229,699)
Net change in other liabilities		<u>1,180,545</u>
Net adjustment to reduce net changes in fund balances to arrive at changes in net position of governmental activities	\$	<u>(62,304,416)</u>

TOWN OF HAMDEN, CONNECTICUT

NOTES TO THE FINANCIAL STATEMENTS, Continued
June 30, 2015

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>
Cash and cash equivalents:			
Governmental Funds	\$ 25,880,721	169,044	26,049,765
Internal Service Funds	1,329,970		1,329,970
Fiduciary funds	44,537,537		44,537,537
Investments:			
Fiduciary funds(pension)		137,711,317	137,711,317
Total Deposits and Investments	\$ 71,748,228	137,880,361	209,628,589

Deposits

The carrying amounts of the Town's deposits at June 30, 2015 consist of the following:

Bank Deposit Accounts	\$ 71,605,148
Certified Deposits	137,679
Cash on Hand	5,401
Total Deposits	\$ 71,748,228

Custodial Credit Risk

As of June 30, 2015, the carrying amount of the Town's deposits had bank balances of approximately \$154,232,486. The amount of the bank balance covered under federal depository insurance was approximately \$850,040. 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, 2015 approximately 2,360,031 of uninsured deposits were collateralized under the provision.

Investments

As of June 30, 2015, 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	\$ 75,844	.02	-
Money Market Account	General Fund	93,200	.02	-
Common Stock	Trust Funds	55,021,123	n/a	-
Mutual Funds	Trust Funds	74,586,052	n/a	-
Equity Real Estate	Trust Funds	8,104,142	n/a	-
Total Investments		\$ 137,880,361		

TOWN OF HAMDEN, CONNECTICUT

NOTES TO THE FINANCIAL STATEMENTS, Continued June 30, 2015

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:

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, 2015 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	\$ 4,675,318			4,675,318
Intergovernmental	2,020,425	788,141		2,808,566
Accounts	814,564		216,268	1,030,832
Net Total Receivables	\$ 7,510,307	788,141	216,268	8,514,716

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:

TOWN OF HAMDEN, CONNECTICUT

NOTES TO THE FINANCIAL STATEMENTS, Continued
June 30, 2015

	<u>Unavailable</u>	<u>Unearned</u>	<u>Total</u>
General Fund:			
Delinquent property taxes	\$ 4,709,330		4,709,330
Overpayments		406,975	406,975
Tax payments in advance		4,053,501	4,053,501
Delinquent account receivable	357,907		357,907
Advanced payments	<u>2,020,425</u>		<u>2,020,425</u>
Total Deferred Revenue	\$ <u>7,087,662</u>	<u>4,460,476</u>	<u>11,548,138</u>

Payables

Payables as of June 30, 2015 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	\$ 2,619,382	843,430		3,462,812
Memorial Town Hall				
Capital Projects Fund	3,362,977			3,362,977
Non-major Funds	<u>93,482</u>			<u>93,482</u>
Total governmental funds	\$ <u>6,075,841</u>	<u>843,430</u>		<u>6,919,271</u>

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>
Bond anticipation notes:				
April 2012 BAN	\$ 1,118,425		1,118,425	
May 2013 BAN	13,975,000		13,975,000	
December 2013 BAN	12,430,000		12,430,000	
August 2014 BAN		<u>17,960,000</u>		<u>17,960,000</u>
Total governmental funds	\$ <u>27,523,425</u>	<u>17,960,000</u>	<u>1,118,425</u>	<u>17,960,000</u>

TOWN OF HAMDEN, CONNECTICUT

NOTES TO THE FINANCIAL STATEMENTS, Continued
June 30, 2015

Note 6 - Inter-fund Receivables, Payables and Transfers

Inter-funds Receivables and Payables

Inter-fund receivables and payables at June 30, 2015 consisted of the following:

<u>Fund</u>	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 4,368,282	18,127,283
Memorial Town Hall	15,642	
Capital Projects	15,204,501	2,116,365
Nonmajor	2,654,038	2,230,816
Internal Service Fund	5,299	
Pension Trust Fund		
Private Purpose Trusts	154,264	5,012
Performance Bond	77,450	
	<u>\$ 22,479,476</u>	<u>22,479,476</u>

Note 7 - Capital Assets

Capital assets activity for the year ended June 30, 2015 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Governmental Activities				
Capital assets not being depreciated:				
Land	\$ 18,281,108			18,281,108
Construction in progress	53,410,285	15,806,441	761,900	68,454,827
Total capital assets, not being deprec.	<u>\$ 71,691,393</u>	<u>15,806,441</u>	<u>761,900</u>	<u>86,735,935</u>
Capital assets being depreciated:				
Land Improvements	\$ 23,742,668	427,448		24,170,116
Buildings and improvements	202,914,432	2,081,119		204,995,551
Machinery and equipment	33,668,753	1,654,018		35,322,771
Infrastructure	89,028,477	52,200		89,080,677
Total capital assets being depreciated	<u>\$ 349,354,330</u>	<u>4,214,785</u>	<u>-</u>	<u>353,569,115</u>
Less: Accumulated depreciation:				
Land Improvements	\$ 9,144,799	1,179,703		10,324,502
Buildings and improvements	61,178,036	4,071,982		65,250,018
Machinery and equipment	25,536,722	2,108,020		27,644,742
Infrastructure	72,411,465	4,449,263		76,860,728
Total accumulated depreciation	<u>\$ 168,271,022</u>	<u>11,808,968</u>	<u>-</u>	<u>180,079,990</u>
Net capital assets, being depreciated	<u>\$ 181,083,308</u>	<u>(7,594,183)</u>	<u>761,900</u>	<u>173,489,125</u>
Total capital assets, governmental	<u>\$ 252,774,701</u>	<u>8,212,258</u>	<u>761,900</u>	<u>260,225,060</u>

TOWN OF HAMDEN, CONNECTICUT

NOTES TO THE FINANCIAL STATEMENTS, Continued
June 30, 2015

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

Governmental Activities:	
General government	\$ 877,595
Education	2,889,897
Public safety	566,586
Public works	7,293,371
Health and welfare	58,706
Community services	<u>122,813</u>
Total depreciation expense- governmental activities	<u>\$ 11,808,968</u>

Note 8 - Long-Term Liabilities

Long-term debt liabilities activity for the year ended June 30, 2015 was as follows:

	<u>Restated Beginning Balance*</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u>	<u>Due In One Year</u>
Governmental Activities:					
Long-Term Debt:					
General obligation bonds	\$ <u>119,040,000</u>	<u>151,405,000</u>	<u>8,175,000</u>	<u>262,270,000</u>	<u>11,345,000</u>
Total Long-Term Debt	\$ <u>119,040,000</u>	<u>151,405,000</u>	<u>8,175,000</u>	<u>262,270,000</u>	<u>11,345,000</u>
Deferred amount on:					
(Gain) Loss on					
Bond premium	\$ <u>5,378,904</u>	<u>5,708,710</u>	<u>160,571</u>	<u>10,927,043</u>	<u>156,550</u>
Net long-term debt	\$ <u>124,418,904</u>	<u>157,113,710</u>	<u>8,335,571</u>	<u>273,197,043</u>	<u>11,501,550</u>
Other Long-Term Liabilities:					
Net pension liability	\$ 402,388,435	27,729,051	139,303,198	290,814,288	12,585,000
Net OPEB obligation	136,849,403	34,567,833	17,338,134	154,079,102	20,030,000
Compensated Absences	6,536,824		498,234	6,038,590	3,050,000
Claims Payable	7,821,777		374,725	7,447,052	625,000
Heart and hypertension	5,011,369		290,786	4,720,583	350,000
Landfill	82,000		16,800	65,200	16,800
Claims and judgments	<u>4,500,000</u>			<u>4,500,000</u>	
Total governmental activities long-term liabilities	<u>\$ 687,608,712</u>	<u>219,410,594</u>	<u>166,157,448</u>	<u>740,861,858</u>	<u>48,158,350</u>

*Restated for GASB No. 68

TOWN OF HAMDEN, CONNECTICUT

NOTES TO THE FINANCIAL STATEMENTS, Continued
June 30, 2015

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, 2015, the outstanding general obligation bonded indebtedness of the Town was as follows:

	<u>General</u>	<u>Refunding</u>
\$12,215,000 G.O.B. 2009A , 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	625,000	
\$3,190,000 G.O.B. Taxable 2009B , issue of 8/15/2009, due 8/15/2024, interest at 5.0% to 5.5%, annual principal payments of \$ \$265,000	2,650,000	
\$4,950,000 G.O.B. refunding 2010A , issue of 8/15/2010, due 8/15/2020, interest at 3.0% to 4.0%, annual principal payments of \$400,000		2,400,000
\$7,415,000 G.O.B. 2010B refunding , issue of 8/15/2010, due 8/1/2017, interest at 3.0% to 5%, annual principal payments of \$630,000		3,780,000
\$34,000,000 G.O.B. 2011A , 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	27,770,000	
\$13,150,000 G.O.B. refunding 2011B , 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		7,685,000
\$24,705,000 G.O.B. 2012 , issue of 8/15/12, due 8/15/2032, interest at 2.0% to 5.0%, annual principal payments of \$ \$1,235,000	20,995,000	
\$29,415,000 G.O.B. refunding 2013 , issue of 5/2/2013 due 8/25/2025 with interest of 5.0% and annual principal payments of \$1,320,000 to 1,325,000		29,415,000
\$26,405,000 G.O.B. 2015A , 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	26,405,000	
\$15,545,000 G.O.B. refunding 2015 , issue of 5/2/2013 due 8/25/2025 with interest of 5.0% and annual principal payments of \$1,320,000 to 1,325,000		15,545,000
\$125,000,000 Pension funding bonds 2015 , issue of payments of \$2,070,000 to 7,840,000	125,000,000	
Total general obligation bonds	<u>\$ 203,445,000</u>	<u>58,825,000</u>

TOWN OF HAMDEN, CONNECTICUT

NOTES TO THE FINANCIAL STATEMENTS, Continued
June 30, 2015

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

Year Ended, June 30	Governmental Activity	
	Principal	Interest
2016	11,345,000	10,794,790
2017	10,830,000	11,042,100
2018	11,625,000	10,626,137
2019	11,760,000	10,155,793
2020-2045	216,710,000	116,087,693
Total	\$ 262,270,000	158,706,513

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 General Purpose bonds relating to capital projects at June 30, 2015 in the amount of \$4,300,000.

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	\$ 361,930,239	111,705,195	250,225,044
Pension	482,573,652	125,000,000	357,573,652
Schools	723,860,478	27,844,380	696,016,098
Sewers	603,217,065		603,217,065
Urban Development	522,788,123		522,788,123

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, or \$1,126,005,188.

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, 2015 was approximately \$1,630,000. Additional payments for principal and interest aggregating approximately \$2,111,000 are to be received through the bonds' maturity dates.

TOWN OF HAMDEN, CONNECTICUT

NOTES TO THE FINANCIAL STATEMENTS, Continued June 30, 2015

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, 2015, there is \$49,925,000 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, 2015 that was considered to be defeased was \$20,235,000.

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, 2015

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 greatest 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, 2015

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	10
Fixed Income	40
Real Estate	<u>10</u>
Total	<u>100%</u>

Rate of Return: For the year ended June 30, 2015, 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, 2015

Net Pension Liability

In accordance with GASB Statement No 67, the components of the net pension liability of the Town at June 30, 2015 were as follows:

Total pension liability	\$ 454,439,941
Plan fiduciary net position	<u>163,625,653</u>
Town's Net Pension Liability	<u>\$ 290,814,288</u>
Plan fiduciary net position as a percentage Of the total liability	36.00%

Actuarial Assumptions: The total pension liability was determined by an actuarial valuation as of June 30, 2015, 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, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>	<u>Weighting</u>
Domestic Equity	6.7%	40	2.68%
International Equity	7.4	10	0.74%
Fixed Income	1.6	40	0.64%
Real Estate	4.5	<u>40</u>	1.80%
Total		<u>100%</u>	

TOWN OF HAMDEN, CONNECTICUT

NOTES TO THE FINANCIAL STATEMENTS, Continued
June 30, 2015

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, 2015. 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.

Changes in Net Pension Liability

	Total Pension Liability (TPL) (a)	Fiduciary Net Position (FMP) (b)	Net Pension Liability (NPL) (a)-(b)
Balances at June 30, 2014	\$ 452,501,230	50,112,795	402,388,435
Changes for the year:			
Service cost	\$ 6,209,591	-	6,209,591
Interest	30,823,699	-	30,823,699
Differences between expected and actual experience	(10,769,246)	-	(10,769,246)
Contributions - employer	-	137,071,112	(137,071,112)
Contributions - employee	-	2,232,086	(2,232,086)
Net investment		(1,355,734)	1,355,734
Benefit payments, including refunds of employee contributions	(24,325,333)	(24,325,333)	
Administrative expense	-	(109,273)	109,273
Net changes	\$ 1,938,711	113,512,858	(111,574,147)
Balances at June 30, 2015	\$ 454,439,941	163,625,653	290,814,288

TOWN OF HAMDEN, CONNECTICUT

NOTES TO THE FINANCIAL STATEMENTS, Continued
June 30, 2015

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Retirement Plan, calculated using the discount rate of 7.00% as well as what the Plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower 6.00% or one percentage point higher (8.00%) than the current rate:

<u>1% Decrease (6.00)</u>	<u>Current Discount Rate (7.00)</u>	<u>1% Increase (8.00)</u>
<u>\$ 348,441,813</u>	<u>290,814,288</u>	<u>243,106,524</u>

Membership in the Plan consisted of the following at July 1, 2015, the date of the last actuarial valuation:

Retirees and beneficiaries receiving benefits	726
Terminated plan members entitled to, but not yet receiving benefits	22
Active plan members	<u>425</u>
Total	<u><u>1,173</u></u>

Deferred outflows/inflows of resources related to pensions

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	(7,179,498)
Net difference between projected and actual earnings on pension plan investments	<u>5,737,428</u>	<u>-</u>
Total	<u><u>\$ 5,737,428</u></u>	<u><u>(7,179,498)</u></u>

Projected recognition of deferred outflows (inflows)

	<u>Year Established</u>	<u>Initial Balance</u>	<u>Amount Recognized During FYE June 30, 2015</u>	<u>Outstanding Balance at June 30, 2015</u>
Fiscal Year Outflows				
Investment Loss	2015	\$ 7,171,787	1,434,359	5,737,428
Total Outflows		<u>\$ 7,171,787</u>	<u>1,434,359</u>	<u>5,737,428</u>
Fiscal Year Inflows				
Liability gain	2015	\$ (10,769,246)	(3,589,748)	(7,179,498)
Total Inflows		<u>\$ (10,769,246)</u>	<u>(3,589,748)</u>	<u>(7,179,498)</u>
Total		<u><u>\$ (3,597,459)</u></u>	<u><u>(2,155,389)</u></u>	<u><u>(1,442,070)</u></u>

TOWN OF HAMDEN, CONNECTICUT

NOTES TO THE FINANCIAL STATEMENTS, Continued
June 30, 2015

Deferred Outflows/Inflows Recognized in Future Years

	<u>FYE</u> <u>June 30, 2016</u>	<u>FYE</u> <u>June 30, 2017</u>	<u>FYE</u> <u>June 30, 2018</u>	<u>FYE</u> <u>June 30, 2019</u>
Fiscal Year Outflows				
Investment Loss	\$ 1,434,357	1,434,357	1,434,357	1,434,357
Total Outflows	\$ 1,434,357	1,434,357	1,434,357	1,434,357
Fiscal Year Inflows				
Liability gain	\$ (3,589,749)	(3,589,749)	-	-
Total Inflows	\$ (3,589,749)	(3,589,749)	-	-
Total	\$ (2,155,392)	(2,155,392)	1,434,357	1,434,357

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:

TOWN OF HAMDEN, CONNECTICUT

NOTES TO THE FINANCIAL STATEMENTS, Continued
June 30, 2015

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.

The required and actual contributions were as follows:

2013	923,474
2014	1,110,466
2015	1,288,617

Connecticut State Teachers' Retirement System

The faculty and professional personnel of the Board of Education participate in a contributory, cost sharing multi-employer defined benefit plan, established under Chapter 167a of the Connecticut General Statutes, which is administered by the Connecticut State Teachers' Retirement Board. A teacher is eligible to receive normal retirement benefits if he or she has attained age sixty and has accumulated twenty years of credited service in the public schools of Connecticut or has attained any age and has accumulated 35 years of credited service, at least 25 of which are served 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 system is administered under the provisions of chapter 167a of the Connecticut General Statutes (CGS). Participation in the system is restricted to certified staff employed in the public schools of Connecticut and members of the professional staff of the State Department of Education or the Board of Governors of Higher Education and their constituent units. Participation in the System is mandatory for certified personnel of local boards of education who are employed for an average of at least one-half of a school day. Members of the professional staff of the State Department of Education or the Board of Governors of Higher Education and their constituent units may elect to participate in this system, the State Employees' Retirement System, or the Alternate Retirement System (TIAA-CREF).

TOWN OF HAMDEN, CONNECTICUT

NOTES TO THE FINANCIAL STATEMENTS, Continued
June 30, 2015

For purposes of measuring the liability, deferred outflows of resources and deferred inflows of resources, and expense associated with the State's requirement to contribute to the System, information about the System's fiduciary net position and additions to/deductions from the System's fiduciary net position have been determined on the same basis as they are reported by the System. For this purpose, benefit payments (including refunds of contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. 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 \$11,234,886 for the year ended June 30, 2015. The Town does not have any liability for teacher pensions.

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 2015, the Town contributions made on a pay-as-you go basis were \$17,338,134.

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>

TOWN OF HAMDEN, CONNECTICUT

NOTES TO THE FINANCIAL STATEMENTS, Continued
June 30, 2015

The calculation of the change in net OPEB obligation for the year ended June 30, 2015 is as follows:

Annual required contribution	\$ 38,069,376
Interest on net pension obligation	5,437,976
Adjustment to ARC	<u>(8,975,519)</u>
Annual OPEB cost	\$ 34,567,833
Contributions made	<u>(17,338,134)</u>
Increase in net OPEB liability	\$ 17,229,699
Net OPEB obligation, beginning of year	136,849,403
Net OPEB obligation, end of year	<u>\$ 154,079,102</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>
6/30/15	\$ 34,567,833	17,338,134	50.2	%	154,079,102
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

TOWN OF HAMDEN, CONNECTICUT

NOTES TO THE FINANCIAL STATEMENTS, Continued
June 30, 2015

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, 2015

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 \$65,200, 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, 2015. 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 under the twenty-

TOWN OF HAMDEN, CONNECTICUT

NOTES TO THE FINANCIAL STATEMENTS, Continued June 30, 2015

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 31st 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 CRRRA, 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 paid for by the Board of Education. The service company carries and pays for the cost of insurance.

TOWN OF HAMDEN, CONNECTICUT

NOTES TO THE FINANCIAL STATEMENTS, Continued June 30, 2015

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, 2015 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, 2015, the amount paid on the service contract was \$5,813,467.

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 \$28,000 for the years ending June 30, 2015 and 2014 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, 2015.

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. 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.

TOWN OF HAMDEN, CONNECTICUT

NOTES TO THE FINANCIAL STATEMENTS, Continued
June 30, 2015

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

Fiscal Year Ended June 30,	Claims Payable Beginning	Claims and Changes in Estimates	Claims Paid	Claims Payable Ending
Worker's Compensation & Medical Insurance				
2014	\$ 7,920,347	19,357,174	19,455,744	7,821,777
2015	7,821,777	20,342,687	20,717,412	7,447,052
Heart and Hypertension				
2014	5,639,397	(50,267)	577,761	5,011,369
2015	5,011,369	232,025	522,811	4,720,583
Total				
2014	13,559,744	19,306,907	20,033,505	12,833,146
2015	12,833,146	20,574,712	21,240,223	12,167,635

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

Fund Deficits

The Town has the following Fund Deficits at June 30, 2015 and expects to eliminate the deficits in the future as follows:

<u>Fund</u>	<u>Deficit</u>	<u>Plan For Elimination</u>
Capital Projects	\$ 7,995,690	Bond temporary note
Human Services	43,764	Future receipt of grant
Culture and Recreation	13,167	Future miscellaneous revenue
Community Development	42,697	Future receipt of grant
Public Works	18,466	Future receipt of grant
Other Capital Projects	101,221	Future bonding
Wintergreen Interdistrict	504,870	Future receipt of grant
Other Post-empl. Benefits	868,591	Future bonding and FEMA grants
Worker's Compensation	4,686,931	Future charges for services
Medical Insurance	248,701	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, 2015

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.

The GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB No. 27*, which replaces the requirements of GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, and Statement GASB 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 requires 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 also enhances 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. The Town adopted the provisions of GASB 68 as of July 1, 2014.

Note 13 – Reissuance of Report

This report is being reissued to reflect the restatement of the Beginning Net Position as of July 1, 2014 due to implementation of GASB No. 68, *Accounting and Financial Reporting for Pensions*, and its amendment, GASB No. 71, as well as to include all associated disclosures required by GASB 68 in the “Notes to the Financial Statements” and “Required Supplementary Information”.

The report is also being reissued to reclassify Unearned Revenue as reported on the Balance Sheet (Exhibit C) from “Deferred Inflow of Resources” to “Liabilities”, to include the proceeds from the issuance of Pension Funding Bonds in “Other Financing Sources” on the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds (Exhibit D).

REQUIRED SUPPLEMENTARY INFORMATION - UNAUDITED
SCHEDULE OF CHANGES IN THE TOWN'S NET PENSION LIABILITY AND RELATED RATIOS
June 30, 2015

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Total pension liability:					
Service cost	\$ 6,209,591	6,238,891	(Historical information prior to the implementation of GASB 67/68 is not required)		
Interest	30,823,699	31,148,927			
Differences between expected and actual experience	(10,769,246)	5,302,529			
Benefit payments, including refunds of member contributions	(24,325,333)	(23,582,140)			
Net change in total pension liability	\$ 1,938,711	19,108,207			
Total pension liability - beginning	452,501,230	433,393,023			
Total pension liability - ending	\$ 454,439,941	452,501,230			
Plan fiduciary net position:					
Contributions - employer	\$ 137,071,112	12,500,000			
Contributions - employee	2,232,086	2,181,831			
Net investment income	(1,355,734)	6,996,801			
Benefit payments, including refunds of employee contributions	(24,325,333)	(23,582,140)			
Administrative expense	(109,273)	(76,352)			
Net change in plan fiduciary net position	\$ 113,512,858	1,979,860			
Plan fiduciary net position - beginning	50,112,795	52,092,655			
Plan fiduciary net position - ending	\$ 163,625,653	50,112,795			
Employers Net Pension Liability - Ending	\$ <u>290,814,288</u>	<u>402,388,435</u>			
Plan fiduciary net position as a percentage of the total pension liability	36.01%	11.07%			
Covered-employee payroll	\$ 28,992,189	29,347,110			
Employer's Net pension liability as a percentage of covered-employee payroll	1003.00%	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.

Employer contributions: The employer contributions for 2015 include one-time pension deficit bond funding of \$122,303,087.

REQUIRED SUPPLEMENTARY INFORMATION - UNAUDITED
SCHEDULE OF INVESTMENT RETURNS
June 30, 2015

	<u>2015</u>	<u>2014</u>
Annual money-weighted rate of return, net of investment expense	-1.76%	14.44%

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS (UNAUDITED)

June 30, 2015

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
2015	\$ 29,536,050	14,768,025	14,768,025	28,992,189	50.94%
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%

Notes To Schedule:

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, 2015
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 - UNAUDITED
PENSION PLAN
June 30, 2015

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Valuation of Assets	Actuarial Accrued Liability (AAL) Entry Age	Unfunded/ (Overfunded) AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
07/01/08 \$	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%
07/01/15	167,629,557	454,439,941	286,810,384	36.89%	28,992,189	989.27%

REQUIRED SUPPLEMENTARY INFORMATION - UNAUDITED
PENSION PLAN
June 30, 2015

Pension expense for the year ended June 30, 2015

Service cost	\$	6,209,591
Interest on TPL		30,823,699
Employee contributions		(2,232,086)
Administrative expenses		109,273
Expected return on assets		(5,816,053)
Expensed portion of current year period differences between expected and actual experience in TPL		(3,589,748)
Expensed portion of current year period assumption changes		-
Current year plan changes		-
Expensed portion of current year period differences between projected and actual investment earnings		1,434,359
Current year recognition of deferred inflows and outflows established in prior years		-
Total expense	\$	<u>26,939,035</u>

REQUIRED SUPPLEMENTARY INFORMATION - UNAUDITED
 OTHER POST- EMPLOYMENT BENEFITS (OPEB)
 June 30, 2015

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
2015	\$ 38,069,376	45.5%
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%

REQUIRED SUPPLEMENTARY INFORMATION - UNAUDITED
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY -
TEACHERS' RETIREMENT SYSTEM
FOR THE YEAR ENDED JUNE 30 2015

Town's proportion of the net pension liability	0.00%
Town's proportionate share of the net pension liability	\$ -
State's proportionate share of the net pension liability associated with the Town	\$ 113,464,208
Total	\$ 113,464,208
Town's covered-employee payroll	\$ 44,529,870
Town's proportionate share of the net pension liability as a percentage of its covered payroll	0.00%
System fiduciary net position as a percentage of the total pension liability	61.51%

Notes to Schedule

Change in benefit terms	None
Change in assumptions	During 2011, rates of withdrawal, retirement and assumed rates of salary increases were adjusted to reflect actual and anticipated experience. These assumptions were recommended as part of the Experience Study for the System for the five year period ended June 30, 2010.
Methods and assumptions used in calculations of actuarially determined contributions	The actuarially determined contributions in the schedule of employer contributions are calculated as of June 30 each biennium for the fiscal years ending two and three years after the valuation date. The following actuarial methods and assumptions were used to determine the most recent contributions reported in that schedule.
Actuarial cost method	Entry age
Amortization method	Level percent of salary, closed
Remaining amortization period	22.4 years
Asset valuation method	4-year smooth market
Inflation	3.00%
Salary increase	3.75-7.00%, including inflation
Investment Rate of Return	8.50%, net of investment expense

**REQUIRED SUPPLEMENTARY INFORMATION - UNAUDITED
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY -
CONNECTICUT MUNICIPAL EMPLOYEES RETIREMENT SYSTEM
FOR THE YEAR ENDED JUNE 30 2015**

Town's proportion of the net pension liability for general employees with social security sub plan	3.37%
Town's proportion of the net pension liability for police and firemen with social security sub plan	9.91%
Town's proportionate share of the net pension liability	\$ 5,860,448
Town's covered-employee payroll	<u>\$ 11,446,209</u>
Town's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	<u>51.20%</u>
System fiduciary net position as a percentage of the total pension liability	<u>90.48%</u>

Schedule of Contributions

Contractually required contribution	\$ 2,094,399
Contributions in relation to the contractually required contribution	<u>2,094,399</u>
Contribution deficiency (excess)	\$ -
Town's covered-employee payroll	<u>\$ 11,446,209</u>
Contributions as a percentage of covered-employee payroll	<u>18.30%</u>

Notes to Schedule

Change in benefit terms	None
Change in assumptions	In 2013, rates of mortality, withdrawal, retirement and assumed rates of increase were adjusted to more closely reflect actual and anticipated experience. These assumptions were recommended as part of the Experience Study for the System for the five year period ended June 30, 2010.
Actuarial cost method	Entry age
Amortization method	Level percent of salary, closed
Remaining amortization period	27 years
Asset valuation method	5-year smooth market (20% recognition of investment gains and losses)
Inflation	3.25%
Salary increase	4.25-11.00%, including inflation
Cost-of-living Adjustments	After January 1, 2002, 205%. Prior to January 1, 2002 2.5% up to age 65, 3.25% afterwards
Social Security Wage Base	3.50%
Investment Rate of Return	8.00%, net of investment expense, including inflation

SCHEDULE OF GENERAL FUND REVENUES AND OTHER FINANCING SOURCES
BUDGETARY BASIS - BUDGET AND ACTUAL
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts - Budgetary Basis	Variance With Final Budget Positive/ (Negative)
	Original	Final		
PROPERTY TAXES				
Current taxes	\$ 159,515,203	159,515,203	158,084,005	1,431,198
Delinquent taxes	1,550,000	1,550,000	1,836,453	(286,453)
Supplemental taxes	1,375,000	1,375,000	1,604,986	(229,986)
Property tax interest	810,000	810,000	1,050,732	(240,732)
Property tax liens	10,000	10,000	11,709	(1,709)
Suspense collections	65,000	65,000	58,317	6,683
Total property taxes	\$ 163,325,203	163,325,203	162,646,202	679,001
INTERGOVERNMENTAL				
PILOT - State owned property	\$ 837,863	1,015,382	1,015,382	-
Elderly exemption freeze	4,000	4,000	2,000	2,000
Elderly exemption - circuit breaker	393,456	399,619	399,620	(1)
Disability exemption	9,408	9,408	9,286	122
PILOT - colleges and hospitals	3,024,713	3,026,410	3,026,410	-
MRSA Municipal Projects	269,631	269,632	269,632	-
Telecommunication access	145,114	145,114	116,971	28,143
PILOT - veterans exemption	138,603	143,885	143,886	(1)
Town road aid	669,782	669,782	668,305	1,477
Distressed municipalities	8,163	32,434	32,434	-
Mashantucket Pequot fund	943,440	943,440	939,097	4,343
Adult education	270,179	270,179	281,245	(11,066)
Magnet schools	23,400	23,400	26,000	(2,600)
School construction	1,510,689	1,510,689	1,510,689	-
Public school transportation	590,237	590,237	597,059	(6,822)
State bond interest subsidies	119,236	119,236	119,236	-
Nonpublic school transportation	170,621	170,621	166,160	4,461
Nonpublic school health	154,189	154,189	161,050	(6,861)
Education cost sharing grant	23,030,761	23,030,761	23,079,362	(48,601)
PILOT - Gr New Haven WPCA	73,300	73,300	73,300	-
PILOT - Water Authority	894,858	942,698	942,698	-
Special ed excess cost	-	-	332,863	(332,863)
Miscellaneous grants	-	-	106	(106)
Total intergovernmental	\$ 33,281,643	33,544,416	33,912,791	(368,375)
Charges for services				
Other rents	\$ 7,000	7,000	3,395	3,605
Police extra duty	2,947,500	2,947,500	2,138,710	808,790
Police extra duty vehicle	75,000	75,000	139,523	(64,523)
Assessor fees	4,000	5,200	5,431	(231)
Elderly services charges	4,500	4,500	3,832	668
Code enforcement	12,500	12,500	7,305	5,195
QU EMT	65,000	65,000	32,163	32,837
Youth services charges	10,000	10,000	15,315	(5,315)
Public works charges	189,000	189,000	52,911	136,089
Library charges	25,000	35,677	25,769	9,908
Arts & recreation	559,500	559,500	188,365	371,135
Planning and zoning	326,950	384,950	224,871	160,079
Total charges for services	\$ 4,225,950	4,295,827	2,837,590	1,458,237

(Continued)

SCHEDULE OF GENERAL FUND REVENUES AND OTHER FINANCING SOURCES
BUDGETARY BASIS - BUDGET AND ACTUAL
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts - Budgetary Basis	Variance With Final Budget Positive/ (Negative)
	Original	Final		
INVESTMENT EARNINGS	\$ 60,000	67,000	109,947	(42,947)
LICENSES, PERMITS AND FEES				
Town clerk	\$ 1,665,000	1,665,000	1,538,315	126,685
Police department	125,800	125,800	102,100	23,700
Fire department	142,500	142,500	79,984	62,516
Building	774,400	774,400	669,596	104,804
Engineering	44,710	44,710	36,477	8,233
Personnel	5,500	5,500	3,440	2,060
Total licenses, permits & fees	\$ 2,757,910	2,757,910	2,429,912	327,998
MISCELLANEOUS REVENUES				
BOE medical	\$ 110,000	110,000	83,726	26,274
Workers' Comp.	35,000	35,000	80,689	(45,689)
Term life revenue	25,000	25,000	21,467	3,533
Miscellaneous	3,500	3,500	1,477	2,023
School bus enforcement	22,500	22,500	14,312	8,188
Quinnipiac University	750,000	750,000	750,000	-
Special Ed Excess Cost/Revenue	-	-	-	-
Sale of Surplus Assets	35,000	35,000	-	35,000
Town Center Park	17,500	17,500	-	17,500
Town Project	1,371,500	1,371,500	248,568	1,122,932
Extra duty interest	-	1,217	1,225	(8)
Relocation reimbursement	1,100	1,100	400	700
Animal control	2,800	2,800	463	2,337
Miscellaneous - finance office	750,000	750,000	442,018	307,982
Total miscellaneous revenues	\$ 3,123,900	3,125,117	1,644,345	1,480,772
OTHER FINANCING SOURCES				
Transfers in	\$ -	-	1,037,259	(1,037,259)
Bond premium	-	-	987,071	(987,071)
Total financing sources	\$ -	-	2,024,330	(2,024,330)
Total revenues and other financing sources	\$ 206,774,606	207,115,473	205,605,117	1,510,356

GENERAL FUND - EXPENDITURES AND OTHER FINANCING USES -
BUDGETARY BASIS - BUDGET AND ACTUAL

For the Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts - Budgetary Basis	Variance With Final Budget Positive/ (Negative)
	Original	Final		
GENERAL GOVERNMENT				
Legislative council	\$ 617,987	935,087	890,898	44,189
Emergency and contingency fund	1,250,000	22,562	-	22,562
Mayor	408,548	510,567	489,796	20,771
Elections and registrar	215,107	215,107	207,703	7,404
Finance	2,753,970	2,190,966	2,153,913	37,053
Tax assessor	280,175	275,869	273,000	2,869
Review of assessments	3,600	3,600	3,600	-
Tax collector	331,344	328,418	326,237	2,181
Town attorney	459,420	519,600	487,869	31,731
Town clerk	957,983	975,983	860,099	115,884
Planning and zoning	480,293	485,293	482,550	2,743
Personnel	328,222	328,455	315,687	12,768
Economic development	104,346	130,504	129,175	1,329
Purchasing	1,546,008	1,740,860	1,656,493	84,367
Probate court	5,750	5,750	3,674	2,076
Information and technology	301,899	182,374	167,819	14,555
Board of ethics	5,000	5,000	-	5,000
Total general government	\$ 10,049,652	8,855,995	8,448,513	407,482
PUBLIC SAFETY				
Animal control	\$ 156,301	158,779	148,057	10,722
Police department	15,140,434	15,130,732	14,689,633	441,099
Fire department	11,892,645	12,176,850	12,137,913	38,937
Total public safety	\$ 27,189,380	27,466,361	26,975,603	490,758
PUBLIC WORKS				
Building administration	\$ 389,700	389,700	387,560	2,140
Public works department	10,582,694	11,322,771	10,907,559	415,212
Engineering	502,187	493,187	484,350	8,837
Traffic/Transportation	199,083	234,444	220,935	13,509
Total public works	\$ 11,673,664	12,440,102	12,000,404	439,698
HEALTH AND WELFARE				
Elderly services	\$ 488,263	468,720	463,394	5,326
Community services	260,630	351,632	343,366	8,266
Youth services	375,471	382,761	345,358	37,403
Mental health	190,934	170,934	169,080	1,854
Quinnipiac Valley health	319,531	319,531	319,531	-
Visiting nurses association	72,273	72,273	59,056	13,217
Total health and welfare	\$ 1,707,102	1,765,851	1,699,785	66,066
BOARD OF EDUCATION				
	\$ 81,650,000	81,650,000	81,649,885	115

(Continued)

GENERAL FUND - EXPENDITURES AND OTHER FINANCING USES -
BUDGETARY BASIS - BUDGET AND ACTUAL

For the Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts - Budgetary Basis	Variance With Final Budget Positive/ (Negative)
	Original	Final		
CULTURE AND RECREATION				
Library	\$ 1,995,631	1,992,298	1,945,367	46,931
Arts programs	825,166	835,166	797,383	37,783
Total culture and recreation	<u>\$ 2,820,797</u>	<u>2,827,464</u>	<u>2,742,750</u>	<u>84,714</u>
EMPLOYEE BENEFITS				
Medical insurance	\$ 34,200,000	34,100,000	34,011,427	88,573
Pension	18,850,000	19,073,029	19,073,029	-
Fringes	3,749,250	4,051,908	4,012,394	39,514
Total employee benefits	<u>\$ 56,799,250</u>	<u>57,224,937</u>	<u>57,096,850</u>	<u>128,087</u>
DEBT SERVICE				
Principal	\$ 9,053,425	9,053,425	9,053,425	-
Interest	5,831,336	5,831,336	5,130,443	700,893
Total debt service	<u>\$ 14,884,761</u>	<u>14,884,761</u>	<u>14,183,868</u>	<u>700,893</u>
Total expenditures and other financing uses	<u>\$ 206,774,606</u>	<u>207,115,471</u>	<u>204,797,658</u>	<u>2,317,813</u>

TOWN OF HAMDEN, CONNECTICUT

COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
June 30, 2015

	<u>Special Revenue</u>		
	<u>Human Services</u>	<u>Culture and Recreation</u>	<u>Public Safety</u>
ASSETS			
Cash and cash equivalents	\$		28,757
Receivables, net	4,778		
Due from other funds	29,030	10,993	396,123
Inventory			
Total assets	\$ 33,808	10,993	424,880
LIABILITIES AND FUND BALANCES (DEFICITS)			
Liabilities			
Accounts payable and accrued liabilities	\$ 325	1,974	8,745
Deferred revenue			
Due to other funds	77,247	22,186	155,584
BANS Payable			
Total liabilities	\$ 77,572	24,160	164,329
Fund Balance (Deficit)			
Nonspendable	\$		
Restricted for:			
Donor's intentions			
Committed			
Assigned			270,339
Unassigned	(43,764)	(13,167)	(9,788)
Total fund balance (deficit)	\$ (43,764)	(13,167)	260,551
Total liabilities and fund balances (deficits)	\$ 33,808	10,993	424,880

Special Revenue

<u>Public Works</u>	<u>Community Development</u>	<u>Town Revitalization</u>	<u>Board of Education</u>	<u>Total Special Revenue</u>
52,383	499	254,921	1,126,368	1,462,928
102,397	1,628	367,264	170,659	175,437
			21,207	907,435
				21,207
<u>154,780</u>	<u>2,127</u>	<u>622,185</u>	<u>1,318,234</u>	<u>2,567,007</u>
8,185	19,035	6,421		44,685
165,061	25,789	934	189,920	-
				636,721
				-
<u>173,246</u>	<u>44,824</u>	<u>7,355</u>	<u>189,920</u>	<u>681,406</u>
			21,207	21,207
				-
				-
78,518	17,921	614,830	1,107,107	2,088,715
(96,984)	(60,618)			(224,321)
<u>(18,466)</u>	<u>(42,697)</u>	<u>614,830</u>	<u>1,128,314</u>	<u>1,885,601</u>
<u>154,780</u>	<u>2,127</u>	<u>622,185</u>	<u>1,318,234</u>	<u>2,567,007</u>

(Continued)

TOWN OF HAMDEN, CONNECTICUT

COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS, Continued
 June 30, 2015

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

Capital Projects			
Wintergreen Interdistrict Magnet School	Construction of Spring Glen School	Other Capital Projects	Total Capital Projects
11,984		36,307	48,291
612,704			612,704
	378,868	367,029	1,403,303
<u>624,688</u>	<u>378,868</u>	<u>403,336</u>	<u>2,064,298</u>
			-
	2,363	42,018	44,381
1,129,558		462,539	1,592,097
<u>1,129,558</u>	<u>2,363</u>	<u>504,557</u>	<u>1,636,478</u>
			-
			-
		24,240	24,240
(504,870)	376,505	(125,461)	403,580
(504,870)	376,505	(101,221)	427,820
<u>624,688</u>	<u>378,868</u>	<u>403,336</u>	<u>2,064,298</u>

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COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS, Continued
 June 30, 2015

	Public Emergency Account	Permanent Funds	Total Nonmajor Governmental Funds
ASSETS			
Cash and cash equivalents	\$	11,043	1,522,262
Receivables, net			788,141
Due from other funds	343,300		2,654,038
Inventory			21,207
Total assets	\$ 343,300	11,043	4,985,648
LIABILITIES AND FUND BALANCE (DEFICITS)			
Liabilities			
Accounts payable and accrued liabilities	\$ 4,416		93,482
Deferred revenue			-
Due to other funds	1,898	100	2,230,816
BANS Payable			-
Total liabilities	\$ 6,314	100	2,324,298
Fund Balance (Deficit)			
Nonspendable	\$		21,207
Restricted for:			
Donor's intentions		10,943	10,943
Committed			-
Assigned			2,112,955
Unassigned	336,986		516,245
Total fund balance (deficit)	\$ 336,986	10,943	2,661,350
Total liabilities and fund balances (deficits)	\$ 343,300	11,043	4,985,648

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, 2015

	<u>Special Revenue</u>		
	<u>Human Services</u>	<u>Culture and Recreation</u>	<u>Public Safety</u>
Revenues			
Intergovernmental	\$ 240,153		181,989
Charges for services			
Investment income			
Other		13,943	27,803
Total revenues	<u>\$ 240,153</u>	<u>13,943</u>	<u>209,792</u>
Expenditures			
Public safety			217,117
Public works			
Health and human services	260,772		
Culture and recreation		19,309	
Education			
Other			
Total expenditures	<u>\$ 260,772</u>	<u>19,309</u>	<u>217,117</u>
Revenue over (under) expenditures	<u>\$ (20,619)</u>	<u>(5,366)</u>	<u>(7,325)</u>
Other Financing Sources			
Bond Proceeds			
Transfers in	\$		
Transfers (out)			
Total other financing sources	<u>\$ -</u>	<u>-</u>	<u>-</u>
Changes in Fund Balances (Deficits)	<u>\$ (20,619)</u>	<u>(5,366)</u>	<u>(7,325)</u>
Fund Balances (Deficits) - beginning	<u>(23,145)</u>	<u>(7,801)</u>	<u>267,876</u>
Fund Balances (Deficits) - ending	<u>\$ (43,764)</u>	<u>(13,167)</u>	<u>260,551</u>

Special Revenue

Public Works	Community Development	Town Revitalization	Board of Education	Total Special Revenue
179,135	400,201	19,988	11,247,074	12,268,540
		70,933	40,861	111,794
66,667				108,413
245,802	400,201	90,921	11,287,935	12,488,747
292,494				217,117
				292,494
				260,772
				19,309
			11,341,073	11,341,073
	401,008	173,921		574,929
292,494	401,008	173,921	11,341,073	12,705,694
(46,692)	(807)	(83,000)	(53,138)	(216,947)
-	-	-	-	-
(46,692)	(807)	(83,000)	(53,138)	(216,947)
28,226	(41,890)	697,830	1,181,452	2,102,548
(18,466)	(42,697)	614,830	1,128,314	1,885,601

(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, 2015

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

Capital Projects

Wintergreen Interdistrict Magnet School	Construction of Spring Glen School	Other Capital Projects	Total Capital Projects
		266,404	266,404
		4,500	4,500
			-
-	-	270,904	270,904
		146,624	146,624
-	-	146,624	146,624
-	-	124,280	124,280
			-
			-
-	-	-	-
-	-	124,280	124,280
(504,870)	376,505	(225,501)	303,540
(504,870)	376,505	(101,221)	427,820

(Continued)

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES (DEFICITS) - NON-MAJOR GOVERNMENTAL FUNDS, Continued
 For the Year Ended June 30, 2015

	Public Emergency Account	Permanent Funds Account	Total Nonmajor Governmental Funds
Revenues			
Intergovernmental	\$ 1,137,795		13,672,739
Charges for services			116,294
Investment income			-
Other	174,798	66	283,277
Total revenues	\$ 1,312,593	66	14,072,310
Expenditures			
Public safety	\$		217,117
Public works	131,380		423,874
Health and human services			260,772
Culture and recreation			19,309
Education			11,341,073
Other			721,553
Total expenditures	\$ 131,380	-	12,983,698
Revenue Over (Under) Expenditures	\$ 1,181,213	66	1,088,612
Other Financing Sources			
Bond Insurance			-
Transfers in	\$		-
Transfers (out)			-
Total other financing sources	\$ -	-	-
Changes in Fund Balances (Deficits)	\$ 1,181,213	66	1,088,612
Fund Balances (Deficits) - beginning	(844,227)	10,877	1,572,738
Fund Balances (Deficits) - ending	\$ 336,986	10,943	2,661,350

INTERNAL SERVICE FUNDS
 COMBINING STATEMENT OF NET FUND POSITION
 June 30, 2015

	Workers' Compensation Fund	Medical Insurance Fund	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 319,265	1,010,705	1,329,970
Other receivables		216,268	216,268
Due from other funds	5,299		5,299
Total assets	\$ 324,564	1,226,973	1,551,537
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 108,708		108,708
Due to other funds			-
Total current liabilities	\$ 108,708	-	108,708
Noncurrent liabilities:			
Claims incurred but not reported	\$ 4,902,787	1,475,674	6,378,461
Total liabilities	\$ 5,011,495	1,475,674	6,487,169
NET POSITION			
Unrestricted	\$ (4,686,931)	(248,701)	(4,935,632)
Total net position	\$ (4,686,931)	(248,701)	(4,935,632)

INTERNAL SERVICE FUNDS
COMBINING REVENUES, EXPENSES AND CHANGES IN NET FUND POSITION
June 30, 2015

	Workers' Compensation Fund	Medical Insurance Fund	Total
	<u> </u>	<u> </u>	<u> </u>
OPERATING REVENUES			
Employer contribution	\$ 3,015,976	15,061,866	18,077,842
Employee contribution		<u>5,217,424</u>	<u>5,217,424</u>
Total operating revenues	<u>\$ 3,015,976</u>	<u>20,279,290</u>	<u>23,295,266</u>
OPERATING EXPENSES			
Salaries, benefits and claims	\$ 1,107,125	21,999,006	23,106,131
Total operating expenses	<u>\$ 1,107,125</u>	<u>21,999,006</u>	<u>23,106,131</u>
Changes in Fund Net Position	\$ 1,908,851	(1,719,716)	189,135
FUND NET POSITION, beginning	<u>(6,595,782)</u>	<u>1,471,015</u>	<u>(5,124,767)</u>
FUND NET POSITION, Ending	<u><u>\$ (4,686,931)</u></u>	<u><u>(248,701)</u></u>	<u><u>(4,935,632)</u></u>

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
June 30, 2015

	Workers' Compensation Fund	Medical Insurance Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 3,015,976	19,946,873	22,962,849
Payments for benefits	(2,851,865)	(21,401,477)	(24,253,342)
Net cash (used in) provided by operating activities	\$ 164,111	(1,454,604)	(1,290,493)
Net increase (decrease) in cash and cash equivalents	\$ 164,111	(1,454,604)	(1,290,493)
CASH AND CASH EQUIVALENTS, beginning	155,154	2,465,309	2,620,463
CASH AND CASH EQUIVALENTS, ending	\$ 319,265	1,010,705	1,329,970
Reconciliation of Operating Income to Net Cash Provided by (used in) Operating Activities			
Change in Net Fund Position	\$ 1,908,851	(1,719,716)	189,135
Adjustment to reconcile operating income to net cash provided by (used in) operating activities:			
Change in assets and liabilities:			
Increase/decrease in other receivables		(1,268)	(1,268)
Decrease/increase in accounts payable and accrued expenses	(35,044)		(35,044)
(Decrease) increase in claims payable	(1,709,696)	266,380	(1,443,316)
Net increase (decrease) in cash and cash equivalents	\$ 164,111	(1,454,604)	(1,290,493)

PRIVATE PURPOSE TRUST FUNDS
 COMBINING STATEMENT OF NET POSITION
 June 30, 2015

	Library Fund	Hamden Arts Commission	Other Private Purpose Trust Funds	Total
ASSETS				
Cash and cash equivalents	\$ 248,758	145,216	40,599	434,573
External Balances	<u>3,952</u>		<u>150,312</u>	<u>154,264</u>
Total Assets	\$ <u>252,710</u>	<u>145,216</u>	<u>190,911</u>	<u>588,837</u>
LIABILITIES				
Accounts payable			18,625	18,625
External Balances			<u>5,012</u>	<u>5,012</u>
Total Liabilities	\$ -	-	<u>23,637</u>	<u>23,637</u>
NET POSITION				
Held in trust for specific purposes	\$ <u><u>252,710</u></u>	<u><u>145,216</u></u>	<u><u>167,274</u></u>	<u><u>565,200</u></u>

PRIVATE PURPOSE TRUST FUNDS
 COMBINING STATEMENT OF CHANGES IN NET POSITION
 June 30, 2015

	Library Fund	Hamden Arts Commission	Other Private Purpose Trust Funds	Total
ADDITIONS				
Other	\$ 85,661	38,273	170,493	294,427
Total additions	<u>\$ 85,661</u>	<u>38,273</u>	<u>170,493</u>	<u>294,427</u>
Investment earnings				
Net increase in fair value	\$			-
Interest and dividends	1,628	7		1,635
Less: Investment expense				-
Total investment earnings	<u>\$ 1,628</u>	<u>7</u>	<u>-</u>	<u>1,635</u>
DEDUCTIONS				
Benefits	\$			
Other	91,079	38,607	151,761	281,447
Total deductions	<u>\$ 91,079</u>	<u>38,607</u>	<u>151,761</u>	<u>281,447</u>
Change in net position	<u>\$ (3,790)</u>	<u>(327)</u>	<u>18,732</u>	<u>14,615</u>
Net Position - beginning	<u>256,500</u>	<u>145,543</u>	<u>148,542</u>	<u>550,585</u>
Net Position - ending	<u>\$ 252,710</u>	<u>145,216</u>	<u>167,274</u>	<u>565,200</u>

AGENCY FUNDS
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 June 30, 2015

	School Activity Funds	Adult Activity Funds	Performance Bonds	Total
ASSETS				
Cash and cash equivalents	\$ 363,489	36,422	462,159	862,070
External Balances			77,450	77,450
Total Assets	\$ 363,489	36,422	539,609	939,520
LIABILITIES				
Other liabilities	\$			-
Held for deposits for others	363,489	36,422	539,609	939,520
Total Liabilities	\$ 363,489	36,422	539,609	939,520
NET POSITION	\$ -	-	-	-

AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For the Year ended June 30, 2015

	Balance July 1, 2015	Additions	Deductions	Balance June 30, 2015
School Activity Fund				
Assets:				
Cash and cash equivalents	\$ 231,020	132,469		363,489
Liabilities:				
Deposits held for others	\$ 231,020	132,469	-	363,489
Adult Activity Fund				
Assets:				
Cash and cash equivalents	\$ 20,276	16,146		36,422
Liabilities:				
Deposits held for others	\$ 20,276	16,146	-	36,422
Performance Bonds				
Assets:				
Cash and cash equivalents	\$ 441,872	20,287		462,159
Liabilities:				
Deposits held for others	\$ 441,872	20,287	-	462,159
Total Agency Funds				
Assets:				
Cash and cash equivalents	\$ 693,168	168,902	-	862,070
Liabilities:				
Deposits held for others	\$ 693,168	168,902	-	862,070

TOWN OF HAMDEN, CONNECTICUT

SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING
For the Year Ended June 30, 2015

Grand List Year	Uncollected Balance & New Levy July 1, 2014	Lawful Corrections		Transfers to (Recoveries From) Suspense	Balance to be Collected
		Increases	Decreases		
1999	78,319	-	-	-	78,319
2000	59,520	-	-	-	59,520
2001	47,521	-	-	-	47,521
2002	45,640	-	-	-	45,640
2003	49,382	-	-	-	49,382
2004	55,128	-	-	-	55,128
2005	72,275	-	-	-	72,275
2006	91,936	-	(7,117)	-	84,819
2007	94,955	-	(7,891)	-	87,064
2008	181,666	-	(12,017)	-	169,649
2009	222,880	-	(69,652)	-	153,228
2010	476,964	-	(131,857)	-	345,107
2011	955,737	-	(252,870)	-	702,867
2012	2,581,649	24,955	(281,353)	-	2,325,251
Total	\$ 5,013,572	24,955	(762,757)	-	4,275,770
2013	161,091,515	160,102	(977,573)	-	160,274,044
Total	\$ 166,105,087	185,057	(1,740,330)	-	164,549,814

SCHEDULE 12

Collections				Uncollected
Taxes	Interest	Lien Fees	Total	Balance June 30, 2015
-	-	-	-	78,319
-	-	-	-	59,520
-	-	-	-	47,521
261	508	-	769	45,379
-	-	-	-	49,382
200	345	-	545	54,928
129	200	-	329	72,146
-	-	-	-	84,819
2,140	1,984	24	4,148	84,924
4,642	3,969	24	8,635	165,007
21,098	16,116	120	37,334	132,130
45,616	37,265	311	83,192	299,491
243,787	84,018	845	328,650	459,080
<u>1,517,222</u>	<u>317,576</u>	<u>5,750</u>	<u>1,840,548</u>	<u>808,029</u>
1,835,095	461,981	7,074	2,304,150	2,440,675
<u>158,039,401</u>	<u>508,850</u>	<u>5,483</u>	<u>158,553,734</u>	<u>2,234,643</u>
<u>159,874,496</u>	<u>970,831</u>	<u>12,557</u>	<u>160,857,884</u>	<u>4,675,318</u>

TOWN OF HAMDEN, CONNECTICUT

SCHEDULE OF DEBT LIMITATION
For the Year Ended June 30, 2015

	<u>General Purpose</u>
Debt Limitation:	
2 1/4 Times Base	\$ 361,930,239
4 1/2 Times Base	
3 3/4 Times Base	
3 1/4 Times Base	
3 Times Base	
7 Times Base	
	<hr/>
Total Debt Limitation	\$ 361,930,239
Indebtedness:	
Bonds payable	\$ 107,405,195
Bonds authorized and unissued	<u>4,300,000</u>
	<hr/>
Total Indebtedness	\$ 111,705,195
Less: School Construction Grants Receivable	<u>-</u>
	<hr/>
Total Indebtedness of the Town	\$ 111,705,195
Debt Limitation In Excess of Outstanding and Authorized Debt	\$ <u>250,225,044</u>

Total Tax Collections (Including Interest and Lien Fees)
 For The Year Ended June 30, 2015 \$ 160,857,884

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

Base \$ 160,857,884

<u>Schools</u>	<u>Sewers</u>	<u>Urban Renewal</u>	<u>Pension Bonding</u>	<u>Total Debt</u>
723,860,478	603,217,065	522,788,123	482,573,652	1,126,005,188
<u>723,860,478</u>	<u>603,217,065</u>	<u>522,788,123</u>	<u>482,573,652</u>	<u>1,126,005,188</u>
29,864,805			125,000,000	262,270,000
				4,300,000
29,864,805	-	-	125,000,000	266,570,000
2,020,425	-	-	-	2,020,425
27,844,380	-	-	125,000,000	264,549,575
<u>696,016,098</u>	<u>603,217,065</u>	<u>522,788,123</u>	<u>357,573,652</u>	<u>861,455,613</u>

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