

Town of Simsbury Connecticut



Comprehensive Annual Financial Report

For The Fiscal Year Ended

June 30, 2005

TOWN OF SIMSBURY, CONNECTICUT
COMPREHENSIVE ANNUAL FINANCIAL
REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

Department of Finance
Kevin G. Kane
Director of Finance

Introductory Section

TOWN OF SIMSBURY, CONNECTICUT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
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Town of Simsbury

933 HOPMEADOW STREET

P.O. BOX 495

SIMSBURY, CONNECTICUT 06070

November 11, 2005

To the Board of Selectmen, Board of Education, Board of Finance and the citizens of the Town of Simsbury:

Connecticut State Statutes require that all municipal entities publish within six months of the close of the fiscal year a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the Town of Simsbury, Connecticut, for the fiscal year ended June 30, 2005.

This report consists of management's representations concerning the finances of the Town of Simsbury, Connecticut. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the Town of Simsbury has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the Town's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefit, the Town's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Town's financial statements have been audited by Blum, Shapiro & Company, P.C., a firm of licensed certified public accountants. The goal of the independent audit was to provide a reasonable assurance that the financial statements of the Town of Simsbury for the fiscal year ended June 30, 2005 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the Town of Simsbury's financial statements for the fiscal year ended June 30, 2005 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

Telephone (860) 658-3282
Facsimile (860) 658-3206

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8:30 - 4:30 Tuesday through Friday

The independent audit of the financial statements of the Town was part of broader, federal and state mandated “Single Audits” designed to meet the special needs of federal and state grantor agencies. The standards governing the Federal and State Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the government’s internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal and state awards. These reports are available in the Town of Simsbury’s separately issued Single Audit Reports.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The Town of Simsbury’s MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

The Town of Simsbury was incorporated as Connecticut’s twenty-first town in May 1670. It has a land area of approximately 34.5 square miles and a population of approximately 23,234. Centrally located in the heart of the New York - Boston corridor, Simsbury is a most attractive and diverse suburban community. As a part of the beautiful Farmington Valley, Simsbury offers an unmatched quality of life with a traditional New England town atmosphere in a setting of rolling hills, the picturesque Farmington River and well-manicured properties. Simsbury is conveniently located 20 minutes northwest of Hartford and 20 minutes southwest of Bradley International Airport.

The Town of Simsbury operates under a Charter revised as of November 7, 1995. The form of government is Board of Selectmen - Town Meeting. There are five Selectmen (2-year term) and a full-time paid First Selectman (2-year term). There is also an eight-member Board of Education (4-year term) and a six-member Board of Finance (6-year term). The First Selectman functions as the Town’s Chief Elected and Administrative Official. The legislative authority of the government is vested in the Board of Selectmen and the Town Meeting. The Charter requires an automatic referendum for the annual budget and for expenditures in excess of 3% of the annual budget.

The Town of Simsbury provides a full range of services, including police protection; the construction and maintenance of streets and other infrastructure; recreational activities and cultural events; and a public school system which is one of the finest at the state and national level for excellence. Certain sanitation services are provided by a legally separate Water Pollution Control Authority, which functions, in essence, as a department of the Town of Simsbury and, therefore, its operations have been included as an integral part of the Town of Simsbury’s financial statements.

The annual budget serves as the foundation of the Town of Simsbury's financial planning and control. The proposed annual budget is presented at the Annual Town Meeting held on the first Tuesday in May. The Annual Town Meeting is then subject to an automatic referendum by all qualified voters of the Town. This referendum shall be held from 14 to 21 days following the conclusion of the Annual Town Meeting. If the annual budget is not approved at referendum then the Board of Finance, in cooperation with the First Selectman, shall revise the annual budget, or that portion thereof which has been rejected at the referendum, and present it at a subsequent Town Meeting for discussion and an additional referendum for acceptance. If the budget remains unaccepted after such subsequent meeting and referendum, the budget adopted for the then current fiscal year shall be deemed to be the temporary budget for the forthcoming fiscal year and expenditures may be made on a month-to-month basis in accordance therewith, until such time as the referendum finally adopts a new budget. Upon request of the Board of Selectmen, during the last six months of the fiscal year, the Board of Finance may, by resolution, transfer any unencumbered appropriation, balance or portion thereof from one department, commission, board or office to another, except for the Board of Education. No transfer shall be made from any appropriation for debt service and other statutory charges. Departmental budget accounts serve as the legal level of control for the General Fund. The legal level of budgetary control is at the fund level for the Sewer Use, Residential Rental Properties, Dog and Simsbury Farms Funds.

Local Economy

The Town is host to several national corporations, such as the Hartford Insurance Company, which maintains an alternate data center and offices in Simsbury as well as the headquarters of its Corporate Life Insurance business line. The company is one of the Town's largest taxpayers and its largest employer with over 2,500 employees.

The Town's current unemployment rate is 4.3%, compared to the state average of 5.4% and the national average of 5.0%.

During the past ten years, the government's expenses related to debt service and the Board of Education have increased not only in amount, but also as a percentage of total expenses (a ten-year average increase of 8.7% and 5.6%, respectively, versus 2.2% for all other expenses and 4.8% for total expenses). In the case of debt service, the higher increase was primarily driven by the \$43 million High School Expansion and Renovation project, which forced annual debt service to exceed the maximum allowable percentage under the Town's Debt Policy. The growth in the Board of Education expenses reflects both a ten-year annual average increase of 1.8% and 2.6%, respectively, in student enrollment and full-time positions.

During the same ten-year period, total revenues have increased an average of 4.8% annually, compared to 5.8% annually for property tax revenues. All other revenues decreased 2.2% annually. Ten years ago, property tax revenues accounted for 84.6% of total revenues versus 92.5% today.

Long-Term Financial Planning

The Town has a five-year Capital Improvement Plan which totals approximately \$35 million, of which it is estimated that \$26.9 million will be funded through debt and the remainder from grants and fund balance. It is expected that in May 2006 a \$5.6 million Library Expansion/Renovation project will be forwarded to citizens for a vote. At this time, it is anticipated that it will be funded through a \$4.6 debt financing, \$1 million from general fund reserves.

Relevant Financial Policies

The Town of Simsbury has written financial policies as follows:

- Debt Policy
- Capital and Nonrecurring Fund Policy Statement
- Investment Policy
- Pension Investment Policy and Investment Objectives

Major Initiatives

At the May 3, 2005, Special Town Meeting:

- \$750,000 was approved and appropriated for design and construction of the Farmington Valley Greenway multi-purpose trail from Sand Hill Road at Hopmeadow Street to Iron Horse Boulevard at Drake Hill Road. Funding for this project will be from a combination of estimated grants of \$600,000 and through the issuance of bonds. This project is projected to be completed by fall of 2006.
- \$600,000 was approved and appropriated for design and construction of improvements to Simsbury Farms Golf Course, including replacement of the irrigation pump house, installation of fairway drainage, sand bunker reconstruction and repaving of roadways and parking lots at the Simsbury Farms Complex. Funding for this project will be through the issuance of bonds. This project is projected to be completed by fall of 2006.
- \$500,000 was approved and appropriated for design and construction of upgrades to heating, ventilation and air conditioning systems, domestic hot water upgrades and boiler replacements at the Town's elementary schools. Funding for this project will be through the issuance of bonds. This project is projected to be completed by summer of 2006.

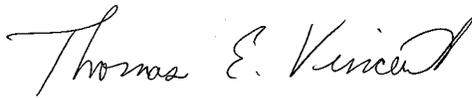
Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town for its comprehensive annual financial report for fiscal year ended June 30, 2004. This was the sixth consecutive year that we have received this prestigious award. In order to be awarded a Certificate of Achievement, the Town must publish an easily readable and efficiently organized comprehensive annual financial report. The report published satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report meets the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for a certificate.

The preparation of this report on a timely basis was made possible by the dedicated service of the entire staff of the Finance Department. In addition, the accounting firm of Blum, Shapiro & Company, P.C., made substantial contributions in the development of this document. Due credit also should be given to the First Selectman, Board of Selectmen, Board of Education and the Board of Finance for their cooperation, assistance and support throughout the year in matters pertaining to the financial affairs of the Town.

Respectfully submitted,



Thomas E. Vincent
First Selectman



Kevin G. Kane
Director of Finance/Treasurer

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Town of Simsbury,
Connecticut

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2004

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Nancy L. Zjelke

President

Jeffrey R. Emer

Executive Director

PRINCIPAL OFFICIALS

BOARD OF SELECTMEN

Thomas E. Vincent, First Selectman
Joel Mandell, Deputy 1st Selectman
William F. Garrity
John E. Romano
Madeleine P. Gilkey
John K. Hampton

BOARD OF EDUCATION

Richard A. Hogan, Chairman
John L. Sennott, Jr., Vice Chairman
Lydia A. Tedone
William Popik
Michael Gorman
David A. Horowitz
Donna Lyons
Charles Moret

BOARD OF FINANCE

Paul W. Henault, Chairman
Peter K. Askham
Candace V. Fitzpatrick
Michael T. Wade
Kevin A. North
Nicholas B. Mason

APPOINTED OFFICIALS

Diane Ullman, Superintendent
David P. Holden, School Business Manager
Kevin G. Kane, Director of Finance/Treasurer
Carolyn Keily, Town Clerk
Kathy Hayes, Tax Collector
David Gardner, Assessor
Kevin J. Kowalski, Director of Civil Preparedness
Micheline Lecours-Beck, Social Service Director
Gerard Toner, Director of Culture, Parks & Recreation
William Voelker, Director of Community Development
Howard Beach, Conservation Officer
Richard Paquette, Building Official
Richard Sawitzke, Town Engineer
Updike, Kelley & Spellacy, Town Attorney

Financial Section



Report of Independent Accountants

To the Board of Finance
Town of Simsbury
Simsbury, Connecticut

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Simsbury, Connecticut, as of and for the year ended June 30, 2005, which collectively comprise the Town of Simsbury, Connecticut's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town's management. 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 basic financial statements are free of material misstatement. An audit includes consideration of the internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Simsbury, Connecticut, as of June 30, 2005 and the respective changes in financial position and cash flows, where applicable, thereof, for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Management's discussion and analysis on pages 3 through 17 and the required supplementary information on page 57 are not required parts of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Simsbury, Connecticut's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we express no opinion on them.

In accordance with *Government Auditing Standards*, we have also issued a report dated November 11, 2005 on our consideration of the Town of Simsbury, Connecticut's internal control over financial reporting and 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 compliance on the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of our audit.

Blum, Shapiro & Company, P.C.

November 11, 2005

TOWN OF SIMSBURY, CONNECTICUT
Management's Discussion and Analysis
JUNE 30, 2005

The management of the Town of Simsbury, Connecticut (the "Town") offers readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2005. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

Financial Highlights

- On a government-wide basis, the assets of the Town exceeded its liabilities at the close of the most recent fiscal year by \$68,444,384 for the Governmental Activities.
- On a government-wide basis, the government's total net assets increased by \$8,417,702 for the Governmental Activities.
- As of the close of the current fiscal year, the Town's Governmental Funds reported combined ending fund balances of \$19,708,841, a decrease of \$2,472,627 in comparison with the prior year. Of this total amount, \$19,590,686 is available for spending at the government's discretion (unreserved fund balance).
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$8,007,752, or 11.24% of total General Fund expenditures.

Financial Restatements

The June 30, 2004 balance in net assets of the Town's governmental activities has been adjusted from its previously reported amount of \$60,738,044 to \$60,026,682 for a decrease of \$711,362. Capital assets have been adjusted from its previously reported amount of \$68,805,025 to \$68,273,156 for a decrease of \$531,869. This prior period adjustment was recorded to correct an overstatement of equipment additions for Board of Education. General Fund fund balance has been adjusted from its previously reported amount of \$6,811,562 to \$6,632,069 for a decrease of \$179,493. This prior period adjustment is to correct an overstatement of other local revenue and an understatement of accounts payable. The details of the prior period adjustments are disclosed in Note 5E to the financial statements.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements comprise 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's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the Town's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The statement of activities presents information showing how the Town's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are

reported in this statement for some items that will only result in cash flows in a future fiscal period (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the Town include general government, planning and development, public safety, facility management, culture and recreation, health and welfare, insurances, education, special projects and interest on long-term debt.

The government-wide financial statements can be found on pages 18-19 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into three categories: Governmental Funds, Proprietary Funds and Fiduciary 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, as well as on balances 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 maintains 17 individual 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, Sewer Use Fund, Sewer Assessment Fund and the Capital Project Fund, all of which are considered to be major funds.

Data from the other 13 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The Town adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 20-24 of this report.

Proprietary Funds - The Town maintains a Self-Insurance Fund to account for the self-insurance program for health insurance coverage for the Town and Board of Education employees.

The basic proprietary fund financial statements can be found on pages 25-27 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 support the Town's own programs. The accounting used for Fiduciary Funds is much like that used for Proprietary Funds.

The basic fiduciary fund financial statements can be found on pages 28-29 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 on pages 30-56 of this report.

Required Supplementary Information

This report contains certain supplementary information concerning the Town's progress in funding its obligation to provide pension benefits to its employees.

Other Information

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes to the financial statements. Combining and individual fund statements and schedules can be found on pages 64-70 of this report.

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position and an important determinant of its ability to finance services in the future. In the case of the Town, assets exceeded liabilities by \$68,444,384 at the close of the most recent fiscal year.

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

**NET ASSETS - GOVERNMENTAL ACTIVITIES
June 30, 2005 and 2004**

	<u>2005</u>	<u>2004</u>
Current assets	\$ 25,204,690	\$ 30,066,048
Noncurrent assets:		
Capital assets, net of accumulated depreciation	86,101,108	68,273,156
Pension assets	11,074	11,309
Due from other governments		109,737
Total Assets	<u>111,316,872</u>	<u>98,460,250</u>
Current liabilities	9,035,723	9,896,168
Noncurrent liabilities	<u>33,836,765</u>	<u>28,537,400</u>
Total Liabilities	<u>42,872,488</u>	<u>38,433,568</u>
Net Assets:		
Invested in capital assets, net of related debt	48,885,116	36,873,963
Unrestricted	<u>19,559,268</u>	<u>23,152,722</u>
Total Net Assets	<u>\$ 68,444,384</u>	<u>\$ 60,026,682</u>

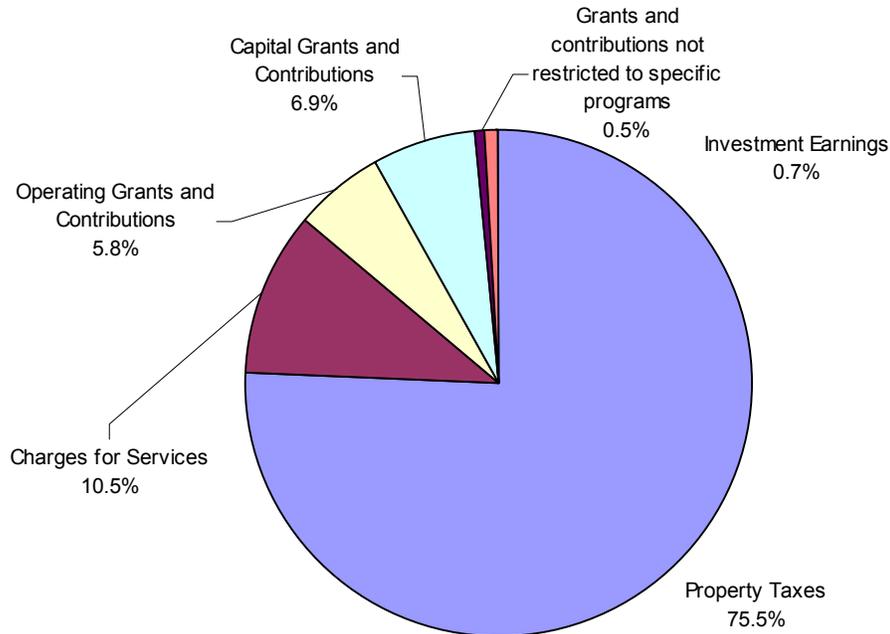
The government's net assets increased by \$8,417,702 or 14.0% during the current fiscal year, compared to \$4,656,994 or 8.4% for the prior fiscal year. Unrestricted net assets, the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements, is \$19,559,268 at the end of this year compared to \$23,152,722 at the end of the prior year for a decrease of \$3,593,454.

CHANGES IN NET ASSETS - GOVERNMENTAL ACTIVITIES
For the Years Ended June 30, 2005 and 2004

	<u>2005</u>	<u>2004</u>
Revenues:		
Program revenues:		
Charges for services	\$ 9,208,065	\$ 8,784,418
Operating grants and contributions	5,068,208	4,406,160
Capital grants and contributions	6,035,761	1,909,575
General revenues:		
Property taxes	66,077,888	63,252,078
Grants not restricted to specific programs	453,215	452,645
Unrestricted investment earnings	651,665	324,082
Total revenues	<u>87,494,802</u>	<u>79,128,958</u>
Expenses:		
General government	2,835,830	2,849,798
Planning and development	1,345,269	1,670,365
Public safety	5,139,769	4,713,105
Facility management	5,613,885	5,537,947
Culture and recreation	4,379,125	4,088,281
Health and welfare	655,206	625,983
Education	57,874,235	55,683,639
Special projects	28,559	131,000
Interest on long-term debt	1,205,222	1,171,846
Total expenses	<u>79,077,100</u>	<u>74,471,964</u>
Change in net assets	8,417,702	4,656,994
Net assets at beginning of year	<u>60,026,682</u>	<u>55,369,688</u>
Net Assets at End of Year	<u>\$ 68,444,384</u>	<u>\$ 60,026,682</u>

Total revenues were \$87,494,802 and \$79,128,958 for the years ended June 30, 2005 and 2004, respectively. Total cost of all programs and services were \$79,077,100 and \$74,471,964 for the years ended June 30, 2005 and 2004, respectively. Net assets increased by \$8,417,702 and \$4,656,994 for the years ended June 30, 2005 and 2004, respectively.

Revenue by Source - Governmental Activities



Governmental Activities

Major revenue factors during the year include:

- Property taxes increased by \$2,825,810 or 4.5%. The increase was primarily due to the increase in budgeted property tax revenues of \$3,387,481 or 5.4% to cover an expenditure budget increase of \$2,881,719 or 4.3%, and a revenue budget decrease (excluding property taxes) of \$505,762. The revenue budget decrease of \$505,762 was primarily driven on the reduction of State Aid by \$170,728 and investment earnings by \$150,000 due to lower interest rates and a decrease of \$204,000 for conveyance tax based on a rate of \$.0011 per thousand, which was the rate prior to March 15, 2003. The conveyance tax rate of \$.0025 per thousand was to expire June 30, 2004 but was extended for an additional year by the State Legislature after the approval of the Town's budget.
- Charges for services increased by \$423,647 or 4.8%. Illustrated below is a comparison between 2005 and 2004:

	<u>2005</u>	<u>2004</u>	<u>Variance</u>
General government	\$ 933,527	\$ 903,588	\$ 29,939
Planning and development	415,615	398,793	16,822
Public safety	229,646	254,578	(24,932)
Facility management	2,094,212	2,495,228	(401,016)
Culture and recreation	2,265,570	1,626,810	638,760
Health and welfare	113,115	83,598	29,517
Education	3,156,380	2,980,497	175,883
Special projects		41,326	(41,326)
Total	\$ <u>9,208,065</u>	\$ <u>8,784,418</u>	\$ <u>423,647</u>

Illustrated below is a detail breakdown of Charges for Services revenues that had a \$100,000 variance between 2005 and 2004:

	<u>2005</u>	<u>2004</u>	<u>Variance</u>	<u>Explanation</u>
General Government:				
Town Clerk conveyance taxes	\$ 632,864	\$ 475,334	\$ 157,530	The primary driver in the increase was the sale of the Simsbury Commons Mall
Town Clerk recording fees	185,755	312,319	(126,564)	Decrease in mortgage refinancing due to higher interest rates
Culture and Recreation:				
Band Shell donations	671,161		671,161	Donations to fund construction of Simsbury Meadow Band Shell

➤ Operating grants and contributions increased by \$662,048 or 15.0%. Illustrated below is a comparison between 2005 and 2004:

	<u>2005</u>	<u>2004</u>	<u>Variance</u>
General government	\$ 7,000	\$	\$ 7,000
Planning and development	230,019	445,874	(215,855)
Public safety	28,432	55,641	(27,209)
Facility management	443,244	130,252	312,992
Health and welfare	14,000	14,000	-
Education	<u>4,345,513</u>	<u>3,760,393</u>	<u>585,120</u>
Total	<u>\$ 5,068,208</u>	<u>\$ 4,406,160</u>	<u>\$ 662,048</u>

Illustrated below is a detail breakdown of operating grants revenues that had a \$100,000 variance between 2005 and 2004:

	<u>2005</u>	<u>2004</u>	<u>Variance</u>	<u>Explanation</u>
Planning and Development:				
Greenway Grants	\$ 230,019	\$ 445,874	\$ (215,855)	
Facility Management:				
LOCIP Grants	319,769		319,769	Received two years of grant revenues in 2005 related to reimbursements for 2004 and 2003 appropriations
Education:				
State and Federal Grant Fund	1,848,106	1,219,349	628,757	

- Capital grants and contributions increased by \$4,126,186 or 216.1%. Illustrated below is a breakdown comparison between 2005 and 2004:

	<u>2005</u>	<u>2004</u>	<u>Variance</u>
Facility management	\$ 1,470,939	\$	\$ 1,470,939
Culture and recreation	355,537		355,537
Education	<u>4,209,285</u>	<u>1,909,575</u>	<u>2,299,710</u>
 Total	 <u>\$ 6,035,761</u>	 <u>\$ 1,909,575</u>	 <u>\$ 4,126,186</u>

Illustrated below is a detail breakdown of capital grants and contributions that had a \$100,000 variance between 2005 and 2004:

	<u>2005</u>	<u>2004</u>	<u>Variance</u>	<u>Explanation</u>
Facility Management:				
Clean Water Fund Grant	\$ 1,270,939	\$	\$ 1,270,939	Grant for the \$26.8 million expansion and renovation of the Waste Water Facility
STEAP Grant	200,000		200,000	Grant for air conditioning for Eno Memorial Hall
Culture and Recreation:				
DECD Grant	355,537		355,537	Grant for the construction of the Simsbury Meadow Band Shell
Education:				
SHS Addition and Alteration School Building Grant	4,196,349	1,882,338	2,314,011	

- Grants not restricted to specific programs increased by \$570 or 0.1%.
- Unrestricted investment earnings increased by \$327,583 or 101.1%. The increase was driven by two factors. Higher investment rates for the current fiscal year of 1.83% compared to 0.71% for the prior fiscal year generated an additional \$194,087 in investment earnings. Investments on the proceeds of the \$23,765,000 bond issue in September 2003 for the High School Expansion and Renovation capital project generated an additional \$133,496 in investment earnings.

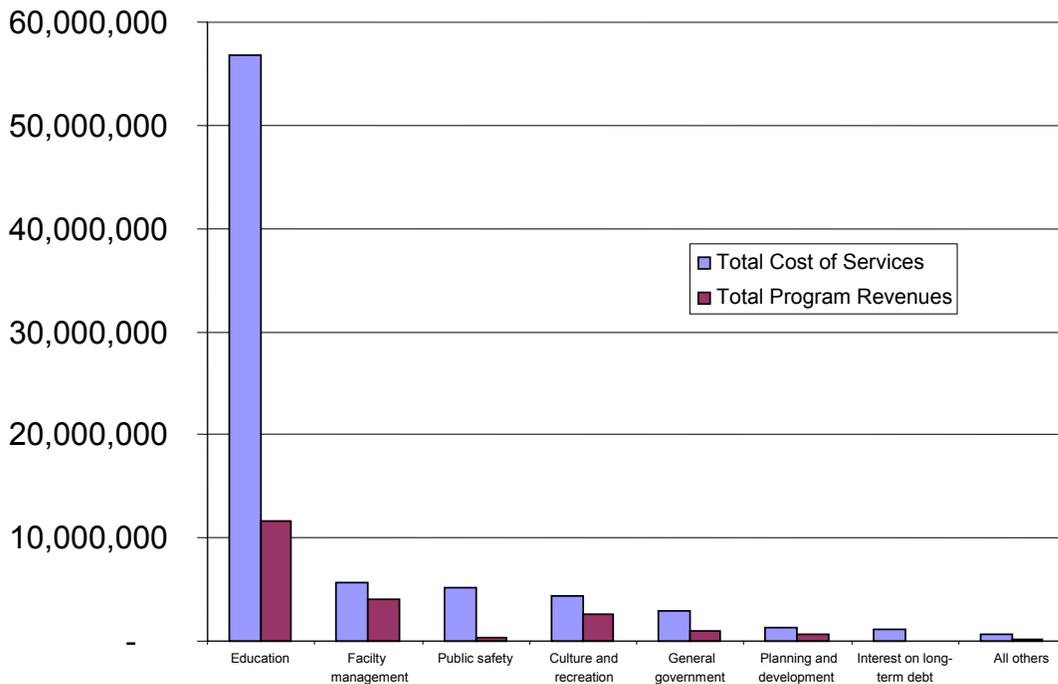
For the most part, increases in expenses closely paralleled inflation and growth in the demand for services.

The following table presents the cost of each of the Town's programs as well as each program's net cost (total cost less revenues generated by the activities). The net cost shows the financial burden that was placed on the Town's taxpayers by each of these functions.

GOVERNMENTAL ACTIVITIES
For the Year Ended June 30, 2005

	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
Education	\$ 57,874,235	\$ 46,163,057
Facility management	5,613,885	1,605,490
Public safety	5,139,769	4,881,691
Culture and recreation	4,379,125	1,758,018
General government	2,835,830	1,895,303
Planning and development	1,345,269	699,635
Interest on long-term debt	1,205,222	1,205,222
All others	683,765	556,650
Totals	<u>\$ 79,077,100</u>	<u>\$ 58,765,066</u>

Expenses and Program Revenue - Governmental Activities



Financial Analysis of the Government's Funds

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the Town'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's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Town's Governmental Funds reported combined ending fund balances of \$19,708,841, a decrease of \$2,472,627 in comparison with the prior year. Of this amount, \$82,574 is reserved for encumbrances and \$35,581 is reserved for inventories. Also, 99.4% or \$19,590,686 is unreserved fund balance, which is available for spending at the Town's discretion.

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, the General Fund total fund balance was \$8,090,326. Of this total fund balance, \$82,574 is reserved for encumbrances, with the balance being undesignated in the amount of \$8,007,752. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 11.24% of the total General Fund expenditures, while total fund balance represents 11.35% of that same amount.

The fund balance of the Town's General Fund increased by \$1,458,257 during the current fiscal year and the undesignated fund balance increased by \$1,607,882.

The major factors behind the increase of \$1,607,882 are as follows:

The General Fund revenues collected were significantly higher than budgeted as follows:

- Property taxes collected were \$321,445 higher than the budget. Current collection rate of 99.41% versus budgeted collection rate of 98% was \$58,551 lower than budget. The reasons behind this deficit were that after the Town budgets were presented at Town Meeting and before the Town Budget Referendum vote, the Connecticut State Legislature extended the conveyance tax rate of \$.0025 per thousand for an additional year and also increased funding for the Education Equalization Grant by an additional \$300,000. In setting the Town mill rate, the Board of Finance reduced current property tax revenues for these additional revenues. In addition, the Town's prior year taxes were \$226,668 higher than budget, and interest and lien fees were \$153,328 higher than budget.
- Intergovernmental revenues were \$278,916 higher than the budget. Education Equalization Grants were \$321,096 higher than the budget.
- Charges for goods and services were \$455,748 higher than the budget. Town Clerk's conveyance tax receipts were \$475,334 higher than the budget. The conveyance tax rate was \$.0025 per thousand, which was to expire on June 30, 2004 and was to revert back to a rate of \$.0011 per thousand. The actual budgeted revenue was based on a rate of \$.0011 per thousand. After the budget was approved, the State Legislature extended the conveyance tax rate of \$.0025 per thousand for an additional year. Therefore, the increase in conveyance tax revenues was due to the higher rate and also due to the sale of Simsbury Commons Mall.
- Licenses and permits revenues were \$66,611 higher than the budget. Building department fees were \$79,031 higher than the budget.
- Other financing sources were \$283,028 higher than the budget. This was driven by the \$262,653 transfer in from the High School Expansion and Renovation capital project interest earned.

- General Fund expenditures were \$486,068 lower than the amended budget but were \$186,068 lower than the original budget. During the fiscal year, the Board of Finance and Special Town Meeting approved supplemental appropriations from reserves totaling \$300,000. Board of Education returned \$12,980 or 0.026% of their total budget of \$50,189,660. Board of Selectmen returned \$473,088 or 3.1% of their amended budget of \$15,210,340.

The Sewer Use Fund has a fund balance of \$3,014,780 at the end of the year, an increase of \$457,546 from the prior year. A portion of the revenues generated from the \$200 annual user fee is to be used to help pay the projected future debt service associated with the anticipated major expansion and renovation to the Sewer Treatment Plant.

The Sewer Assessment Fund has a fund balance of \$1,304,171 at the end of the year, an increase of \$73,714 from the prior year.

The Capital Project Fund has a fund balance of \$5,157,178 at the end of the year, a decrease of \$4,555,189 from the prior year. This decrease was primarily driven by total expenditures of \$20,044,502 and offset by \$15,489,313 in revenues, bond/loan proceeds and net transfers in/out. The Town has several major capital projects, each of which incurred over \$1 million in expenditures during the year. For the year, expenditures were \$11.8 million for the Simsbury High School Addition & Alteration, \$4.8 million for the Sewer Treatment Plant Renovation & Expansion, \$1.8 million for the Police Station Renovations and \$1.6 million for all other capital projects. These expenditures were offset by \$5,672,106 in grant revenues; \$5,025,331 from the \$5 million April 2005 General Obligation Bond Issue, which included a bond premium of \$25,331; \$4,506,057, 2% clean water fund loan for the renovation and expansion of the Sewer Treatment Plant Renovation & Expansion; \$262,653 investment income on a portion of the proceeds from the \$23,765,000 High School Bond Issue from September 2003; and net transfers in/out of \$23,166.

Other nonmajor governmental funds have a total fund balance of \$2,142,386, an increase of \$93,045 from the prior year as illustrated below:

	2005	2004	Variance	Explanation of \$100,000 Variance
Residential Rental Properties	\$ 108,542	\$ 89,896	\$ 18,646	
Dog Fund	44,356	33,284	11,072	
Simsbury Farms Fund	18,038	64,108	(46,070)	
General Government Program Fund	45,388	43,048	2,340	
Public Safety Program Fund	116,320	43,101	73,219	
Planning & Development Program Fund	210,923	323,285	(112,362)	Band Shell and Greenway expenditures exceeded revenues collected in 2005
Facilities Management Program Fund	536,091	590,748	(54,657)	
Health & Welfare Program Fund	138,370	93,786	44,584	
Culture & Recreation Program Fund	82,115	79,353	2,762	
Board of Education Program Fund	384,765	277,942	106,823	Received \$101,595 contribution to be used for scholarships
Cafeteria	248,158	265,486	(17,328)	
Capital and Nonrecurring Expenditures Fund	<u>209,320</u>	<u>145,304</u>	<u>64,016</u>	
Total	<u>\$ 2,142,386</u>	<u>\$ 2,049,341</u>	<u>\$ 93,045</u>	

General Fund Budgetary Highlights

For the current year \$300,000 in transfers were made from reserves. On the Board of Selectmen budget, \$467,731 was transferred from within the budget. Illustrated below is a recap of the Board of Selectmen original budget and amended budget by program.

GENERAL FUND For the Year Ended June 30, 2005

	Original Budget	Transfers from Reserves		Budget Transfer		Amended Budget
General government	\$ 1,829,172	\$ 100,000	(a)	\$ 90,770	(c), (d)	\$ 2,019,942
Planning and development	622,790			30,260	(c), (d)	653,050
Public safety	3,429,057			(3,769)	(c), (d)	3,425,288
Facility management	2,907,097			8,883	(c), (d)	2,915,980
Culture and recreation	1,797,616			44,836	(c), (d)	1,842,452
Health and welfare	458,442			7,985	(c), (d)	466,427
Fringe benefits and insurance	3,289,386			(37,492)	(d)	3,251,894
Education	50,189,660					50,189,660
Special projects	224,174			(141,473)	(c)	82,701
Debt service (principal and interest)	5,161,910			(3,700)	(e)	5,158,210
Transfers to other funds	<u>352,606</u>	<u>200,000</u>	(b)	<u>3,700</u>	(e)	<u>556,306</u>
Totals	\$ <u>70,261,910</u>	\$ <u>300,000</u>		\$ <u>-</u>		\$ <u>70,561,910</u>

Reasons behind transfers from reserves:

- (a) On January 18, 2005, Simsbury Board of Finance approved a supplemental appropriation in the amount of \$100,000 to the Simsbury Land Trust for the acquisition of Development Rights to the Tuller Farm Property.
- (b) On March 1, 2005, Simsbury Board of Finance approved a supplemental appropriation in the amount of \$200,000 for 30% of the design for a library expansion and renovation project.

Reasons behind budget transfers:

- (c) Several employee union contracts were settled, and \$141,473 was transferred from special projects (Unnegotiated Salaries) and \$2,700 was transferred from various department longevity accounts to the appropriate budget to cover these settlements.
- (d) Approximately \$319,858 was transferred to cover budget shortfalls including an additional \$114,146 to the legal budget to cover legal expenses associated with Meadowood litigation.
- (e) \$3,700 of unused budgeted funds were transferred from the debt service budget to operating transfers out to be used to partial fund approved capital projects.

During the year, General Fund revenues exceeded budgetary estimates by \$1,421,463 and expenditures were \$486,068 lower than the amended budget, but were \$186,068 lower than the original budget. Overall revenues over expenditures on the budgetary basis were \$1,607,531. In the current year, revenues increased by 4.3% over the prior year as expenditures increased by 2.8%.

The major factors are as follows:

- Property taxes collected were \$321,445 higher than the budget.
- Intergovernmental revenues were \$278,916 higher than the budget.
- Charges for goods and services were \$455,748 higher than the budget.
- Licenses and permits revenues were \$66,611 higher than the budget.
- Other financing sources were \$283,028 higher than the budget.
- General Fund expenditures were \$186,068 lower than the original budget and \$486,068 lower than the amended budget.

Capital Asset and Debt Administration

Capital Assets - The Town's investment in capital assets (net of accumulated depreciation) for its governmental activities as of June 30, 2005 amounted to \$86,101,108. This investment in capital assets included land, buildings and system improvements, machinery and equipment, park facilities, roads, highways and bridges. The total net increase in the Town's investment in capital assets for the current fiscal year was \$17,827,952, which was comprised of an increase of \$20,780,778 for new additions and a decrease of \$2,952,826 for depreciation. The Town also had reductions in assets of \$176,292, which were fully depreciated. The Town also reclassified \$99,819 for completed projects from construction work in progress to infrastructure - site lighting.

Major capital asset events during the current fiscal year included the following:

Infrastructure

- Accounted for \$444,517 or 2.1% of the capital asset additions. The town has a road improvement program with approximately \$500,000 available annually to maintain the current road infrastructure.
- Accounted for \$11,011 or 6.2% of the capital asset reductions.
- Increased by \$99,819 for the transfer from construction work in progress for site lighting for Iron Horse Boulevard/Simsbury Meadows.

Land and Buildings

- Increased by \$2,222,305 or 10.2% of the capital asset additions. This includes Town building improvements totaling \$2,222,305, which includes \$1,284,715 for Simsbury Meadows Band Shell, \$503,789 for air conditioning for Eno Memorial Hall, \$235,853 for an HVAC System at town offices, \$133,249 in improvements to the Legion Baseball facility and \$64,699 in improvements to the Barn at Simsbury Meadows.

Construction Work in Progress

- Accounted for \$17,827,744 or 85.8% of the capital asset additions. The four largest additions were \$11,330,975, \$4,793,322 and \$1,522,291 for the Simsbury High School Expansion and Renovation project, Sewer Treatment Plant Expansion and Police Station Renovation projects, respectively. Site Lighting for Iron Horse Boulevard/ Simsbury Meadows totaling \$99,819 was completed in the current year and was transferred to Infrastructure.

Vehicles and Equipment

- Accounted for \$286,212 or 1.3% of the capital asset additions. This included town additions totaling \$286,212 for the purchase of three police cruisers, one large plow truck, two mid size trucks, software for Tax Collector and Assessor offices and mower for the Golf Course.

- Accounted for \$165,281 or 93.8% of the capital asset reductions. This included the disposal of seven town vehicles and two school printing presses.

Update on Approved Capital Projects

- At a September 2004 Town Meeting, a \$1,905,014 Simsbury High School track and Field capital project was approved. This project was funded by the issuance of general obligation bonds. This project is expected to be completed by the end of 2005.
- At a May 2005 Town Meeting, two capital projects were approved: The Greenway project in the amount of \$750,000, which is to be funded by a combination of grants and the issuance of general obligation bonds, and the Golf Course Improvement project for \$600,000, which is to be funded by the issuance of general obligation bonds. Both of these projects are expected to be completed by no later than the fall of 2006.
- Construction work in progress will continue for the \$43.2 million high school expansion and renovation project that was approved at a May 2002 referendum vote. During the current fiscal year, \$11.8 million was expended and to date \$27.1 million has been expended. Hard construction started during the summer of 2003 and the project is expected to be completed by the spring of 2006. Due to favorable construction bid results, the total cost for this project is projected to be between \$36 million and \$37 million. Funding for this project will be from a combination of school building grants from the State of Connecticut and through the issuance of general obligation bonds. In September 2003, the Town issued a \$23,765,000 general obligation bond with final maturity due January 2018, at an interest rate of 3.74%. It is anticipated that once the project has been completed and the total school building grants are determined, the Town will issue a general obligation bond for the difference, which is projected at this time to be around \$3 million.
- Construction work in progress will continue for the \$26.8 million sewer treatment plant expansion and renovation project that was approved at a May 2002 referendum vote. During the current fiscal year, \$4.8 million was expended and to date \$6.7 million has been expended. Funding for this project will be through an outright grant between 15% and 20% of the project cost plus a 20-year, 2% loan between 80% and 85% of the project cost. Once construction starts, it will take approximately 24 months to complete the project. Twelve months after the project is completed, payments begin on the 20-year, 2% loan program. Ownership of this plant will be 68% for the Town of Simsbury, 23% for the Town of Avon and 9% for the Town of Granby.
- Construction work in progress will continue for the \$2.3 million police station expansion and renovation project. This project covers both the expansion and renovation of the police station and a new HVAC system for town offices. During the current fiscal year \$1,758,144 was expended and to date \$2,041,243 has been expended. Construction started on this project in the spring of 2004 and is expected to be completed by the end of 2005.
- During fiscal year 2005/06 it is expected that several major school capital projects will be completed and closed. They include the \$4.5 million Tootin Hills expansion project, whose final cost came under \$4.1 million, and the \$4.8 million combined Henry James expansion project phase I and II. All of these projects have been funded by a combination of direct pay-downs from the Debt Service budget, general obligation bonds and school construction grants.
- For an update for all capital projects, please refer to page 63 of the Financials.

CAPITAL ASSETS, Net of Depreciation
June 30, 2005

	Governmental Activities
Infrastructure	\$ 15,435,070
Land and buildings	32,536,396
Vehicles and equipment	2,400,683
Construction work in progress	35,728,959
Total	\$ 86,101,108

Additional information on the Town's capital assets can be found in Note 3C on page 42 of this report.

Long-Term Debt - At the end of the current fiscal year, the Town had total bonded debt and notes outstanding of \$36,900,645 of which \$4,307,053 is due within one year. All of the debt is backed by the full faith and credit of the Town.

OUTSTANDING DEBT
June 30, 2005

	Governmental Activities
General obligation bonds	\$ 32,245,000
Loan payable - Clean Water Fund	4,506,057
Loan payable - State of CT	149,588
Total	\$ 36,900,645

The Town's total debt increased during the current fiscal year by \$5,599,075. This increase comprised new debt totaling \$9,506,057 and scheduled principal debt payments made totaling \$3,906,982. In April 2005, the Town issued general obligation bonds in the amount of \$5,000,000 which comprised \$2,300,000 for the Police Station Expansion and Renovation project, \$300,000 for improvements to Simsbury Meadows, \$200,000 for improvements to various town parks, \$300,000 for computer network servers for town schools and \$1,900,000 for the Simsbury High School Track and Stadium Field Improvements. In addition, the Town received during the fiscal year a \$4,506,057, 2% Clean Water Fund loan for the ongoing Expansion and Renovation to the Waste Water Facility capital project.

The Town maintains an "Aa1" rating from Moody's for general obligation debt.

State statutes limit the amount of general obligation debt a governmental entity may issue to 7.0 times its total prior years' tax collections. The current debt limitation for the Town is \$466,141,480, which is significantly more than the Town's outstanding general obligation debt.

Additional information on the Town's long-term debt can be found in Note 3E on pages 45-47 of this report.

Economic Factors and Next Year's Budgets and Rates

The Town's elected Board of Finance considers many factors when setting the fiscal year 2006 budget cap and mill rate. Factors include the economy, which covers the unemployment rate and the increase in the annual social security cola for the elderly. The current unemployment rate for the Town of Simsbury for 2005 was 4.3%, which is an increase from a rate of 3.0% a year ago. This compares to the State's average unemployment rate of 5.4% and the national average rate of 5.0%. The social security cola for the elderly for 2004 was 2.7%. Another factor that the Board of Finance uses is the projected grand list growth, which was approximately 1.2% for the October 1, 2004 Grand List. For fiscal year 2006, the Board of Finance set a 4.5% budget cap on all operating budgets. The debt service budget was brought forward and approved with a 7.05% increase. Illustrated below is a recap of the 2006 General Fund budget property tax increase.

	Allocation of Tax Increase	
	<u>Amount</u>	<u>%</u>
Board of Education	\$ 2,242,018	3.52%
Board of Selectmen	670,623	1.05
Debt Retirement	364,148	0.57
Non-Public Schools	16,517	0.03
Revenue	<u>(254,309)</u>	<u>(0.40)</u>
New Additional Property Tax Revenues	3,038,997	<u><u>4.77%</u></u>
Budgeted FY 04/05 Property Tax Revenues	<u>63,751,124</u>	
Budgeted FY 05/06 Property Tax Revenues	\$ <u><u>66,790,121</u></u>	

The actual tax increase on all property less the 1.2% grand list growth was 3.53%.

During the current fiscal year, unreserved fund balance in the General Fund increased to \$8,007,752.

Requests for Information

This financial report is designed to provide a general overview of the Town'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 Office of the Director of Finance/Treasurer for the Town of Simsbury.

Basic Financial Statements

TOWN OF SIMSBURY, CONNECTICUT

STATEMENT OF NET ASSETS

JUNE 30, 2005

	Governmental Activities
Assets:	
Current assets:	
Cash and cash equivalents	\$ 22,826,357
Investments	325,117
Accounts receivable	311,655
Property taxes receivable	663,187
Interest and other receivables	250,899
Special assessments receivable	364,998
Due from other governments	426,896
Inventories	35,581
Total current assets	25,204,690
Noncurrent assets:	
Pension assets	11,074
Capital assets:	
Nondepreciable	42,185,648
Depreciable, net	43,915,460
Total noncurrent assets	86,112,182
Total assets	111,316,872
Liabilities:	
Current liabilities:	
Accounts payable	3,558,772
Accrued interest payable	530,236
Unearned revenue	50,603
Bonds and notes payable	4,307,053
Compensated absences	589,059
Total current liabilities	9,035,723
Noncurrent liabilities:	
Bonds payable	32,908,939
Compensated absences	219,826
Landfill closing	100,000
Claims incurred but not reported	608,000
Total noncurrent liabilities	33,836,765
Total liabilities	42,872,488
Net Assets:	
Invested in capital assets, net of related debt	48,885,116
Unrestricted	19,559,268
Total Net Assets	\$ 68,444,384

The accompanying notes are an integral part of the financial statements

TOWN OF SIMSBURY, CONNECTICUT

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2005

Function/Program Activities	Program Revenues				Net Revenues (Expenses) and Changes in Net Assets
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
Governmental activities:					
General government	\$ 2,835,830	\$ 933,527	\$ 7,000	\$ (1,895,303)	
Planning and development	1,345,269	415,615	230,019	(699,635)	
Public safety	5,139,769	229,646	28,432	(4,881,691)	
Facility management	5,613,885	2,094,212	443,244	1,470,939	
Culture and recreation	4,379,125	2,265,570		355,537	
Health and welfare	655,206	113,115	14,000	(528,091)	
Education	57,874,235	3,156,380	4,345,513	4,209,285	
Special projects	28,559			(28,559)	
Interest on long-term debt	1,205,222			(1,205,222)	
	<u>\$ 79,077,100</u>	<u>\$ 9,208,065</u>	<u>\$ 5,068,208</u>	<u>\$ 6,035,761</u>	
Total Governmental Activities	<u>\$ 79,077,100</u>	<u>\$ 9,208,065</u>	<u>\$ 5,068,208</u>	<u>\$ 6,035,761</u>	
General Revenues:					
Property taxes, levied for general purposes				66,077,888	
Grants and contributions not restricted to specific programs				453,215	
Investment earnings				651,665	
Total general revenues				<u>67,182,768</u>	
Change in net assets				8,417,702	
Net Assets at Beginning of Year, as Restated				<u>60,026,682</u>	
Net Assets at End of Year				<u>\$ 68,444,384</u>	

The accompanying notes are an integral part of the financial statements

TOWN OF SIMSBURY, CONNECTICUT

BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2005

	General Fund	Sewer Use Fund	Sewer Assessment Fund	Capital Project Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 9,220,685	\$ 3,037,110	\$ 1,304,171	\$ 6,666,213	\$ 2,139,667	\$ 22,367,846
Investments					325,117	325,117
Receivables:						
Accounts receivable	41,754	318			52,445	94,517
Property taxes receivable	663,187					663,187
Special assessments receivable		11,293	353,705			364,998
Due from other governments				200,000	117,159	317,159
Due from other funds	69,709					69,709
Inventories					35,581	35,581
Total Assets	<u>\$ 9,995,335</u>	<u>\$ 3,048,721</u>	<u>\$ 1,657,876</u>	<u>\$ 6,866,213</u>	<u>\$ 2,669,969</u>	<u>\$ 24,238,114</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 1,310,194	\$ 24,191	\$	\$ 1,709,035	\$ 515,352	\$ 3,558,772
Due to other funds					8,523	8,523
Deferred revenue	594,815	9,750	353,705		3,708	961,978
Total liabilities	<u>1,905,009</u>	<u>33,941</u>	<u>353,705</u>	<u>1,709,035</u>	<u>527,583</u>	<u>4,529,273</u>
Fund Balances:						
Reserved for:						
Inventories					35,581	35,581
Encumbrances	82,574					82,574
Unreserved, reported in:						
General Fund	8,007,752					8,007,752
Sewer Use Fund		3,014,780				3,014,780
Sewer Assessment Fund			1,304,171			1,304,171
Capital Project Fund				5,157,178	209,320	5,366,498
Special Revenue Funds					1,897,485	1,897,485
Total fund balances	<u>8,090,326</u>	<u>3,014,780</u>	<u>1,304,171</u>	<u>5,157,178</u>	<u>2,142,386</u>	<u>19,708,841</u>
Total Liabilities and Fund Balances	<u>\$ 9,995,335</u>	<u>\$ 3,048,721</u>	<u>\$ 1,657,876</u>	<u>\$ 6,866,213</u>	<u>\$ 2,669,969</u>	<u>\$ 24,238,114</u>

The accompanying notes are an integral part of the financial statements

TOWN OF SIMSBURY, CONNECTICUT

**RECONCILIATION OF THE BALANCE SHEET -
GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS**

JUNE 30, 2005

Amounts reported for governmental activities in the statement of net assets (page 18) are different because of the following:

Fund balances - total governmental funds (page 20)	\$	19,708,841
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Governmental capital assets	\$ 146,764,160	
Less accumulated depreciation	<u>(60,663,052)</u>	
Net capital assets		86,101,108

Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds:

Pension assets	11,074
Property tax receivables greater than 60 days	557,670
Sewer assessments receivable	353,705
Interest receivable on property taxes	250,898
Receivable from the state for school construction projects	109,737

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 reported with governmental activities in the statement of net assets.

6,464

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:

Bonds payable	(32,245,000)
Unamortized bond premium	(315,347)
Clean Water Fund 2% loan	(4,506,057)
Notes payable	(149,588)
Interest payable on bonds	(530,236)
Compensated absences	(808,885)
Landfill closing	<u>(100,000)</u>

Net Assets of Governmental Activities (page 18)	\$	<u><u>68,444,384</u></u>
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The accompanying notes are an integral part of the financial statements

TOWN OF SIMSBURY, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2005

	<u>General Fund</u>	<u>Sewer Use Fund</u>	<u>Sewer Assessment Fund</u>	<u>Capital Project Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:						
Property taxes	\$ 66,306,205	\$	\$	\$	\$	\$ 66,306,205
Intergovernmental	4,658,404			5,672,106	3,080,366	13,410,876
Investment income	305,256	33,717	22,499	262,653	27,540	651,665
Charges for goods and services	1,091,066				2,622,759	3,713,825
Licenses and permits	429,661	85,563			18,791	534,015
Rental of town-owned property	10,335					10,335
Local revenues	101,324					101,324
Assessments		1,668,079	101,969			1,770,048
Other		15,755	36,661		1,452,199	1,504,615
Total revenues	<u>72,902,251</u>	<u>1,803,114</u>	<u>161,129</u>	<u>5,934,759</u>	<u>7,201,655</u>	<u>88,002,908</u>
Expenditures:						
Current:						
General government	2,119,053			80,630	22,698	2,222,381
Planning and development	643,265			219,050	230,613	1,092,928
Public safety	3,390,988				222,578	3,613,566
Facility management	2,338,364	1,345,568			106,266	3,790,198
Culture and recreation	1,766,845			168,206	1,562,597	3,497,648
Health and welfare	461,489				99,669	561,158
Fringe benefits and insurance	3,160,935					3,160,935
Education	51,756,275				3,431,705	55,187,980
Special projects	28,559					28,559
Capital outlay - Town	449,398			7,231,704	1,658,824	9,339,926
Capital outlay - Education				12,344,912		12,344,912
Debt service:						
Principal payments	3,900,000				6,982	3,906,982
Interest and other	1,258,210				1,540	1,259,750
Total expenditures	<u>71,273,381</u>	<u>1,345,568</u>	<u>-</u>	<u>20,044,502</u>	<u>7,343,472</u>	<u>100,006,923</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,628,870</u>	<u>457,546</u>	<u>161,129</u>	<u>(14,109,743)</u>	<u>(141,817)</u>	<u>(12,004,015)</u>
Other Financing Sources (Uses):						
Transfers in	385,443			508,035	659,110	1,552,588
Transfers out	(556,056)		(87,415)	(484,869)	(424,248)	(1,552,588)
General obligation bonds issued				5,000,000		5,000,000
Clean water loans issued				4,506,057		4,506,057
Premium on general obligation bonds				25,331		25,331
Total other financing sources (uses)	<u>(170,613)</u>	<u>-</u>	<u>(87,415)</u>	<u>9,554,554</u>	<u>234,862</u>	<u>9,531,388</u>
Net Change in Fund Balances	1,458,257	457,546	73,714	(4,555,189)	93,045	(2,472,627)
Fund Balances at Beginning of Year, as Restated	<u>6,632,069</u>	<u>2,557,234</u>	<u>1,230,457</u>	<u>9,712,367</u>	<u>2,049,341</u>	<u>22,181,468</u>
Fund Balances at End of Year	<u>\$ 8,090,326</u>	<u>\$ 3,014,780</u>	<u>\$ 1,304,171</u>	<u>\$ 5,157,178</u>	<u>\$ 2,142,386</u>	<u>\$ 19,708,841</u>

The accompanying notes are an integral part of the financial statements

TOWN OF SIMSBURY, CONNECTICUT

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES**

FOR THE YEAR ENDED JUNE 30, 2005

Amounts reported for governmental activities in the statement of activities (page 19) are different because of the following:

Net change in fund balances - total governmental funds (page 22)	\$ (2,472,627)
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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.

Capital outlay	20,780,778
Depreciation expense	(2,952,826)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Property taxes collected after 60 days	(123,368)
Sewer assessment revenue	(101,969)
Interest income on property taxes	(175,127)
Intergovernmental revenue on school bonds	(107,642)

Change in pension assets	(235)
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The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Bond and loan proceeds	(9,506,057)
Premium on bonds issued (net of amortization)	(1,508)
Accrued interest	30,706
Principal payments	3,906,982

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Change in long-term compensated absences	(42,679)
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The net loss of the internal service funds is reported with governmental activities.	<u>(816,726)</u>
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Change in Net Assets of Governmental Activities (page 19)	<u>\$ 8,417,702</u>
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The accompanying notes are an integral part of the financial statements

TOWN OF SIMSBURY, CONNECTICUT

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) - MAJOR GOVERNMENTAL FUNDS**

FOR THE YEAR ENDED JUNE 30, 2005

	General Fund				Sewer Use Fund			
	Budget		Actual	Variance with Final Budget Positive (Negative)	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
Revenues:								
Property taxes	\$ 65,984,760	\$ 65,984,760	\$ 66,306,205	\$ 321,445	\$	\$	\$	\$ -
Intergovernmental revenues	2,775,167	2,775,167	3,054,083	278,916				-
Investment income	300,000	300,000	305,256	5,256	8,000	8,000	33,717	25,717
Charges for goods and services	635,318	635,318	1,091,066	455,748	68,170	68,170	85,563	17,393
Rental of town-owned property	7,200	7,200	10,335	3,135				-
Licenses and permits	363,050	363,050	429,661	66,611				-
Local revenue	94,000	94,000	101,324	7,324			15,755	15,755
Assessments				-	1,662,710	1,662,710	1,668,079	5,369
Total revenues	<u>70,159,495</u>	<u>70,159,495</u>	<u>71,297,930</u>	<u>1,138,435</u>	<u>1,738,880</u>	<u>1,738,880</u>	<u>1,803,114</u>	<u>64,234</u>
Expenditures:								
Current:								
General government	1,829,172	2,019,942	1,954,053	65,889				-
Planning and development	622,790	653,050	641,824	11,226				-
Public safety	3,429,057	3,425,288	3,390,988	34,300				-
Facility management	2,907,097	2,915,980	2,787,762	128,218	1,332,250	1,345,572	1,345,568	4
Culture and recreation	1,797,616	1,842,452	1,766,845	75,607				-
Health and welfare	458,442	466,427	461,489	4,938				-
Fringe benefits and insurance	3,289,386	3,251,894	3,160,935	90,959				-
Education	50,189,660	50,189,660	50,176,680	12,980				-
Special projects	224,174	82,701	21,000	61,701				-
Debt service	5,161,910	5,158,210	5,158,210	-				-
Total expenditures	<u>69,909,304</u>	<u>70,005,604</u>	<u>69,519,786</u>	<u>485,818</u>	<u>1,332,250</u>	<u>1,345,572</u>	<u>1,345,568</u>	<u>4</u>
Excess of Revenues over Expenditures	<u>250,191</u>	<u>153,891</u>	<u>1,778,144</u>	<u>1,624,253</u>	<u>406,630</u>	<u>393,308</u>	<u>457,546</u>	<u>64,238</u>
Other Financing Sources (Uses):								
Transfers from other funds	102,415	102,415	385,443	283,028				-
Transfers to other funds	(352,606)	(556,306)	(556,056)	250				-
Net other financing sources (uses)	<u>(250,191)</u>	<u>(453,891)</u>	<u>(170,613)</u>	<u>283,278</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	<u>\$ -</u>	<u>\$ (300,000)</u>	<u>1,607,531</u>	<u>\$ 1,907,531</u>	<u>\$ 406,630</u>	<u>\$ 393,308</u>	<u>457,546</u>	<u>\$ 64,238</u>
Fund Balances at Beginning of Year, as Restated			<u>6,400,221</u>				<u>2,557,234</u>	
Fund Balances at End of Year			<u>\$ 8,007,752</u>				<u>\$ 3,014,780</u>	

The accompanying notes are an integral part of the financial statements

TOWN OF SIMSBURY, CONNECTICUT
STATEMENT OF NET ASSETS - PROPRIETARY FUNDS
JUNE 30, 2005

		<u>Governmental Activities</u>
		<u>Internal Service Fund</u>
Assets:		
Current assets:		
Cash and cash equivalents	\$	458,512
Accounts receivable, net		217,138
Total current assets		<u>675,650</u>
Liabilities:		
Current liabilities:		
Due to other funds		61,186
Noncurrent liabilities:		
Claims incurred but not reported		608,000
Total liabilities		<u>669,186</u>
Net Assets:		
Unrestricted	\$	<u><u>6,464</u></u>

The accompanying notes are an integral part of the financial statements

TOWN OF SIMSBURY, CONNECTICUT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN NET ASSETS - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2005

	<u>Governmental Activities</u>
	<u>Internal Service Fund</u>
Operating Revenues:	
Charges for services	\$ 4,473,593
Intergovernmental	45,079
Total operating revenues	<u>4,518,672</u>
Operating Expenses:	
Claims incurred	4,351,151
Administration fees	325,166
Stop loss insurance fees	659,081
Total operating expenses	<u>5,335,398</u>
Change in Net Assets	(816,726)
Net Assets at Beginning of Year	<u>823,190</u>
Net Assets at End of Year	<u><u>\$ 6,464</u></u>

The accompanying notes are an integral part of the financial statements

TOWN OF SIMSBURY, CONNECTICUT
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2005

	Governmental Activities
	Internal Service Fund
Cash Flows from Operating Activities:	
Receipts from customers and users	\$ 4,435,315
Payments to employees	(5,274,398)
Net cash used in operating activities	(839,083)
Cash Flows from Noncapital Financing Activities:	
Transfers in from other funds	61,186
Net cash provided by noncapital financing activities	61,186
Net Decrease in Cash and Cash Equivalents	(777,897)
Cash and Cash Equivalents at Beginning of Year	1,236,409
Cash and Cash Equivalents at End of Year	\$ 458,512
Reconciliation of Operating Loss to Net Cash Used in Operating Activities:	
Operating loss	\$ (816,726)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Increase in accounts receivable	(83,357)
Increase in claims incurred but not reported	61,000
Net Cash Used In Operating Activities	\$ (839,083)

The accompanying notes are an integral part of the financial statements

TOWN OF SIMSBURY, CONNECTICUT

STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUNDS

JUNE 30, 2005

	Pension Trust Funds	Agency Fund School Activity Fund
	<u> </u>	<u> </u>
Assets:		
Cash and short-term investments	\$ 176,121	\$ 516,408
Investments, at fair value:		
Frank Russell Fixed Income Fund I	8,047,115	
Frank Russell Fixed Income Fund II	3,213,867	
Frank Russell International Equity Fund	3,212,708	
Frank Russell Equity Fund I	11,473,908	
Frank Russell Equity Fund II	5,054,772	
Frank Russell Real Estate Equity Fund	1,688,490	
Total investments	<u>32,690,860</u>	<u>-</u>
Total assets	<u>32,866,981</u>	<u>516,408</u>
Liabilities:		
Due to student groups		<u>516,408</u>
Net Assets:		
Held in Trust for Pension Benefits and Other Purposes	<u>\$ 32,866,981</u>	<u>\$ -</u>

The accompanying notes are an integral part of the financial statements

TOWN OF SIMSBURY, CONNECTICUT

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS - FIDUCIARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2005

	<u>Pension Funds</u>
Additions:	
Contributions:	
Employer	\$ 953,709
Plan members	359,649
Other	102,538
Total contributions	<u>1,415,896</u>
Investment earnings:	
Net increase in fair value of investments	2,893,202
Interest	1,150
Total investment earnings	<u>2,894,352</u>
Less investment expenses:	
Investment management fees	189,423
Custodian fees	40,294
Net investment income	<u>2,664,635</u>
Total additions	<u>4,080,531</u>
Deductions:	
Benefits	1,641,972
Administrative expense	59,599
Total deductions	<u>1,701,571</u>
Net Change in Net Assets	2,378,960
Net Assets at Beginning of Year	<u>30,488,021</u>
Net Assets at End of Year	<u><u>\$ 32,866,981</u></u>

The accompanying notes are an integral part of the financial statements

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Town of Simsbury, Connecticut, operates under a charter as revised November 7, 1995. The Town is governed by an elected Board of Selectmen consisting of a first selectman and five other members, an elected eight-member Board of Education and an elected six-member Board of Finance. The financial statements include all of the funds and account groups of the Town that meet the criteria for inclusion as set forth in Statement of Governmental Accounting Standards No. 14 issued by the Governmental Accounting Standards Board.

Accounting principles generally accepted in the United States of America require that the reporting entity include the primary government and its component units, entities for which the government is considered to be financially accountable, all organizations for which the primary government is financially accountable, and other organizations which by the nature and significance of their relationship with the primary government would cause the financial statements to be incomplete or misleading if excluded. Blended component units, although legally separate entities, are, in substance, part of the government's operations; therefore, data from these units are combined with data of the primary government. Based on these criteria, there are no component units requiring inclusion in these financial statements.

B. Basis of Presentation

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Government Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Town's accounting policies are described below.

Government-Wide and Fund Financial Statements

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

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Property taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. In determining when to recognize intergovernmental revenues (grants and entitlements), the legal and contractual requirements of the individual programs are used as guidance. Revenues are recognized when the eligibility requirements have been met. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the Town.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

The Town reports the following major governmental funds:

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

The *Sewer Use Fund* is the sewer treatment plant primary operating fund. It accounts for all financial resources associated with the operations of the sewer treatment plant.

The *Sewer Assessment Fund* accounts for all financial resources of extending sewers within the Town of Simsbury.

The *Capital Project Fund* accounts for financial resources to be used for capital expenditures or for the acquisition or construction of capital facilities, improvements and/or equipment. Capital projects of greater than one year's duration have been accounted for in the Capital Projects Fund. Most of the capital outlays are financed by the issuance of general obligation bonds. Other sources include capital grants, current tax revenues and low-interest state loans.

Additionally, the Town reports the following fund types:

The *Special Revenue Funds* are used to account for proceeds of special revenue sources (except for major capital projects and trust funds) that are legally restricted to expenditures for specific purposes.

The *Internal Service Fund* is used to account for the Town's self-insurance program for accident and health insurance coverage of Town and Board of Education employees.

The *Pension Trust Funds* are used to account for the activities of the Town's defined benefit plans which accumulate resources for pension benefit payments to qualified employees.

The *Agency Funds* account for monies held by the Town as a custodian for outside groups and agencies.

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

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

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Town's proprietary fund are charges to the Town and its employees for medical insurance premiums. Operating expenses for the fund include the cost of claims and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

C. Cash Equivalents

For purposes of reporting cash flows, all savings, checking, money market accounts and certificates of deposit with an original maturity of less than 90 days are considered to be cash equivalents.

D. Investments

Investments are stated at fair value.

E. Inventories

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of donated commodities are stated at fair market value. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

F. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

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

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

G. Capital Assets

Capital assets, which include property, plant, 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 \$5,000 and an estimated useful life of more than 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 market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

<u>Assets</u>	<u>Years</u>
<u>Infrastructure:</u>	
Roadways	40
Bridge culvert	30-50
Sanitary sewer interceptors	40-50
Walkway and path	15-30
Dams and storm water control	40-60
Structure	40-60
Site lighting	20
<u>Land and Buildings:</u>	
Land	-
Buildings	50
Improvements	10-25
Construction in progress	-
<u>Equipment:</u>	
Computer equipment	5
Contractor's equipment	10
Furniture and fixtures	20
Miscellaneous equipment	5-10
Vehicles	3-10

H. Net Pension Assets

The net pension asset represents the cumulative difference between the annual pension cost and the Town's contributions to the plans. This amount is calculated on an actuarial basis and is recorded as a noncurrent asset in the government-wide financial statements.

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

I. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net assets.

J. Compensated Absences and Termination Benefits

Employees are paid by prescribed formula for absence due to vacation or sickness. All vacation and sick pay is accrued when incurred in the government-wide, proprietary and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

K. Equity

Equity in the government-wide financial statements is defined as “net assets” and is classified in the following categories:

Invested in Capital Assets, Net of Related Debt - This component of net assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

Restricted Net Assets - Net assets are restricted because they are externally imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The Town currently has no assets under restriction.

Unrestricted Net Assets - This component consists of net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

The equity of the fund financial statements is defined as “fund balance” and is classified in the following categories:

Reserved Fund Balance - represents amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

Designated Fund Balance - represents tentative management plans that are subject to change.

Unreserved Fund Balance - serves as a measure of current available financial resources.

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

L. Property Taxes

The Town's property tax is levied each June on the assessed value listed on the prior October 1 Grand List for all taxable property located in the Town. Although taxes are levied in June, the legal right to attach property does not exist until July 1. Real and personal property tax bills in excess of \$100 are due and payable in two installments, on July 1 following the date of the Grand List and on January 1 of the subsequent year. Motor vehicle taxes are payable in one installment on July 1.

Additional property taxes are assessed for motor vehicles registered subsequent to the Grand List date through July 31 and are payable in one installment due January 1.

The Town files liens against property if taxes that are due July 1 remain unpaid on the following June 30.

Property tax revenues 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. The Town defines the current period to mean within 60 days after year-end. Property taxes receivable not expected to be collected during the available period are reflected in deferred revenue in the fund financial statements. The entire receivable is recorded as revenue in the government-wide financial statements. Property taxes collected prior to June 30 that are applicable to the subsequent years' assessment are reflected as advance tax collections in both the fund financial statements and the government-wide financial statements.

M. Accounting Estimates

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

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

Budgets for the General Fund, Sewer Use Fund, Residential Rental Properties Fund, Dog Fund and Simsbury Farms Fund are authorized annually by the Board of Finance. Annual budgets are not adopted for Special Revenue Funds other than the Sewer Use Fund, Residential Rental Properties Fund, Dog Fund and Simsbury Farms Fund.

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

In accordance with the Town Charter, Chapter 9, Sections 901 through 910, the Town uses the following procedures in establishing the budgetary data included in the basic financial statements:

No later than the 15th day of March, the Board of Education shall present its budget for the General Fund to the Board of Finance.

No later than the 22nd day of March, the Board of Selectmen shall present to the Board of Finance a budget for all departments, offices or agencies of the Town except the Board of Education for the General Fund.

After various public hearings, the Board of Finance recommends the budget, as revised, for adoption at the Annual Town Meeting held on the first Tuesday in May. The Annual Town Meeting may reduce the annual budget or any portion thereof by two-thirds (2/3) vote of the voters in attendance, but shall not increase the annual budget or any portion thereof, as approved, or deemed to have been approved by the Board of Finance.

The Annual Town Meeting is then subject to an automatic referendum by all qualified voters of the Town. This referendum shall be held from 14 to 21 days following the conclusion of the Town Meeting. Any motion at a Town Meeting dealing with a referendum matter which reduces the amount of such referendum matter shall require a two-thirds (2/3) vote of those voters in attendance for passage. The Board of Finance, in cooperation with the First Selectman, shall revise the annual budget, or that portion thereof, which has been rejected at the referendum, as the case may be, and present it at a subsequent Town Meeting for discussion and an additional referendum for acceptance. If the budget remains unaccepted after such subsequent meeting and referendum, the budget adopted for the then current fiscal year shall be deemed to be the temporary budget for the forthcoming fiscal year and expenditures may be made on a month-to-month basis in accordance therewith, until such time as the referendum finally adopts a new budget.

Upon request of the Board of Selectmen, during the last six months of the fiscal year, the Board of Finance may, by resolution, transfer any unencumbered appropriation, balance or portion thereof from one department, commission, board or office to another, except for the Board of Education. No transfer shall be made from any appropriation for debt service and other statutory charges.

For management purposes, the Board of Finance is authorized to transfer the legally budgeted amounts between department accounts. In this function, departmental budget accounts serve as the legal level of control for the General Fund. The legal level of budgetary control is at the fund level for the Sewer Use, Residential Rental Properties, Dog and Simsbury Farms funds.

All unencumbered appropriations lapse at year-end except for those for capital projects and special revenue funds. Appropriations for these expenditures are continued until completion of applicable projects, which often last more than one fiscal year.

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Subject to certain restrictions, additional appropriations may be approved by the Board of Finance upon recommendation of the Board of Selectmen. Summarizations of the amended general fund budgets approved by the Board of Finance for the “budgetary” general and certain special revenue funds are presented in the required supplementary information. During the year, supplemental budgetary appropriations of \$300,000 were made from General Fund unappropriated and unencumbered surplus.

The Town’s budgeting system requires accounting for certain transactions to be on a basis other than GAAP. The major difference between the budgetary and GAAP basis is that encumbrances are recognized as a charge against a budget appropriation in the year in which the purchase order is issued and, accordingly, encumbrances outstanding at year-end are recorded in budgetary reports as expenditures of the current year, whereas, on a GAAP basis, encumbrances are recorded as reservations of fund balance.

As explained above, the Town’s budgetary fund structure accounts for certain transactions differently from that utilized in reporting in conformity with GAAP. A reconciliation of these differences at June 30, 2005 follows:

	General Fund	Sewer Use Fund
	<u> </u>	<u> </u>
Excess of revenues and other sources over expenditures and other uses for budgeted funds - budgetary basis	\$ 1,607,531	\$ 457,546
Timing difference:		
Change in reserve for encumbrances	<u>(149,274)</u>	<u> </u>
Net Change in Fund Balance - GAAP Basis	<u>\$ 1,458,257</u>	<u>\$ 457,546</u>

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

3. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Deposit Custodial Credit Risk - Custodial credit risk is the risk that, in the event of a bank failure, the Town's deposits will not be returned. The Town does not have a deposit policy for custodial credit risk. The deposit of public funds is controlled by the Connecticut General Statutes. Deposits may be placed with any qualified public depository that has its main place of business in the State of Connecticut.

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$9,510,738 of the Town's bank balance of \$9,967,018 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 8,519,664
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name	<u>991,074</u>
Total Amount Subject to Custodial Credit Risk	<u>\$ 9,510,738</u>

Investments

As of June 30, 2005, the Town had the following investments:

Investment Type	Credit Rating	Fair Value	Investment Maturities (Years)		
			Current	1 - 10	More Than 10
Mutual Funds:					
Equity	n/a	\$ 21,429,878	\$ 21,429,878	\$	\$
Fixed Income	n/a	11,586,100	11,586,100		
Reich and Tang	n/a	1,020,437	1,020,437		
State of CT STIF	AAAm	3,088,866	3,088,866		
MBIA Class Plus	AAA	<u>15,005,697</u>	<u>15,005,697</u>		
Total		<u>\$ 52,130,978</u>	<u>\$ 52,130,978</u>	<u>\$ -</u>	<u>\$ -</u>

Investment Custodial Credit Risk - Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value if its investment or collateral securities that are in the possession of an outside party. Both the State of Connecticut STIF and the MBIA Class investments are 2a-7 like pools.

Credit Risk - The Town's investment policy limits its investments to those in conformance with State Statues governing qualified public depositories.

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Concentration of Credit Risk - Maturities shall be staggered to avoid undue concentration of funds in a specific maturity. At least ten percent of the portfolio shall be invested in overnight instruments or in marketable securities which can be sold to raise cash in one day's notice.

Interest Rate Risk - The Town's investment policy limits its investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Except for the CNR and Risk Management Funds, funds of the Town shall be invested in instruments whose maturities do not exceed 270 days at the time of purchase, unless a temporary extension of maturities is approved by the Board of Finance.

The Pension Trust Funds are also authorized to invest in corporate bonds, domestic common stocks and domestic equity real estate. The investments of this fund are held in Trust by a Trustee Bank which executes investment transactions under the direction of the Pension Plans' investment manager.

B. Receivables

Receivables at year end for the government's individual major funds and nonmajor funds in the aggregate are as follows:

	<u>General</u>	<u>Sewer Use Fund</u>	<u>Sewer Assessment Fund</u>	<u>Capital Project Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Receivables:						
Accounts	\$ 41,754	\$ 318	\$	\$	\$ 52,445	\$ 94,517
Property taxes	663,187					663,187
Special assessments		11,293	353,705			364,998
Due from other governments				200,000	117,159	317,159
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Receivables	<u>\$ 704,941</u>	<u>\$ 11,611</u>	<u>\$ 353,705</u>	<u>\$ 200,000</u>	<u>\$ 169,604</u>	<u>\$ 1,439,861</u>

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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

	<u>Unavailable</u>	<u>Unearned</u>
General Fund:		
Delinquent property taxes receivable	\$ 557,670	\$
Property taxes collected in advance		37,145
Sewer Use Fund:		
Grant		9,750
Sewer Assessment Fund:		
Sewer assessment receivable	353,705	
Other Governmental Funds - State and Federal		
Education Grants:		
Various education grants		<u>3,708</u>
Total Deferred/Unearned Revenue for Governmental Funds	 \$ <u>911,375</u>	 \$ <u>50,603</u>

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

C. Capital Assets

Capital asset activity for the year ended June 30, 2005 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 5,626,689	\$	\$	\$ 5,626,689
Development rights	830,000			830,000
Construction in progress	18,001,034	17,827,744	99,819	35,728,959
Total capital assets not being depreciated	24,457,723	17,827,744	99,819	42,185,648
Capital assets being depreciated:				
Buildings and improvements	46,698,907	2,222,305		48,921,212
Land improvements	4,298,217			4,298,217
Equipment	15,955,174	286,212	165,281	16,076,105
Infrastructure	34,749,653	544,336	11,011	35,282,978
Total capital assets being depreciated	101,701,951	3,052,853	176,292	104,578,512
Less accumulated depreciation for:				
Buildings and improvements	22,380,299	1,228,021		23,608,320
Land improvements	3,396,839	134,563		3,531,402
Equipment	12,991,123	849,580	165,281	13,675,422
Infrastructure	19,118,257	740,662	11,011	19,847,908
Total accumulated depreciation	57,886,518	2,952,826	176,292	60,663,052
Total capital assets being depreciated, net	43,815,433	100,027		43,915,460
Governmental Activities Capital Assets, Net	\$ 68,273,156	\$ 17,927,771	\$ 99,819	\$ 86,101,108

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

Governmental activities:	
General government	\$ 108,043
Education	1,261,450
Public safety	106,281
Facility management	1,151,140
Culture and recreation	323,283
Health and welfare	2,629
Total Depreciation Expense - Governmental Activities	\$ 2,952,826

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Construction Commitments

The government has various active construction projects. The following is a summary of these projects as of June 30, 2005:

<u>Project</u>	<u>Project Authorization</u>	<u>Spent to Date</u>
Sewer Extension Projects:		
Project 2004	\$ 240,000	\$ 7,680
Town Projects:		
Townwide technology integration	287,000	275,588
Townwide computer technology	330,000	233,876
Library - planning and feasibility study	100,000	92,372
Water main installations	120,000	91,689
Eno Memorial Hall	812,039	773,878
Development Rights 5/00	1,000,000	996,184
Drake Hill / Rte 10 & 167 5/00	463,400	800
Library Preliminary Design 5/00	100,000	95,382
Sewer Treatment Plant Renovation & Expansion 5/02	26,840,083	6,680,110
Development Rights 5/02	1,000,000	
Economic Development Fund 5/02	303,115	66,886
Police Station Renovations 5/03	2,300,000	2,041,243
Water main extensions 5/04	190,000	
Highway Fleet Service Building 5/04	350,000	
Sewer Rehab - Church & Elm St 5/04	100,000	17,142
Simsbury Meadows Park Improv 5/04	300,000	96,761
Library Expansion Design Services 3/05	200,000	
Greenway 5/05	750,000	
Golf Course Improvements 5/05	600,000	
Education Projects:		
Tootin Hills expansion project	4,529,107	4,041,041
Henry James expansion project	3,581,662	3,555,506
Central School boiler and heating 5/00	250,000	249,595
Henry James expansion project phase II 5/00	1,260,000	1,250,662
Simsbury High School Addition and Alteration 5/02	43,178,567	27,127,793

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Computer technology improvements 5/02	135,000	125,530
Modular classrooms 5/02	340,000	273,904
System Flooring Replacement 5/02	250,000	111,515
System Window Treatment Project 5/02	220,000	96,489
Central School Roof Replacement 5/04	200,000	14,852
SHS Auditorium Improvement 5/04	712,500	10,245
Computer technology improvement 5/04	300,000	135,371
Elementary Modular Classrooms 5/04	500,000	21,631
Simsbury High School Track & Field 9/05	1,905,014	271,858
Total	\$ 93,747,487	\$ 48,755,583

The commitments are being financed with general obligation bonds and State and Federal grants.

D. Interfund Receivables, Payables and Transfers

The composition of interfund balances as of June 30, 2005 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Internal Service	\$ 61,186
	Nonmajor Governmental Funds	8,523
		\$ 69,709

Interfund balances are a result of temporary loans to various funds.

Interfund transfers:

	<u>Transfers Out</u>			
	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Other Governmental Funds</u>	<u>Total Transfers Out</u>
Transfers in:				
General Fund	\$	\$ 203,700	\$ 352,356	\$ 556,056
Sewer Assessment Fund	87,415			87,415
Capital Project Fund	287,984		196,885	484,869
Other Governmental Funds	10,044	304,335	109,869	424,248
Total Transfers In	\$ 385,443	\$ 508,035	\$ 659,110	\$ 1,552,588

Interfund transfers arose from transferring monies to fund operating activities.

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

E. Long-Term Debt

Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2005 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds and loans payable:					
General obligation bonds	\$ 31,145,000	\$ 5,000,000	\$ 3,900,000	\$ 32,245,000	\$ 4,300,000
Premium on bonds issued	313,839	25,331	23,823	315,347	
Loan payable - Clean Water Fund		4,506,057		4,506,057	
Loan payable - State of Connecticut	156,570		6,982	149,588	7,053
Total bonds and loans payable	<u>31,615,409</u>	<u>9,531,388</u>	<u>3,930,805</u>	<u>37,215,992</u>	<u>4,307,053</u>
Compensated absences	766,206	128,171	85,492	808,885	589,059
Landfill closing	100,000			100,000	
Claims incurred but not reported	<u>547,000</u>	<u>61,000</u>		<u>608,000</u>	
Total Governmental Activities					
Long-Term Liabilities	<u>\$ 33,028,615</u>	<u>\$ 9,720,559</u>	<u>\$ 4,016,297</u>	<u>\$ 38,732,877</u>	<u>\$ 4,896,112</u>

Compensated absences are generally liquidated by the General Fund.

General Obligation Bonds

The Town issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. During the year, the Town issued \$5,000,000 of general obligation bonds at interest rates ranging from 3-3.75% and maturing on January 15, 2015.

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

General obligation bonds are direct obligations of the Town for which full faith and credit are pledged and are payable from taxes levied on all taxable properties located within the Town. School building grants of \$109,737 will be used to repay respective debt; however, the Town is liable for all outstanding bonds. General obligation bonds currently outstanding are as follows:

	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Annual Principal</u>	<u>Principal Outstanding June 30, 2005</u>
General Obligation Bonds	10/1/93	\$ 3,865,000	3.45-4.75%	1/15/06	\$ 375,000	\$ 375,000
General Obligation Bonds	4/1/96	4,000,000	4.30-6.125%	1/15/06	435,000 - 480,000	480,000
General Obligation Bonds	1/15/97	5,000,000	4.60-4.70%	1/15/07	530,000 - 610,000	1,190,000
General Obligation Bonds	2/1/00	5,000,000	5.00-5.20%	2/1/10	550,000 - 450,000	2,480,000
General Obligation Bonds	2/15/01	4,240,000	3.50-5.00%	2/15/11	400,000	2,400,000
General Obligation Bonds	9/1/03	23,765,000	1.50-4.25%	1/15/18	1,560,000 - 1,880,000	20,320,000
General Obligation Bonds	4/1/05	5,000,000	3.00-3.75%	1/15/15	350,000 - 520,000	<u>5,000,000</u>
Total						<u>\$ 32,245,000</u>

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

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	\$ 4,300,000	\$ 1,222,358	5,522,358
2007	3,625,000	1,090,220	4,715,220
2008	2,985,000	933,025	3,918,025
2009	2,935,000	828,850	3,763,850
2010	2,935,000	721,913	3,656,913
2011-2015	10,785,000	2,220,062	13,005,062
2016-2018	<u>4,680,000</u>	<u>395,850</u>	<u>5,075,850</u>
	<u>\$ 32,245,000</u>	<u>\$ 7,412,278</u>	<u>\$ 39,657,278</u>

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Clean Water Fund Loan

The Town's ongoing Waste Water Treatment Plant \$26,840,083 renovation and expansion capital project is being funded 100% by the State of Connecticut Clean Water Fund 2% Loan and Grant program. As of June 30, 2005, the Town's loan obligation is \$4,506,057. The project itself is expected to be completed by January 2007. One year after the completion of the project, the Town will commence repaying the 2% loan over a 20-year period. The loan will be repaid by future sewer user charges. Future maturities of the Clean Water Fund loan have not yet been determined.

Project Loan

The project loan obligation was issued by the State of Connecticut Department of Economic and Community Development. The loan proceeds financed the Eno Farmhouse Renovation Project. The original loan balance was \$220,638 on June 10, 1994, with an interest rate of 1%. The obligation will be paid from future taxation.

Project loan obligations payable to the State of Connecticut mature as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	\$ 7,053	\$ 1,469	\$ 8,522
2007	7,123	1,399	8,522
2008	7,195	1,327	8,522
2009	7,267	1,255	8,522
2010	7,340	1,182	8,522
2011-2015	37,820	4,790	42,610
2016-2020	39,756	2,854	42,610
2021-2025	36,034	830	36,864
	<u>\$ 149,588</u>	<u>\$ 15,106</u>	<u>\$ 164,694</u>

Authorized But Unissued Bonds

The total of authorized but unissued bonds (net of projected grants) at June 30, 2005 is \$33,455,550. In some cases, interim financing is obtained through bond anticipation notes or other short-term borrowings until the issuance of long-term debt.

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

4. EMPLOYEE RETIREMENT PLAN

A. Pension Trust Fund

The Town maintains three single-employer defined benefit pension plans for full-time employees: General Government Plan, Police Plan and Board of Education Plan. The plans are considered to be part of the Town's financial reporting entity and are included in the Town's financial reports as Pension Trust Funds. The plans do not issue stand-alone financial reports.

Plan Description

General Government Pension Plan

All full-time employees, except police and Board of Education employees, are eligible to participate in the General Government Pension Plan. The Plan provides retirement benefits as well as death and disability benefits. Annual retirement benefits for normal retirement for plan participants are based on the average monthly compensation during the highest five consecutive years of service out of the last ten years of the participants' active employment. The plan permits early retirement for participants at age 55 with 5 years of credited service. Benefits for early retirement are based on credited service and final average earnings to date of actual retirement reduced by 1/3 of 1% for each month by which the participant's retirement date precedes his normal retirement date. Union employee participants contribute 2% and unaffiliated employees contribute 5% of their annual earnings. State of Connecticut Statutes assign the authority to establish and amend the benefit provisions of the plan to the Town.

Police Pension Plan

All regular full-time employees of the Simsbury Police Department are eligible to participate in the Police Retirement Fund. The Plan provides retirement benefits as well as death benefits. Pension benefits for normal retirement under the plan are based on average monthly compensation during the highest five consecutive years out of the last ten years. The participants' annual benefit is 2½% of final average earnings times credited service for Division 000, and 2% of final average earnings times credited service for Division 001. The Plan permits early retirement for participants at the earlier of five years early with ten years of service or twenty years of credited service for Division 000, and at five years early with ten years of credited service for Division 001. Benefits are based on credited service and final average earnings to date of actual retirement actuarially reduced for each month by which the participant's retirement date precedes his normal retirement date. State of Connecticut Statutes assign the authority to establish and amend the benefit provisions of the plan to the Town.

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Board of Education Pension Plan

All regular full-time employees of the Board of Education, other than individuals covered by the State Teachers Retirement System, are eligible to participate in the Plan. The Plan provides retirement benefits as well as disability benefits. Pension benefits for normal retirement under the Plan are based on the average earnings received in the last three July 1's before retirement for the National Association of Government Employees (NAGE), the average earnings received in the last three completed years of employment for the Simsbury Federation of Educational Personnel (SFEP), and the highest average earnings received in any three consecutive July 1's during the last ten years before retirement for unaffiliated employees and the Simsbury School Administrators and Supervisors Association (SSNA). The participants' annual benefit shall be equal to 1½% of final average earnings times credited service through July 1, 1996, plus 2% of final average earnings times credited service after July 1, 1996. The plan permits early retirement for participants eligible five years early with ten years of credited service. Benefits are based on credited service and final average earnings to date and actual retirement reduced by 4% for each year by which the participant's retirement date precedes his normal retirement date. There is no reduction for NAGE employees after age 62 and 29 years of service or for unaffiliated employees after age 62 and 25 years of service. State of Connecticut Statutes assign the authority to establish and amend the benefit provisions of the plan to the Town of Simsbury Board of Education.

At July 1, 2004, plan membership consisted of the following:

	General Government Plan	Police Plan	Board of Education Plan
Retirees and beneficiaries currently receiving benefits	52	19	75
Vested terminated employees	38	2	37
Active employees	108	33	159
Total Participants	198	54	271

Summary of Significant Accounting Policies

Basis of Accounting - Pension plan financial statements are prepared using the accrual basis of accounting. 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.

Investments are reported at fair value. Investment income is recognized as earned.

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Contributions

General Government Plan

This plan provides for union employee contributions of 2% and unaffiliated employee contributions of 5% of regular earnings. The Town is required by its Charter to contribute amounts necessary to fund the plan. Employer contributions to the plan of \$346,341 were made in accordance with actuarially determined requirements. The contribution represents 100% of the actuarially determined contribution and 6.15% of covered payroll. State of Connecticut Statutes assign the authority to establish and amend the contribution provisions of the plan to the Town of Simsbury.

Administrative costs of the plan are financed through investment earnings.

Police Plan

Plan provisions require employee contributions of 6% of regular earnings for Division 000 and employee contributions of 3% of regular earnings for Division 001. The Town is required by Charter to contribute amounts necessary to fund the plan. Employer contributions to the plan of \$244,811 were made in accordance with actuarially determined requirements. The contribution represents 100% of the actuarially determined contribution and 10.5% of covered payroll. State of Connecticut Statutes assign the authority to establish and amend the contribution provisions of the plan to the Town.

Administrative costs of the plan are financed through investment earnings.

Board of Education Plan

This plan provides for employee contributions of 2% of regular earnings. The Town is required by its Charter to contribute amounts necessary to fund the plan. Employer contributions to the plan of \$362,557 were made in accordance with actuarially determined requirements. The contribution represents 100% of the actuarially determined contribution and 7.21% of covered payroll. State of Connecticut Statutes assign the authority to establish and amend the contribution provisions of the plan to the Town of Simsbury Board of Education.

Administrative costs of the plan are financed through investment earnings.

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Concentrations

Investments that represent greater than 5% of net assets at June 30, 2005 are as follows:

	<u>General Government</u>	<u>Police</u>	<u>Board of Education</u>
Frank Russell Fixed Income Fund I	\$ 3,202,887	\$ 2,694,376	\$ 2,149,852
Frank Russell Fixed Income Fund II	1,279,348	1,075,701	858,818
Frank Russell International Equity Fund	1,278,626	1,073,497	860,585
Frank Russell Equity Fund I	4,565,235	3,841,477	3,067,196
Frank Russell Equity Fund II	2,011,516	1,692,988	1,350,268
Frank Russell Real Estate Equity Fund	682,474	558,078	447,938

Annual Pension Cost and Net Pension Obligations

The Town of Simsbury's annual pension cost and net pension obligation to the Town of Simsbury Pension Plans for the year ended June 30, 2005 were as follows:

	<u>General Government Plan</u>	<u>Police Plan</u>	<u>Board of Education Plan</u>	<u>Total</u>
Annual required contribution (ARC)	\$ 346,341	\$ 244,811	\$ 362,557	\$ 953,709
Interest on net pension obligation	-	-	(905)	(905)
Adjustment to annual required contribution	-	-	1,140	1,140
Annual pension cost	346,341	244,811	362,792	953,944
Contributions made	346,341	244,811	362,557	953,709
Decrease in net pension obligation	-	-	235	235
Net pension obligation (asset), beginning of year	-	-	(11,309)	(11,309)
Net Pension Obligation (Asset), End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (11,074)</u>	<u>\$ (11,074)</u>

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

The annual required contribution for the current year was determined as part of the July 1, 2004 actuarial valuation using the entry age normal cost method for the General Government Plan and the Police Plan, and projected unit credit cost method for the Board of Education Plan. The actuarial assumptions included (a) an 8% investment rate of return and (b) 4% projected salary increases for both the General Government Plan and the Board of Education Plan and a 5% projected salary increase for the Police Plan. The assumptions did not include inflation and post-retirement benefit increases. The actuarial value of assets was determined at 75% of expected market value of assets plus 25% of actual market value of assets. The value is constrained to +/- 20% of the actual market value. The unfunded actuarial accrued liability is being amortized on a 20-year closed period beginning July 1, 2001 for all plans.

Three-Year Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Actual Contribution	Percentage of APC Contributed	Net Pension Obligation
General Government:				
6/30/03	\$ 123,937	\$ 123,937	100%	\$ -
6/30/04	266,484	266,484	100	-
6/30/05	346,341	346,341	100	-
Police:				
6/30/03	\$ 88,404	\$ 88,404	100%	\$ -
6/30/04	250,605	250,605	100	-
6/30/05	244,811	244,811	100	-
Board of Education:				
6/30/03	\$ 178,788	\$ 178,586	99.9%	\$ (11,527)
6/30/04	309,882	309,664	99.9	(11,309)
6/30/05	362,792	362,557	99.9	(11,074)

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Financial statements for each individual pension plan are as follows:

	General Government Pension Fund	Board of Education Pension Fund	Police Pension Fund	Total Pension Trust Funds
Assets:				
Cash and short-term investments	\$ 63,608	\$ 59,574	\$ 52,939	\$ 176,121
Investments, at fair value:				
Frank Russell Fixed Income Fund I	3,202,887	2,149,852	2,694,376	8,047,115
Frank Russell Fixed Income Fund II	1,279,348	858,818	1,075,701	3,213,867
Frank Russell International Equity Fund	1,278,626	860,585	1,073,497	3,212,708
Frank Russell Equity Fund I	4,565,235	3,067,196	3,841,477	11,473,908
Frank Russell Equity Fund II	2,011,516	1,350,268	1,692,988	5,054,772
Frank Russell Real Estate Equity Fund	682,474	447,938	558,078	1,688,490
Total investments	<u>13,020,086</u>	<u>8,734,657</u>	<u>10,936,117</u>	<u>32,690,860</u>
Net Assets:				
Held in Trust for Pension Benefits and Other Purposes	<u>\$ 13,083,694</u>	<u>\$ 8,794,231</u>	<u>\$ 10,989,056</u>	<u>\$ 32,866,981</u>
	General Government Pension Fund	Board of Education Pension Fund	Police Pension Fund	Total Pension Trust Funds
Additions:				
Contributions:				
Employer	\$ 346,341	\$ 362,557	\$ 244,811	\$ 953,709
Plan members	113,633	110,705	135,311	359,649
Other	95,449	7,088	1	102,538
Total contributions	<u>555,423</u>	<u>480,350</u>	<u>380,123</u>	<u>1,415,896</u>
Investments earnings:				
Net increase in fair value of investments	1,142,878	783,226	967,098	2,893,202
Interest	447	329	374	1,150
Total investment earnings	<u>1,143,325</u>	<u>783,555</u>	<u>967,472</u>	<u>2,894,352</u>
Less investment expenses:				
Investment management fees	75,153	51,264	63,006	189,423
Custodian fees	14,035	12,326	13,933	40,294
Net investment income	<u>1,054,137</u>	<u>719,965</u>	<u>890,533</u>	<u>2,664,635</u>
Total additions	<u>1,609,560</u>	<u>1,200,315</u>	<u>1,270,656</u>	<u>4,080,531</u>
Deductions:				
Benefits	633,027	561,718	447,227	1,641,972
Administrative expense	29,569	17,819	12,211	59,599
Total deductions	<u>662,596</u>	<u>579,537</u>	<u>459,438</u>	<u>1,701,571</u>
Net Change in Net Assets	946,964	620,778	811,218	2,378,960
Net Assets at Beginning of Year	<u>12,136,730</u>	<u>8,173,453</u>	<u>10,177,838</u>	<u>30,488,021</u>
Net Assets at End of Year	<u>\$ 13,083,694</u>	<u>\$ 8,794,231</u>	<u>\$ 10,989,056</u>	<u>\$ 32,866,981</u>

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

B. Teachers Retirement

Teachers participate in a contributory defined-benefit plan established under Chapter 167a of the Connecticut General Statutes and administered by the Connecticut State Teachers' Retirement Board. Full-time certified teachers are vested in the system after ten years of service in this state.

All certified teachers are eligible to participate in the plan and are required to contribute 7.25% of their annual earnings. The Board of Education does not contribute to the plan. Prior to July 1, 1989, teachers were vested in their contributions up to 5% of their earnings prior to five years of service. After five years of service teachers were fully vested in their own contributions. After ten years of service teachers are fully vested and entitled to a monthly pension benefit which is payable at the age of sixty. The State of Connecticut contributes amounts based on actuarial reserve basis described in C.G.S. Sections 10-1831 and 10-183z. The State's contribution to the plan on behalf of the Town for the fiscal year ended June 30, 2005 was \$1,604,321 and is recognized in the General Fund GAAP basis statement of revenues, expenditures and changes in fund balances. For the year ended June 30, 2005, teachers of the Town contributed \$1,913,047 to the plan, and covered payroll for the year was \$26,386,855.

Effective July 1, 2004, 1.25% of the mandatory 7.25% contribution is placed into a fund from which retirees' health insurance premiums will be paid. This 1.25% contribution is no longer credited to the member's individual account and does not vest.

5. OTHER INFORMATION

A. Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; error and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks did not exceed commercial insurance coverage during the three years ended June 30, 2005.

The Town's self-insurance program is used to account for health insurance coverage for Town and Board of Education employees. The Town retains the risk of up to a maximum of \$125,000 per claim. Commercial insurance covers any individual claim in excess of \$125,000. During 2005, total claims expense of \$4,351,151 was incurred, which represents claims processed and an estimate for claims incurred but not reported as of June 30, 2005.

The Fund establishes claims liabilities based on estimates of claims that have been incurred but not reported; accordingly, the Fund recorded an additional liability at June 30, 2005 of \$608,000.

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Premium payments are reported as quasi-external interfund transactions for the General Fund and, accordingly, they are treated as operating revenues of the Self-Insurance Fund and operating expenditures of the General Fund.

A schedule of changes in the claims liability for the years ended June 30, 2005 and 2004, is presented below:

	<u>Accrued Liability Beginning of Fiscal Year</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Accrued Liability Claim Payments</u>	<u>Accrued Liability End of Fiscal Year</u>
2003-04	\$ 538,750	\$ 3,775,317	\$ 3,767,067	\$ 547,000
2004-05	547,000	4,351,151	4,290,151	608,000

B. Contingent Liabilities

There are various suits and claims pending against the Town, none of which, individually or in the aggregate, is believed by counsel to be likely to result in judgment or judgments that could materially affect the Town's financial position.

The Town has received state and federal grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for any expenditure disallowed under terms of the grant. Based on prior experience, Town management believes such disallowances, if any, will not be material.

The Town may be subject to rebate penalties to the federal government relating to various bond and note issues. The Town expects such amounts, if any, to be immaterial.

C. Landfill Postclosure Care Costs

The Simsbury landfill stopped accepting solid waste in 1988. The landfill has been capped and tested by the Department of Environmental Protection prior to October 1, 1993 and, as such, the U.S. EPA adopted regulations 40 CFR, Part 258 (Subtitle D), do not apply. However, the Simsbury landfill is still required to monitor its postclosure functions under an approved plan with the State of Connecticut Department of Environmental Protection.

The landfill closing costs of \$100,000 reported as a liability in the Government-Wide Financial Statements represents an estimate of the postclosure costs to be incurred by the Town over the next several fiscal years based on a study conducted by an independent consultant. This estimate is subject to changes that may result from inflation, technological changes or regulatory changes.

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

The landfill postclosure costs will be funded by the excess of revenues over expenditures derived from bulky waste operations. Restricted assets will be shown as reserved fund balance in the landfill fund.

D. Other Postemployment Benefits

The Town and the Board of Education provide certain health care benefits for retired employees. Substantially all of the Town and Board of Education's employees may become eligible for these benefits, as provided by union contracts and personnel policies, if they reach normal retirement age while working for the Town and the Board of Education. The costs of providing these benefits are expensed as part of the annual insurance premiums and were approximately \$336,000 for the fiscal year ended June 30, 2005, of which the Town's portion was \$249,000 and the Board of Education's portion was \$87,000. Currently, 147 retirees meet the eligibility requirements, of which 57 are Town retirees and 90 are Board of Education retirees.

E. Prior Period Adjustments

Net Assets - Governmental Funds

The June 30, 2004 balance in net assets of governmental funds has been adjusted from its previously reported balance of \$60,738,044 to \$60,026,682 to correct an overstatement in fixed assets for equipment additions of \$531,869 for Board of Education and an overstatement of \$179,493 in local revenues in the General Fund.

Fund Balance - General Fund

The June 30, 2004 fund balance in the General fund has been adjusted from its previously reported amount of \$6,811,562 to \$6,632,069 to correct an overstatement of \$179,493 in local revenues.

**Required
Supplementary
Information**

TOWN OF SIMSBURY, CONNECTICUT

REQUIRED SUPPLEMENTARY INFORMATION - PENSION TRUST FUNDS

Schedule of Funding Progress

<u>Plan Year</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Liability (AAL) Entry Age</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
<i>General Government</i>						
7/1/2000	12,274,948	10,367,294	(1,907,654)	118.40%	4,785,831	(39.86)%
7/1/2000	12,274,948	10,279,184	(1,995,764)	119.42%	4,949,817	(40.32)%
7/1/2001	12,700,127	10,936,520	(1,763,607)	116.13%	5,357,168	(32.92)%
7/1/2002	11,887,950	11,522,840	(365,110)	103.17%	5,150,678	(7.09)%
7/1/2003	12,745,601	12,843,975	98,374	99.23%	5,634,493	1.75%
7/1/2004	12,827,946	13,960,599	1,132,653	91.89%	5,673,024	19.97%
<i>Police</i>						
7/1/2000	9,897,225	8,662,509	(1,234,716)	114.25%	1,964,226	(62.86)%
7/1/2000	9,897,225	8,594,441	(1,302,784)	115.16%	2,005,021	(64.98)%
7/1/2001	10,353,123	9,170,543	(1,182,580)	112.90%	2,071,096	(57.10)%
7/1/2002	9,734,447	9,847,424	112,977	98.85%	2,221,264	5.09%
7/1/2003	10,497,879	10,377,843	(120,036)	101.16%	2,331,495	(5.15)%
7/1/2004	10,735,800	11,031,742	295,942	97.32%	2,363,965	12.52%
<i>Board of Education</i>						
7/1/2000	8,568,704	7,261,816	(1,306,888)	118.00%	3,655,741	(35.75)%
7/1/2000	8,568,704	7,253,234	(1,315,470)	118.14%	4,040,283	(32.56)%
7/1/2001	8,755,681	7,719,352	(1,036,329)	113.43%	4,355,390	(23.79)%
7/1/2002	8,086,744	8,252,056	165,312	98.00%	4,529,080	3.65%
7/1/2003	8,613,380	8,865,376	251,996	97.16%	5,029,001	5.01%
7/1/2004	8,662,907	9,897,971	1,235,064	87.52%	5,450,012	22.66%

Schedule of Employer Contribution:

<u>Year Ended</u>	<u>General Government</u>		<u>Police</u>		<u>Board of Education</u>	
	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
6/30/2005	\$ 346,341	100%	\$ 244,811	100%	\$ 362,557	100%
6/30/2004	264,484	100%	250,605	100%	309,664	100%
6/30/2003	123,937	100%	88,404	100%	178,586	100%
6/30/2002	95,733	100%	67,894	100%	141,021	100%
6/30/2001	102,135	100%	77,300	100%	134,756	100%
6/30/2000	94,050	100%	71,019	100%	136,708	100%

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated.

**Supplemental, Combining
and Individual Fund
Statements and Schedules**

Major Governmental Funds

General Fund

To account for the general operations of the Town, except those required to be accounted for in another fund.

Sewer Use Fund

To account for sewer user fees and sewer plant operations.

Sewer Assessment Fund

To account for sewer assessments.

Capital Project Fund

The Capital Project Fund is used to account for financial resources used for the acquisition or construction of major capital facilities.

**TOWN OF SIMSBURY, CONNECTICUT
GENERAL FUND
STATEMENT OF REVENUES AND OTHER FINANCING SOURCES -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2005
WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED JUNE 30, 2004**

	2005			Variance with Final Budget Positive (Negative)	2004
	Budgeted Amounts		Actual Amounts		Actual Amounts
	Original	Final	(Budgetary Basis)		(Budgetary Basis)
Property Taxes:					
Current year taxes	\$ 65,404,760	\$ 65,404,760	\$ 65,346,209	\$ (58,551)	\$ 62,492,338
Prior year's taxes	330,000	330,000	556,668	226,668	522,236
Interest and lien fees	250,000	250,000	403,328	153,328	381,013
Total property taxes	<u>65,984,760</u>	<u>65,984,760</u>	<u>66,306,205</u>	<u>321,445</u>	<u>63,395,587</u>
Intergovernmental Revenues:					
State of Connecticut:					
Office of Policy and Management:					
Property tax relief:					
Disabled	726	726	446	(280)	
Property tax relief - elderly	57,160	57,160	59,055	1,895	61,706
Additional veterans	30,967	30,967	4,408	(26,559)	4,231
Manufacturer's inventory	60,244	60,244	69,029	8,785	66,625
Boat registration	9,019	9,019	9,019	-	9,019
Department of Education:					
Education equalization grant	1,879,473	1,879,473	2,200,569	321,096	1,883,668
School building grant	114,824	114,824	115,760	936	122,659
School transportation	58,386	58,386	89,156	30,770	63,253
Special education - tuition			15,845	15,845	12,105
Special education - handicapped				-	427,179
Adult education	2,882	2,882	6,072	3,190	3,266
Nonpublic schools - transportation	25,477	25,477	22,192	(3,285)	20,518
Miscellaneous:					
State-owned property	75,781	75,781	80,369	4,588	63,870
Library grant			2,254	2,254	
Telephone access line grant	249,883	249,883	176,016	(73,867)	188,748
Solid waste	105,000	105,000	121,548	16,548	120,605
Pequot casino revenue	58,300	58,300	51,465	(6,835)	58,302
COPS In School grant	10,045	10,045	9,545	(500)	43,409
FEMA grant				-	51,966
Other	19,000	19,000	1,155	(17,845)	143
Housing Authority in lieu of taxes	18,000	18,000	20,180	2,180	20,834
Total intergovernmental revenues	<u>2,775,167</u>	<u>2,775,167</u>	<u>3,054,083</u>	<u>278,916</u>	<u>3,222,106</u>
Investment income	<u>300,000</u>	<u>300,000</u>	<u>305,256</u>	<u>5,256</u>	<u>152,425</u>
Charges for Goods and Services:					
Conveyance tax receipts	160,000	160,000	632,864	472,864	475,334
Town clerk recording fees	150,000	150,000	185,755	35,755	312,319
Tax collector - fire district supplies, etc.	6,500	6,500	6,500	-	6,500
Police department - emergency reporting	49,842	49,842	20,000	(29,842)	48,260
Elderly/handicapped transportation	7,500	7,500	3,901	(3,599)	5,948
Library fines and fees	49,800	49,800	48,454	(1,346)	50,512
War Memorial pool	12,000	12,000	13,854	1,854	9,568
Education - tuition for regular education	20,176	20,176	47,396	27,220	22,978
Education - school rentals	45,000	45,000	81,142	36,142	82,151
Community gardens	1,500	1,500	1,200	(300)	1,460
Senior citizen center	8,000	8,000		(8,000)	8,786
Registrars revenue				-	130
World skate	125,000	125,000	50,000	(75,000)	112,500
Total charges for goods and services	<u>635,318</u>	<u>635,318</u>	<u>1,091,066</u>	<u>455,748</u>	<u>1,136,446</u>

(Continued on next page)

**TOWN OF SIMSBURY, CONNECTICUT
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2005
WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED JUNE 30, 2004**

	2005				2004
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)	Actual Amounts (Budgetary Basis)
	Original	Final			
Rental of Town-Owned Property:					
Eno Memorial Hall	\$ 7,200	\$ 7,200	\$ 9,160	\$ 1,960	\$ 8,119
Lovejoy Property			1,175	1,175	
Total rental of town-owned property	<u>7,200</u>	<u>7,200</u>	<u>10,335</u>	<u>3,135</u>	<u>8,119</u>
Licenses and Permits:					
Sporting licenses	550	550	477	(73)	486
Land use commission	25,000	25,000	12,713	(12,287)	27,750
Engineering department fees	1,700	1,700	838	(862)	1,260
Police department fees	800	800	1,602	802	2,082
Building department fees	335,000	335,000	414,031	79,031	397,461
Total licenses and permits	<u>363,050</u>	<u>363,050</u>	<u>429,661</u>	<u>66,611</u>	<u>429,039</u>
Local Revenue:					
Special projects miscellaneous				-	41,326
Insurance refunds	10,000	10,000	3,925	(6,075)	11,444
Police accident reports, parking tickets, etc.	22,000	22,000	9,950	(12,050)	14,364
Board of Education miscellaneous	15,000	15,000	3,333	(11,667)	19,395
Land Use Commission miscellaneous			34,598	34,598	
Finance department miscellaneous			25	25	
Tax department miscellaneous			1,430	1,430	1,225
Town clerk miscellaneous	37,000	37,000	40,102	3,102	41,241
Building department miscellaneous			100	100	1,100
Senior center miscellaneous				-	25
Buildings and grounds miscellaneous				-	50
Culture and recreation miscellaneous			125	125	50
Central administration miscellaneous	10,000	10,000	7,736	(2,264)	20,510
Total other local revenues	<u>94,000</u>	<u>94,000</u>	<u>101,324</u>	<u>7,324</u>	<u>150,730</u>
Total revenues	<u>70,159,495</u>	<u>70,159,495</u>	<u>71,297,930</u>	<u>1,138,435</u>	<u>68,494,452</u>
Other Financing Sources:					
Transfers from other funds:					
Public Safety Program	15,000	15,000	10,044	(4,956)	11,387
Capital Project Fund			287,984	287,984	129,156
Debt service fund - sewer assessment	87,415	87,415	87,415	-	89,597
Total other financing sources	<u>102,415</u>	<u>102,415</u>	<u>385,443</u>	<u>283,028</u>	<u>230,140</u>
Total Revenues and Other Financing Sources	<u>\$ 70,261,910</u>	<u>\$ 70,261,910</u>	<u>\$ 71,683,373</u>	<u>\$ 1,421,463</u>	<u>\$ 68,724,592</u>

**TOWN OF SIMSBURY, CONNECTICUT
GENERAL FUND
STATEMENT OF EXPENDITURES AND OTHER FINANCING USES -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2005
WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED JUNE 30, 2004**

	2005			Variance with Final Budget Positive (Negative)	2004
	Budgeted Amounts		Actual Amounts (Budgetary Basis)		Actual Amounts (Budgetary Basis)
	Original	Final			
General Government:					
Central administration	\$ 451,270	\$ 503,104	\$ 501,374	\$ 1,730	\$ 590,317
Administration services	41,628	41,628	39,077	2,551	37,749
Board of Finance	10,732	10,732	8,607	2,125	5,299
Land use commission	22,155	22,479	22,204	275	88,425
Economic development commission	49,322	49,370	37,084	12,286	39,743
Historic district commission	742	787	192	595	432
Public building committee	2,694	3,632	3,631	1	1,770
Police commission	287			-	
Beautification	3,900	3,908	3,906	2	2,437
Tourism committee	2,000	1,518	712	806	1,870
Elections	77,230	78,638	69,947	8,691	68,840
Finance department	306,529	301,446	294,668	6,778	295,562
Tax collector	139,427	146,485	146,481	4	171,513
Assessors	185,808	194,975	184,899	10,076	181,681
Data processing	92,262	94,526	90,326	4,200	91,491
Auditors	28,750	28,750	27,700	1,050	27,880
Legal	215,575	329,721	324,167	5,554	558,440
Town clerk	184,211	193,554	188,764	4,790	195,069
Probate court	5,400	5,400	2,865	2,535	3,541
Transportation	5,250	5,250	3,510	1,740	4,211
Miscellaneous	4,000	4,039	3,939	100	1,739
Total general government	1,829,172	2,019,942	1,954,053	65,889	2,368,009
Planning and Development:					
Director of community development	141,650	147,037	146,094	943	141,117
Planning department	57,837	46,736	44,473	2,263	137,493
Building department	158,708	180,343	178,378	1,965	158,763
Engineering	264,595	278,934	272,879	6,055	244,919
Total planning and development	622,790	653,050	641,824	11,226	682,292
Public Safety:					
Police	3,427,057	3,423,288	3,390,938	32,350	3,208,491
Civil preparedness	2,000	2,000	50	1,950	2,000
Total public safety	3,429,057	3,425,288	3,390,988	34,300	3,210,491
Facility Management:					
General administration	151,308	87,699	69,317	18,382	157,148
Building and grounds	567,795	598,300	590,089	8,211	554,219
Highway department	2,045,394	2,084,248	1,989,601	94,647	1,871,446
Landfill	142,600	145,733	138,755	6,978	145,264
Total facility management	2,907,097	2,915,980	2,787,762	128,218	2,728,077

(Continued on next page)

**TOWN OF SIMSBURY, CONNECTICUT
GENERAL FUND
STATEMENT OF EXPENDITURES AND OTHER FINANCING USES -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2005
WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED JUNE 30, 2004**

	2005				2004
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)	Actual Amounts (Budgetary Basis)
	Original	Final			
Culture and Recreation:					
Library	\$ 1,138,097	\$ 1,157,936	\$ 1,086,324	\$ 71,612	\$ 1,119,306
Recreation	109,665	111,459	111,128	331	107,917
Town parks and open space	549,854	573,057	569,393	3,664	490,860
Total culture and recreation	<u>1,797,616</u>	<u>1,842,452</u>	<u>1,766,845</u>	<u>75,607</u>	<u>1,718,083</u>
Health and Welfare:					
Health department	84,316	84,316	84,316	-	83,090
Social services administration	147,955	157,111	155,975	1,136	148,244
Elderly services outreach	119,932	118,643	114,842	3,801	117,835
Transportation	106,239	106,357	106,356	1	98,369
Total health and welfare	<u>458,442</u>	<u>466,427</u>	<u>461,489</u>	<u>4,938</u>	<u>447,538</u>
Fringe Benefits and Insurance:					
Social security	624,240	575,583	568,010	7,573	586,557
Town general liability insurance	350,188	361,353	361,353	-	327,614
Employee group insurance	1,767,958	1,767,958	1,688,150	79,808	1,680,587
Unemployment reserve	11,000	11,000	10,971	29	7,562
Pensions	536,000	536,000	532,451	3,549	474,468
Total fringe benefits and insurance	<u>3,289,386</u>	<u>3,251,894</u>	<u>3,160,935</u>	<u>90,959</u>	<u>3,076,788</u>
Board of Education	<u>50,189,660</u>	<u>50,189,660</u>	<u>50,176,680</u>	<u>12,980</u>	<u>48,290,928</u>
Special Projects:					
Unnegotiated salary and benefits	<u>224,174</u>	<u>82,701</u>	<u>21,000</u>	<u>61,701</u>	<u>28,559</u>
Debt Service:					
Principal	3,903,700	3,900,000	3,900,000	-	4,170,000
Interest	1,258,210	1,258,210	1,258,210	-	855,232
Total debt service	<u>5,161,910</u>	<u>5,158,210</u>	<u>5,158,210</u>	<u>-</u>	<u>5,025,232</u>
Other Financing Uses:					
Transfers to other funds	<u>352,606</u>	<u>556,306</u>	<u>556,056</u>	<u>250</u>	<u>558,989</u>
Total Expenditures and Other Financing Uses	<u>\$ 70,261,910</u>	<u>\$ 70,561,910</u>	<u>\$ 70,075,842</u>	<u>\$ 486,068</u>	<u>\$ 68,134,986</u>

TOWN OF SIMSBURY, CONNECTICUT

GENERAL FUND

**SCHEDULE OF BOARD OF EDUCATION EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**

FOR THE YEAR ENDED JUNE 30, 2005

	<u>Original Appropriation</u>	<u>Amended Appropriation</u>	<u>Actual Expenditures and Encumbrances</u>	<u>Variance Favorable (Unfavorable)</u>
General control	\$ 1,494,702	\$ 1,494,702	\$ 1,438,759	\$ 55,943
Instruction	32,024,538	32,024,538	32,322,165	(297,627)
Health education	497,171	497,171	484,642	12,529
Transportation	1,722,018	1,722,018	1,774,899	(52,881)
Operation of school plant	3,677,278	3,677,278	3,653,112	24,166
Maintenance of schools	1,183,559	1,183,559	1,187,500	(3,941)
Fixed charges	7,688,064	7,688,064	7,320,757	367,307
Food services	6,375	6,375	5,903	472
Student activities	494,358	494,358	495,898	(1,540)
Community service	28,485	28,485	28,340	145
Additional equipment	59,107	59,107	53,502	5,605
Tuition to other schools	946,970	946,970	1,046,181	(99,211)
Nonpublic schools	<u>367,035</u>	<u>367,035</u>	<u>365,022</u>	<u>2,013</u>
Total Expenditures	<u>\$ 50,189,660</u>	<u>\$ 50,189,660</u>	<u>\$ 50,176,680</u>	<u>\$ 12,980</u>

TOWN OF SIMSBURY, CONNECTICUT

CAPITAL PROJECT FUND

SCHEDULE OF EXPENDITURES COMPARED WITH APPROPRIATIONS

FOR THE YEAR ENDED JUNE 30, 2005

	Appropriations			Expenditures			Uncommitted Balance June 30, 2005
	Balance June 30, 2004	Current Year	Balance June 30, 2005	Balance June 30, 2004	Current Year	Balance June 30, 2005	
Sewer extension projects:							
Project 2000	\$ 320,000	\$	\$ 320,000	\$ 241,603	\$ 78,397	\$ 320,000	\$ -
Project 2002	230,000		230,000	95,848	134,152	230,000	-
Project 2004	240,000		240,000		7,680	7,680	232,320
Town projects:							
Townwide technology integration	287,000		287,000	273,188	2,400	275,588	11,412
Townwide computer technology	330,000		330,000	168,596	65,280	233,876	96,124
Library - planning and feasibility study	100,000		100,000	92,302	70	92,372	7,628
Water main installations	120,000		120,000	90,483	1,206	91,689	28,311
Eno Memorial Hall	307,704	504,335	812,039	291,972	481,906	773,878	38,161
Development Rights 5/00	1,000,000		1,000,000	993,828	2,356	996,184	3,816
Drake Hill / Rte 10 & 167 5/00	463,400		463,400	800		800	462,600
Library Preliminary Design 5/00	100,000		100,000	95,382		95,382	4,618
Sewer Treatment Plant							
Renovation & Expansion 5/02	26,840,083		26,840,083	1,886,788	4,793,322	6,680,110	20,159,973
Development Rights 5/02	1,000,000		1,000,000			-	1,000,000
Economic Development Fund 5/02	500,000	(196,885)	303,115	10,736	56,150	66,886	236,229
Park Improvements 5/02	200,000		200,000	195,377	4,623	200,000	-
Police Station Renovations 5/03	2,300,000		2,300,000	283,099	1,758,144	2,041,243	258,757
Water main extensions 5/04	190,000		190,000			-	190,000
Highway Fleet Service Building 5/04	350,000		350,000			-	350,000
Sewer Rehab - Church & Elm Street 5/04	100,000		100,000		17,142	17,142	82,858
Simsbury Meadows Park Improvements 5/04	300,000		300,000		96,761	96,761	203,239
Park Improvements 5/04	200,000		200,000		200,000	200,000	-
Library Expansion Design Services 3/05		200,000	200,000			-	200,000
Greenway 5/05		750,000	750,000			-	750,000
Golf Course Improvements 5/05		600,000	600,000			-	600,000
Education projects:							
Tootin Hills expansion project	4,529,107		4,529,107	4,041,041		4,041,041	488,066
Henry James expansion project	3,581,662		3,581,662	3,555,506		3,555,506	26,156
Central School boiler & heating 5/00	250,000		250,000	249,262	333	249,595	405
Computer technology improv 5/00	500,000		500,000	494,402	5,598	500,000	-
Henry James expan proj phase II 5/00	1,260,000		1,260,000	1,250,662		1,250,662	9,338
Simsbury High School Addition & Alteration 5/02	43,178,567		43,178,567	15,282,328	11,845,465	27,127,793	16,050,774
Computer technology improv 5/02	135,000		135,000	125,530		125,530	9,470
Modular Classrooms 5/02	340,000		340,000	273,904		273,904	66,096
System Flooring Replacement 5/02	250,000		250,000	107,997	3,518	111,515	138,485
System Window Treatment Project 5/02	220,000		220,000	58,272	38,217	96,489	123,511
Central School Roof Replacement 5/04	200,000		200,000		14,852	14,852	185,148
SHS Auditorium Improvement 5/04	712,500		712,500		10,245	10,245	702,255
Computer technology improv 5/04	300,000		300,000		135,371	135,371	164,629
Elementary Modular Classrooms 5/04	500,000		500,000	2,175	19,456	21,631	478,369
Simsbury High School Track & Field 9/05		1,905,014	1,905,014		271,858	271,858	1,633,156
Totals	\$ 91,435,023	\$ 3,762,464	\$ 95,197,487	\$ 30,161,081	\$ 20,044,502	\$ 50,205,583	\$ 44,991,904

Nonmajor Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for proceeds of several revenue sources that are legally restricted to expenditures for specific purposes. The Town's special revenue funds are:

Residential Rental Properties - to account for rental revenues and the maintenance and capital expenditures in maintaining the Town-owned residential properties.

Dog Fund - to account for the licensing of dogs and expenses of the Town's dog warden.

Simsbury Farms Fund - to account for user revenues associated with the Simsbury Farms Recreation Facility and the associated expenditures.

General Government Program Fund - includes the following programs:

- **Preservation of Historic Documents** - to account for, in the Town Clerk's office, additional revenues collected, grant revenues received and expenditures to preserve land records pursuant to Public Act No. 00-146.
- **Ellsworth Fund** - to be used for the beautification of the main streets of the Town of Simsbury, particularly Hopmeadow Street, and/or expenses relating to the Planning Commission.

Public Safety Program Fund - includes the following programs:

- **Narcotics Task Force** - to account for state grants for narcotic enforcement.
- **Police D.A.R.E. Program** - to account for state grants for narcotic education.
- **Local Law Enforcement Block Grant** - to account for local law enforcement block grant from the State of Connecticut Office of Policy and Management and the United States Department of Justice. Expenditures are for public safety equipment not otherwise budgeted for in the public safety operating budget.
- **Police Vehicles** - to account for revenues associated with the sale of police vehicles and funding from the general fund budget to be used for the purchase of new police vehicles.
- **Underage Drinking** - to account for grant funding and expenditures under the United States Department of Justice "Underage Drinking Law Program" for the towns of Avon, Canton, Farmington, Granby, Suffield and Simsbury.

- **Police Special Duty** - to account for revenues and expenditures for police officers special duty for outside organizations.

Planning & Development Program Fund - includes the following programs:

- **Community Development Block Grant** - to account for loan repayments for small cities grants relating to improvements to residential and commercial properties.
- **Greenway Project** - to account for federal grants and town funds in the conversion of old rail trails to bike trails.
- **Simsbury Meadow Bandshell** - to account for state grant and other revenues for the construction (expenditure) for a bandshell at the Simsbury Meadow Park.

Facilities Management Program Fund - includes the following programs:

- **Town Aid Fund** - to account for state town aid road grants and related expenses to town roads.
- **Eno Memorial Hall** - to account for the revenue from the settlement of the Kenessat painting and the expenditures for capital improvements and maintenance for the Eno Memorial Hall building.
- **Antoinette Eno Wood** - to account for the distribution of Trust's interest income to the Town and expenses related in maintaining Eno Memorial Hall. Interest income is earned on assets with a fair value of \$634,663 as of June 30, 2005. The assets are held in a separate trust and are not in the Town's name.
- **Horace Belden Income** - to account for the distribution of Trust's interest income to the Town and expenses related in maintaining town roads. Interest income is earned on assets with a fair value of \$1,252,803 as of June 30, 2005. The assets are held in a separate trust and are not in the Town's name.
- **Pease Cemetery Trust** - to maintain the Pease and Shaw cemetery lots.

Health & Welfare Program Fund - includes the following programs:

- **Social Workers Contingency** - to account for donations and gifts and associated expenses related to the well being of town citizens in need of assistance.
- **Senior Center** - to account for donations and expenses related to senior center programs.
- **Youth services** - to account for grant and expenditures related to youth services.
- **Julia Darling Income** - to account for the distribution of Trust's interest income to the Town and expenses related to the well being of town citizens in need of assistance. Interest income is earned on assets with a fair value of \$554,038 as of June 30, 2005. The assets are held in a separate trust and are not in the Town's name.

- **Kate Southwell Income** - to account for the distribution of Trust's interest income to the Town and expenses related to the well being of town citizens excluding citizens of Tariffville in need of assistance. Interest income is earned on assets with a fair value of \$301,885 as of June 30, 2005. The assets are held in a separate trust and are not in the Town's name.
- **Mary Schneider Memorial** - to account for donations to the Town and expenses related to the well being of town citizens in need of assistance.

Culture & Recreation Program Fund - includes the following programs:

- **Library** - to account for donations, memorial gifts and miscellaneous grants and expenses related to the operations of the library.

Board of Education Program Fund - includes the following programs:

- **Board of Education Program Fund** - to account for Board of Education programs that will be fully paid by the participants in these programs (e.g. Camp Jewell and Camp Becket).
- **Scholarship** - to account for donations, gifts and distribution of trust income for scholarships for post-secondary school education and training.

Cafeteria - to account for the operation of all cafeterias for the public school system.

State and Federal Education Grants - to account for specially financed education programs under grants received from the Federal Government and the State of Connecticut.

Capital Projects Fund

Capital and Nonrecurring Expenditures Fund - to account for equipment purchases and other nonrecurring capital expenditures.

TOWN OF SIMSBURY, CONNECTICUT

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS**

FOR THE YEAR ENDED JUNE 30, 2005

	Special Revenue Funds						
	Residential Rental Properties	Dog Fund	Simsbury Farms Fund	General Government Program Fund	Public Safety Program Fund	Planning & Development Program Fund	Facilities Management Program Fund
ASSETS							
Cash and cash equivalents	\$ 108,761	\$ 44,697	\$ 42,162	\$ 46,600	\$ 109,390	\$ 566,611	\$ 536,091
Investments							
Accounts receivable					6,930	14,549	
Due from other governments							
Inventories							
Total Assets	\$ 108,761	\$ 44,697	\$ 42,162	\$ 46,600	\$ 116,320	\$ 581,160	\$ 536,091
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 219	\$ 341	\$ 24,124	\$ 1,212	\$ -	\$ 370,237	\$ -
Due to other funds							
Deferred revenue							
Total liabilities	219	341	24,124	1,212	-	370,237	-
Fund balances:							
Reserved for:							
Inventories							
Unreserved, reported in:							
Special revenue funds	108,542	44,356	18,038	45,388	116,320	210,923	536,091
Capital projects fund							
Total fund balances	108,542	44,356	18,038	45,388	116,320	210,923	536,091
Total Liabilities and Fund Balances	\$ 108,761	\$ 44,697	\$ 42,162	\$ 46,600	\$ 116,320	\$ 581,160	\$ 536,091

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TOWN OF SIMSBURY, CONNECTICUT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2005

	<u>Special Revenue Funds</u>				<u>Capital Projects Fund</u>		<u>Total Nonmajor Governmental Funds</u>
	<u>Health & Welfare Program Fund</u>	<u>Culture & Recreation Program Fund</u>	<u>Board of Education Program Fund</u>	<u>Cafeteria</u>	<u>State and Federal Education Grants</u>	<u>Capital and Nonrecurring Expenditures Fund</u>	
ASSETS							
Cash and cash equivalents	\$ 139,002	\$ 84,240	\$ 57,260	\$ 187,249	\$	\$ 217,604	\$ 2,139,667
Investments			325,117				325,117
Accounts receivable			2,388	28,578			52,445
Due from other governments					117,159		117,159
Inventories				35,581			35,581
Total Assets	<u>\$ 139,002</u>	<u>\$ 84,240</u>	<u>\$ 384,765</u>	<u>\$ 251,408</u>	<u>\$ 117,159</u>	<u>\$ 217,604</u>	<u>\$ 2,669,969</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 632	\$ 2,125	\$	\$ 3,250	\$ 104,928	\$ 8,284	\$ 515,352
Due to other funds					8,523		8,523
Deferred revenue					3,708		3,708
Total liabilities	<u>632</u>	<u>2,125</u>	<u>-</u>	<u>3,250</u>	<u>117,159</u>	<u>8,284</u>	<u>527,583</u>
Fund balances:							
Reserved for:							
Inventories				35,581			35,581
Unreserved, reported in:							
Special revenue funds	138,370	82,115	384,765	212,577			1,897,485
Capital projects fund					209,320		209,320
Total fund balances	<u>138,370</u>	<u>82,115</u>	<u>384,765</u>	<u>248,158</u>	<u>-</u>	<u>209,320</u>	<u>2,142,386</u>
Total Liabilities and Fund Balances	<u>\$ 139,002</u>	<u>\$ 84,240</u>	<u>\$ 384,765</u>	<u>\$ 251,408</u>	<u>\$ 117,159</u>	<u>\$ 217,604</u>	<u>\$ 2,669,969</u>

**TOWN OF SIMSBURY, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2005**

	Special Revenue Funds						
	Residential Rental Properties	Dog Fund	Simsbury Farms Fund	General Government Program Fund	Public Safety Program Fund	Planning & Development Program Fund	Facilities Management Program Fund
Revenues:							
Intergovernmental	\$	\$	\$	\$ 7,000	\$ 18,887	\$ 585,556	\$ 123,475
Charges for goods and services	44,825		1,512,252	17,684	179,224		
Licenses and permits		18,791					
Investment income				354		3,133	7,206
Other		25	50			674,714	104,107
Total revenues	<u>44,825</u>	<u>18,816</u>	<u>1,512,302</u>	<u>25,038</u>	<u>198,111</u>	<u>1,263,403</u>	<u>234,788</u>
Expenditures							
Current operating:							
General government				22,698			
Planning and development						223,236	
Public safety		53,615			168,963		
Facility management	17,657						
Culture and recreation			1,484,354				
Health and welfare							
Education							
Capital outlay - Town					41,805	1,349,414	
Debt service:							
Principal payments	6,982						
Interest and other	1,540						
Total expenditures	<u>26,179</u>	<u>53,615</u>	<u>1,484,354</u>	<u>22,698</u>	<u>210,768</u>	<u>1,572,650</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>18,646</u>	<u>(34,799)</u>	<u>27,948</u>	<u>2,340</u>	<u>(12,657)</u>	<u>(309,247)</u>	<u>234,788</u>
Other Financing Sources (Uses):							
Transfers in		48,641			95,920	196,885	12,971
Transfers out		(2,770)	(74,018)		(10,044)		(302,416)
Total other financing sources (uses)	<u>-</u>	<u>45,871</u>	<u>(74,018)</u>	<u>-</u>	<u>85,876</u>	<u>196,885</u>	<u>(289,445)</u>
Net Change in Fund Balances	18,646	11,072	(46,070)	2,340	73,219	(112,362)	(54,657)
Fund Balances at Beginning of Year	<u>89,896</u>	<u>33,284</u>	<u>64,108</u>	<u>43,048</u>	<u>43,101</u>	<u>323,285</u>	<u>590,748</u>
Fund Balances at End of Year	<u>\$ 108,542</u>	<u>\$ 44,356</u>	<u>\$ 18,038</u>	<u>\$ 45,388</u>	<u>\$ 116,320</u>	<u>\$ 210,923</u>	<u>\$ 536,091</u>

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**TOWN OF SIMSBURY, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2005**

	<u>Special Revenue Funds</u>				<u>Capital Projects Fund</u>		<u>Total Nonmajor Governmental Funds</u>
	<u>Health & Welfare Program Fund</u>	<u>Culture & Recreation Program Fund</u>	<u>Board of Education Program Fund</u>	<u>Cafeteria</u>	<u>State and Federal Education Grants</u>	<u>Capital and Nonrecurring Expenditures Fund</u>	
Revenues:							
Intergovernmental	\$ 14,000			\$ 163,573	\$ 1,848,106	\$ 319,769	\$ 3,080,366
Charges for goods and services			15,650	853,124			2,622,759
Licenses and permits							18,791
Investment income	929		14,236			1,682	27,540
Other	109,214	14,722	101,595			447,772	1,452,199
Total revenues	<u>124,143</u>	<u>14,722</u>	<u>131,481</u>	<u>1,016,697</u>	<u>1,848,106</u>	<u>769,223</u>	<u>7,201,655</u>
Expenditures							
Current operating:							
General government							22,698
Planning and development						7,377	230,613
Public safety							222,578
Facility management						88,609	106,266
Culture and recreation		11,960				66,283	1,562,597
Health and welfare	99,669						99,669
Education			24,658	1,034,025	1,848,106	524,916	3,431,705
Capital outlay - Town						267,605	1,658,824
Debt service:							
Principal payments							6,982
Interest and other							1,540
Total expenditures	<u>99,669</u>	<u>11,960</u>	<u>24,658</u>	<u>1,034,025</u>	<u>1,848,106</u>	<u>954,790</u>	<u>7,343,472</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>24,474</u>	<u>2,762</u>	<u>106,823</u>	<u>(17,328)</u>	<u>-</u>	<u>(185,567)</u>	<u>(141,817)</u>
Other Financing Sources (Uses):							
Transfers in	20,110					284,583	659,110
Transfers out						(35,000)	(424,248)
Total other financing sources (uses)	<u>20,110</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>249,583</u>	<u>234,862</u>
Net Change in Fund Balances	44,584	2,762	106,823	(17,328)	-	64,016	93,045
Fund Balances at Beginning of Year	<u>93,786</u>	<u>79,353</u>	<u>277,942</u>	<u>265,486</u>	<u>-</u>	<u>145,304</u>	<u>2,049,341</u>
Fund Balances at End of Year	<u>\$ 138,370</u>	<u>\$ 82,115</u>	<u>\$ 384,765</u>	<u>\$ 248,158</u>	<u>\$ -</u>	<u>\$ 209,320</u>	<u>\$ 2,142,386</u>

TOWN OF SIMSBURY, CONNECTICUT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) - NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2005

	Residential Rental Properties				Dog Fund				Simsbury Farms Fund			
	Budget		Actual	Variance with Final Budget Positive (Negative)	Budget		Actual	Variance with Final Budget Positive (Negative)	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final			Original	Final		
Revenues:												
Charges for goods and services	\$	\$	\$	\$ -	\$	\$	\$	\$ -	\$ 1,619,000	\$ 1,619,000	\$ 1,499,212	\$ (119,788)
Rental of town-owned property	62,368	62,368	44,825	(17,543)				-	10,000	10,000	13,090	3,090
Licenses and permits				-				-				-
Local revenue				-	18,700	18,700	18,816	116				-
Total revenues	<u>62,368</u>	<u>62,368</u>	<u>44,825</u>	<u>(17,543)</u>	<u>18,700</u>	<u>18,700</u>	<u>18,816</u>	<u>116</u>	<u>1,629,000</u>	<u>1,629,000</u>	<u>1,512,302</u>	<u>(116,698)</u>
Expenditures:												
Current:												
Public safety				-	74,571	74,571	53,615	(20,956)				-
Facility management	43,519	43,519	17,657	(25,862)				-				-
Culture and recreation				-				-	1,509,534	1,509,534	1,484,354	25,180
Debt service	8,522	8,522	8,522	-				-				-
Total expenditures	<u>52,041</u>	<u>52,041</u>	<u>26,179</u>	<u>(25,862)</u>	<u>74,571</u>	<u>74,571</u>	<u>53,615</u>	<u>(20,956)</u>	<u>1,509,534</u>	<u>1,509,534</u>	<u>1,484,354</u>	<u>25,180</u>
Excess of Revenues over Expenditures	<u>10,327</u>	<u>10,327</u>	<u>18,646</u>	<u>(43,405)</u>	<u>(55,871)</u>	<u>(55,871)</u>	<u>(34,799)</u>	<u>21,072</u>	<u>119,466</u>	<u>119,466</u>	<u>27,948</u>	<u>(91,518)</u>
Other Financing Sources (Uses):												
Transfers from other funds				-	48,641	48,641	48,641	-				-
Transfers to other funds				-	(2,770)	(2,770)	(2,770)	-	(74,019)	(74,019)	(74,018)	1
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>45,871</u>	<u>45,871</u>	<u>45,871</u>	<u>-</u>	<u>(74,019)</u>	<u>(74,019)</u>	<u>(74,018)</u>	<u>1</u>
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	<u>\$ 10,327</u>	<u>\$ 10,327</u>	<u>18,646</u>	<u>\$ (43,405)</u>	<u>\$ (10,000)</u>	<u>\$ (10,000)</u>	<u>11,072</u>	<u>\$ 21,072</u>	<u>\$ 45,447</u>	<u>\$ 45,447</u>	<u>(46,070)</u>	<u>\$ (91,517)</u>
Fund Balances at Beginning of Year			<u>89,896</u>				<u>33,284</u>				<u>64,108</u>	
Fund Balances at End of Year			<u>\$ 108,542</u>				<u>\$ 44,356</u>				<u>\$ 18,038</u>	

The accompanying notes are an integral part of the financial statements

TOWN OF SIMSBURY, CONNECTICUT

SCHEDULE OF EXPENDITURES COMPARED WITH APPROPRIATIONS
CAPITAL AND NONRECURRING EXPENDITURES FUND

FOR THE YEAR ENDED JUNE 30, 2005

	Appropriations			Expenditures			Designated for
	Balance	Current	Balance	Balance	Current	Balance	Specific Projects
	July 1, 2004	Year	June 30, 2005	July 1, 2004	Year	June 30, 2005	June 30, 2005
Revaluation - Phase III	\$ 70,000	\$ (15,762)	\$ 54,238	\$ 54,238	\$	\$ 54,238	\$
Copier - Police	8,000	(26)	7,974	7,974		7,974	
Iron Horse Boulevard Lighting	83,000		83,000	28,540	54,460	83,000	
Simsbury Meadows - Ground Improvements	20,000		20,000		20,000	20,000	
Eno Memorial Hall Improvements	35,000	(35,000)	-			-	
Road Improvements	159,873		159,873	153,599	6,274	159,873	
Ice Netting - Simsbury Farms	9,000	(36)	8,964	8,964		8,964	
Electrical work - Golf Course	10,000		10,000	2,243	7,757	10,000	
Rotary Mower - Golf Course	23,000	(765)	22,235	22,235		22,235	
Electrical modifications	41,500		41,500	13,110	28,390	41,500	
Computer equipment	150,000		150,000	71,452	78,548	150,000	
Equip. instruct / non-instruct	243,150		243,150	105,004	138,146	243,150	
Ceiling / Flooring replacement	51,350		51,350	37,247	14,103	51,350	
Fleet Car		20,000	20,000		19,989	19,989	
Plan of Development		20,000	20,000			-	20,000
Townwide Drainage Improvements		60,000	60,000		4,196	4,196	55,804
Highway - 4 Wheel Drive Pick-Up		38,000	38,000		35,427	35,427	2,573
Joint Maintenance Facility		14,000	14,000		7,636	7,636	6,364
Dial a Ride Van		20,000	20,000			-	20,000
Recreation - F150 Pick-Up Truck		25,000	25,000		24,476	24,476	524
Library - Computers		12,000	12,000		11,985	11,985	15
Road Improvements		159,873	159,873		159,792	159,792	81
Golf Course Drainage		25,000	25,000		24,985	24,985	15
Aerifier and Fairway Mower - Golf		53,000	53,000		52,897	52,897	103
Interior Building renovations		12,000	12,000		6,012	6,012	5,988
Exterior modifications		18,700	18,700		5,837	5,837	12,863
Electrical modifications		24,300	24,300		10,833	10,833	13,467
Heating modifications		18,000	18,000		11,706	11,706	6,294
Computer equipment		170,000	170,000		141,124	141,124	28,876
Equip. instruct. new		49,577	49,577		19,151	19,151	30,426
Equip. instruct. replacement		49,610	49,610		17,741	17,741	31,869
Equip. non-instruct. new		17,200	17,200			-	17,200
Equip. non-instruct. replacement		73,613	73,613		41,018	41,018	32,595
Ceiling / Flooring replacement		47,000	47,000		12,307	12,307	34,693
Totals	\$ 903,873	\$ 875,284	\$ 1,779,157	\$ 504,606	\$ 954,790	\$ 1,459,396	\$ 319,761

Fiduciary Funds

Fiduciary Fund types are used to account for assets held by the Town in a trustee capacity or as an agent for individuals, private organizations or others. The Town's Fiduciary Fund is as follows:

Agency Fund:

- **School Activity** - to account for the various student activities and clubs.

TOWN OF SIMSBURY, CONNECTICUT

AGENCY FUND

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

FOR THE YEAR ENDED JUNE 30, 2005

	<u>Balance June 30, 2004</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2005</u>
School Activity Fund				
Assets:				
Cash and short-term investments	\$ <u>433,914</u>	\$ <u>1,432,920</u>	\$ <u>1,350,426</u>	\$ <u>516,408</u>
Liabilities:				
Due to student groups	\$ <u>433,914</u>	\$ <u>1,432,920</u>	\$ <u>1,350,426</u>	\$ <u>516,408</u>

Capital Assets Used in the Operation of Governmental Funds

All fixed assets not related to the Proprietary Fund Types.

TOWN OF SIMSBURY, CONNECTICUT

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS

SCHEDULE BY SOURCE

JUNE 30, 2005

Governmental Funds Capital Assets:

Education:

Land and buildings	\$ 30,417,625
Vehicles and equipment	10,383,555
Construction work in progress	27,123,931

Regular government:

Infrastructure	35,282,978
Land and buildings	29,258,493
Vehicles and equipment	5,692,550
Construction work in progress	<u>8,605,028</u>

Total \$ 146,764,160

Investment in Governmental Funds Capital:

Investments in general capital assets prior to July 1, 1981	\$ 12,066,657
Governmental Funds:	
General Fund	32,463,211
Sewer Use Fund	280,308
Capital Project Fund	78,275,497
Other Governmental Funds	14,941,764
Donations	<u>8,736,723</u>

Total \$ 146,764,160

TOWN OF SIMSBURY, CONNECTICUT

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS

SCHEDULE BY FUNCTION AND ACTIVITY

JUNE 30, 2005

	<u>Land and Buildings</u>	<u>Infrastructure</u>	<u>Vehicles and Equipment</u>	<u>Construction Work In Progress</u>	<u>Total</u>
General government	\$ 6,206,950		\$ 404,032		\$ 6,610,982
Planning and development			340,566		340,566
Public safety			741,956	1,924,918	2,666,874
Facility management	9,618,158	35,282,978	3,264,532	6,680,110	54,845,778
Culture and recreation	13,433,385		890,454		14,323,839
Health and welfare			51,010		51,010
Education	<u>30,417,625</u>		<u>10,383,555</u>	<u>27,123,931</u>	<u>67,925,111</u>
Total	<u>\$ 59,676,118</u>	<u>\$ 35,282,978</u>	<u>\$ 16,076,105</u>	<u>\$ 35,728,959</u>	<u>\$ 146,764,160</u>

TOWN OF SIMSBURY, CONNECTICUT

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS

SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY

FOR THE YEAR ENDED JUNE 30, 2005

	<u>July 1, 2004</u>	<u>Additions/ Adjustments</u>	<u>Deductions/ Adjustments</u>	<u>June 30, 2005</u>
General government	\$ 6,331,928	\$ 279,054	\$	\$ 6,610,982
Planning and development	340,566			340,566
Public safety	1,159,322	1,584,085	76,533	2,666,874
Facilities management	48,903,243	5,966,846	24,311	54,845,778
Culture and recreation	12,838,258	1,609,760	124,179	14,323,839
Health and welfare	51,010			51,010
Education	<u>56,535,347</u>	<u>11,440,852</u>	<u>51,088</u>	<u>67,925,111</u>
Total	<u>\$ 126,159,674</u>	<u>\$ 20,880,597</u>	<u>\$ 276,111</u>	<u>\$ 146,764,160</u>

Other Schedules

TOWN OF SIMSBURY, CONNECTICUT

SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING

FOR THE YEAR ENDED JUNE 30, 2005

Grand List Year	Balance July 1, 2004	Current Levy	Lawful Corrections		Transfers to Suspense	Adjusted Taxes	Collections	Interest	Liens	Other Fees	Refunds	Balance June 30, 2005	
			Additions	Deductions									
2003	\$	\$ 65,188,416	\$ 938,162	\$ 297,222	\$ 5,379	\$ 65,823,977	\$ 65,552,537	\$ 136,756	\$ 530	\$ 650	\$ 113,305	\$ 384,745	
2002		429,230	16,578	30,276	23,826	391,706	285,508	53,051	1,592	762	19,689	125,887	
2001		168,132	637	797	3,736	164,236	101,810	38,578	537	12	364	62,790	
2000		101,869			5,162	96,707	51,369	22,196	336			45,338	
1999		71,095			(350)	71,445	30,438	19,044	192	6		41,007	
1998		41,307			665	40,642	23,128	17,392	120			17,514	
1997		20,081			(728)	20,809	12,767	10,733	72			8,042	
1996		8,208			(957)	9,165	12,620	12,035	72			(3,455)	
1995		(2,083)	89		(352)	(1,642)	14,855	18,035	96			(16,497)	
1994		13,947				13,947	13,124	17,506	96			823	
1993		3,151			(93)	3,244	4,245	3,204	48			(1,001)	
1992		2,647			(76)	2,723	4,227	3,519	48			(1,504)	
1991		(43)			(114)	71	4,265	3,834	48			(4,194)	
1990		5,089				5,089	3,995	3,993	48			1,094	
1989		5,938			(19)	5,957	3,694	8,368	48			2,263	
1988		3,692				3,692	3,357	9,020	72			335	
1987		3,415				3,415	3,415	9,892	38			-	
1986		1,995				1,995	1,995	6,046	19			-	
1985		1,892				1,892	1,892	6,074	19			-	
1984		16				16	16	2	19			-	
	\$	<u>879,578</u>	\$ <u>65,188,416</u>	\$ <u>955,466</u>	\$ <u>328,295</u>	\$ <u>36,079</u>	\$ <u>66,659,086</u>	\$ <u>66,129,257</u>	\$ <u>399,278</u>	\$ <u>4,050</u>	\$ <u>1,430</u>	\$ <u>133,358</u>	\$ <u>663,187</u>

TOWN OF SIMSBURY, CONNECTICUT

SCHEDULE OF CHANGES IN SEWER USER CHARGES RECEIVABLE

FOR THE YEAR ENDED JUNE 30, 2005

Grand List Year	Balance July 1, 2004	Current Year Charges	Adjustments	Collections	Balance June 30, 2005
2004	\$	\$ 1,662,070	\$ 5,256	\$ 1,660,216	\$ 7,110
2003	12,391		753	10,931	2,213
2002	2,894			2,044	850
2001	851			572	279
2000	590			354	236
1999	324			107	217
1998	216				216
1997	217			45	172
Totals	\$ <u>17,483</u>	\$ <u>1,662,070</u>	\$ <u>6,009</u>	\$ <u>1,674,269</u>	\$ <u>11,293</u>

TOWN OF SIMSBURY, CONNECTICUT

SCHEDULE OF CHANGES IN SEWER ASSESSMENT RECEIVABLE

FOR THE YEAR ENDED JUNE 30, 2005

<u>Phases</u>	<u>Balance June 30, 2004</u>	<u>Additions</u>	<u>Principal</u>	<u>Interest</u>	<u>Lien Fees</u>	<u>Balance June 30, 2005</u>
I	\$ 2,407	\$	\$	\$	\$	\$ 2,407
II	33,986		2,151	6,728	65	31,835
V	401,837		91,936	12,240	379	309,901
VI	2,938					2,938
VII	398					398
VIII	14,108		7,882	16,982	72	6,226
O				195		-
	<u>\$ 455,674</u>	<u>\$ -</u>	<u>\$ 101,969</u>	<u>\$ 36,145</u>	<u>\$ 516</u>	<u>\$ 353,705</u>

TOWN OF SIMSBURY, CONNECTICUT

SCHEDULE OF DEBT LIMITATION

FOR THE YEAR ENDED JUNE 30, 2005

Revenue from taxation for the year ended June 30, 2005:

Taxes		\$ 66,129,257
Interest and lien fees		<u>403,328</u>
Total		66,532,585
Reimbursed for:		
Tax relief for elderly		<u>59,055</u>
Base		<u><u>\$ 66,591,640</u></u>

	<u>General Purpose</u>	<u>Schools</u>	<u>Sewers</u>	<u>Urban Renewal</u>
Debt limitation:				
2-1/4 times base	\$ 149,831,190	\$	\$	\$
4-1/2 times base		299,662,380		
3-3/4 times base			249,718,650	
3-1/4 times base				216,422,830
Total debt limitation	<u>149,831,190</u>	<u>299,662,380</u>	<u>249,718,650</u>	<u>216,422,830</u>
Indebtedness:				
Bonds and loans payable	5,202,032	27,110,756	4,587,857	
Less state reimbursement		<u>(109,737)</u>		
Total indebtedness	<u>5,202,032</u>	<u>27,001,019</u>	<u>4,587,857</u>	<u>-</u>
Debt Limitation in Excess of Outstanding and Authorized Debt	<u><u>\$ 144,629,158</u></u>	<u><u>\$ 272,661,361</u></u>	<u><u>\$ 245,130,793</u></u>	<u><u>\$ 216,422,830</u></u>
Total capacity of borrowing (7 times base)		\$ 466,141,480		
Total present indebtedness		<u>36,790,908</u>		
Margin for Additional Borrowing		<u><u>\$ 429,350,572</u></u>		

Statistical Section

TOWN OF SIMSBURY, CONNECTICUT

GENERAL FUND EXPENDITURES AND OTHER USES BY FUNCTION

NON-GAAP BUDGETARY BASIS

LAST TEN FISCAL YEARS

Fiscal Year Ending June 30	General Government	Planning and Development	Public Safety	Facility Management	Health and Welfare	Cultural and Recreation	Fringe Benefits and Insurance	Debt Service	Transfers to Capital Projects*	Board of Education	Special Projects	Total
1996	\$ 1,239,730	\$ 431,171	\$ 2,451,560	\$ 2,173,483	\$ 342,894	\$ 2,081,420	\$ 2,210,010	\$ 2,958,199	\$ 198,000	\$ 30,065,966	\$ 535,466	\$ 44,687,899
1997	1,331,164	535,374	2,561,437	2,183,493	354,954	2,149,250	2,078,413	2,585,601	624,095	31,093,236	784,192	46,281,209
1998	1,565,434	461,544	2,664,751	2,161,526	357,141	2,182,409	2,103,164	2,627,975	1,513,509	32,761,124	988,442	49,387,019
1999	1,574,885	594,765	2,687,373	2,391,907	355,396	1,439,611	2,005,896	2,462,840	2,647,166	34,337,624	368,580	50,866,043
2000	2,086,840	740,275	2,834,387	2,504,824	374,780	1,495,149	1,762,633	1,846,206	2,157,798	36,638,070	506,830	52,947,792
2001	1,901,669	695,784	2,965,977	2,600,765	391,706	1,514,721	2,297,198	2,519,429	1,371,490	40,610,016	583,444	57,452,199
2002	2,012,256	681,199	2,988,588	2,548,334	406,251	1,598,460	2,748,440	2,911,891	1,312,518	42,768,525	573,866	60,550,328
2003	1,916,011	699,882	3,021,201	2,760,904	430,685	1,676,243	2,681,696	2,928,111	1,170,518	46,072,296	466,852	63,824,399
2004	2,368,009	682,292	3,210,491	2,728,077	447,538	1,718,083	3,076,788	5,025,232	15,643	48,290,928	571,905	68,134,986
2005	1,954,053	641,824	3,390,988	2,787,762	461,489	1,766,845	3,160,935	5,158,210	3,700	50,176,680	573,356	70,075,842

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* Includes transfers to Town of Simsbury Capital Projects and Education Capital Projects and excludes transfers to the Capital and Nonrecurring Fund.

TOWN OF SIMSBURY, CONNECTICUT

GENERAL FUND REVENUES AND OTHER SOURCES BY SOURCE

NON-GAAP BUDGETARY BASIS

LAST TEN FISCAL YEARS

Fiscal Year Ending June 30	Taxes	Licenses and Permits	Local Revenue	Charges for Services	Inter- Governmental	Interest	Miscellaneous	Total
1996	37,817,485	371,822	106,968	1,421,614	3,138,216	1,074,076	1,006,469	44,936,650
1997	39,637,660	360,338	292,256	1,567,650	2,964,637	1,002,493	317,291	46,142,325
1998	42,096,956	450,607	91,490	1,718,752	3,163,957	1,096,598	136,616	48,754,976
1999	44,479,385	453,071	246,504	772,245	3,202,305	1,015,654	164,395	50,333,559
2000	47,094,926	469,631	116,198	733,949	3,466,872	991,295	279,732	53,152,603
2001	51,106,047	282,617	294,400	783,962	3,355,244	1,166,787	221,930	57,210,987
2002	54,637,178	321,458	165,824	826,013	3,356,412	524,208	360,726	60,191,819
2003	59,642,400	314,173	307,534	906,535	3,581,103	278,919	374,540	65,405,204
2004	63,395,587	429,039	150,730	1,136,446	3,222,106	152,425	238,259	68,724,592
2005	66,306,205	429,661	101,324	1,091,066	3,054,083	305,256	395,778	71,683,373

TOWN OF SIMSBURY, CONNECTICUT
PROPERTY TAX LEVIES AND COLLECTIONS

LAST TEN FISCAL YEARS

Fiscal Year Ending June 30,	Tax Rate in Mills	Total Tax Levy	Current Tax Collections	Percent of Current Taxes Collected	Delinquent Tax Collections	Total Tax Collections	Ratio of Total Tax Collections to Total Tax Levy	Outstanding Delinquent Taxes	Ratio of Delinquent Taxes to Total Tax Levy
1996	28.70	\$ 37,785,769	\$ 37,305,078	98.73 %	\$ 302,026	\$ 37,607,104	99.53 %	\$ 1,341,040	3.55
1997	29.20	39,284,271	38,812,775	98.80	499,882	39,312,657	100.21	1,280,285	3.26
1998	30.30	41,682,382	41,224,653	98.90	535,969	41,760,622	100.19	1,186,899	2.85
1999	31.20	43,769,426	43,364,448	99.07	735,267	44,099,715	100.75	840,521	1.92
2000	32.40	46,812,487	46,421,021	99.16	385,181	46,806,202	99.99	736,758	1.57
2001	34.40	51,066,897	50,626,552	99.14	327,446	50,953,998	99.78	828,452	1.62
2002	36.30	54,635,283	54,191,957	99.19	229,821	54,421,778	99.61	950,661	1.74
2003	39.10	59,499,873	59,014,285	99.18	339,659	59,353,944	99.75	1,030,344	1.73
2004	32.60	62,867,259	62,438,029	99.32	522,236	62,960,265	100.15	879,579	1.40
2005	34.00	65,823,977	65,439,232	99.42	556,667	65,995,899	100.26	663,187	1.01

TOWN OF SIMSBURY, CONNECTICUT

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS

Fiscal Year	Real Property		Personal Property		Totals	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
1996	\$ 1,134,778,584	\$ 1,621,112,263	\$ 174,077,914	\$ 248,682,734	\$ 1,308,856,498	\$ 1,869,794,997
1997	1,150,680,315	1,643,829,021	190,438,933	272,055,619	1,341,119,248	1,915,884,640
1998	1,158,445,422	1,654,922,031	206,036,818	294,338,311	1,364,482,240	1,949,260,342
1999	1,182,167,011	1,688,810,016	208,617,708	298,025,297	1,390,784,719	1,986,835,313
2000	1,193,472,020	1,704,960,029	225,638,586	322,340,837	1,419,110,606	2,027,300,866
2001	1,217,240,023	1,738,914,319	238,788,713	341,126,733	1,456,028,736	2,080,041,052
2002	1,234,503,100	1,763,575,857	247,493,419	353,562,027	1,481,996,519	2,117,137,884
2003	1,249,621,680	1,785,173,829	250,524,395	357,891,993	1,500,146,075	2,143,065,822
2004	1,653,344,229	2,361,920,327	258,036,383	368,623,404	1,911,380,612	2,730,543,731
2005	1,663,396,003	2,376,280,004	248,553,426	355,076,323	1,911,949,429	2,731,356,327

Revaluation - October 2002 grand list.

TOWN OF SIMSBURY, CONNECTICUT

**RATIO OF NET LONG-TERM DEBT TO NET ASSESSED VALUE
AND NET LONG-TERM DEBT PER CAPITA**

LAST TEN FISCAL YEARS

Fiscal Year Ending June 30	Population (1)	Net Assessed Value (2)	Net Long-Term Bonded Debt (3)	Ratio of Net Long-Term Debt to Assessed Value	Net Long- Term Debt per Capita
1996	22,023	\$ 1,308,856,498	\$ 8,739,243	0.67	\$ 396.82
1997	22,023	1,341,119,248	10,971,533	0.82	498.19
1998	22,023	1,364,482,240	10,944,966	0.80	496.98
1999	22,023	1,390,784,719	9,763,731	0.70	443.34
2000	23,234	1,419,110,606	12,968,755	0.91	558.18
2001	23,234	1,456,028,736	15,440,471	1.06	664.56
2002	23,234	1,481,996,519	13,417,860	0.91	577.51
2003	23,234	1,500,146,075	11,228,764	0.75	483.29
2004	23,234	1,911,380,612	30,927,621	1.62	1,331.14
2005	23,234	1,911,949,429	32,135,263	1.68	1,383.11

(1) For Fiscal Years 1996 through 1999; U. S. Department of Commerce, Bureau of Census, 1990
For Fiscal Years 2000 through 2005; U. S. Department of Commerce, Bureau of Census, 2000

(2) Town of Simsbury, Department of Assessment

(3) Reflects deductions for contractual state building construction grants

TOWN OF SIMSBURY, CONNECTICUT

**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES
FOR GENERAL BONDED DEBT TO TOTAL GENERAL EXPENDITURES**

LAST TEN FISCAL YEARS

Fiscal Year Ending June 30	Principal	Interest	Total Debt Service *	Total Governmental Expenditures *	Ratio of Debt Services to Total General Expenditures
1996	\$ 2,602,927	\$ 355,272	\$ 2,958,199	\$ 44,687,899	6.62%
1997	2,045,955	539,646	2,585,601	46,281,209	5.59%
1998	1,950,299	677,676	2,627,975	49,387,019	5.32%
1999	1,895,425	567,415	2,462,840	50,866,043	4.84%
2000	1,385,000	461,206	1,846,206	52,947,792	3.49%
2001	1,870,000	649,429	2,519,429	57,452,199	4.39%
2002	2,175,000	736,891	2,911,891	60,550,328	4.81%
2003	2,285,000	643,111	2,928,111	63,824,399	4.59%
2004	4,170,000	855,232	5,025,232	68,134,990	7.38%
2005	3,900,000	1,258,210	5,158,210	70,075,842	7.36%

* Includes debt service and total general fund expenditures on a non-GAAP budgetary basis.

TOWN OF SIMSBURY, CONNECTICUT

DEMOGRAPHIC STATISTICS

LAST TEN FISCAL YEARS

Fiscal Year	Population (1)	Per Capita Income (1)	Median Age (1)	Public School Enrollment (2)	Unemployment Rate (3)
1996	22,023	\$ 28,347	37.1	4,273	3.2%
1997	22,023	28,347	37.1	4,383	2.9%
1998	22,023	28,347	37.1	4,470	1.6%
1999	22,023	28,347	37.1	4,559	2.0%
2000	23,234	44,617	39.6	4,753	1.2%
2001	23,234	44,617	39.6	4,888	1.5%
2002	23,234	44,617	39.6	4,978	2.3%
2003	23,234	44,617	39.6	4,994	3.0%
2004	23,234	44,617	39.6	4,996	3.0%
2005	23,234	44,617	39.6	5,018	4.3%

Sources: (1) For Fiscal Years 1996 through 1999; U. S. Department of Commerce, Bureau of Census, 1990
For Fiscal Years 2000 through 2005; U. S. Department of Commerce, Bureau of Census, 2000

(2) Simsbury Board of Education

(3) State of Connecticut Labor Department

TOWN OF SIMSBURY, CONNECTICUT

PRINCIPAL TAXPAYERS

JUNE 30, 2005

<u>Name</u>	<u>Nature of Business</u>	<u>Net Taxable Valuation 10/1/2004</u>	<u>Percent of Net Taxable Grand List (1)</u>
Simsbury Assoc. Limited Partnership	Real Estate Holdings	\$ 37,800,000	1.95%
Hartford Life and Accident Ins. Company	Insurance Company	21,703,440	1.12
Executive Risk Indemnity Inc.	Insurance Company	18,388,060	0.95
Connecticut Light & Power Co.	Public Utility	15,074,160	0.78
Simsbury Commons South E&A LLC	Shopping Mall	13,022,000	0.67
Ensign-Bickford Realty Corporation	Real Estate Holdings	10,115,270	0.52
Dyno Nobel Inc.	Manufacturing Company	8,080,280	0.42
Simsbury Commons North E&A LLC	Nursing Home Real Estate	8,024,310	0.41
Simsbury Hopmeadow Street	Real Estate Holdings	6,234,830	0.32
Canal Place LLC	Rental Condominiums	<u>5,445,469</u>	<u>0.28</u>
		<u>\$ 143,887,819</u>	<u>7.43%</u>

(1) Based on 10/1/04 Net Taxable Grand List of \$1,935,322,272

Source: Assessor's Office, Town of Simsbury

TOWN OF SIMSBURY, CONNECTICUT
PROPERTY VALUE, CONSTRUCTION AND BANK DEPOSITS
LAST TEN FISCAL YEARS

Fiscal Year	Construction				Bank Deposits	Property Value		
	Commercial		Residential			Commercial	Residential	Nontaxable
	Number of Buildings	Value	Number of Units	Value				
1995/96	67	\$ 6,564,403	481	\$ 13,791,788	\$ 348,177	\$ 188,475,336	\$ 1,120,381,162	\$ 7,444,260
1996/97	91	9,756,922	483	16,594,106	367,851	197,144,529	1,143,974,719	9,640,710
1997/98	74	11,836,751	479	13,827,153	346,426	201,943,372	1,162,538,868	11,480,650
1998/99	88	14,046,882	410	13,384,858	432,167	196,100,645	1,194,684,074	10,445,407
1999/00	99	15,913,937	483	13,984,952	396,360	234,153,250	1,184,957,356	10,273,910
2000/01	46	2,107,482	409	13,734,205	288,770	241,700,770	1,214,327,966	10,344,640
2001/02	81	8,033,283	454	12,276,823	314,297	247,493,419	1,234,503,100	8,933,930
2002/03	56	2,241,438	424	13,855,144	297,523	250,524,395	1,249,621,680	8,455,690
2003/04	55	22,196,414	467	11,652,627	398,488	258,036,383	1,653,344,229	11,557,290
2004/05	88	27,488,288	484	19,151,543	412,797	248,553,426	1,663,396,003	12,058,740

Sources: Town of Simsbury Building Department
State of Connecticut Department of Banking
Town of Simsbury Assessing Department

TOWN OF SIMSBURY, CONNECTICUT
SPECIAL ASSESSMENT BILLINGS AND COLLECTIONS
LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Special Assessment Billings</u>	<u>Special Assessment Collections</u>
1996	\$ 396,382	\$ 486,674
1997	81,329	317,177
1998	138,239	360,556
1999	90,164	236,245
2000	49,212	155,907
2001	303,181	211,320
2002	36,779	125,976
2003	7,520	107,587
2004	359,310	157,753
2005	-	101,969

TOWN OF SIMSBURY, CONNECTICUT

**PROPERTY TAX RATES -
DIRECT AND OVERLAPPING GOVERNMENTS
PER \$1,000 ASSESSED VALUE**

LAST TEN FISCAL YEARS

Fiscal Year Ending June 30	Town of Simsbury General Fund		Simsbury Fire District		Total
	Operating Millage	Debt Service Millage *	Total Town Millage	Millage **	
1996	26.43	2.27	28.70	1.30	30.00
1997	26.75	2.45	29.20	1.30	30.50
1998	28.41	1.89	30.30	1.30	31.60
1999	29.47	1.73	31.20	1.30	32.50
2000	31.27	1.13	32.40	1.30	33.70
2001	32.89	1.51	34.40	1.30	35.70
2002	34.55	1.75	36.30	1.30	37.60
2003	37.31	1.79	39.10	1.30	40.40
2004	30.20	2.40	32.60	1.09	33.69
2005	31.50	2.50	34.00	1.09	35.09

* Debt service millage based on debt expenditures to assessment

Town millage set as one number

** The Simsbury Fire District has no debt

TOWN OF SIMSBURY, CONNECTICUT

COMPARATIVE ASSESSED VALUATION

LAST TEN FISCAL YEARS

Grand List of 10/1	Residential Real Property %	Commercial/Industrial Real Property %	All Land %	Personal Property %	Motor Vehicles %	Gross Taxable Grand List	Less Exemptions	Net Taxable Grand List	% Growth
2004	75.1	10.8	0.4	5.2	8.5	\$ 1,948,845,956	\$ 13,523,684	\$ 1,935,322,272	1.2
2003	75.6	11.0	0.4	4.9	8.1	1,924,008,169	12,058,740	1,911,949,429	0.0
2002 (1)	75.0	11.2	0.3	5.1	8.4	1,922,937,902	11,557,290	1,911,380,612	27.4
2001	72.4	10.4	0.3	6.3	10.6	1,508,601,765	8,455,690	1,500,146,075	1.2
2000	72.6	10.5	0.2	6.2	10.5	1,490,930,449	8,933,930	1,481,996,519	1.8
1999	73.0	10.4	0.2	6.2	10.2	1,466,373,376	10,344,640	1,456,028,736	2.0
1998	73.5	10.4	0.2	(2) 6.1	9.8	1,429,384,516	10,273,910	1,419,110,606	1.9
1997	42.5	8.3	34.2	5.8	9.2	1,401,230,126	10,445,407	1,390,784,719	1.7
1996	41.9	8.7	34.3	6.1	9.0	1,375,962,890	11,480,650	1,364,482,240	2.4
1995	41.8	9.3	34.7	5.4	8.9	1,350,759,958	9,640,710	1,341,119,248	39.5

(1) Revaluation of Grand List, October 1, 2002

Source: Assessor's Office, Town of Simsbury

TOWN OF SIMSBURY, CONNECTICUT

SCHEDULE OF ANNUAL DEBT SERVICE ON OUTSTANDING
LONG-TERM BOND INDEBTEDNESS

JUNE 30, 2005

Fiscal Year Ended June 30,		General Obligation Bonds							
		1993	1996	1997	2000	2001	2003	2005	Total
2005	Principal balance outstanding	375,000	480,000	1,190,000	2,480,000	2,400,000	20,320,000	5,000,000	32,245,000
	Principal payments	375,000	480,000	580,000	550,000	400,000	1,565,000	350,000	4,300,000
	Interest payments	15,938	24,000	55,930	126,200	96,000	769,725	134,565	1,222,358
	Total FY 05/06 debt service payments	390,938	504,000	635,930	676,200	496,000	2,334,725	484,565	5,522,358
2006	Principal balance outstanding	-	-	610,000	1,930,000	2,000,000	18,755,000	4,650,000	27,945,000
	Principal payments	-	-	610,000	530,000	400,000	1,565,000	520,000	3,625,000
	Interest payments	-	-	28,670	98,700	80,000	722,775	160,075	1,090,220
	Total FY 06/07 debt service payments	-	-	638,670	628,700	480,000	2,287,775	680,075	4,715,220
2007	Principal balance outstanding	-	-	-	1,400,000	1,600,000	17,190,000	4,130,000	24,320,000
	Principal payments	-	-	-	500,000	400,000	1,565,000	520,000	2,985,000
	Interest payments	-	-	-	72,200	64,000	652,350	144,475	933,025
	Total FY 07/08 debt service payments	-	-	-	572,200	464,000	2,217,350	664,475	3,918,025
2008	Principal balance outstanding	-	-	-	900,000	1,200,000	15,625,000	3,610,000	21,335,000
	Principal payments	-	-	-	450,000	400,000	1,565,000	520,000	2,935,000
	Interest payments	-	-	-	46,575	48,000	605,400	128,875	828,850
	Total FY 08/09 debt service payments	-	-	-	496,575	448,000	2,170,400	648,875	3,763,850
2009	Principal balance outstanding	-	-	-	450,000	800,000	14,060,000	3,090,000	18,400,000
	Principal payments	-	-	-	450,000	400,000	1,565,000	520,000	2,935,000
	Interest payments	-	-	-	23,400	32,000	554,538	111,975	721,913
	Total FY 09/10 debt service payments	-	-	-	473,400	432,000	2,119,538	631,975	3,656,913
2010	Principal balance outstanding	-	-	-	-	400,000	12,495,000	2,570,000	15,465,000
	Principal payments	-	-	-	-	400,000	1,565,000	520,000	2,485,000
	Interest payments	-	-	-	-	16,000	503,675	93,775	613,450
	Total FY 10/11 debt service payments	-	-	-	-	416,000	2,068,675	613,775	3,098,450
2011	Principal balance outstanding	-	-	-	-	-	10,930,000	2,050,000	12,980,000
	Principal payments	-	-	-	-	-	1,565,000	520,000	2,085,000
	Interest payments	-	-	-	-	-	444,987	75,575	520,562
	Total FY 11/12 debt service payments	-	-	-	-	-	2,009,987	595,575	2,605,562
2012	Principal balance outstanding	-	-	-	-	-	9,365,000	1,530,000	10,895,000
	Principal payments	-	-	-	-	-	1,560,000	510,000	2,070,000
	Interest payments	-	-	-	-	-	386,300	57,375	443,675
	Total FY 12/13 debt service payments	-	-	-	-	-	1,946,300	567,375	2,513,675
2013	Principal balance outstanding	-	-	-	-	-	7,805,000	1,020,000	8,825,000
	Principal payments	-	-	-	-	-	1,565,000	510,000	2,075,000
	Interest payments	-	-	-	-	-	323,700	38,250	361,950
	Total FY 13/14 debt service payments	-	-	-	-	-	1,888,700	548,250	2,436,950
2014	Principal balance outstanding	-	-	-	-	-	6,240,000	510,000	6,750,000
	Principal payments	-	-	-	-	-	1,560,000	510,000	2,070,000
	Interest payments	-	-	-	-	-	261,300	19,125	280,425
	Total FY 14/15 debt service payments	-	-	-	-	-	1,821,300	529,125	2,350,425
2015	Principal balance outstanding	-	-	-	-	-	4,680,000	-	4,680,000
	Principal payments	-	-	-	-	-	1,560,000	-	1,560,000
	Interest payments	-	-	-	-	-	196,950	-	196,950
	Total FY 15/16 debt service payments	-	-	-	-	-	1,756,950	-	1,756,950
2016	Principal balance outstanding	-	-	-	-	-	3,120,000	-	3,120,000
	Principal payments	-	-	-	-	-	1,560,000	-	1,560,000
	Interest payments	-	-	-	-	-	132,600	-	132,600
	Total FY 16/17 debt service payments	-	-	-	-	-	1,692,600	-	1,692,600
2017	Principal balance outstanding	-	-	-	-	-	1,560,000	-	1,560,000
	Principal payments	-	-	-	-	-	1,560,000	-	1,560,000
	Interest payments	-	-	-	-	-	66,300	-	66,300
	Total FY 17/18 debt service payments	-	-	-	-	-	1,626,300	-	1,626,300
2018	Principal balance outstanding	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

TOWN OF SIMSBURY, CONNECTICUT

MISCELLANEOUS STATISTICS

JUNE 30, 2005

Founded		1670	
Form of Government		Board of Selectmen/Town Meeting	
Present Charter Adopted		1974	
Revised		1995	
Area of Town		34.5 square miles	
Miles of Streets		163.4	
Paved		162.9	
Accepted		163.4	
Miles of Sidewalks		8	
Catch Basins		3782	
		3784	
Recreation:		Elections:	
Neighborhood parks	11	Registered voters	16,605
Acres - Town owned land	5,815	Votes cast in:	
Acres - maintained land	441	Last national election	14,074
Acres - open space	1,575	Last state election	10,077
Other land	3,799	Last municipal election	6,038
Playgrounds	12		
Swimming pools	6	Percent (%) of registered	
Indoor	0	Voters voting in:	
Outdoor	6	Last national election	71
Ice skating facilities	1	Last state election	65
Tennis courts		Last municipal election	38
Town	6		
Board of Education	11	Police Protection:	
Lighted courts	4	Number of stations	1
Ball diamonds	14	Number of substations	1
Basketball courts	2	Automobiles	18
Soccer fields	20	Number of police	35
Football fields	2		
		Fire Protection:	
Education:		Number of stations	6
Senior high schools	1	Number of volunteer firemen	104
Students	1,454		
		Library:	
Middle schools	1	Main building	1
Students	854	Branches	0
		Employees	50
Elementary schools	5	Full-time	13
Students	2,706	Part-time	37
		Full-Time Town Employees:	
Special education students	684	General government	146
Instructional staff	383	Board of Education	635
Administrative staff	19		
Other staff	233		

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