

Town of Simsbury Connecticut



Comprehensive Annual Financial Report

For The Fiscal Year Ended

June 30, 2007

TOWN OF SIMSBURY, CONNECTICUT
COMPREHENSIVE ANNUAL FINANCIAL
REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

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

December 20, 2007

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 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, 2007.

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, 2007 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 financial statements for the fiscal year ended June 30, 2007 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.

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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, 2006. The form of government is Board of Selectman - 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 2% 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 as 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 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, Animal Control and Simsbury Farms.

Local Economy

The Town is host to several national corporations such as the Hartford Insurance Company. The Hartford Insurance Company 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 approximately 3,000 employees.

The Town's current unemployment rate is 3.3% compared to the state average of 4.6% and the national average of 4.5%.

During the past ten years, the government's expenses related to debt service and Board of Education have increased not only in amount, but also as a percentage of total expenses (a ten-year average increase of 10.2% and 6.0%, respectively, versus 5.2% for all other expenses and 5.8% 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 a ten-year annual average increase of 1.4% and 2.4%, respectively, in student enrollment and full time positions.

During the same ten-year period, total revenues have increased on an average of 6.3% annually compared to 6.7% annually for property tax revenues and all other revenues increase 4.6% annually. Ten years ago, property tax revenues accounted for 86.3% of total revenues versus 90.3% today.

Long-Term Financial Planning

The Town has a five-year Capital Improvement Plan which totals approximately \$28.9 million, of which is estimated that \$23.4 million will be funded through debt and the remainder from grants and fund balance.

Relevant Financial Policies

The Town of Simsbury written financial policies are as follows:

- Debt Policy
- Capital and Non-Recurring Fund Policy Statement
- Investment Policy
- Pension Investment Policy and Investment Objectives

The Town's debt policy establishes as a long term objective that debt retirement expenses (interest and principal) be at a rate of not more than 5 - 7% of the total annual budget. For the year ended June 30, 2007, the annual debt retirement expense percentage in relation to the total annual budget was 6.59% and, therefore, was in compliance with the Town's debt policy.

Major Initiatives

At the October 17, 2006, Special Town Meeting:

- \$1,000,000 was approved and appropriated for the acquisition of (a) development rights and or fee simple for a period of at least five years of an approximately 45-acre parcel of land west of Bushy Hill Road owned by Ethel Walker School, (b) the option to acquire during or at the end of such five-year period for an additional sum not to exceed \$2,000,000, (c) development rights and or fee simple for a period of at least seven years of a second approximately 45-acre parcel of land west of Bushy Hill Road owned by Ethel Walker School, and (d) the option to acquire during or at the end of such five year or seven year periods for an additional sum not to exceed \$1,100,000. Funding for the \$1,000,000 appropriation is from General Fund RESERVES. The closing date for this purchase was July 13, 2007.

At the November 7, 2006, Referendum:

- \$7,000,000 was approved and appropriated for the acquisition of development rights and or fee simple ownership of two parcels of land comprising approximately 360 acres west of Bushy Hill Road owned by Ethel Walker School. Funding for this project will be \$2,000,000 from General Fund RESERVES and \$5,000,000 through the issuance of bonds and grants. The closing date for this purchase was July 13, 2007.

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, 2006. This was the eighth 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 accounting principles generally accepted in the United States of America 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,



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, 2006

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.

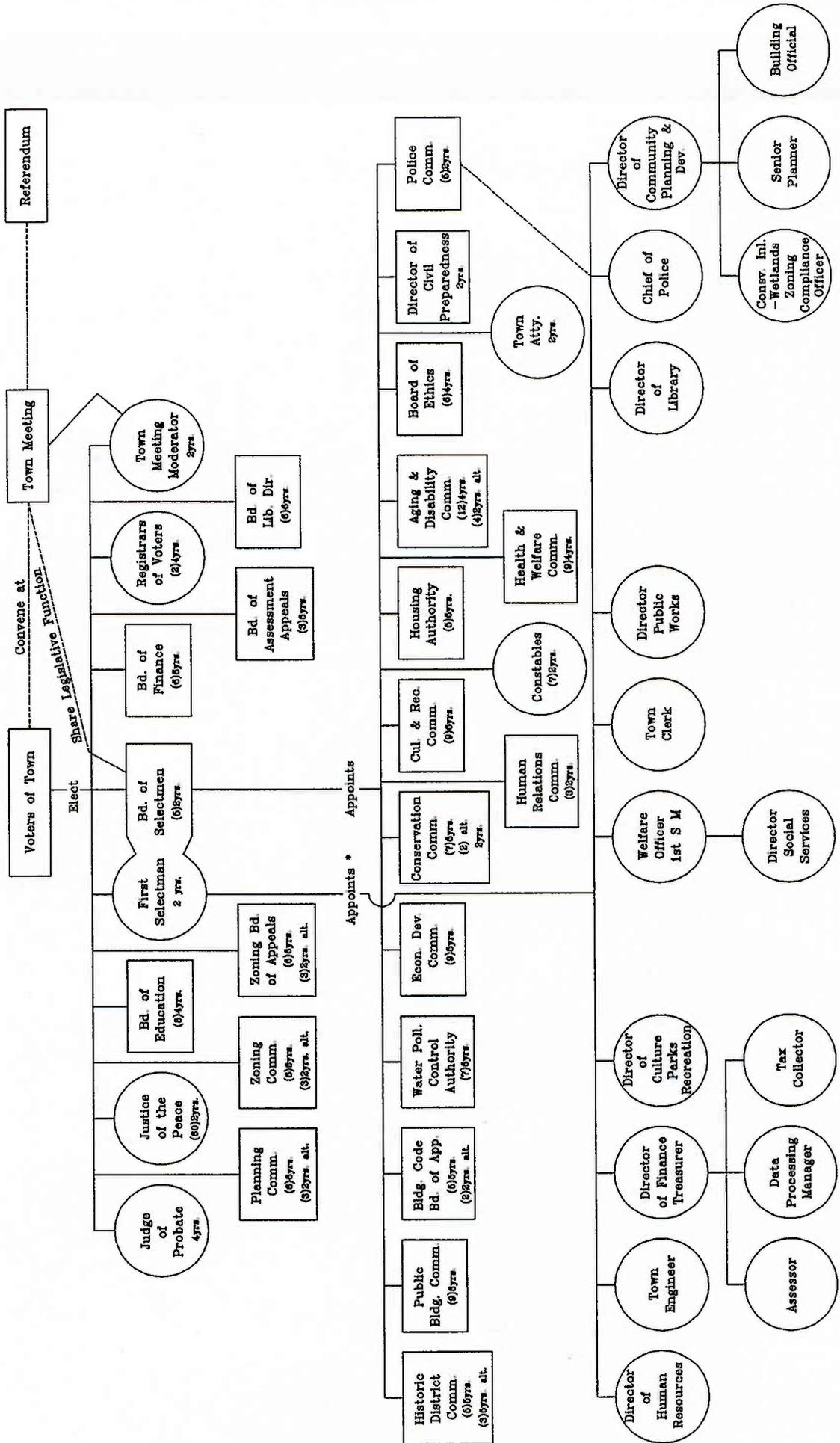


President

Executive Director

Town of Simsbury Organizational Chart

- Legend**
- Groups functioning as boards, commissions or departments
 - Individuals functioning as separate officers
 - * With the approval of Board of Selectmen
 - () Indicates number of members on a board or commission, followed by term of office



PRINCIPAL OFFICIALS

BOARD OF SELECTMEN

Thomas E. Vincent, First Selectman
Joel Mandell, Deputy 1st Selectman
John E. Romano
John K. Hampton
Moria Wertheimer
David Ryan

BOARD OF EDUCATION

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

BOARD OF FINANCE

Paul W. Henault, Chairman
Peter K. Askham
Candace V. Fitzpatrick
Kevin A. North
Nicholas B. Mason
Anita L. Mielert

APPOINTED OFFICIALS

Diane Ullman, Superintendent
David P. Holden, School Business Manager
Kevin G. Kane, Director of Finance/Treasurer
Carolyn Keily, Town Clerk
Colleen O'Connor, 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
Hiram Peck, Director of Planning
Howard Beach, Conservation Officer
Henry Miga, Building Official
Richard Sawitzke, Town Engineer
Updike, Kelley & Spellacy, Town Attorney

Financial Section



Report of Independent Accountants

Board of Finance
Town of 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, 2007, 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, 2007 and the respective changes in financial position and cash flows, where applicable, thereof, and the respective budgetary comparison for the major governmental funds, for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The Town has early implemented Governmental Accounting Standards Board Statement Nos. 43 and 45 as of July 1, 2006, as disclosed in Note 4.C.

Management's discussion and analysis on pages 3 through 20 and the required supplementary information on pages 62 and 63 are not required parts of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. 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 December 20, 2007 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.

December 20, 2007

TOWN OF SIMSBURY, CONNECTICUT

Management's Discussion and Analysis

JUNE 30, 2007

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, 2007. 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 \$85,861,099 for the governmental activities.
- On a government-wide basis, the government's total net assets increased by \$6,691,261 for the governmental activities.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$27,136,882, an increase of \$9,434,210 in comparison with the prior year. Of this total amount, \$26,628,461 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 \$7,605,026 or 9.35% of total General Fund expenditures.

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 and insurances, education, special projects and interest on long-term debt.

The government-wide financial statements can be found on pages 21 - 22 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 23 - 27 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 28 - 30 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 31 - 32 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 33 - 61 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 and other post employment benefits to its employees.

Other Information

The combining statements referred to earlier in connection with nonmajor governmental funds are presented following the notes to the financial statements. Combining and individual fund statements and schedules can be found on pages 70 - 79 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 \$85,861,099 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 2007 and 2006

	<u>2007</u>	<u>2006</u>
Current assets	\$ 32,528,642	\$ 22,367,848
Capital assets, net of accumulated depreciation	117,737,042	110,255,843
Noncurrent assets	<u>140,821</u>	<u>10,616</u>
Total Assets	<u>150,406,505</u>	<u>132,634,307</u>
Current liabilities	9,611,447	8,016,435
Noncurrent liabilities	<u>54,933,959</u>	<u>45,448,034</u>
Total Liabilities	<u>64,545,406</u>	<u>53,464,469</u>
Net Assets:		
Invested in capital assets, net of related debt	58,655,362	61,353,651
Unrestricted	<u>27,205,737</u>	<u>17,816,187</u>
Total Net Assets	<u>\$ 85,861,099</u>	<u>\$ 79,169,838</u>

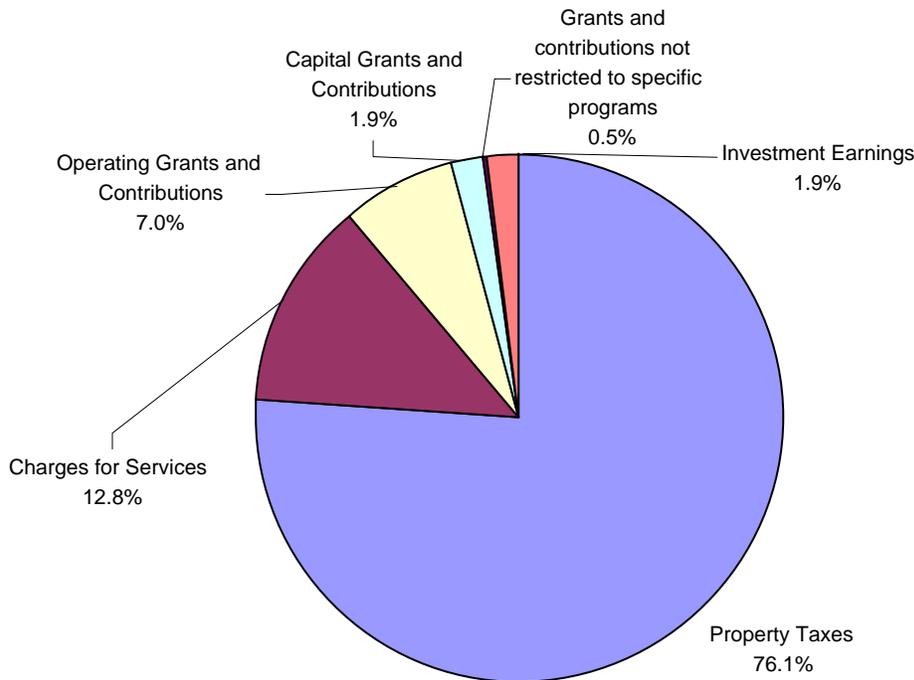
The government's net assets increased by \$6,691,261 or 8.45% during the current fiscal year compared to \$10,725,454 or 15.7% for the prior fiscal year. Unrestricted net assets, the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements, is \$27,205,737 at the end of this year compared to \$17,816,187 at the end of the prior year for an increase of \$9,389,550.

CHANGES IN NET ASSETS - GOVERNMENTAL ACTIVITIES
For the Years Ended June 30, 2007 and 2006

	<u>2007</u>	<u>2006</u>
Revenues:		
Program revenues:		
Charges for services	\$ 12,149,812	\$ 11,283,905
Operating grants and contributions	6,654,629	5,358,634
Capital grants and contributions	1,791,663	5,296,829
General revenues:		
Property taxes	72,439,691	69,586,237
Grants and contributions not restricted to specific program	446,703	417,229
Investment income	<u>1,769,925</u>	<u>1,214,833</u>
Total revenues	<u>95,252,423</u>	<u>93,157,667</u>
Expenses:		
General government	3,227,615	2,607,616
Planning and development	1,185,140	1,144,974
Public safety	6,628,916	5,210,279
Facility management	6,998,785	6,353,281
Culture and recreation	4,600,392	4,410,376
Health and welfare	731,067	670,742
Education	63,948,341	60,816,027
Interest on long-term debt	<u>1,240,906</u>	<u>1,218,918</u>
Total expenses	<u>88,561,162</u>	<u>82,432,213</u>
Change in net assets	6,691,261	10,725,454
Net Assets, July 1	<u>79,169,838</u>	<u>68,444,384</u>
Net Assets, June 30	<u>\$ 85,861,099</u>	<u>\$ 79,169,838</u>

Total revenues were \$95,252,423 and \$93,157,667 for the years ended June 30, 2007 and 2006, respectively. Total cost of all programs and services were \$88,561,162, and \$82,432,213, respectively for the years ended June 30, 2007 and 2006. Net assets increased by \$6,691,261 and \$10,725,454 for the years ended June 30, 2007 and 2006, respectively.

Revenue by Source - Governmental Activities



Governmental Activities

Major revenue factors during the year include:

- Property taxes increased by \$2,853,454 or 4.10%. The property tax revenue budget increase was \$3,702,451 or 5.4% to cover an expenditure budget increase of \$4,322,102 or 5.9%, and a revenue budget increase (excluding property taxes) of \$619,651. The revenue budget increase of \$619,651 was primarily driven by an increase in investment income of \$450,000 and conveyance tax of \$267,000.
- Charges for services increased by \$865,907 or 7.7%. Illustrated below is a comparison between 2007 and 2006:

	<u>2007</u>	<u>2006</u>	<u>Variance</u>
General government	\$ 970,739	\$ 890,119	\$ 80,620
Planning and development	368,307	432,093	(63,786)
Public safety	416,669	296,751	119,918
Facility management	3,313,968	2,550,256	763,712
Culture and recreation	1,764,394	1,832,410	(68,016)
Health and welfare	129,673	115,407	14,266
Education	5,186,062	5,166,869	19,193
Total	\$ <u>12,149,812</u>	\$ <u>11,283,905</u>	\$ <u>865,907</u>

Illustrated below is a detail breakdown of charges for services revenues which had a \$100,000 variance between 2007 and 2006:

	<u>2007</u>	<u>2006</u>	<u>Variance</u>	<u>Explanation</u>
<u>Public Safety:</u>				
Police Department Misc.	\$ 118,676	\$	\$ 118,676	Police Officers (2) Heart & Hypertension Full Settlement allowed the close-out of \$116,652 from previous partial settlements.
<u>Facilities Management:</u>				
WPCA Fees	230,809	499,594	(268,785)	Reduction in new service connections.
Sewer Use Fees	2,231,267	1,521,805	709,462	Increase in sewer use fee to \$290 from \$200.
Sewer Assessment	279,359		279,359	New Sewer Assessments were completed.

- Operating grants and contributions increased by \$1,295,995 or 24.2%. Illustrated below is a comparison between 2007 and 2006:

	<u>2007</u>	<u>2006</u>	<u>Variance</u>
General government	\$ 23,981	\$	\$ 23,981
Planning and development	15,610	88,177	(72,567)
Public safety	45,456	2,083	43,373
Facility management	532,835	245,200	287,635
Culture and recreation		4,225	(4,225)
Health and welfare	47,054	14,000	33,054
Education	<u>5,989,693</u>	<u>5,004,949</u>	<u>984,744</u>
Total	<u>\$ 6,654,629</u>	<u>\$ 5,358,634</u>	<u>\$ 1,295,995</u>

Illustrated below is a detail breakdown of operating grants revenues which had a \$100,000 variance between 2007 and 2006:

	<u>2007</u>	<u>2006</u>	<u>Variance</u>	<u>Explanation</u>
<u>Facilities Management:</u>				
LOCIP Grants	\$ 316,238	\$	\$ 316,238	During 2007 received two years of grant revenues which covers reimbursements for 2006 and 2005 appropriations.
<u>Education:</u>				
Education Cost Sharing Grant	3,228,880	2,377,788	851,092	Increase in State funding.

➤ Capital grants and contributions decreased by \$3,505,166 or 66.2%. Illustrated below is a breakdown comparison between 2007 and 2006:

	<u>2007</u>	<u>2006</u>	<u>Variance</u>
Facility management	\$ 1,736,988	\$ 3,046,142	\$ (1,309,154)
Culture and recreation		144,463	(144,463)
Education	<u>54,675</u>	<u>2,106,224</u>	<u>(2,051,549)</u>
Total	<u>\$ 1,791,663</u>	<u>\$ 5,296,829</u>	<u>\$ (3,505,166)</u>

Illustrated below is a detail breakdown of capital grants and contributions which had a \$100,000 variance between 2007 and 2006:

	<u>2007</u>	<u>2006</u>	<u>Variance</u>	<u>Explanation</u>
<u>Facility Management:</u>				
Clean Water Fund Grant	\$ 1,262,509	\$ 3,046,142	\$ (1,783,633)	Grant for the \$26.8 million expansion and renovation of the Waste Water Facility
<u>Culture and Recreation:</u>				
DECD Grant		144,463	(144,463)	Grant for the construction of the Simsbury Meadow Band Shell
<u>Education:</u>				
SHS Addition & Alteration School Building Grant		1,893,977	(1,893,977)	

- Grants not restricted to specific programs increased by \$29,474 or 7.1%.
- Unrestricted investment earnings increased by \$555,092 or 45.7%. The increase was due to higher investment rates for the current fiscal year of 5% compared to 3.87% for the prior fiscal year.

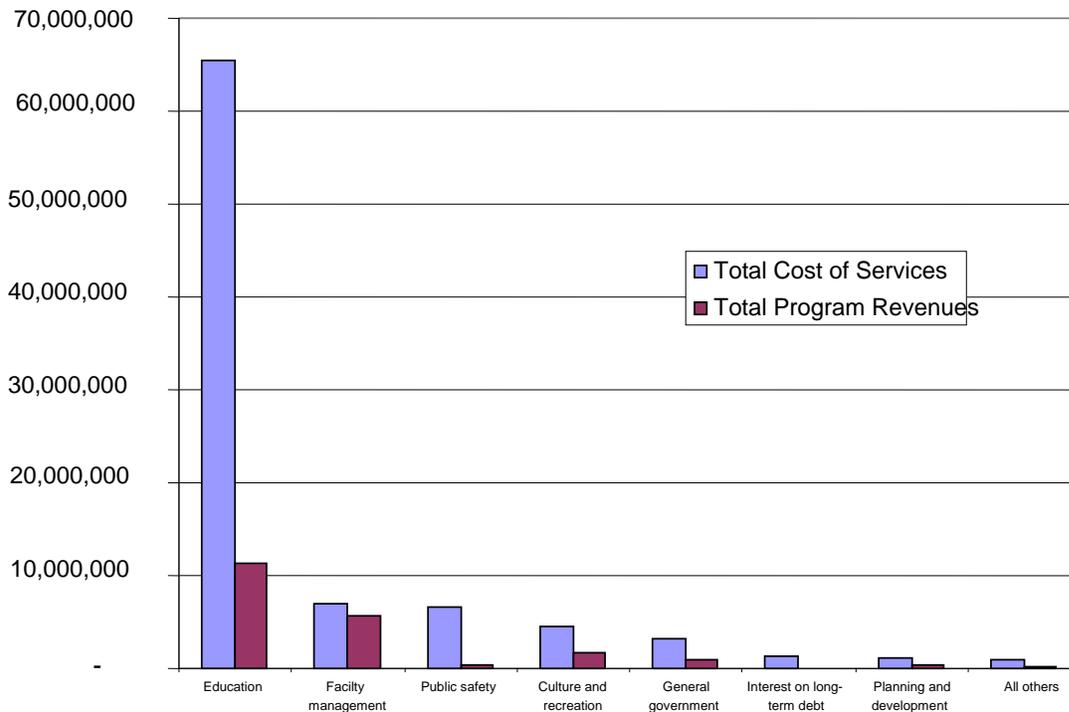
For the most part, increases in expenses closely paralleled inflation and growth in the demand for services.

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, 2007

	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
Education	\$ 63,948,341	\$ 52,717,911
Facility management	6,998,785	1,414,994
Public safety	6,628,916	6,166,791
Culture and recreation	4,600,392	2,835,998
General government	3,227,615	2,232,895
Interest on long-term debt	1,240,906	1,240,906
Planning and development	1,185,140	801,223
Health and welfare	<u>731,067</u>	<u>554,340</u>
Totals	<u>\$ 88,561,162</u>	<u>\$ 67,965,058</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 \$27,136,882, an increase of \$9,434,210 in comparison with the prior year. Of this amount, \$474,634 is reserved for encumbrances, and \$33,787 is reserved for inventories. Also, 98.1% or \$26,628,461 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 \$8,060,927. Of this total fund balance, \$455,901 is reserved for encumbrances, with the balance being undesignated in the amount of \$7,605,026. 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 9.35% of the total General Fund expenditures, while total fund balance represents 9.91% of that same amount.

The fund balance of the Town's General Fund decreased by \$1,209,886 during the current fiscal year and the undesignated fund balance decreased by \$1,285,741 as illustrated below:

The major factors behind the decrease of \$1,285,741 are as follows:

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

- Property taxes collected were \$156,707 lower than the budget. Current collection rate of 99.28% versus budgeted collection rate of 98% was \$236,919 lower than the budget. The reason behind this deficit was that after the Town budgets were presented at the Town Meeting and before the Town Referendum vote, the Connecticut State Legislature provided increased funding for the Education Equalization Grant by an additional \$808,222. 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 \$61,220 higher than budget, and interest and lien fees were \$18,992 higher than budget.
- Intergovernmental revenues were \$925,765 higher than budget. Education Equalization Grants were \$808,222 higher than the budget.
- Investment income was \$680,221 higher than the budget. The primary driver was higher investment rates for the current fiscal year of 5.00% compared to 3.87% for the prior fiscal year.
- Charges for goods and services were \$139,582 higher than the budget. Education revenues were higher than budget by \$62,483 and \$51,347 for outside tuition and rental of school facilities, respectively.
- Licenses and permits revenues were \$28,397 higher than the budget. Building department fees were \$28,733 higher than the budget.
- Local revenues were \$230,984 higher than the budget. During the current year there were full heart & hypertension settlements with two police officers which allowed the Town to close out prior partial settlements totaling \$116,652. The Town also received a \$76,871 refund from CL&P for prior years over-billing on streetlights.
- Other financing sources were \$444,105 higher than the budget. Two water main extension projects totaling \$217,711 were closed due to inactivity pursuant to the Town Charter, section 912 (g). The Town received a bond premium of \$181,304 for the \$9,865,000, 2007 General Obligation Bond Issue. The Police Special Duty Fund transfer was \$37,964 higher than budgeted.
- General Fund expenditures were \$143,745 lower than the amended budget but were \$3,583,679 higher than the original budget. During the fiscal year the Board of Finance provided supplemental appropriations from RESERVES totaling \$727,424. Funds from RESERVES included \$2 million to be used for a \$7 million 300 acre plus land purchase from Ethel Walker School as approved at a November 2006 Referendum and a \$1 million for an option to purchase an additional 45 acres of specified land within five years at an agreed sale price of \$2 million and another 45 acres of specified land within seven years at an agreed sale price of \$1.1 million from Ethel Walker School. Board of Education returned \$17,522 or 0.031% of their amended budget of \$55,742,260. Board of Selectmen returned \$126,224 or 0.62% of their amended budget of \$20,491,812.

The Sewer Use Fund has a fund balance of \$4,813,323 at the end of the year, an increase of \$1,082,964 from the prior year. A portion of the fund balance is to be used to help pay the future debt service on the Waste Water Treatment Plant \$26,840,083 renovation and expansion capital project. This project is being funded 100% by the State of Connecticut Clean Water Fund 2% Loan and Grant program. This project is nearing completion and there is an estimated project closing date of March 2008. It is anticipated that payments will begin on the 20-year, 2% loan program in September 2008. The loan will be repaid by future sewer user charges.

The major factors behind the increase of \$1,082,964 are as follows:

- The Sewer Use Fund generated total revenues of \$2,691,314 of which \$211,571 was from investment income, \$2,231,267 was from sewer use fees and \$248,476 from new sewer service connections.
- Total expenditures to operate the Sewer Treatment Plant were \$1,608,350.

The Sewer Assessment Fund has a fund balance of \$1,480,193 at the end of the year, an increase of \$361,014 from the prior year.

The major factors behind the increase of \$361,014 are as follows:

- Sewer Assessment Fund generated total revenues of \$361,014 of which \$56,218 was from investment income, \$279,359 was from principal payments received on sewer assessments and \$25,437 was from interest and lien fees payment on sewer assessments.

The Capital Project Fund has a fund balance of \$10,394,967 at the end of the year, an increase of \$9,238,115 from the prior year. This increase was primarily driven by total expenditures of \$9,134,199 and offset by \$18,372,314 in revenues, bond/loan proceeds and net transfers in/out.

- The Town has several major capital projects which each incurred over \$1 million in expenditures during the year. For the year, expenditures were \$4.7 million for the Sewer Treatment Plant Renovation & Expansion, \$1.1 million for the Simsbury High School Addition & Alteration, \$1.0 million for the Library Expansion & Renovation and \$2.4 million for all other capital projects.
- These expenditures were offset by \$1,352,273 in grant revenues, \$10,046,304 from the \$9,865,000 April 2007 General Obligation Bond Issue which included a bond premium of \$181,304, \$4,292,415 from a 2% clean water fund loan for the renovation and expansion of the Sewer Treatment Plant Renovation & Expansion, \$6,722 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 totaling \$2,674,600. Transfers in included transfers from General Fund RESERVES totaling \$3,080,742 which included \$2 million from RESERVES to be used for a \$7 million 300 acre plus land purchase from Ethel Walker School as approved at a November 2006 Referendum and \$1 million from RESERVES for an option to purchase an additional 45 acres of specified land within five years at an agreed sale price of \$2 million and another 45 acres of specified land within seven years at an agreed sale price of \$1.1 million from Ethel Walker School. There was \$80,742 transferred in to several capital projects to partial fund. There was \$406,142 transferred out to the General Fund. This was comprised of \$217,711 for two water main extension projects whose appropriation lapsed pursuant to the Town Charter, section 912(g), \$181,304 for bond premium received for the issuance of the \$9,865,000, 2007 General Obligation Bond Issue and \$6,722 investment income from the High School Addition & Alteration project.

Other nonmajor governmental funds have a total fund balance of \$2,387,472, a decrease of \$37,997 from the prior year as illustrated on the following page.

	2007	2006	Variance	Explanation of \$100,000 Variance
Residential Rental Properties	\$ 104,883	\$ 119,820	\$ (14,937)	
Animal Control Fund	61,400	58,580	2,820	
Simsbury Farms Fund	9,245	3	9,242	
General Government Program Fund	80,192	59,897	20,295	
Public Safety Program Fund	100,846	102,238	(1,392)	
Planning & Development Program Fund	315,938	448,875	(132,937)	The variance was driven by the Greenway project. This project is funded by reimbursable grants (timing difference between when expenses are made and revenues are received).
Facilities Management Program Fund	653,181	533,423	119,758	Revenues exceeded expenditure. Town's practice is to make expenditures when needed to maintain its facilities.
Health & Welfare Program Fund	190,643	164,765	25,878	
Culture & Recreation Program Fund	101,596	92,027	9,569	
Board of Education Program Fund	439,658	410,039	29,619	
Cafeteria	273,559	326,220	(52,661)	
Capital and Nonrecurring Expenditures Fund	56,331	109,582	(53,251)	
Total	\$ <u>2,387,472</u>	\$ <u>2,425,469</u>	\$ <u>(37,997)</u>	

General Fund Budgetary Highlights

For the current year, \$3,727,424 transfers were made from reserves. On the Board of Selectmen budget, \$987,049 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, 2007

	Original Budget	Transfers From Reserves		Budget Transfer		Amended Budget
General government	\$ 1,902,923	\$ 103,000	(a), (e)	\$ 286,529	(g)	\$ 2,292,452
Planning and development	654,741			31,977	(g)	686,718
Public safety	3,449,344	9,424	(d)	218,911	(g)	3,677,679
Facility management	3,150,416	2,000	(a)	23,656	(g)	3,176,072
Culture and recreation	1,903,550	10,000	(a)	(52,910)	(g)	1,860,640
Health and welfare	480,776			(6,322)	(g)	474,454
Fringe benefits and insurance	4,218,373	588,000	(f)	(279,921)	(g)	4,526,452
Education	55,727,260	15,000	(a)			55,742,260
Special projects	551,596			(374,783)	(g)	176,813
Debt service (principal and interest)	5,370,670					5,370,670
Transfers to other funds	467,669	3,000,000	(b), (c)	152,863	(g)	3,620,532
Totals	\$ <u>77,877,318</u>	\$ <u>3,727,424</u>		\$ -		\$ <u>81,604,742</u>

Reasons behind transfers from Reserves:

- (a) On October 17, 2006, Simsbury Board of Finance approved supplemental appropriations totaling \$30,000 for six State of Connecticut OPM Grants. Two of the grants totaling \$15,000 were for the Squadron Line School playground. The other grants were \$5,000 for Tariffville Park, \$3,000 for TPL open space grant, \$2,000 for Eno Hall senior room renovation and \$5,000 for the Simsbury Library expansion/renovation.
- (b) On October 17, 2006, Simsbury voters at a Special Town Meeting voter approved a \$1,000,000 appropriation for the options to purchase two separate 45 acre parcels of land from Ethel Walker School. The first parcel is required to be purchased within a five-year period at an agreed price of \$2,000,000, and the second parcel is required to be purchased within a seven-year period at an agreed price of \$1,100,000.
- (c) On November 7, 2006, Simsbury voters approved a \$7,000,000 appropriation to purchase over 300 acres of land from Ethel Walker School. Of this appropriation, \$2,000,000 was approved to be funded from a transfer from General Fund RESERVES.
- (d) On November 21, 2006, Simsbury Board of Finance approved a supplemental appropriation in the amount of \$9,424 to replace police emergency equipment which was damaged by lightning.
- (e) On February 27, 2007, Simsbury Board of Finance approved a supplemental appropriation in the amount of \$100,000 to the Simsbury Land Trust for the acquisition of 80 acres of open space from Masters School.
- (f) On March 13, 2007, Simsbury Board of Finance approved supplemental appropriations totaling \$588,000 to settle two outstanding claims before the State of Connecticut Workers Compensation Commission to Police Lieutenant John Mendela in the amount of \$313,000 and Police Sergeant Brian Logan in the amount of \$275,000.

Reasons behind budget transfers:

- (g) Of the Board of Selectmen budget, \$987,049 was transferred from within the budget. Illustrated below are the material budget transfers to cover deficits:
 - \$274,309 was transferred from “Un-negotiated Salary” to several payroll budgeted line items for wage settlements covering unaffiliated, police, dispatch and public works.
 - \$203,690 was transferred to cover legal fees of which \$115,315 was for Meadowood, which was not budgeted for, and \$88,375 for general legal expenses not covered by the monthly retainer (e.g. tax foreclosures, Wise suit, Ethel Walker land acquisition).
 - \$152,863 was transferred to cover revaluation of \$116,500 and Simsbury Farms Fund deficit (\$36,363).
 - \$70,780 was transferred to cover the consultant costs for Hiram Peck prior to being hired by the Town of Simsbury. (Note: Director of Planning budget did realize a payroll savings of \$47,588 in that the Director of Planning position went unfilled for the first 6 months).
 - \$50,627 was transferred (to the Central Administration budget) to cover the Ethel Walker transaction costs that were outside the actual purchase price that was approved at the Special Town Meeting/Referendum. These costs included financial advisory fee of \$5,037, rating agency fee of \$1,000, bond counsel of \$11,300, underwriters issuance cost of \$19,200, title insurance of \$12,925 and bond buyer/official statement/paying agent fees of \$1,165.
 - \$44,780 was transferred to cover street lights of \$14,821 and road improvements of \$29,959 (Highway budget).
 - \$39,871 was transferred to support services for temporary outside employees (Merry Employment Agency) to fill some openings until filled.
 - \$23,353 was transferred to cover gasoline and diesel fuel costs.

- \$19,527 was transferred to cover electricity costs.
- \$15,820 as transferred to Registrars (Election) to cover town-wide canvas (1st in over ten years) at a cost of \$9,040 and \$6,780 for new locked ballot security files to comply with new voting requirements.
- \$12,530 was transferred to replace equipment; new postage meter at mid year as required by the US Postal Service in the amount of \$4,030 and sorter for Tax Department and Payroll in the amount of \$8,500.
- \$6,497 was transferred for a Projector/Screen for Main Meeting Room.

During the year, General Fund revenues exceeded budgetary estimates by \$2,300,938 and expenditures were \$143,746 lower than the amended budget but were \$3,583,679 higher than the original budget. Overall revenues over expenditures on the budgetary basis were \$(1,282,741). In the current year, revenues increased by 5.9% over the prior year as expenditures increased by 16.2%.

The major factors are as follows:

- Property taxes collected were \$156,707 lower than the budget.
- Intergovernmental revenues were \$925,765 higher than the budget.
- Investment income was \$680,221 higher than the budget.
- Charges for goods and services were \$139,582 higher than the budget.
- Licenses and permits revenues were \$28,397 higher than the budget.
- Other local revenues were \$230,984 higher than the budget.
- Other financing sources were \$444,105 higher than the budget.
- General Fund expenditures were \$3,583,679 higher than the original budget and \$143,746 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, 2007 amounted to \$117,737,042. 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 \$7,481,199, which was comprised of an increase of \$9,910,938 for new additions and a decrease of \$1,359,801 for Board of Education, which represents changes in fixed assets as picked up by their outside consultant, and a decrease of \$3,097,169 for depreciation and a decrease/write-off of \$692,371 (not depreciated) for Board of Education prior year's construction work in progress assets, which should have been picked up as an expense and not capitalized. Of the new additions, \$439,390 represented donated assets of which \$374,390 was for infrastructure and \$65,000 for a playscape at Central School. The Town and Board of Education also had reductions in assets of \$278,278, which were fully depreciated. The Board of Education reclassified \$2,917,291 from construction work in process to Land Improvements in the amount of \$1,912,572 for the Simsbury High School Track and Field and \$1,004,719 to Buildings and Improvements which included Elementary Modular Classrooms (\$498,541), Central School Roof (\$256,916) and Central School Boiler (\$249,262). The Town reclassified \$505,000 from construction work in progress for the Highway Fleet Service Building (\$350,000) to Building & Improvements and \$155,000 to Machinery & Equipment for Town Clerk Indexing System (\$75,000) and Police Records Management System (\$80,000).

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

Infrastructure

- Increased by \$530,368. The Town has a road improvement program with approximately \$500,000 available annually to maintain the current road infrastructure.

Land and Buildings

- Increased by \$1,653,992. A large portion of this increase was transfers from construction work in progress accounted for \$1,354,719 which included Elementary Modular Classrooms (\$498,541), Highway Fleet Service Building (\$350,000), Central School Roof (\$256,916) and Central School Boiler (\$249,262).
- Increased by \$1,354,801 for Board of Education which represents changes in fixed assets as picked up by their outside consultant.

Land improvements

- Increased by \$2,054,483. The majority of this increase represented a \$1,912,572 transfer from construction in process for the Simsbury High School Track & Field.

Construction work in progress

- Increased by \$7,993,319. The three largest additions were \$4,658,047, \$1,109,813 and \$972,617 for the Sewer Treatment Plant Expansion, Simsbury High School Expansion and Renovation project and Library Renovation and Expansion project, respectively.
- Projects totaling \$3,422,291 were completed in the current year and transferred out. This included \$2,917,291 for Board of Education from construction work in progress to Land Improvements in the amount of \$1,912,572 for the Simsbury High School Track & Field and \$1,004,719 to Buildings and Improvements which included Elementary Modular Classrooms (\$498,541), Central School Roof (\$256,916) and Central School Boiler (\$249,262). The Town transferred \$350,000 from construction work in progress for the Highway Fleet Service Building and \$155,000 to Machinery & Equipment for Town Clerk Indexing System (\$75,000) and Police Records Management System (\$80,000).
- Was reduced (write-off) by \$691,371 for Board of Education prior year's construction work in progress assets which should have been picked up as an expense and not capitalized.

Vehicles and Equipment

- Increased by \$1,101,067. Includes Town additions totaling \$687,095 for the purchase of six police vehicles two large trucks, highway screening plant, one forklift, four mid-size trucks, playscape at Meadows Park and two green mowers and one fairway mower for the Golf Course. Includes education additions totaling \$270,282 for three school buses (\$205,282) and new playground (\$65,000). Includes transfers from construction work in progress totaling \$155,000 for Town Clerk Indexing System (\$80,000) and Police Management System (\$75,000).
- Accounted for \$278,278 or 100.00% of the capital asset reductions. This included the disposal of two school buses, five town vehicles and a highway screening plant.

Update on approved capital projects

- At an On October 17, 2006, Special Town Meeting, voters approved a \$1,000,000 appropriation for the options to purchase two separate 45 acre parcels of land from Ethel Walker School. The first parcel is required to be purchased within a five-year period at an agreed price of \$2,000,000 and the second parcel is required to be purchased within a seven-year period at an agreed price of \$1,100,000. Closing on this purchase option occurred on July 13, 2007.

- At a November 7, 2006, Referendum, voters approved a \$7,000,000 appropriation to purchase over 300 acres of land from Ethel Walker School. \$2,000,000 of this appropriation was approved to be funded from a transfer from General Fund RESERVES. In April 2007, the Town issued a \$9,865,000 General Obligation Bond of which \$4,085,000 was for this land purchase from Ethel Walker School, and the majority of the difference needed of \$915,000 for this purchase is expected to come from grants. Closing on this land purchase occurred on July 13, 2007.
- Construction work in progress continues 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, \$1.1 million was expended and to-date \$35.7 million has been expended. Hard construction started during the summer of 2003, and the project is expected to be completed by 2008. 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 all interest rate of 3.74%. In March 2006, the Town issued a \$4,880,000 general obligation bond of which \$3,070,000 was for the high school project with final maturity due January 2016, at an all interest rate of 3.69%.
- Construction work in progress continues 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 \$4.7 million was expended and to-date \$25.5 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. This project nears completion, and there is a projected project closing date of March 2008. It is projected that the payments will begin on the 20-year, 2% loan program in September 2008. 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.
- During the current fiscal year, construction work in progress began for the \$6.1 million Library Expansion project that was approved at May 2006, Referendum. During the current fiscal year, \$1 million was expended. Funding from this project will come from \$1,000,000 General Fund, fund balance, \$500,000 grant and the issuance of \$4,600,000 in general obligation bonds. In April 2007, the Town issued a \$9,865,000 General Obligation Bond of which \$4,600,000 was to fund this project. This project is expected to be completed by summer of 2008.
- During fiscal year 2007/08 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; \$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 the statement of revenues, expenditures and changes in fund balances - governmental funds.

CAPITAL ASSETS (Net of Depreciation)
June 30, 2007

	Governmental Activities
Infrastructure	\$ 14,777,592
Buildings and improvements	34,986,889
Land improvements	2,508,045
Equipment	2,564,084
Construction in progress	62,900,432

Additional information on the Town's capital assets can be found in Note 3C on page 43 of this report.

Long-term Debt - At the end of the current fiscal year, the Town had total bonded debt outstanding of \$58,575,314 of which \$4,472,195 is due within one year. All of the debt is backed by the full faith and credit of the Town.

OUTSTANDING DEBT
June 30, 2007

	Governmental Activities
General obligation bonds	\$ 38,575,000
Loan payable - Clean Water Fund	19,864,902
Loan payable - State of CT	135,412
Total	\$ <u>58,575,314</u>

The Town's total debt increased during the current fiscal year by \$10,035,292. This increase was comprised of new debt totaling \$14,157,415 and scheduled principal debt payments made totaling \$4,122,123. In April 2007, the town issued general obligation bonds in the amount of \$9,865,000 which comprised of \$4,600,000 for the Library Expansion, \$4,085,000 for the Ethel Walker School land purchase, \$710,000 for the Simsbury High School Auditorium project, \$250,000 for the School Flooring Replacement project and \$220,000 for the School Window Replacement project. In addition, the Town received during the fiscal year \$4,292,415, 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 times its total prior years' tax collections. The current debt limitation for the Town is \$508,394,397 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 47 - 49 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 2007 budget spending guideline 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 2007 was 3.5%, which is a decrease from a rate of 4.3% a year ago. This compares to the State's average unemployment rate of 4.4% and the national average rate of 4.6%. The social security cola for the elderly for 2005 was 4.1%. Another factor that the Board of Finance uses is the projected grand list growth which was approximately 1.2% for the October 1, 2006 Grand List. For fiscal year 2007, the Board of Finance set a 4.5% budget spending guideline on all operating budgets. The debt service budget was brought forward and approved with a 7.51% increase. Illustrated on the following page is a recap of the 2007 General Fund budget property tax increase.

	Allocation of Tax Increase	
	Amount	%
Board of Education	\$ 2,801,442	4.00
Board of Selectmen	1,017,793	1.45
Debt Retirement	409,374	0.59
Non-Public Schools	38,935	0.06
Revenue	<u>(1,497,366)</u>	<u>(2.14)</u>
New Additional Property Tax Revenues	2,770,178	<u>3.96</u>
Budgeted FY 06/07 Property Tax Revenues	<u>69,874,936</u>	
Budgeted FY 07/08 Property Tax Revenues	\$ <u>72,645,114</u>	

The actual tax increase on all property less the 1.2% grand list growth was 2.79%.

During the current fiscal year, unreserved fund balance in the General Fund decreased to \$7,605,026.

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, 2007

	Governmental Activities
Assets:	
Current assets:	
Cash and cash equivalents	\$ 29,833,869
Investments	369,166
Accounts receivable	2,053,679
Interest and liens receivable	238,141
Inventories	33,787
Total current assets	32,528,642
Noncurrent assets:	
Pension and OPEB assets	140,821
Capital assets:	
Nondepreciable	70,057,121
Depreciable, net	47,679,921
Total noncurrent assets	117,877,863
Total assets	150,406,505
Liabilities:	
Current liabilities:	
Accounts payable	2,929,354
Accrued interest payable	574,572
Unearned revenue	135,025
Claims liabilities	875,038
Bonds and notes payable	4,472,195
Compensated absences	625,263
Total current liabilities	9,611,447
Noncurrent liabilities:	
Bonds payable	54,103,119
Unamortized premium on bonds	506,366
Compensated absences	224,474
Landfill closing	100,000
Total noncurrent liabilities	54,933,959
Total liabilities	64,545,406
Net Assets:	
Invested in capital assets, net of related debt	58,655,362
Unrestricted	27,205,737
Total Net Assets	\$ 85,861,099

The accompanying notes are an integral part of the financial statements

TOWN OF SIMSBURY, CONNECTICUT

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2007

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	
Primary Government:					
Governmental activities:					
General government	\$ 3,227,615	\$ 970,739	\$ 23,981	\$ (2,232,895)	
Planning and development	1,185,140	368,307	15,610	(801,223)	
Public safety	6,628,916	416,669	45,456	(6,166,791)	
Facility management	6,998,785	3,313,968	532,835	1,736,988	
Culture and recreation	4,600,392	1,764,394		(2,835,998)	
Health and welfare	731,067	129,673	47,054	(554,340)	
Education	63,948,341	5,186,062	5,989,693	54,675	
Interest on long-term debt	1,240,906			(1,240,906)	
	<u>\$ 88,561,162</u>	<u>\$ 12,149,812</u>	<u>\$ 6,654,629</u>	<u>\$ 1,791,663</u>	
Total Governmental Activities	<u>\$ 88,561,162</u>	<u>\$ 12,149,812</u>	<u>\$ 6,654,629</u>	<u>\$ 1,791,663</u>	
General Revenues:					
				72,439,691	
				446,703	
				1,769,925	
				<u>74,656,319</u>	
				6,691,261	
				<u>79,169,838</u>	
				\$ <u>85,861,099</u>	

The accompanying notes are an integral part of the financial statements

TOWN OF SIMSBURY, CONNECTICUT

BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2007

	General Fund	Sewer Use Fund	Sewer Assessment Fund	Capital Project Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 9,474,269	\$ 4,884,419	\$ 1,480,193	\$ 10,820,212	\$ 2,344,491	\$ 29,003,584
Investments					369,166	369,166
Receivables	889,308	50,200	526,037		351,031	1,816,576
Due from other funds	80,114					80,114
Inventories					33,787	33,787
Total Assets	<u>\$ 10,443,691</u>	<u>\$ 4,934,619</u>	<u>\$ 2,006,230</u>	<u>\$ 10,820,212</u>	<u>\$ 3,098,475</u>	<u>\$ 31,303,227</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 1,861,500	\$ 111,546	\$	\$ 425,245	\$ 531,063	\$ 2,929,354
Due to other funds					80,114	80,114
Deferred revenue	521,264	9,750	526,037		99,826	1,156,877
Total liabilities	<u>2,382,764</u>	<u>121,296</u>	<u>526,037</u>	<u>425,245</u>	<u>711,003</u>	<u>4,166,345</u>
Fund Balances:						
Reserved for:						
Inventories					33,787	33,787
Encumbrances	455,901	7,866			10,867	474,634
Unreserved, reported in:						
General Fund	7,605,026					7,605,026
Sewer Use Fund		4,805,457				4,805,457
Sewer Assessment Fund			1,480,193			1,480,193
Capital Project Fund				10,394,967	56,331	10,451,298
Special Revenue Funds					2,286,487	2,286,487
Total fund balances	<u>8,060,927</u>	<u>4,813,323</u>	<u>1,480,193</u>	<u>10,394,967</u>	<u>2,387,472</u>	<u>27,136,882</u>
Total Liabilities and Fund Balances	<u>\$ 10,443,691</u>	<u>\$ 4,934,619</u>	<u>\$ 2,006,230</u>	<u>\$ 10,820,212</u>	<u>\$ 3,098,475</u>	<u>\$ 31,303,227</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, 2007

Amounts reported for governmental activities in the statement of net assets (page 21) are different because of the following:

Fund balances - total governmental funds (page 23)	\$	27,136,882
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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	\$	179,926,317	
Less accumulated depreciation		<u>(62,189,275)</u>	
Net capital assets			117,737,042

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

Pension asset	10,121
OPEB asset	130,700
Property tax receivables greater than 60 days	495,815
Sewer assessments receivable	526,037
Interest receivable on property taxes	238,141

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.

192,350

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

Bonds payable	(38,575,000)
Unamortized bond premium	(506,366)
Clean Water Fund 2% loan	(19,864,902)
Notes payable	(135,412)
Interest payable on bonds	(574,572)
Compensated absences	(849,737)
Claims payable	<u>(100,000)</u>

Net Assets of Governmental Activities (page 21)	\$	<u><u>85,861,099</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, 2007

	<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 Fund</u>
Revenues:						
Property taxes	\$ 72,405,901	\$	\$	\$	\$	\$ 72,405,901
Intergovernmental	7,578,276			1,352,273	3,197,024	12,127,573
Investment income	1,430,221	211,571	56,218	6,722	65,196	1,769,928
Charges for goods and services	1,079,524				2,919,079	3,998,603
Licenses and permits	383,947				16,793	400,740
Rental of town owned property	11,242					11,242
Local revenues	374,484					374,484
Assessments	5,349	2,231,267	279,359			2,515,975
Other		248,476	25,437		767,642	1,041,555
Total revenues	<u>83,268,944</u>	<u>2,691,314</u>	<u>361,014</u>	<u>1,358,995</u>	<u>6,965,734</u>	<u>94,646,001</u>
Expenditures:						
Current:						
General government	2,276,142			81,430	68,863	2,426,435
Planning and development	683,705			9,781	205,822	899,308
Public safety	3,668,210				270,364	3,938,574
Facility management	2,844,195	1,593,639		171,734	361,136	4,970,704
Culture and recreation	1,852,319			195,011	1,619,599	3,666,929
Health and welfare	469,601				149,103	618,704
Fringe benefits and insurances	4,652,868					4,652,868
Education	59,059,976			245,131	4,048,231	63,353,338
Special projects	172,910					172,910
Capital outlay - Town	261,807	14,711		6,334,576	558,636	7,169,730
Capital outlay - education				2,096,536	205,282	2,301,818
Debt service:						
Principal payments	4,115,000				7,123	4,122,123
Interest and other	1,255,670				1,399	1,257,069
Total expenditures	<u>81,312,403</u>	<u>1,608,350</u>	<u>-</u>	<u>9,134,199</u>	<u>7,495,558</u>	<u>99,550,510</u>
Excess (Deficiency) of Revenues over Expenditures	<u>1,956,541</u>	<u>1,082,964</u>	<u>361,014</u>	<u>(7,775,204)</u>	<u>(529,824)</u>	<u>(4,904,509)</u>
Other Financing Sources (Uses):						
Transfers in	454,105			3,080,742	590,202	4,125,049
Transfers out	(3,620,532)			(406,142)	(98,375)	(4,125,049)
General obligation bonds issued				9,865,000		9,865,000
Clean water loans issued				4,292,415		4,292,415
Premium on general obligation bonds				181,304		181,304
Total other financing sources (uses)	<u>(3,166,427)</u>	<u>-</u>	<u>-</u>	<u>17,013,319</u>	<u>491,827</u>	<u>14,338,719</u>
Net Change in Fund Balances	(1,209,886)	1,082,964	361,014	9,238,115	(37,997)	9,434,210
Fund Balances at Beginning of Year	<u>9,270,813</u>	<u>3,730,359</u>	<u>1,119,179</u>	<u>1,156,852</u>	<u>2,425,469</u>	<u>17,702,672</u>
Fund Balances at End of Year	<u>\$ 8,060,927</u>	<u>\$ 4,813,323</u>	<u>\$ 1,480,193</u>	<u>\$ 10,394,967</u>	<u>\$ 2,387,472</u>	<u>\$ 27,136,882</u>

TOWN OF SIMSBURY, CONNECTICUT

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

FOR THE YEAR ENDED JUNE 30, 2007

Amounts reported for governmental activities in the statement of activities (page 22) are different because of the following:

Net change in fund balances - total governmental funds (page 25)	\$ 9,434,210
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	10,578,368
Depreciation expense	(3,097,169)
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	(36,734)
Sewer assessment revenue	228,911
Interest income on property taxes	(25,145)
Change in pension and OPEB assets	130,205
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	(14,157,415)
Premium on bonds issued (net of amortization)	(144,196)
Accrued interest	(20,945)
Principal payments	4,122,123
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	(37,828)
The net loss of the internal service funds is reported with governmental activities.	<u>(283,124)</u>
Change in Net Assets of Governmental Activities (page 22)	<u>\$ 6,691,261</u>

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, 2007

	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	\$ 72,562,608	\$ 72,562,608	\$ 72,405,901	\$ (156,707)	\$	\$	\$	\$ -
Intergovernmental revenues	3,107,718	3,107,718	4,033,483	925,765				-
Investment income	750,000	750,000	1,430,221	680,221	97,980	97,980	211,571	113,591
Charges for goods and services	939,942	939,942	1,079,524	139,582	400,498	400,498	248,476	(152,022)
Rental of town-owned property	8,000	8,000	11,242	3,242				-
Licenses and permits	355,550	355,550	383,947	28,397				-
Local revenue	143,500	143,500	374,484	230,984				-
Assessments			5,349	5,349	1,930,820	1,930,820	2,231,267	300,447
Total revenues	<u>77,867,318</u>	<u>77,867,318</u>	<u>79,724,151</u>	<u>1,856,833</u>	<u>2,429,298</u>	<u>2,429,298</u>	<u>2,691,314</u>	<u>262,016</u>
Expenditures:								
Current:								
General government	1,902,923	2,292,452	2,273,412	19,040				-
Planning and development	654,741	686,718	683,705	3,013				-
Public safety	3,449,344	3,677,679	3,668,210	9,469				-
Facility management	3,150,416	3,176,072	3,123,185	52,887	1,851,923	1,851,923	1,616,216	235,707
Culture and recreation	1,903,550	1,860,640	1,855,136	5,504				-
Health and welfare	480,776	474,454	469,601	4,853				-
Fringe benefits and insurance	4,218,373	4,526,452	4,494,995	31,457				-
Education	55,727,260	55,742,260	55,724,738	17,522				-
Special projects	551,596	176,813	176,813	-				-
Debt service	5,370,670	5,370,670	5,370,670	-				-
Total expenditures	<u>77,409,649</u>	<u>77,984,210</u>	<u>77,840,465</u>	<u>143,745</u>	<u>1,851,923</u>	<u>1,851,923</u>	<u>1,616,216</u>	<u>235,707</u>
Excess (Deficiency) of Revenues over Expenditures	<u>457,669</u>	<u>(116,892)</u>	<u>1,883,686</u>	<u>2,000,578</u>	<u>577,375</u>	<u>577,375</u>	<u>1,075,098</u>	<u>497,723</u>
Other Financing Sources (Uses):								
Transfers from other funds	10,000	10,000	454,105	444,105				-
Transfers to other funds	(467,669)	(3,620,532)	(3,620,532)	-				-
Net other financing sources (uses)	<u>(457,669)</u>	<u>(3,610,532)</u>	<u>(3,166,427)</u>	<u>444,105</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>\$ (3,727,424)</u>	<u>(1,282,741)</u>	<u>\$ 2,444,683</u>	<u>\$ 577,375</u>	<u>\$ 577,375</u>	<u>1,075,098</u>	<u>\$ 497,723</u>
Fund Balances at Beginning of Year			<u>8,887,767</u>				<u>3,730,359</u>	
Fund Balances at End of Year			<u>\$ 7,605,026</u>				<u>\$ 4,805,457</u>	

TOWN OF SIMSBURY, CONNECTICUT
STATEMENT OF NET ASSETS - PROPRIETARY FUNDS
JUNE 30, 2007

	<u>Governmental Activities</u> <u>Internal Service Fund</u>
Assets:	
Current assets:	
Cash and cash equivalents	\$ 830,285
Accounts receivable, net	237,103
Total current assets	<u>1,067,388</u>
Liabilities:	
Noncurrent liabilities:	
Claim incurred but not reported	<u>875,038</u>
Net Assets:	
Unrestricted	\$ <u><u>192,350</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, 2007

	<u>Governmental Activities Internal Service Fund</u>
Operating Revenues:	
Charges for services	\$ 4,565,361
Intergovernmental	48,409
Total operating revenues	<u>4,613,770</u>
Operating Expenses:	
Claims incurred	4,143,707
Administration and stop loss insurance fees	753,187
Total operating expenses	<u>4,896,894</u>
Change in Net Assets	(283,124)
Net Assets at Beginning of Year	<u>475,474</u>
Net Assets at End of Year	<u><u>\$ 192,350</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, 2007

	<u>Governmental Activities Internal Service Fund</u>
Cash Flows from Operating Activities:	
Receipts from customers and users	\$ 4,376,667
Payments of claims	<u>(4,418,856)</u>
Net cash used in operating activities	<u>(42,189)</u>
Net Decrease in Cash and Cash Equivalents	(42,189)
Cash and Cash Equivalents at Beginning of Year	<u>872,474</u>
Cash and Cash Equivalents at End of Year	<u><u>\$ 830,285</u></u>
Reconciliation of Operating Loss to Net Cash Used in Operating Activities:	
Operating loss	\$ (283,124)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Increase in accounts receivable	(237,103)
Increase in claims payable	<u>478,038</u>
Net Cash Used in Operating Activities	<u><u>\$ (42,189)</u></u>

The accompanying notes are an integral part of the financial statements

TOWN OF SIMSBURY, CONNECTICUT

STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUNDS

JUNE 30, 2007

	Pension Trust Funds	Other Post Employment Benefit Trust Fund	Agency Fund School Activity Fund
	<u> </u>	<u> </u>	<u> </u>
Assets:			
Cash and cash equivalents	\$ 47,666	\$ 676,413	\$ 503,318
Due from brokers	<u>163,000</u>	<u> </u>	<u> </u>
Investments, at fair value:			
Frank Russell Multi Managed Bond Fund	9,931,513		
Frank Russell Emerging Market Fund	1,944,350		
Frank Russell Fixed Income Fund II	4,012,493		
Frank Russell International Equity Fund	4,289,514		
Frank Russell Equity Fund I	12,096,013		
Frank Russell Equity Fund II	6,120,066		
Frank Russell Real Estate Equity Fund	2,329,613		
Total investments	<u>40,723,562</u>	<u> </u>	<u> </u>
Total assets	40,934,228	676,413	503,318
Liabilities:			
Due to student groups	<u> </u>	<u> </u>	<u>503,318</u>
Net Assets:			
Held in Trust for Pension Benefits and Other Purposes	<u>\$ 40,934,228</u>	<u>\$ 676,413</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, 2007

	Pension Trust Funds	Other Post Employment Benefit Trust Fund
	<u> </u>	<u> </u>
Additions:		
Contributions		
Employer	\$ 1,499,421	\$ 1,280,928
Plan members	437,988	817,772
Other	15	
Total contributions	<u>1,937,424</u>	<u>2,098,700</u>
Investment earnings:		
Net increase in fair value of investments	5,730,477	
Interest	3,300	26,413
Total investment earnings	<u>5,733,777</u>	<u>26,413</u>
Less investment expenses:		
Investment management fees	226,435	
Custodian fees	44,173	
Net investment income	<u>5,463,169</u>	<u>26,413</u>
Total additions	<u>7,400,593</u>	<u>2,125,113</u>
Deductions:		
Benefits	2,102,609	1,448,700
Administrative expense	34,980	
Total deductions	<u>2,137,589</u>	<u>1,448,700</u>
Net Change in Net Assets	5,263,004	676,413
Net Assets at Beginning of Year	<u>35,671,224</u>	<u>-</u>
Net Assets at End of Year	<u>\$ 40,934,228</u>	<u>\$ 676,413</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, 2006. 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, the exception being interfund services provided and used. These services are not eliminated in the process of consolidation.

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. Certain indirect costs are allocated as part of the program expense reported for individual functions and activities. Governmental activities are normally supported by taxes and intergovernmental revenues. 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. Agency funds also use the accrual basis of accounting, but have no measurement focus since they report only assets and liabilities.

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.

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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.

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 *Other Post Employment Benefit Trust Fund* is used to account for the activities for both Town and Board of Education for other post employment benefits (e.g., health insurance, life insurance) which accumulate resources for other post employment benefit payments to qualified employees.

The *Agency Funds* account for monies held by the Town as a custodian for various school groups and clubs.

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

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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.

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 funds 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 Town'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 and Prepaid Items

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 are 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 Structure	40-60
Site lighting	20
<u>Land and Buildings:</u>	
Land	-
Buildings	50
Improvements	10-25
Construction in progress	-
<u>Vehicles and Equipment:</u>	
Computer equipment	5
Contractor's equipment	10
Furniture and fixtures	20
Miscellaneous equipment	5-10
Vehicles	3-10

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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.

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.

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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

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

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.

Taxes not paid within 30 days of the due date are subject to an interest charge of 1.5% per month. 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.

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

Budgets for the General Fund, Sewer Use Fund, Residential Rental Properties Fund, Animal Control 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, Animal Control Fund and Simsbury Farms Fund.

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 general-purpose 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.

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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 Animal Control 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.

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 \$3,727,424 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, 2007 follows:

	General Fund	Sewer Use Fund
	<u> </u>	<u> </u>
Excess (deficiency) of revenues and other sources over expenditures and other uses for budgeted funds - budgetary basis	\$ (1,282,741)	\$ 1,075,098
Timing difference:		
Change in reserve for encumbrances	<u>72,855</u>	<u>7,866</u>
Net Change in Fund Balance - GAAP Basis	<u>\$ (1,209,886)</u>	<u>\$ 1,082,964</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 deposit 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*, \$1,452,641 of the Town's bank balance of \$1,778,350 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$	1,208,893
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name		243,748
Total Amount Subject to Custodial Credit Risk	\$	1,452,641

Investments

As of June 30, 2007, 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	\$ 24,855,899	\$ 24,855,899		\$
Fixed income	n/a	15,888,356	15,888,356		
Reich and Tang	n/a	10,017	10,017		
State of CT STIF	AAAm	10,588,237	10,588,237		
MBIA Class Plus	AAA	17,124,868	17,124,868		
Total		\$ 68,467,377	\$ 68,467,377	-	\$ -

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 MBIA Class Investments are 2a-7 like pools.

Credit Risk - The Town's investment policy limits its investments to those in conformance with State of Connecticut General Statutes 3-27(a), 3-27(b) and 7-400 governing qualified public depositories. Funds may be invested in: a) U.S. Treasury bills; b) Treasury Notes or Bonds maturing within 270 days; c) insured or collateralized certificate of deposit of banks

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

and savings and loan associations maturing within 270 days; d) repurchase agreements collateralized by U.S. Treasury Securities and marked-to-market; e) the State Short Term Investment Fund (STIF); and f) CLASS MBIA Plus.

Concentration of Credit Risk - Maturities shall be staggered to avoid undue concentration of funds in a specific maturity. At least 10% 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 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>Nonmajor Governmental Funds</u>	<u>Internal Service Fund</u>	<u>Total</u>
Receivables:						
Accounts	\$ 1,230	\$ 23,925		\$ 128,038	\$ 237,103	\$ 390,296
Property taxes	779,405					779,405
Special assessments	108,406	26,275	526,037			660,718
Due from other governments	<u>267</u>			<u>222,993</u>		<u>223,260</u>
Total Receivables	<u>\$ 889,308</u>	<u>\$ 50,200</u>	<u>\$ 526,037</u>	<u>\$ 351,031</u>	<u>\$ 237,103</u>	<u>\$ 2,053,679</u>

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

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

the current fiscal year, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

	Unavailable	Unearned
General Fund:		
Delinquent property taxes receivable	\$ 495,815	\$
Property taxes collected in advance		25,449
Sewer Use Fund:		
Grant		9,750
Sewer Assessment Fund:		
Sewer assessment receivable	526,037	
Other Governmental Funds		
Miscellaneous grants		49,797
Various education grants		50,029
Total Deferred/Unearned Revenue for Governmental Funds	\$ 1,021,852	\$ 135,025

C. Capital Assets

Capital asset activity for the year ended June 30, 2007 was as follows:

	Beginning Balance	Increases	Decreases	Adjustments	Ending Balance
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 5,626,689	\$	\$	\$	\$ 5,626,689
Development rights	1,530,000				1,530,000
Construction in progress	59,021,775	7,993,319	3,422,291	(692,371)	62,900,432
Total capital assets not being depreciated	66,178,464	7,993,319	3,422,291	(692,371)	70,057,121
Capital assets being depreciated:					
Buildings and improvements	51,104,887	1,653,992		(2,273,453)	50,485,426
Land improvements	4,298,217	2,054,483			6,352,700
Equipment	16,086,195	1,101,067	278,278		16,908,984
Infrastructure	35,591,718	530,368			36,122,086
Total capital assets being depreciated	107,081,017	5,339,910	278,278	(2,273,453)	109,869,196
Less accumulated depreciation for:					
Buildings and improvements	24,971,209	1,317,271		(3,633,254)	22,655,226
Land improvements	3,665,963	178,692			3,844,655
Equipment	13,771,615	851,563	278,278		14,344,900
Infrastructure	20,594,851	749,643			21,344,494
Total accumulated depreciation	63,003,638	3,097,169	278,278	(3,633,254)	62,189,275
Total capital assets being depreciated, net	44,077,379	2,242,741	-	1,359,801	47,679,921
Governmental Activities Capital Assets, Net	\$ 110,255,843	\$ 10,236,060	\$ 3,422,291	\$ 667,430	\$ 117,737,042

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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

Governmental activities:	
General government	\$ 267,528
Education	1,140,062
Planning and development	2,840
Public safety	140,911
Facility management	1,215,654
Culture and recreation	324,575
Health and welfare	<u>5,599</u>
 Total Depreciation Expense - Governmental Activities	 \$ <u><u>3,097,169</u></u>

Construction Commitments

The government has active construction projects. The following is a summary of capital projects as of June 30, 2007:

<u>Project</u>	<u>Project Authorization</u>	<u>Spent to Date</u>
<u>Sewer Extension Projects:</u>		
Project 2006	\$ 240,000	\$ 76,720
<u>Town Projects:</u>		
Townwide technology integration	287,000	285,139
Townwide computer technology	330,000	245,633
Sewer Treatment Plant Renovation & Expansion 5/02	26,840,083	25,537,165
Development Rights 5/02	1,000,000	725,134
Economic Development Fund 5/02	250,000	143,109
Sewer Rehab - Church & Elm St 5/04	100,000	72,534
Library Expansion Design Services 3/05	200,000	103,695
Greenway 5/05	750,000	370,460
Golf Course Improvements 5/05	600,000	574,284
Park Improvements 5/06	450,000	226,005
Library Expansion 5/06	6,100,000	972,617
Ethel Walker Land Option Purchase 10/06	1,000,000	
Ethel Walker Land Purchase 11/06	7,000,000	

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Education Projects:

Tootin Hills expansion project	4,529,107	4,041,041
Henry James expansion project	3,581,662	3,555,506
Henry Jame expansion project phase II 5/00	1,260,000	1,250,662
Simsbury High School Addition and Alteration 5/02	43,178,567	35,721,813
Modular classrooms 5/02	340,000	299,339
System Window Treatment Project 5/02	220,000	126,428
Central School Roof Replacement 5/04	325,000	271,768
SHS Auditorium Improvement 5/04	712,500	250,783
Elementary Modular Classrooms 5/04	500,000	498,541
System HVAC/Boiler Replacement 5/05	500,000	470,476
Computer Technology Improvement 5/06	450,000	40,409
Tariffville Expansion 5/06	6,200,000	101,643
System Telecommunication, Security Lighting Upgrade 5/06	420,000	348,311

Total	\$ 107,363,919	\$ 76,309,215
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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, 2007 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 80,114

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>Nonmajor Governmental Funds</u>	<u>Total Transfers Out</u>
Transfers in:				
General Fund	\$	\$ 3,080,742	\$ 539,790	\$ 3,620,532
Capital Project Fund	406,142			406,142
Other Governmental Funds	47,963		50,412	98,375
Total Transfers In	\$ 454,105	\$ 3,080,742	\$ 590,202	\$ 4,125,049

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, 2007, 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	\$ 32,825,000	\$ 9,865,000	\$ 4,115,000	\$ 38,575,000	\$ 4,465,000
Premium on bonds issued	362,170	181,304	37,108	506,366	
Loan payable - Clean Water Fund	15,572,487	4,292,415		19,864,902	
Loan payable - State of Connecticut	142,535		7,123	135,412	7,195
Total bonds and loans payable	<u>48,902,192</u>	<u>14,338,719</u>	<u>4,159,231</u>	<u>59,081,680</u>	<u>4,472,195</u>
Compensated absences	811,909	141,867	104,039	849,737	625,263
Landfill	<u>100,000</u>			<u>100,000</u>	
Total Governmental Activities Long-Term Liabilities	<u>\$ 49,814,101</u>	<u>\$ 14,480,586</u>	<u>\$ 4,263,270</u>	<u>\$ 60,031,417</u>	<u>\$ 5,097,458</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, general obligation bonds totaling \$9,865,000 were issued.

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. 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, 2007</u>
General Obligation Bonds	2/1/00	\$ 5,000,000	5.00-5.20%	2/1/10	\$ 550,000 - 450,000	\$ 1,400,000
General Obligation Bonds	2/15/01	4,240,000	3.50-5.00%	2/15/11	400,000	1,600,000
General Obligation Bonds	9/1/03	23,765,000	1.50-4.25%	1/15/18	1,560,000 - 1,880,000	17,190,000
General Obligation Bonds	4/1/05	5,000,000	3.00-3.75%	1/15/15	350,000 - 520,000	4,130,000
General Obligation Bonds	3/1/06	4,880,000	3.625-4.00%	1/15/16	480,000 - 490,000	4,390,000
General Obligation Bonds	4/18/07	9,865,000	3.75-4.00%	1/15/17	985,000 - 990,000	<u>9,865,000</u>
Total						\$ <u>38,575,000</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>
2008	\$ 4,465,000	\$ 1,395,786	\$ 5,860,786
2009	4,415,000	1,334,938	5,749,938
2010	4,415,000	1,170,025	5,585,025
2011	3,960,000	1,003,588	4,963,588
2012	3,560,000	851,700	4,411,700
2013-2017	16,200,000	2,199,800	18,399,800
2018	<u>1,560,000</u>	<u>66,300</u>	<u>1,626,300</u>
	\$ <u>38,575,000</u>	\$ <u>8,022,137</u>	\$ <u>46,597,137</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, 2007, the Town's loan obligation is \$19,864,902. This project is nearing completion, and there is a projected project closing date of March 2008. It is projected that the payments will begin on the 20-year, 2% loan program in September 2008. The loan will be repaid by future sewer user charges.

Project Loan

The project loan obligation was issued by the State of Connecticut Department of Housing. 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>
2008	\$ 7,195	\$ 1,327	\$ 8,522
2009	7,267	1,255	8,522
2010	7,340	1,182	8,522
2011	7,414	1,108	8,522
2012	7,488	1,034	8,522
2013-2017	38,583	4,027	42,610
2018-2022	40,558	2,052	42,610
2023-2025	19,567	253	19,820
	<u>\$ 135,412</u>	<u>\$ 12,238</u>	<u>\$ 147,650</u>

Authorized But Unissued Bonds

The total of authorized but unissued bonds (net of projected grants) at June 30, 2007 is \$16,819,313. In some cases, interim financing is obtained through bond anticipation notes or other short-term borrowings until the issuance of long-term debt.

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

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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.

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 the last three completed years of employment for the

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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, 2006, plan membership consisted of the following:

	General Government Plan	Police Plan	Board of Education Plan
Retirees and beneficiaries currently receiving benefits	59	22	86
Vested terminated employees	45	2	44
Active employees	104	34	165
Total Participants	208	58	295

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 when due pursuant to formal commitments, as well as statutory or contractual requirements. 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.

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 \$499,353 were made in accordance with actuarially determined requirements. The contribution represents 100% of the actuarially determined contribution and 9.07% of covered payroll. State of

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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 \$380,508 were made in accordance with actuarially determined requirements. The contribution represents 100% of the actuarially determined contribution and 15.56% 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 \$619,560 were made in accordance with actuarially determined requirements. The contribution represents 100% of the actuarially determined contribution and 10.71% 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.

Concentrations

Investments that represent greater than 5% of net assets at June 30, 2007 are as follows:

	<u>General Government</u>		<u>Police</u>		<u>Board of Education</u>
Frank Russell Multi Managed Bond Fund	\$ 3,932,639	\$	3,286,298	\$	2,712,576
Frank Russell Fixed Income Fund II	1,588,850		1,327,718		1,095,925
Frank Russell International Equity Fund	1,699,517		1,420,009		1,169,988
Frank Russell Equity Fund I	4,791,498		4,003,674		3,300,841
Frank Russell Equity Fund II	2,424,286		2,025,684		1,670,096
Frank Russell Real Estate Equity Fund	941,611		769,982		618,020

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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, 2007 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)	\$ 499,353	\$ 380,508	\$ 619,560	\$ 1,499,421
Interest on net pension obligation			(849)	(849)
Adjustment to annual required contribution			1,344	1,344
Annual pension cost	499,353	380,508	620,055	1,499,916
Contributions made	499,353	380,508	619,560	1,499,421
Decrease in net pension obligation	-	-	495	495
Net pension obligation (asset), beginning of year	-	-	(10,616)	(10,616)
Net Pension Obligation (Asset), End of Year	\$ -	\$ -	\$ (10,121)	\$ (10,121)

The annual required contribution for the current year was determined as part of the July 1, 2006 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.

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Three-Year Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Actual Contribution	Percentage of APC Contributed	Net Pension Obligation
General Government:				
6/30/05	\$ 346,341	\$ 346,341	100.0%	\$ -
6/30/06	457,749	457,749	100.0	-
6/30/07	499,353	499,353	100.0	-
Police:				
6/30/05	\$ 244,811	\$ 244,811	100.0%	\$ -
6/30/06	275,841	275,841	100.0	-
6/30/07	380,508	380,508	100.0	-
Board of Education:				
6/30/05	\$ 362,792	\$ 362,557	99.9%	\$ (11,074)
6/30/06	515,187	514,729	99.9	(10,616)
6/30/07	620,055	619,560	99.9	(10,121)

Financial statements for each individual pension plan are as follows:

	General Government Pension Fund	Board of Education Pension Fund	Police Pension Fund	Pension Trust Funds
Assets:				
Cash and short-term investments	\$ 14,979	\$ 14,380	\$ 18,307	\$ 47,666
Due from brokers	60,000	52,000	51,000	163,000
Investments, at fair value:				
Frank Russell Multi Managed Bond Fund	3,932,639	2,712,576	3,286,298	9,931,513
Frank Russell Emerging Market Fund	770,839	529,546	643,965	1,944,350
Frank Russell Fixed Income Fund II	1,588,850	1,095,925	1,327,718	4,012,493
Frank Russell International Equity Fund	1,699,517	1,169,988	1,420,009	4,289,514
Frank Russell Equity Fund I	4,791,498	3,300,841	4,003,674	12,096,013
Frank Russell Equity Fund II	2,424,286	1,670,096	2,025,684	6,120,066
Frank Russell Real Estate Equity Fund	941,611	618,020	769,982	2,329,613
Total investments	<u>16,149,240</u>	<u>11,096,992</u>	<u>13,477,330</u>	<u>40,723,562</u>
Net Assets:				
Held in Trust for Pension Benefits and Other Purposes	<u>\$ 16,224,219</u>	<u>\$ 11,163,372</u>	<u>\$ 13,546,637</u>	<u>\$ 40,934,228</u>

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

	<u>Government Pension Fund</u>	<u>Education Pension Fund</u>	<u>Police Pension Fund</u>	<u>Pension Trust Funds</u>
Additions:				
Contributions				
Employer	\$ 499,353	\$ 619,560	\$ 380,508	\$ 1,499,421
Plan members	157,054	126,397	154,537	437,988
Other	15			15
Total contributions	<u>656,422</u>	<u>745,957</u>	<u>535,045</u>	<u>1,937,424</u>
Investment earnings:				
Net increase in fair value of investments	2,252,036	1,582,376	1,896,065	5,730,477
Interest	1,027	1,313	960	3,300
Total investment earnings	<u>2,253,063</u>	<u>1,583,689</u>	<u>1,897,025</u>	<u>5,733,777</u>
Less investment expenses:				
Investment management fees	89,375	62,037	75,023	226,435
Custodian fees	15,944	13,549	14,680	44,173
Net investment income	<u>2,147,744</u>	<u>1,508,103</u>	<u>1,807,322</u>	<u>5,463,169</u>
Total additions	<u>2,804,166</u>	<u>2,254,060</u>	<u>2,342,367</u>	<u>7,400,593</u>
Deductions:				
Benefits	736,267	669,882	696,460	2,102,609
Administrative expense	15,064	10,933	8,983	34,980
Total deductions	<u>751,331</u>	<u>680,815</u>	<u>705,443</u>	<u>2,137,589</u>
Net Change in Net Assets	2,052,835	1,573,245	1,636,924	5,263,004
Net Assets at Beginning of Year	<u>14,171,384</u>	<u>9,590,127</u>	<u>11,909,713</u>	<u>35,671,224</u>
Net Assets at End of Year	<u>\$ 16,224,219</u>	<u>\$ 11,163,372</u>	<u>\$ 13,546,637</u>	<u>\$ 40,934,228</u>

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 10 years of service, teachers are fully vested and entitled to a monthly pension benefit which is payable at the age of 60. The State of Connecticut contributes amounts based on actuarial reserve basis described in C.G.S. Sections 10-183b(7). The State's contribution to the plan on behalf of the Town for the fiscal year ended June 30, 2007 was \$3,544,793 and is recognized in the General Fund GAAP basis statement of revenues, expenditures and changes in fund balances. For the year ended June 30, 2007, teachers of the Town contributed \$2,046,155 to the plan, and covered payroll for the year was \$28,222,828.

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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.

C. Postemployment Healthcare Plan - Retiree Health Plan

Summary of Significant Accounting Policies

Basis of Accounting - The financial statements of the Retiree Health Plan (RHP) are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Administrative costs of the plan are paid by the Town.

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

Plan Description

The RHP is a single-employer defined benefit healthcare plan administered by the Town of Simsbury. The RHP provides medical, dental and life insurance benefits to eligible retirees and their spouses. All employees of the Town are eligible to participate in the plan. Benefit provisions are established through negotiations between the Town and the various unions representing the employees.

The plan is considered to be part of the Town's financial reporting entity and is included in the Town's financial report as the Other Post-Employment Benefits Trust Fund. The plan does not issue a stand-alone financial report.

At July 1, 2006, plan membership consisted of the following:

	Retiree Health Plan
Retired members	194
Spouses of retired members	76
Active plan members	649
	<hr/>
Total Participants	919

Funding Policy

The contribution requirements of plan members and the Town are also negotiated with the various unions representing the employees. Retired plan members and beneficiaries

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

currently receiving benefits are required to contribute specified amounts monthly towards the cost of health insurance premiums as follows:

Town Employees

The cost per month for Town employees receiving coverage under ConnectiCare is \$376 per month for retiree only coverage and \$752 per month for retiree and spouse coverage to age 65, and \$381 and \$762 per month, respectively, thereafter. The cost per month for Town employees receiving coverage under CIGNA is \$578 per month for retiree only coverage and \$1,156 per month for retiree and spouse coverage to age 65, and \$186 and \$372 per month, respectively, thereafter.

Board of Education Employees

The cost per month for Board of Education employees receiving coverage under ConnectiCare is \$368 per month for retiree only coverage and \$736 per month for retiree and spouse coverage to age 65, and \$357 and \$714 per month, respectively, thereafter. The cost per month for Board of Education employees receiving coverage under CIGNA is \$525 per month for retiree only coverage and \$1,048 per month for retiree and spouse coverage to age 65, and \$186 and \$372 per month, respectively, thereafter.

For the year ended June 30, 2007, plan members contributed \$817,772. The Town is required to contribute the balance of the current premium cost and may contribute an additional amount as determined by the Town in order to prefund benefits.

Employer contributions to the plan of \$1,280,928 were made in accordance with actuarially determined requirements. Of this amount \$274,838 represents premium payments, \$356,090 represents implicit rate subsidy and \$650,000 was contributed to prefund benefits.

Annual OPEB Cost and Net OPEB Obligations

The Town of Simsbury's annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the Town's annual OPEB cost

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

for the year, the amount actually contributed to the plan, and changes in the Town's net OPEB obligation (asset):

	Retiree Health Plan
Annual required contribution (ARC)	\$ 1,968,000
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
Annual OPEB cost (expense)	1,968,000
Contributions made	2,098,700
Decrease in net OPEB obligation	130,700
Net OPEB obligation (asset), beginning of year	-
 Net OPEB Obligation (Asset), End of Year	 \$ (130,700)

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation (asset) for the fiscal year ending June 30, 2007 is presented below. Data is only presented for the fiscal year ending June 30, 2007, due to this being the year of transition.

Fiscal Year Ending	Annual OPEB Cost (AOC)	Actual Contribution	Percentage of AOC Contributed	Net OPEB Obligation (Asset)
6/30/07	\$ 1,968,000	\$ 2,098,700	106.64%	\$ (130,700)

As of July 1, 2006, the most recent actuarial valuation date, the plan was 0% funded. The actuarial accrued liability for benefits was approximately \$24 million, and the actuarial value of assets was \$-0-, resulting in an unfunded actuarial accrued liability (UAAL) of approximately \$24 million. The covered payroll (annual payroll of active employees covered by the plan) was not available.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as accrual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Projections for benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2006 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions include a 7.5% investment rate of return, which is the rate of the expected long-term investment returns of plan assets calculated based on the funding policy of the plan at the valuation date. The annual healthcare cost trend rate is 9% initially, reduced by decrements to an ultimate rate of 5% after four years. The general inflation assumption is 2.5% - 3.0%. Projected salary increases were 4%. The actuarial value of assets was determined using the closed group method. The UAAL is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at July 1, 2006 was 30 years.

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, 2007.

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 2007, total claims expense of \$4,143,707 was incurred, which represent claims processed and an estimate for claims incurred but not reported as of June 30, 2007.

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, 2007 of \$875,038.

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.

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

A schedule of changes in the claims liability for the years ended June 30, 2007 and 2006, is presented below:

	Accrued Liability Beginning of Fiscal Year		Current Year Claims and Changes in Estimates		Accrued Liability Claim Payments		Accrued Liability End of Fiscal Year
2005-06	\$ 608,000	\$	3,971,627	\$	4,182,627	\$	397,000
2006-07	397,000		4,143,707		3,665,669		875,038

The balance of accrued claims liability of \$875,038 at June 30, 2007 is expected to be paid within the next fiscal year.

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. Subsequent Events

On July 13, 2007, the Town closed on two land purchases:

Voters approved a \$1,000,000 appropriation for the options to purchase two separate 45-acre parcels of land from Ethel Walker School at a Special Town Meeting held on October 17, 2006. The first parcel is required to be purchased within a five-year period at an agreed price of \$2,000,000, and the second parcel is required to be purchased within a seven-year period at an agreed price of \$1,100,000.

Voters approved a \$7,000,000 appropriation to purchase over 300 acres of land from Ethel Walker School at a referendum on November 7, 2006. Of this appropriation, \$2,000,000 was approved to be funded from a transfer from General Fund reserves.

**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	\$ 10,279,184	\$ (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%
7/1/2005	13,109,718	14,510,879	1,401,161	90.34%	5,507,619	25.44%
<i>Police</i>						
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%
7/1/2005	10,998,691	12,086,785	1,088,094	91.00%	2,444,737	44.51%
<i>Board of Education</i>						
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%
7/1/2005	8,812,712	10,521,372	1,708,660	83.76%	5,784,204	29.54%

Schedule of Employer Contributions

<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>
6/30/2007	\$ 499,353	100%	\$ 380,508	100%	\$ 619,560	100%
6/30/2006	457,749	100%	275,641	100%	514,729	100%
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%

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

TOWN OF SIMSBURY, CONNECTICUT

**REQUIRED SUPPLEMENTARY INFORMATION -
OTHER POST-EMPLOYMENT BENEFITS TRUST FUND**

Schedule of Funding Progress

Plan Year	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
<i>Retiree Medical Program</i>						
7/1/2006	\$ -	\$ 24,002,900	\$ 24,002,900	0.00%	n/a	n/a

Schedule of Employer Contributions

Year Ended	Annual Required Contribution	Percentage Contributed
6/30/2007	\$ 1,968,000	107%

As June 30, 2007 was the transition year, information in these schedules is only presented for the current year.

n/a - The covered payroll is not available

**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 Projects Fund

The Capital projects 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, 2007
WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED JUNE 30, 2006**

	<u>2007</u>			Variance with Final Budget Positive (Negative)	<u>2006</u>
	Budgeted Amounts		Actual Amounts		Actual Amounts
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>		<u>(Budgetary Basis)</u>
Property Taxes:					
Current year taxes	\$ 71,982,608	\$ 71,982,608	\$ 71,745,689	\$ (236,919)	\$ 68,755,295
Prior year's taxes	330,000	330,000	391,220	61,220	323,689
Interest and lien fees	250,000	250,000	268,992	18,992	244,266
Total property taxes	<u>72,562,608</u>	<u>72,562,608</u>	<u>72,405,901</u>	<u>(156,707)</u>	<u>69,323,250</u>
Intergovernmental Revenues:					
State of Connecticut:					
Office of Policy and Management:					
Property tax relief:					
Disabled			718	718	598
Property tax relief - elderly	59,055	59,055	98,256	39,201	53,604
Additional veterans	4,524	4,524	3,879	(645)	4,524
Manufacturer's inventory	65,725	65,725	56,808	(8,917)	65,725
Boat registration	9,019	9,019	9,019	-	9,019
Department of Education:					
Education equalization grant	2,420,658	2,420,658	3,228,880	808,222	2,377,788
School building grant				-	107,345
School transportation	89,236	89,236	124,136	34,900	83,704
Adult education	6,365	6,365	8,171	1,806	6,555
Nonpublic schools - transportation	26,725	26,725	45,220	18,495	28,090
Miscellaneous:					
State-owned property	83,273	83,273	86,734	3,461	83,600
Telephone access line grant	135,919	135,919	123,789	(12,130)	135,919
Solid waste	125,000	125,000	135,806	10,806	149,819
Pequot casino revenue	57,039	57,039	62,181	5,142	57,621
COPS In School grant				-	2,083
Homeland Security grant			34,216	34,216	72,687
Other	5,000	5,000		(5,000)	2,500
Housing Authority in lieu of taxes	20,180	20,180	15,670	(4,510)	20,223
Total intergovernmental revenues	<u>3,107,718</u>	<u>3,107,718</u>	<u>4,033,483</u>	<u>925,765</u>	<u>3,261,404</u>
Investment income	<u>750,000</u>	<u>750,000</u>	<u>1,430,221</u>	<u>680,221</u>	<u>949,914</u>
Charges for Goods and Services:					
Conveyance tax receipts	477,000	477,000	540,464	63,464	505,065
Town clerk recording fees	200,000	200,000	153,292	(46,708)	173,242
Town clerk farmland preservation fees			5,319	5,319	4,119
Tax collector - fire district supplies, etc.	6,500	6,500	6,500	-	6,500
Police department - emergency reporting	20,000	20,000	20,000	-	20,000
Elderly/handicapped transportation	3,900	3,900	4,628	728	6,631
Library fines and fees	49,500	49,500	48,691	(809)	49,875
War Memorial pool	12,000	12,000	16,579	4,579	12,573
Education - tuition for regular education	44,542	44,542	107,025	62,483	53,842
Education - school rentals	45,000	45,000	96,347	51,347	88,604
Community gardens	1,500	1,500	679	(821)	1,335
World skate	80,000	80,000	80,000	-	255,498
Total charges for goods and services	<u>939,942</u>	<u>939,942</u>	<u>1,079,524</u>	<u>139,582</u>	<u>1,177,284</u>

(Continued on next page)

**TOWN OF SIMSBURY, CONNECTICUT
GENERAL FUND
STATEMENT OF REVENUES AND OTHER FINANCING SOURCES -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2007
WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED JUNE 30, 2006**

	<u>2007</u>				<u>2006</u>
	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>	<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	<u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>	<u>(Budgetary Basis)</u>
Rental of Town-Owned Property:					
Eno Memorial Hall	\$ 8,000	\$ 8,000	\$ 11,242	\$ 3,242	\$ 10,023
Licenses and Permits:					
Sporting licenses	500	500	494	(6)	444
Land use commission	15,000	15,000	13,469	(1,531)	12,025
Engineering department fees	800	800	1,524	724	9,887
Police department fees	1,250	1,250	1,727	477	1,650
Building department fees	338,000	338,000	366,733	28,733	422,155
Total licenses and permits	<u>355,550</u>	<u>355,550</u>	<u>383,947</u>	<u>28,397</u>	<u>446,161</u>
Other Local Revenues:					
Insurance refunds	10,000	10,000	388	(9,612)	22,621
Police accident reports, parking tickets, etc.	14,500	14,500	13,464	(1,036)	5,445
Board of education miscellaneous	15,000	15,000	1,295	(13,705)	11,119
EDC miscellaneous			5,950	5,950	-
Tax department miscellaneous			1,225	1,225	1,317
Town clerk miscellaneous	40,000	40,000	38,254	(1,746)	38,383
Building department miscellaneous			50	50	50
Senior center miscellaneous					25
Police department miscellaneous			118,676	118,676	-
Culture and Recreation miscellaneous			50	50	50
Central administration miscellaneous	64,000	64,000	195,132	131,132	122,957
Total other local revenues	<u>143,500</u>	<u>143,500</u>	<u>374,484</u>	<u>230,984</u>	<u>201,967</u>
Assessments					
Water assessments			5,349	5,349	162,523
			<u>5,349</u>	<u>5,349</u>	<u>162,523</u>
Total revenues	<u>77,867,318</u>	<u>77,867,318</u>	<u>79,724,151</u>	<u>1,856,833</u>	<u>75,532,526</u>
Other Financing Sources:					
Transfers from other funds					
Public Safety Program	10,000	10,000	47,964	37,964	9,466
Capital Project Fund			406,141	406,141	76,565
Debt service fund - sewer assessment				-	85,515
Total other financing sources	<u>10,000</u>	<u>10,000</u>	<u>454,105</u>	<u>444,105</u>	<u>171,546</u>
Total Revenues and Other Financing Sources	<u>\$ 77,877,318</u>	<u>\$ 77,877,318</u>	<u>\$ 80,178,256</u>	<u>\$ 2,300,938</u>	<u>\$ 75,704,072</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, 2007
WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED JUNE 30, 2006**

	<u>2007</u>			Variance with Final Budget Positive (Negative)	<u>2006</u>
	Budgeted Amounts		Actual Amounts		Actual Amounts
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>		<u>(Budgetary Basis)</u>
General Government:					
Central administration	\$ 442,388	\$ 644,671	\$ 644,669	\$ 2	\$ 501,374
Administration services	45,637	59,341	58,367	974	39,077
Board of Finance	9,312	17,863	17,859	4	8,607
Land use commission	50,259	52,239	52,237	2	22,204
Economic development commission	51,901	49,860	49,334	526	37,084
Historic district commission	1,711	1,711	1,070	641	192
Public building committee	3,231	3,231	2,261	970	3,631
Police commission	318	318	-	318	-
Beautification	3,900	3,900	3,629	271	3,906
Tourism committee	2,660	2,660	2,527	133	712
Elections	83,590	100,670	100,667	3	69,947
Finance department	317,917	280,276	277,670	2,606	294,668
Tax collector	139,547	133,507	130,437	3,070	146,481
Assessors	205,574	205,574	204,988	586	184,899
Data processing	103,196	101,163	99,974	1,189	90,326
Auditors	28,715	28,715	27,815	900	27,700
Legal	210,642	414,332	412,059	2,273	324,167
Town clerk	186,595	178,167	176,975	1,192	188,764
Probate court	5,600	5,600	4,628	972	2,865
Transportation	6,230	4,654	4,490	164	3,510
Miscellaneous	4,000	4,000	1,756	2,244	3,939
Total general government	<u>1,902,923</u>	<u>2,292,452</u>	<u>2,273,412</u>	<u>19,040</u>	<u>1,954,053</u>
Planning and Development:					
Director of community development	150,637	167,176	167,064	112	146,094
Planning department	59,820	72,750	72,749	1	44,473
Building department	182,751	173,601	171,371	2,230	178,378
Engineering	261,533	273,191	272,521	670	272,879
Total planning and development	<u>654,741</u>	<u>686,718</u>	<u>683,705</u>	<u>3,013</u>	<u>641,824</u>
Public Safety:					
Police	3,447,344	3,675,679	3,666,909	8,770	3,390,938
Civil preparedness	2,000	2,000	1,301	699	50
Total public safety	<u>3,449,344</u>	<u>3,677,679</u>	<u>3,668,210</u>	<u>9,469</u>	<u>3,390,988</u>
Facility Management:					
General administration	76,567	76,567	72,419	4,148	69,317
Building and grounds	630,376	671,058	668,431	2,627	590,089
Highway department	2,279,873	2,264,847	2,219,766	45,081	1,989,601
Landfill	163,600	163,600	162,569	1,031	138,755
Total facility management	<u>3,150,416</u>	<u>3,176,072</u>	<u>3,123,185</u>	<u>52,887</u>	<u>2,787,762</u>

(Continued on next page)

**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, 2007
WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED JUNE 30, 2006**

	<u>2007</u>			Variance with Final Budget Positive (Negative)	<u>2006</u>
	Budgeted Amounts		Actual Amounts (Budgetary Basis)		Actual Amounts (Budgetary Basis)
	<u>Original</u>	<u>Final</u>			
Culture and Recreation:					
Library	\$ 1,229,432	\$ 1,179,354	\$ 1,173,930	\$ 5,424	\$ 1,086,324
Recreation	113,535	118,660	118,655	5	111,128
Town parks and open space	560,583	562,626	562,551	75	569,393
Total culture and recreation	<u>1,903,550</u>	<u>1,860,640</u>	<u>1,855,136</u>	<u>5,504</u>	<u>1,766,845</u>
Health and Welfare:					
Health department	86,802	86,802	86,802	-	84,316
Social services administration	151,599	146,136	143,066	3,070	155,975
Elderly services outreach	131,302	130,443	128,660	1,783	114,842
Transportation	111,073	111,073	111,073	-	106,356
Total health and welfare	<u>480,776</u>	<u>474,454</u>	<u>469,601</u>	<u>4,853</u>	<u>461,489</u>
Fringe Benefits and Insurance:					
Social security	656,375	598,339	592,281	6,058	568,010
Town general liability insurance	387,871	923,627	922,942	685	361,353
Employee group insurance	2,368,619	2,201,378	2,184,711	16,667	1,688,150
Unemployment reserve	11,000	8,600	8,599	1	10,971
Pensions	794,508	794,508	786,462	8,046	532,451
Total fringe benefits and insurance	<u>4,218,373</u>	<u>4,526,452</u>	<u>4,494,995</u>	<u>31,457</u>	<u>3,160,935</u>
Board of Education	<u>55,727,260</u>	<u>55,742,260</u>	<u>55,724,738</u>	<u>17,522</u>	<u>50,176,680</u>
Special Projects					
Unnegotiated salary and benefits	<u>551,596</u>	<u>176,813</u>	<u>176,813</u>	<u>-</u>	<u>21,000</u>
Debt Service:					
Principal	4,115,000	4,115,000	4,115,000	-	3,900,000
Interest	1,255,670	1,255,670	1,255,670	-	1,258,210
Total debt service	<u>5,370,670</u>	<u>5,370,670</u>	<u>5,370,670</u>	<u>-</u>	<u>5,158,210</u>
Other Financing Uses:					
Transfers to other funds	<u>467,669</u>	<u>3,620,532</u>	<u>3,620,532</u>	<u>-</u>	<u>556,056</u>
Total Expenditures and Other Financing Uses	<u>\$ 77,877,318</u>	<u>\$ 81,604,742</u>	<u>\$ 81,460,997</u>	<u>\$ 143,745</u>	<u>\$ 70,075,842</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, 2007

	<u>Original Appropriation</u>	<u>Amended Appropriation</u>	<u>Actual Expenditures and Encumbrances</u>	<u>Variance Favorable (Unfavorable)</u>
General control	\$ 1,655,428	\$ 1,655,428	\$ 1,560,931	\$ 94,497
Instruction	34,312,425	34,312,425	34,821,753	(509,328)
Health education	540,395	540,395	517,963	22,432
Transportation	2,017,598	2,017,598	1,937,639	79,959
Operation of school plant	4,654,406	4,654,406	4,612,262	42,144
Maintenance of schools	1,347,098	1,347,098	1,616,408	(269,310)
Fixed charges	9,183,355	9,183,355	8,614,439	568,916
Food services	6,375	6,375	1,350	5,025
Student activities	451,993	451,993	467,151	(15,158)
Community service	45,520	45,520	44,055	1,465
Additional equipment	85,670	85,670	81,532	4,138
Tuition to other schools	995,000	995,000	1,008,576	(13,576)
Nonpublic schools	<u>446,997</u>	<u>446,997</u>	<u>440,679</u>	<u>6,318</u>
Total Expenditures	<u>\$ 55,742,260</u>	<u>\$ 55,742,260</u>	<u>\$ 55,724,738</u>	<u>\$ 17,522</u>

TOWN OF SIMSBURY, CONNECTICUT

CAPITAL PROJECT FUND

SCHEDULE OF EXPENDITURES COMPARED WITH APPROPRIATIONS

FOR THE YEAR ENDED JUNE 30, 2007

	Appropriations			Expenditures			Uncommitted Balance June 30, 2007
	Balance June 30, 2006	Current Year	Balance June 30, 2007	Balance June 30, 2006	Current Year	Balance June 30, 2007	
Sewer extension projects:							
Project 2004	\$ 240,000	\$	\$ 240,000	\$ 144,986	\$ 95,014	\$ 240,000	\$ -
Project 2006	240,000		240,000	-	76,720	76,720	163,280
Town projects:							
Townwide Technology Integration	287,000		287,000	279,132	6,007	285,139	1,861
Townwide computer technology	330,000		330,000	245,633		245,633	84,367
Water main installations	120,000	(28,311)	91,689	91,689		91,689	-
Sewer Treatment Plant							
Renovation & Expansion 5/02	26,840,083		26,840,083	20,879,118	4,658,047	25,537,165	1,302,918
Development Rights 5/02	1,000,000		1,000,000	715,353	9,781	725,134	274,866
Economic Development Fund 5/02	250,000		250,000	67,686	75,423	143,109	106,891
Water main extensions 5/04	190,000	(189,400)	600	600		600	-
Highway Fleet Service Building 5/04	350,000		350,000	293,679	56,321	350,000	-
Sewer Rehab - Church & Elm Street 5/04	100,000		100,000	72,534		72,534	27,466
Library Expansion Design Services 3/05	200,000		200,000	64,265	39,430	103,695	96,305
Greenway 5/05	750,000		750,000	38,653	331,807	370,460	379,540
Golf Course Improvements 5/05	600,000		600,000	328,924	245,360	574,284	25,716
Park Improvements 5/06	450,000		450,000	-	226,005	226,005	223,995
Library Expansion 5/06	6,100,000		6,100,000	-	972,617	972,617	5,127,383
Ethel Walker Land Option Purchase 10/06		1,000,000	1,000,000	-			1,000,000
Ethel Walker Land Purchase 11/06		7,000,000	7,000,000	-			7,000,000
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	(405)	249,595	249,595		249,595	-
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	34,612,000	1,109,813	35,721,813	7,456,754
Modular Classrooms 5/02	340,000		340,000	278,629	20,710	299,339	40,661
System Flooring Replacement 5/02	250,000		250,000	212,584	37,416	250,000	-
System Window Treatment Project 5/02	220,000		220,000	101,991	24,437	126,428	93,572
Central School Roof Replacement 5/04	325,000		325,000	21,920	249,848	271,768	53,232
SHS Auditorium Improvement 5/04	712,500		712,500	52,042	198,741	250,783	461,717
Computer technology improv 5/04	300,000		300,000	206,929	93,071	300,000	-
Elementary Modular Classrooms 5/04	500,000		500,000	470,041	28,500	498,541	1,459
System HVAC / Boiler Replacement 5/05	500,000		500,000	441,388	29,088	470,476	29,524
Simsbury High School Track & Field 9/05	2,095,014	(1,005)	2,094,009	2,034,329	59,680	2,094,009	-
Computer technology improv 5/06	450,000		450,000	-	40,409	40,409	409,591
Tariffville expansion project 5/06	6,200,000		6,200,000	-	101,643	101,643	6,098,357
System Telecommunications, Security Lighting Upgrade	420,000		420,000	-	348,311	348,311	71,689
Totals	\$ 103,158,933	\$ 7,780,879	\$ 110,939,812	\$ 70,750,909	\$ 9,134,199	\$ 79,885,108	\$ 31,054,704

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.

Animal Control Fund - to account for the licensing of dogs and expenses of the Town's animal control 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.
- **LOCIP** - to account for document fees collected by Town Clerk's office to be used for expenditures that qualify under the State Local Capital Improvement (LOCIP) grants.
- **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 DARE 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.

- **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 \$726,042 as of June 30, 2007. 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 \$1,433,182 as of June 30, 2007. 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 for the well being of town citizens in need of assistance.
- **Expanded Dial-A-Ride** - to account for grant and expenditures related to an expanded dial-a-ride service to the elderly and disabled residents program.
- **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 in to the well being of town citizens in need of assistance. Interest income is earned on assets with a fair value of \$633,809 as of June 30, 2007. 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 in 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 \$345,351 as of June 30, 2007. 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 in 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, 2007

Special Revenue Funds

	<u>Residential Rental Properties</u>	<u>Animal Control Fund</u>	<u>Simsbury Farms Fund</u>	<u>General Government Program Fund</u>	<u>Public Safety Program Fund</u>	<u>Planning & Development Program Fund</u>	<u>Facilities Management Program Fund</u>
ASSETS							
Cash and cash equivalents	\$ 105,389	\$ 63,116	\$ 34,840	\$ 80,192	\$ 136,519	\$ 368,852	\$ 680,284
Investments							
Receivables:							
Accounts			3,000		25,220	63,512	
Due from other governments							
Inventories							
Total Assets	<u>\$ 105,389</u>	<u>\$ 63,116</u>	<u>\$ 37,840</u>	<u>\$ 80,192</u>	<u>\$ 161,739</u>	<u>\$ 432,364</u>	<u>\$ 680,284</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 506	\$ 1,716	\$ 28,595		\$ 60,893	\$ 66,629	\$ 27,103
Due to other funds							
Deferred revenue						49,797	
Total liabilities	<u>506</u>	<u>1,716</u>	<u>28,595</u>	<u>-</u>	<u>60,893</u>	<u>116,426</u>	<u>27,103</u>
Fund balances:							
Reserved for:							
Inventories							
Encumbrances		1,623	9,244				
Unreserved, reported in:							
Special revenue funds	104,883	59,777	1	80,192	100,846	315,938	653,181
Capital project funds							
Total fund balances	<u>104,883</u>	<u>61,400</u>	<u>9,245</u>	<u>80,192</u>	<u>100,846</u>	<u>315,938</u>	<u>653,181</u>
Total Liabilities and Fund Balances	<u>\$ 105,389</u>	<u>\$ 63,116</u>	<u>\$ 37,840</u>	<u>\$ 80,192</u>	<u>\$ 161,739</u>	<u>\$ 432,364</u>	<u>\$ 680,284</u>

TOWN OF SIMSBURY, CONNECTICUT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2007

	<u>Special Revenue Funds</u>				<u>Capital Project Funds</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	\$ 193,229	\$ 101,783	\$ 56,034	\$ 218,313	\$	\$ 305,940	\$ 2,344,491
Investments			369,166				369,166
Receivables:							
Accounts			14,458	21,848			128,038
Due from other governments					222,993		222,993
Inventories				33,787			33,787
Total Assets	\$ 193,229	\$ 101,783	\$ 439,658	\$ 273,948	\$ 222,993	\$ 305,940	\$ 3,098,475
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 2,586	\$ 187	\$	\$ 389	\$ 92,850	\$ 249,609	\$ 531,063
Due to other funds					80,114		80,114
Deferred revenue					50,029		99,826
Total liabilities	2,586	187	-	389	222,993	249,609	711,003
Fund balances:							
 Reserved for:							
Inventories				33,787			33,787
Encumbrances							10,867
 Unreserved, reported in:							
Special revenue funds	190,643	101,596	439,658	239,772			2,286,487
Capital project funds					56,331		56,331
Total fund balances	190,643	101,596	439,658	273,559	-	56,331	2,387,472
Total Liabilities and Fund Balances	\$ 193,229	\$ 101,783	\$ 439,658	\$ 273,948	\$ 222,993	\$ 305,940	\$ 3,098,475

**TOWN OF SIMSBURY, CONNECTICUT
COMBINING STATEMENTS OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2007**

	Special Revenue Funds						
	Residential Rental Properties	Animal Control Fund	Simsbury Farms Fund	General Government Program Fund	Public Safety Program Fund	Planning & Development Program Fund	Facilities Management Program Fund
Revenues:							
Property taxes	\$	\$	\$	\$	\$	\$	\$
Intergovernmental				7,000	45,456	15,610	182,381
Charges for goods and services	49,379		1,631,879	32,938	246,010	24,466	
Licenses and permits		16,793					
Investment income				1,019		4,131	15,985
Other						26,533	98,352
Total revenues	<u>49,379</u>	<u>16,793</u>	<u>1,631,879</u>	<u>40,957</u>	<u>291,466</u>	<u>70,740</u>	<u>296,718</u>
Expenditures							
Current operating:							
General government				20,662			
Planning and development						203,677	
Public safety		56,215			214,149		
Facility management	55,794						54,210
Culture and recreation			1,610,980				
Health and welfare							
Education							
Capital outlay - Town					120,745		122,750
Capital outlay - education							
Debt service:							
Principal payments	7,123						
Interest and other	1,399						
Total expenditures	<u>64,316</u>	<u>56,215</u>	<u>1,610,980</u>	<u>20,662</u>	<u>334,894</u>	<u>203,677</u>	<u>176,960</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(14,937)</u>	<u>(39,422)</u>	<u>20,899</u>	<u>20,295</u>	<u>(43,428)</u>	<u>(132,937)</u>	<u>119,758</u>
Other Financing Sources (Uses):							
Transfers in		44,633	36,363		90,000		
Transfers out		(2,391)	(48,020)		(47,964)		
Total other financing sources uses	<u>-</u>	<u>42,242</u>	<u>(11,657)</u>	<u>-</u>	<u>42,036</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(14,937)	2,820	9,242	20,295	(1,392)	(132,937)	119,758
Fund Balances at Beginning of Year	<u>119,820</u>	<u>58,580</u>	<u>3</u>	<u>59,897</u>	<u>102,238</u>	<u>448,875</u>	<u>533,423</u>
Fund Balances at End of Year	<u>\$ 104,883</u>	<u>\$ 61,400</u>	<u>\$ 9,245</u>	<u>\$ 80,192</u>	<u>\$ 100,846</u>	<u>\$ 315,938</u>	<u>\$ 653,181</u>

(Continued on next page)

**TOWN OF SIMSBURY, CONNECTICUT
COMBINING STATEMENTS OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2007**

	Special Revenue Funds				Capital Project Funds		Total Nonmajor Governmental Funds
	Health & Welfare Program Fund	Culture & Recreation Program Fund	Board of Education Program Fund	Cafeteria	State and Federal Education Grants	Capital and Nonrecurring Expenditures Fund	
Revenues:							
Property taxes	\$	\$	\$	\$	\$	\$	\$
Intergovernmental	47,054			158,181	2,425,104	316,238	3,197,024
Charges for goods and services			15,277	919,130			2,919,079
Licenses and permits							16,793
Investment income	2,882		41,087			92	65,196
Other	125,045	15,517	750			501,445	767,642
Total revenues	<u>174,981</u>	<u>15,517</u>	<u>57,114</u>	<u>1,077,311</u>	<u>2,425,104</u>	<u>817,775</u>	<u>6,965,734</u>
Expenditures							
Current operating:							
General government						48,201	68,863
Planning and development						2,145	205,822
Public safety							270,364
Facility management						251,132	361,136
Culture and recreation		5,948				2,671	1,619,599
Health and welfare	149,103						149,103
Education			27,495	1,129,972	2,425,104	465,660	4,048,231
Capital outlay - Town						315,141	558,636
Capital outlay - education						205,282	205,282
Debt service:							
Principal payments							7,123
Interest and other							1,399
Total expenditures	<u>149,103</u>	<u>5,948</u>	<u>27,495</u>	<u>1,129,972</u>	<u>2,425,104</u>	<u>1,290,232</u>	<u>7,495,558</u>
Excess (Deficiency) of Revenues over Expenditures	<u>25,878</u>	<u>9,569</u>	<u>29,619</u>	<u>(52,661)</u>	<u>-</u>	<u>(472,457)</u>	<u>(529,824)</u>
Other Financing Sources (Uses):							
Transfers in						419,206	590,202
Transfers out							(98,375)
Total other financing sources uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>419,206</u>	<u>491,827</u>
Net Change in Fund Balances	25,878	9,569	29,619	(52,661)	-	(53,251)	(37,997)
Fund Balances at Beginning of Year	<u>164,765</u>	<u>92,027</u>	<u>410,039</u>	<u>326,220</u>	<u>-</u>	<u>109,582</u>	<u>2,425,469</u>
Fund Balances at End of Year	<u>\$ 190,643</u>	<u>\$ 101,596</u>	<u>\$ 439,658</u>	<u>\$ 273,559</u>	<u>\$ -</u>	<u>\$ 56,331</u>	<u>\$ 2,387,472</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, 2007

	Residential Rental Properties				Animal Control 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	\$	\$	\$	\$ -	\$	\$	\$	\$ -	\$ 1,641,005	\$ 1,641,005	\$ 1,620,574	\$ (20,431)
Rental of town-owned property	57,427	57,427	49,379	(8,048)				-	16,000	16,000	11,305	(4,695)
Licenses and permits												
Local revenue				-	18,700	18,700	16,792	(1,908)				-
Total revenues	<u>57,427</u>	<u>57,427</u>	<u>49,379</u>	<u>(8,048)</u>	<u>18,700</u>	<u>18,700</u>	<u>16,792</u>	<u>(1,908)</u>	<u>1,657,005</u>	<u>1,657,005</u>	<u>1,631,879</u>	<u>(25,126)</u>
Expenditures:												
Current:												
Public safety				-	70,941	70,941	57,837	(13,104)				-
Facility management	48,905	55,905	55,794	(111)				-				-
Culture and recreation				-				-	1,608,984	1,622,771	1,620,224	2,547
Debt service	8,522	8,522	8,522	-				-				-
Total expenditures	<u>57,427</u>	<u>64,427</u>	<u>64,316</u>	<u>(111)</u>	<u>70,941</u>	<u>70,941</u>	<u>57,837</u>	<u>(13,104)</u>	<u>1,608,984</u>	<u>1,622,771</u>	<u>1,620,224</u>	<u>2,547</u>
Excess (Deficiency) of Revenues over Expenditures	-	(7,000)	(14,937)	(8,159)	(52,241)	(52,241)	(41,045)	11,196	48,021	34,234	11,655	(22,579)
Other Financing Sources (Uses):												
Transfers from other funds				-	44,633	44,633	44,633	-			36,363	(36,363)
Transfers to other funds				-	(2,392)	(2,392)	(2,391)	(1)	(48,021)	(48,021)	(48,020)	(1)
Net other financing sources (uses)	-	-	-	-	42,241	42,241	42,242	(1)	(48,021)	(48,021)	(11,657)	(36,364)
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	\$ -	\$ (7,000)	(14,937)	\$ (8,159)	\$ (10,000)	\$ (10,000)	1,197	\$ 11,195	\$ -	\$ (13,787)	(2)	\$ (58,943)
Fund Balances at Beginning of Year			119,820				58,580				3	
Fund Balances at End of Year			\$ 104,883				\$ 59,777				\$ 1	

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, 2007

	Appropriations			Expenditures			Designated for Specific Projects June 30, 2007
	Balance July 1, 2006	Current Year	Balance June 30, 2007	Balance July 1, 2006	Current Year	Balance June 30, 2007	
Plan of Development	\$ 20,000	\$	\$ 20,000	\$ 6,455	\$ 13,545	\$ 20,000	\$ -
Indexing System - Town Clerk	75,000		75,000	5,460	69,540	75,000	-
Records Management System - Police	80,000		80,000	65,000	15,000	80,000	-
Improvements to Town Offices	30,000	(363)	29,637		29,637		-
Rear Seal & Pont - Town Offices	65,000		65,000	65,000		65,000	-
Road improvements	159,420		159,420	115,321	44,099	159,420	-
Fairway Mower - Golf	37,000	(1,017)	35,983	35,948	35	35,983	-
Interior Building renovations	78,900		78,900	22,282	56,618	78,900	-
Computer equipment	163,400		163,400	104,551	58,849	163,400	-
Buses	171,000		171,000	161,755	9,245	171,000	-
Equip. instruct/non-instruct	84,700		84,700	82,748	1,952	84,700	-
Revaluation - October 2007	125,000	116,500	241,500		34,656	34,656	206,844
Live Scan Fingerprint System - Police		43,200	43,200		32,810	32,810	10,390
Survey Van - Engineering		23,000	23,000		19,183	19,183	3,817
Copier - Engineering		10,000	10,000			-	10,000
Firetown Bridge Design		28,000	28,000			-	28,000
Pick-up truck - Buildings & Grounds		45,000	45,000		44,948	44,948	52
Renovations Main Floor - Town Offices		60,000	60,000		15,467	15,467	44,533
Bikeway improvements		25,000	25,000		12,100	12,100	12,900
Waste Oil Heater - Highway		7,500	7,500		7,500	7,500	-
Road improvements		159,420	159,420		159,420	159,420	-
Double Wing Rotary Mower - Parks		47,000	47,000		47,000	47,000	-
Reel Mower - Memorial Park		22,000	22,000		22,000	22,000	-
Pick-up Truck - Golf		30,300	30,300		28,350	28,350	1,950
Greens Mower - Golf		24,000	24,000		24,000	24,000	-
Computer equipment		202,866	202,866		200,865	200,865	2,001
Buses		195,000	195,000		195,000	195,000	-
Interior Building renovations		147,134	147,134		100,106	100,106	47,028
Equip. instruct/non-instruct		90,000	90,000		48,307	48,307	41,693
Totals	\$ 1,089,420	\$ 1,274,540	\$ 2,363,960	\$ 664,520	\$ 1,290,232	\$ 1,954,752	\$ 409,208

Internal Service Funds

PPO - This fund is used to account for premiums and claims relating to the self-insurance health coverage for those Town and Board of Education current employees who elected to receive health coverage under the CIGNA PPO or Point of Access Plans. For Town employees, that can include medical/prescription and/or dental coverage. For Board of Education employees, that includes just medical/prescription coverage.

Dental - This fund is used to account for premiums and claims relating to the self-insurance dental coverage for current Board of Education employees only who have elected to receive dental coverage under the MetLife Plan.

TOWN OF SIMSBURY, CONNECTICUT
COMBINING STATEMENT OF NET ASSETS - PROPRIETARY FUNDS
JUNE 30, 2007

	Governmental Activities		
	Internal Service Funds		
	PPO	Dental	Total
Assets:			
Current assets:			
Cash and cash equivalents	\$ 728,727	\$ 101,558	\$ 830,285
Accounts receivable, net	237,103		237,103
Total current assets	965,830	101,558	1,067,388
Liabilities:			
Noncurrent liabilities:			
Claim incurred but not reported	850,038	25,000	875,038
Net Assets:			
Unrestricted	\$ 115,792	\$ 76,558	\$ 192,350

TOWN OF SIMSBURY, CONNECTICUT

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN NET ASSETS - PROPRIETARY FUNDS**

FOR THE YEAR ENDED JUNE 30, 2007

	Governmental Activities		
	Internal Service Funds		
	PPO	Dental	Total
Operating Revenues:			
Charges for services	\$ 3,959,646	\$ 605,715	\$ 4,565,361
Intergovernmental	48,409		48,409
Total operating revenues	4,008,055	605,715	4,613,770
Operating Expenses:			
Claims incurred	3,689,614	454,093	4,143,707
Administration and stop loss insurance fees	678,123	75,064	753,187
Total operating expenses	4,367,737	529,157	4,896,894
Change in Net Assets	(359,682)	76,558	(283,124)
Net Assets at Beginning of Year	475,474	-	475,474
Net Assets at End of Year	\$ 115,792	\$ 76,558	\$ 192,350

TOWN OF SIMSBURY, CONNECTICUT
COMBINING STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2007

	Governmental Activities		
	Internal Service Funds		
	PPO	Dental	Total
Cash Flows from Operating Activities:			
Receipts from customers and users	\$ 3,770,952	\$ 605,715	\$ 4,376,667
Payments of claims	(3,914,699)	(504,157)	(4,418,856)
Net cash provided by (used in) operating activities	<u>(143,747)</u>	<u>101,558</u>	<u>(42,189)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(143,747)	101,558	(42,189)
Cash and Cash Equivalents at Beginning of Year	<u>872,474</u>	<u>-</u>	<u>872,474</u>
Cash and Cash Equivalents at End of Year	<u>\$ 728,727</u>	<u>\$ 101,558</u>	<u>\$ 830,285</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:			
Operating income (loss)	\$ (359,682)	\$ 76,558	\$ (283,124)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Increase in accounts receivable	(237,103)	-	(237,103)
Increase in claims payable	<u>453,038</u>	<u>25,000</u>	<u>478,038</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ (143,747)</u>	<u>\$ 101,558</u>	<u>\$ (42,189)</u>

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 funds are 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, 2007

	<u>Balance June 30, 2006</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2007</u>
School Activity Fund				
Assets:				
Cash and short-term investments	\$ 553,637	\$ 1,806,965	\$ 1,857,284	\$ 503,318
Liabilities:				
Due to student groups	\$ 553,637	\$ 1,806,965	\$ 1,857,284	\$ 503,318

Other Schedules

TOWN OF SIMSBURY, CONNECTICUT

SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING

FOR THE YEAR ENDED JUNE 30, 2007

Grand List Year	Balance July 1, 2006	Current Levy	Lawful Corrections		Transfers to Suspense	Adjusted Taxes	Collections	Interest	Liens	Other Fees	Refunds	Balance June 30, 2007	
			Additions	Deductions									
2005	\$	\$ 71,504,991	\$ 1,065,420	\$ 419,890	\$	\$ 72,150,521	\$ 71,838,951	\$ 116,680	\$ 686	\$ 1,050	\$ 206,366	\$ 517,936	
2004		447,085	9,211	37,217	37,512	381,567	261,078	47,337	1,080	130	26,564	147,053	
2003		136,194	1,511	7,004	6,900	123,801	71,975	23,355	336	25	3,910	55,736	
2002		54,243		1,251	2,237	50,755	16,609	7,758	120	20	6	34,152	
2001		32,993	114	862	(1,147)	33,392	14,059	9,036	72			19,333	
2000		27,463		2,835	(5,900)	30,528	12,132	8,754	72			18,396	
1999		30,373		3,301	(6,212)	33,284	10,336	8,713	48			22,948	
1998		8,354		3,051	(4,051)	9,354	7,911	9,355	48		(27)	1,416	
1997		7,792		2,518	(3,274)	8,548	7,274	9,691	48			1,274	
1996		(3,455)		1,325	(2,357)	(2,423)	4,869	6,534	48			(7,292)	
1995		(16,586)		390	(2,068)	(14,908)	4,668	5,774	24			(19,576)	
1994		822		1,304	(2,154)	1,672	3,788	6,208	24			(2,116)	
1993		(1,001)		1,489	(2,325)	(165)	3,470	6,179	24			(3,635)	
1992		(1,504)		1,317	(1,568)	(1,253)	1,867	970	24			(3,120)	
1991		(4,194)		556	(1,526)	(3,224)	870				(100)	(4,194)	
1990		1,094			(667)	1,761	667	(7)				1,094	
1989		2,263		2,263								-	
	\$	<u>721,936</u>	\$ <u>71,504,991</u>	\$ <u>1,076,256</u>	\$ <u>486,573</u>	\$ <u>13,400</u>	\$ <u>72,803,210</u>	\$ <u>72,260,524</u>	\$ <u>266,337</u>	\$ <u>2,654</u>	\$ <u>1,225</u>	\$ <u>236,719</u>	\$ <u>779,405</u>

TOWN OF SIMSBURY, CONNECTICUT

SCHEDULE OF CHANGES IN SEWER USER CHARGES RECEIVABLE

FOR THE YEAR ENDED JUNE 30, 2007

Grand List Year	Balance July 1, 2006	Current Year Charges	Adjustments	Collections	Balance June 30, 2007
2006	\$	\$ 2,198,911	\$ 31,623	\$ 2,210,535	\$ 19,999
2005	10,115		733	7,432	3,416
2004	2,400			1,600	800
2003	1,600			1,000	600
2002	850			510	340
2001	279		1		280
2000	236				236
1999	217		(1)		216
1998	216				216
1997	172				172
Totals	\$ <u>16,085</u>	\$ <u>2,198,911</u>	\$ <u>32,356</u>	\$ <u>2,221,077</u>	\$ <u>26,275</u>

TOWN OF SIMSBURY, CONNECTICUT

SCHEDULE OF CHANGES IN SEWER ASSESSMENT RECEIVABLE

FOR THE YEAR ENDED JUNE 30, 2007

<u>Phases</u>	<u>Balance June 30, 2006</u>	<u>Additions</u>	<u>Principal</u>	<u>Interest</u>	<u>Lien Fees</u>	<u>Balance June 30, 2007</u>
I	\$ 2,407	\$ 161,341	\$ 127,629	\$ 41	\$ 72	\$ 36,119
II	29,226	346,929	86,794	8,862	48	289,361
V	256,544		64,936	16,294	120	191,608
VI	2,938					2,938
VII	398			500		398
VIII	5,613					5,613
	<u>\$ 297,126</u>	<u>\$ 508,270</u>	<u>\$ 279,359</u>	<u>\$ 25,697</u>	<u>\$ 240</u>	<u>\$ 526,037</u>

TOWN OF SIMSBURY, CONNECTICUT

SCHEDULE OF CHANGES IN WATER ASSESSMENT RECEIVABLE

FOR THE YEAR ENDED JUNE 30, 2007

<u>Balance</u> <u>June 30, 2006</u>	<u>Additions</u>	<u>Principal</u>	<u>Interest</u>	<u>Lien Fees</u>	<u>Balance</u> <u>June 30, 2007</u>
\$ 125,673	\$ -	\$ 17,267	\$ 5,324	\$ 24	\$ 108,406

TOWN OF SIMSBURY, CONNECTICUT

SCHEDULE OF DEBT LIMITATION

FOR THE YEAR ENDED JUNE 30, 2007

Revenue from taxation for the year ended June 30, 2007:

Taxes		\$ 72,260,524
Interest and lien fees		268,991
Total		<u>72,529,515</u>

Reimbursed for:

Tax relief for elderly		<u>98,256</u>
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Base		<u>\$ 72,627,771</u>
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	<u>General Purpose</u>	<u>Schools</u>	<u>Sewers</u>	<u>Urban Renewal</u>
Debt limitation:				
2-1/4 times base	\$ 163,412,485	\$	\$	\$
4-1/2 times base		326,824,970		
3-3/4 times base			272,354,141	
3-1/4 times base				236,040,256
Total debt limitation	<u>163,412,485</u>	<u>326,824,970</u>	<u>272,354,141</u>	<u>236,040,256</u>
Indebtedness:				
Bonds and loans payable	<u>13,612,412</u>	<u>25,098,000</u>	<u>19,864,902</u>	
Debt Limitation in Excess of Outstanding and Authorized Debt	<u>\$ 149,800,073</u>	<u>\$ 301,726,970</u>	<u>\$ 252,489,239</u>	<u>\$ 236,040,256</u>
Total capacity of borrowing (7 times base)		\$ 508,394,397		
Total present indebtedness		<u>58,575,314</u>		
Margin for Additional Borrowing		<u>\$ 449,819,083</u>		

Statistical Section

This part of the Town of Simsbury, Connecticut’s comprehensive annual report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Town’s overall financial health.

Contents	Page
Financial Trends	85-88
These schedules contain trend information to help the reader understand how the Town’s financial performance and well-being have changed over time.	
Revenue Capacity	89-91
These schedules contain information to help the reader assess the Town’s most significant local revenue source, property taxes.	
Debt Capacity	92-94
These schedules present information to help the reader assess the affordability of the Town’s current levels of outstanding debt and the Town’s ability to issue additional debt in the future.	
Demographic and Economic Information	95-96
These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town’s financial activities take place.	
Operating Information	97-99
These schedules contain service and infrastructure data to help the reader understand how the information in the Town’s financial report relates to the services the Town provides and the activities it performs.	

TOWN OF SIMSBURY, CONNECTICUT

NET ASSETS BY COMPONENT

**SINCE INCEPTION OF GASB 34
(Accrual Basis of Accounting)**

	Fiscal Year				
	2003	2004	2005	2006	2007
Governmental Activities:					
Invested in capital assets, net of related debt	\$ 44,611,089	\$ 36,873,960	\$ 48,885,116	\$ 61,353,651	\$ 58,655,362
Unrestricted	<u>10,758,599</u>	<u>23,152,722</u>	<u>19,559,268</u>	<u>17,816,187</u>	<u>27,205,737</u>
Total Governmental Activities Net Assets	<u>\$ 55,369,688</u>	<u>\$ 60,026,682</u>	<u>\$ 68,444,384</u>	<u>\$ 79,169,838</u>	<u>\$ 85,861,099</u>

NOTE: The Town began to report accrual information when it implemented GASB Statement No. 34 during fiscal year June 30, 2003.

TOWN OF SIMSBURY, CONNECTICUT

CHANGES IN NET ASSETS

**SINCE INCEPTION OF GASB 34
(Accrual Basis of Accounting)**

	Fiscal Year				
	2003	2004	2005	2006	2007
Expenses:					
Governmental activities:					
General government	\$ 2,855,845	\$ 2,980,798	\$ 2,864,389	\$ 2,607,616	\$ 3,227,615
Planning and development	1,205,289	1,670,365	1,345,269	1,144,974	1,185,140
Public safety	4,357,948	4,713,105	5,139,769	5,210,279	6,628,916
Facility management	5,987,721	5,537,947	5,613,885	6,353,281	6,998,785
Culture and recreation	3,964,109	4,088,281	4,379,125	4,410,376	4,600,392
Health and welfare	571,903	625,983	655,206	670,742	731,067
Board of Education	52,150,131	53,683,639	57,874,235	60,816,027	63,948,341
Debit service interest	598,453	1,171,846	1,205,222	1,218,918	1,240,906
Total governmental activities expenses	<u>71,691,399</u>	<u>74,471,964</u>	<u>79,077,100</u>	<u>82,432,213</u>	<u>88,561,162</u>
Program Revenues:					
Governmental activities:					
Charges for services	7,859,852	8,784,418	9,208,065	11,283,905	12,149,812
Operating grants and contributions	4,055,606	4,406,160	5,068,208	5,358,634	6,654,629
Capital grants and contributions	571,075	1,909,575	6,035,761	5,296,829	1,791,663
Total governmental activities revenues	<u>12,486,533</u>	<u>15,100,153</u>	<u>20,312,034</u>	<u>21,939,368</u>	<u>20,596,104</u>
Total Governmental Activities Net Expense	<u>(59,204,866)</u>	<u>(59,371,811)</u>	<u>(58,765,066)</u>	<u>(60,492,845)</u>	<u>(67,965,058)</u>
General Revenues and Other					
Changes in Net Assets:					
Governmental activities:					
Property taxes	59,548,645	63,252,078	66,077,888	69,586,237	72,439,691
Grants and contributions not restricted to specific programs	569,144	452,645	453,215	417,229	446,703
Unrestricted investment earnings	336,285	324,082	651,665	1,214,833	1,769,925
Total general revenues and other change in net assets					
Total primary government	<u>60,454,074</u>	<u>64,028,805</u>	<u>67,182,768</u>	<u>71,218,299</u>	<u>74,656,319</u>
Change in Net Assets	\$ <u>1,249,208</u>	\$ <u>4,656,994</u>	\$ <u>8,417,702</u>	\$ <u>10,725,454</u>	\$ <u>6,691,261</u>

NOTE: The Town began to report accrual information when it implemented GASB Statement No. 34 during fiscal year June 30, 2003.

TOWN OF SIMSBURY, CONNECTICUT

FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
General Fund:										
Reserved	\$ 1,839,580	\$ 540,019	\$ 435,553	\$ 604,350	\$ 474,049	\$ 337,901	\$ 232,198	\$ 82,574	\$ 383,046	\$ 455,901
Unreserved	<u>5,017,582</u>	<u>4,502,327</u>	<u>4,777,285</u>	<u>4,585,364</u>	<u>4,229,810</u>	<u>5,808,871</u>	<u>6,399,870</u>	<u>8,007,752</u>	<u>8,887,767</u>	<u>7,605,026</u>
Total General Fund	<u>\$ 6,857,162</u>	<u>\$ 5,042,346</u>	<u>\$ 5,212,838</u>	<u>\$ 5,189,714</u>	<u>\$ 4,703,859</u>	<u>\$ 6,146,772</u>	<u>\$ 6,632,068</u>	<u>\$ 8,090,326</u>	<u>\$ 9,270,813</u>	<u>\$ 8,060,927</u>
All other governmental funds:										
Reserved	\$ 239,556	\$ 90,862	\$ 43,745	\$ 56,364	\$ 50,284	\$ 38,153	\$ 29,901	\$ 35,581	\$ 33,144	\$ 52,520
Unreserved, reported in:										
Sewer use fund	1,195,008	1,263,267	1,516,039	1,735,964	1,885,827	2,160,758	2,557,234	3,014,780	3,730,359	4,805,457
Sewer assessment fund	1,194,288	1,312,005	1,188,563	1,410,469	1,272,792	1,337,354	1,230,457	1,304,171	1,119,179	1,480,193
Capital projects fund	3,063,595	2,569,425	1,552,766	3,402,865	1,725,606	(1,663,765)	9,857,672	5,366,498	1,266,434	10,451,298
Special revenue funds	<u>1,487,768</u>	<u>1,737,597</u>	<u>1,811,082</u>	<u>1,693,187</u>	<u>1,800,178</u>	<u>1,715,146</u>	<u>1,874,136</u>	<u>1,897,485</u>	<u>2,282,743</u>	<u>2,286,487</u>
Total All Other Governmental Funds	<u>\$ 7,180,215</u>	<u>\$ 6,973,156</u>	<u>\$ 6,112,195</u>	<u>\$ 8,298,849</u>	<u>\$ 6,734,687</u>	<u>\$ 3,587,646</u>	<u>\$ 15,549,400</u>	<u>\$ 11,618,515</u>	<u>\$ 8,431,859</u>	<u>\$ 19,075,955</u>

TOWN OF SIMSBURY, CONNECTICUT
REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - GOVERNMENTAL FUNDS

LAST TEN YEARS
(Accrual Basis of Accounting)

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Revenues:										
Property taxes	\$ 42,195,557	\$ 44,479,385	\$ 47,094,926	\$ 51,106,047	\$ 54,637,178	\$ 59,642,400	\$ 63,395,587	\$ 66,306,205	\$ 69,323,250	\$ 72,405,901
Intergovernmental	4,520,707	7,317,147	8,759,869	7,713,366	7,251,740	7,012,082	8,596,764	13,410,876	14,839,566	12,127,573
Investment income	1,386,967	1,300,602	1,227,280	1,374,252	600,605	336,286	324,081	651,665	1,214,832	1,769,928
Charges for goods and services	2,420,939	2,627,636	2,910,852	2,971,203	3,341,641	3,470,058	3,741,358	3,713,825	4,078,414	3,998,603
Licenses and permits	450,607	453,071	469,631	282,617	321,458	402,960	536,831	534,015	464,673	400,740
Rental of town owned propoerty	13,433	9,505	6,415	5,878	7,205	9,163	8,119	10,335	10,023	11,242
Local revenues	129,540	317,847	188,612	294,400	165,824	307,534	150,729	101,324	201,967	374,484
Assessments	1,261,175	1,139,259	1,087,708	1,242,289	1,223,312	1,441,505	1,818,860	1,770,048	1,741,301	2,515,975
Other	764,158	675,975	608,858	787,199	998,147	688,370	735,794	1,504,615	1,462,690	1,041,555
Total revenues	<u>53,143,083</u>	<u>58,320,427</u>	<u>62,354,151</u>	<u>65,777,251</u>	<u>68,547,110</u>	<u>73,310,358</u>	<u>79,308,123</u>	<u>88,002,908</u>	<u>93,336,716</u>	<u>94,646,001</u>
Expenditures:										
Current:										
General government	1,679,183	1,865,162	2,106,000	1,996,123	2,150,698	2,245,797	2,302,429	2,222,381	1,861,949	2,426,435
Planning and development	845,748	763,512	896,319	968,303	949,863	968,935	1,417,243	1,092,928	920,001	899,308
Public safety	2,757,937	2,895,513	3,028,040	3,143,928	3,312,402	3,261,931	3,428,991	3,613,566	3,658,607	3,938,574
Facility management	3,340,828	3,767,119	3,579,959	4,064,561	4,250,481	4,264,091	3,817,083	3,790,198	4,521,499	4,970,704
Culture and recreation	2,259,171	2,616,076	2,951,181	2,909,051	2,981,491	3,242,568	3,317,728	3,497,648	3,618,128	3,666,929
Health and welfare	364,291	426,532	439,454	473,100	489,766	500,717	548,502	561,158	571,064	618,704
Fringe benefits and insurance	2,181,962	2,011,634	1,785,614	2,156,312	2,889,326	2,681,696	3,076,788	3,160,935	3,539,933	4,652,868
Education	33,461,222	37,513,412	40,286,688	44,070,359	46,196,775	50,190,959	52,489,681	55,187,980	59,869,388	63,353,338
Special projects	744,260	734,769				85,948	131,000	28,559	21,000	172,910
Capital outlay	3,732,479	5,277,211	11,116,637	5,543,988	4,455,799	4,635,212	15,396,026	21,684,838	27,251,989	9,471,548
Debit service:										
Principal	1,950,299	1,902,023	1,391,664	1,876,709	2,181,776	2,291,845	4,176,913	3,906,982	4,307,053	4,122,123
Interest	677,676	569,339	463,064	651,287	738,749	644,788	856,841	1,259,750	1,223,826	1,257,069
Total expenditures	<u>53,995,056</u>	<u>60,342,302</u>	<u>68,044,620</u>	<u>67,853,721</u>	<u>70,597,126</u>	<u>75,014,487</u>	<u>90,959,225</u>	<u>100,006,923</u>	<u>111,364,437</u>	<u>99,550,510</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(851,973)</u>	<u>(2,021,875)</u>	<u>(5,690,469)</u>	<u>(2,076,470)</u>	<u>(2,050,016)</u>	<u>(1,704,129)</u>	<u>(11,651,102)</u>	<u>(12,004,015)</u>	<u>(18,027,721)</u>	<u>(4,904,509)</u>
Other Financing Sources (Uses):										
Proceeds from capital lease										
Proceeds from sales of bonds			5,000,000	4,240,000			24,098,152	5,025,331	4,955,122	10,046,304
Proceeds from loans								4,506,057	11,066,430	4,292,415
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>5,000,000</u>	<u>4,240,000</u>	<u>-</u>	<u>-</u>	<u>24,098,152</u>	<u>9,531,388</u>	<u>16,021,552</u>	<u>14,338,719</u>
Net Change in Fund Balances	<u>(851,973)</u>	<u>(2,021,875)</u>	<u>(690,469)</u>	<u>2,163,530</u>	<u>(2,050,016)</u>	<u>(1,704,129)</u>	<u>12,447,050</u>	<u>(2,472,627)</u>	<u>(2,006,169)</u>	<u>9,434,210</u>
Fund Balance at Beginning of Year	<u>14,889,350</u>	<u>14,037,377</u>	<u>12,015,502</u>	<u>11,325,033</u>	<u>13,488,563</u>	<u>11,438,547</u>	<u>9,734,418</u>	<u>22,181,468</u>	<u>19,708,841</u>	<u>17,702,672</u>
Fund Balance at End of Year	<u>\$ 14,037,377</u>	<u>\$ 12,015,502</u>	<u>\$ 11,325,033</u>	<u>\$ 13,488,563</u>	<u>\$ 11,438,547</u>	<u>\$ 9,734,418</u>	<u>\$ 22,181,468</u>	<u>\$ 19,708,841</u>	<u>\$ 17,702,672</u>	<u>\$ 27,136,882</u>
Debit Service as a Percentage to Noncapital Expenditures	5.23%	4.49%	3.26%	4.06%	4.42%	4.17%	6.66%	6.60%	6.58%	5.97%

TOWN OF SIMSBURY, CONNECTICUT
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS

(In Thousands of Dollars)

Fiscal Year	Real Property		All Land	Motor Vehicles	Personal Property	Tax Exempt Real Property Excluded	Total Taxable Assessed Value	Mill Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property								
1998	\$ 1,016,282	\$ 143,075	\$ 2,845	\$ 124,195	\$ 74,439	\$ 124,450	\$ 1,360,836	30.30	\$ 2,072,378	65.7 %
1999	1,036,502	142,209	3,078	128,155	80,841	125,852	1,390,785	31.20	2,100,094	66.2
2000	1,051,651	147,919	3,309	138,974	87,532	128,356	1,429,385	32.40	2,354,423	60.7
2001	1,070,364	152,282	3,616	149,350	90,797	134,080	1,466,409	34.40	2,543,166	57.7
2002	1,082,695	156,096	3,496	155,946	92,697	136,742	1,490,930	36.30	2,780,635	53.6
2003	1,092,195	156,700	3,834	160,071	95,802	142,332	1,508,602	39.10	2,978,069	50.7
2004	1,442,409	214,967	5,694	162,215	97,653	202,615	1,922,938	32.60	3,006,733	64.0
2005	1,451,226	211,294	11,382	155,606	94,500	202,483	1,924,008	34.00	3,346,110	57.5
2006	1,464,321	209,663	7,610	165,612	101,640	199,885	1,948,846	35.20	3,687,323	52.9
2007	1,482,901	214,439	12,675	173,801	113,840	203,574	1,997,656	35.90	3,991,723	50.0

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Source: Town of Simsbury Assessor and State of Connecticut, Office of Policy and Management.

Note: Except for the fiscal year ended June 30, 2004, the estimated actual taxable is the Equalized Net Grand List as determined by the State of Connecticut, Office of Policy and Management. Properties in town are reassessed every five years per state statute. The last completed revaluation was for the fiscal year ended June 30, 2004. The estimated actual taxable value for that year is all net real estate assessments divided by 63.1% plus use value real estate assessments divided by 70% plus motor vehicles and personal property divided by 70%.

TOWN OF SIMSBURY, CONNECTICUT

PRINCIPAL TAXPAYERS

CURRENT YEAR AND NINE YEARS AGO

	2007			1998		
	Taxable Assessed Value	Rank	Percentage of Gross Taxable Assessed Grand List	Taxable Assessed Value	Rank	Percentage of Gross Taxable Assessed Grand List
Simsbury Assoc. Limited Partnership	\$ 37,800,000	1	1.88 %	\$ 34,248,510	1	2.46 %
Hartford Life and Accident Ins. Company	22,530,180	2	1.12	22,358,800	2	1.61
Executive Risk Indemnity Inc.	16,950,654	3	0.84	5,072,550	8	0.36
Connecticut Light & Power	15,378,170	4	0.76	14,444,800	5	1.04
E and A/I and Simsbury Commons LP	13,022,000	5	0.65			
Ensign-Bickford Realty Corporation	10,139,710	6	0.50	15,076,240	4	1.08
Powder Forest Homes LLC	9,869,983	7	0.49			
Simsbury Commons North E&A LLC	8,024,310	8	0.42			
Dyno-Noble Inc.	8,448,188	9	0.40			
McLean George P Estate	6,536,990	10	0.32			
Stephen D. Fish				15,912,470	3	1.14
Avon Simsbury Mall Associates				9,888,740	6	0.71
Ensign-Bickford Company				5,251,850	7	0.38
Talcott Hotel Limited Partnership				3,694,620	9	0.27
Forestal Assoc. Limited Partnership				3,163,570	10	0.23
	\$ 148,700,185		7.38 %	\$ 129,112,150		9.28 %

Source: Town Assessor's office

TOWN OF SIMSBURY, CONNECTICUT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

(In Thousands)

<u>Fiscal Year</u>	<u>Taxes Levied for the Fiscal Year</u>	<u>Collected Within the Fiscal Year of the Levy</u>		<u>Collections in Subsequent Years</u>	<u>Total Collections to Date</u>	
		<u>Amount</u>	<u>Percentage of Levy</u>		<u>Amount</u>	<u>Percentage of Levy</u>
1998	\$ 41,682	\$ 41,225	98.90 %	\$ 536	\$ 41,761	100.19 %
1999	43,769	43,364	99.07	735	44,100	100.75
2000	46,812	46,421	99.16	385	46,806	99.99
2001	51,067	50,627	99.14	327	50,954	99.78
2002	54,635	54,192	99.19	230	54,422	99.61
2003	59,500	59,014	99.18	340	59,354	99.75
2004	62,867	62,438	99.32	522	62,960	100.15
2005	65,824	65,439	99.42	557	65,996	100.26
2006	69,119	68,671	99.35	324	68,995	99.82
2007	72,151	71,633	99.28	391	72,024	99.82

Source: Town Tax Collector office and Finance office

TOWN OF SIMSBURY, CONNECTICUT

**RATIO OF NET GENERAL BONDED DEBT TO
ASSESSED VALUE AND NET GENERAL BONDED DEBT PER CAPITA**

LAST TEN FISCAL YEARS

Fiscal Year	General Bonded Debt						Percentage of Actual Taxable Value of Property (1)	Percentage of Personal Income (2)	Per Capita
	General Obligation Bonds			State of CT Project Loan	Clean Water Fund Loan	Total Primary Government			
	General Purpose	Schools	Sewers						
1998	\$ 2,954,484	\$ 8,387,616	\$ 577,900	\$ 197,075	\$	\$ 12,117,075	0.58%	0.43%	0.55
1999	1,982,704	7,522,896	519,400	190,477		10,215,477	0.49%	0.36%	0.46
2000	2,546,372	10,633,428	460,200	183,813		13,823,813	0.59%	0.35%	0.59
2001	4,517,676	11,097,624	394,700	177,104		16,187,104	0.64%	0.41%	0.70
2002	3,936,828	9,579,972	318,200	170,328		14,005,328	0.50%	0.35%	0.60
2003	3,519,440	7,789,860	240,700	163,483		11,713,483	0.39%	0.29%	0.50
2004	2,799,912	28,183,088	161,900	156,670		31,301,570	1.04%	0.79%	1.35
2005	5,052,444	27,110,756	81,800	149,588	4,506,057	36,900,645	1.10%	0.93%	1.59
2006	5,605,336	27,219,664		142,535	15,572,487	48,540,022	1.32%	1.22%	2.09
2007	13,477,000	25,098,000		135,412	19,864,902	58,575,314	1.47%	1.48%	2.52

(1) See page 81 for taxable property value data.

(2) See page 82 for personal income and population data.

TOWN OF SIMSBURY, CONNECTICUT

DIRECT AND OVERLAPPING GOVERNMENTS

LAST TEN FISCAL YEARS

Fiscal Year	Town of Simsbury General Fund			Simsbury Fire District	Total
	Operating Millage	Debt Service Millage *	Total Town Millage	Millage **	
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
2006	32.60	2.60	35.20	1.15	36.35
2007	33.53	2.37	35.90	1.15	37.05

* 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

LEGAL DEBT MARGIN INFORMATION

LAST TEN FISCAL YEARS

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Debt limit	\$ 295,231,118	\$ 311,866,023	\$ 330,164,989	\$ 358,160,110	\$ 382,825,009	\$ 419,535,599	\$ 445,499,103	\$ 466,141,480	\$ 486,940,951	\$ 508,394,397
Total net debt applicable to limit	<u>9,717,861</u>	<u>10,088,275</u>	<u>12,968,755</u>	<u>15,440,471</u>	<u>13,588,188</u>	<u>11,392,227</u>	<u>31,084,191</u>	<u>36,790,908</u>	<u>48,540,022</u>	<u>58,575,314</u>
Legal Debt Margin	<u>\$ 285,513,257</u>	<u>\$ 301,777,748</u>	<u>\$ 317,196,234</u>	<u>\$ 342,719,639</u>	<u>\$ 369,236,821</u>	<u>\$ 408,143,372</u>	<u>\$ 414,414,912</u>	<u>\$ 429,350,572</u>	<u>\$ 438,400,929</u>	<u>\$ 449,819,083</u>
Total net debt applicable to the limit as a percentage of debt limit	3.29%	3.23%	3.93%	4.31%	3.55%	2.72%	6.98%	7.89%	9.97%	11.52%

Note: The State of Connecticut General Statutes require that in no event shall the total debt of the Town exceed seven (7) times the annual receipts from taxation. The calculation of the 2007 debt limit can be found on page 84 of this report.

TOWN OF SIMSBURY, CONNECTICUT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	Population (1)	Personal Income (thousands of dollars) (1)	Per Capita Personal Income (1)	Median Age (1)	Education Level in Years of Schooling (1)		School Enrollment (2)	Unemployment Rate (3)
					Percentage of High School Graduate or Higher	Percentage of Bachelor's Degree or Higher		
1998	22,023	\$ 624,286	\$ 28,347	37.1	94.5	56.0	4,470	1.6 %
1999	22,023	624,286	28,347	37.1	94.5	56.0	4,559	2.0
2000	23,234	922,622	39,710	39.6	94.5	61.4	4,753	1.2
2001	23,234	922,622	39,710	39.6	94.5	61.4	4,888	1.5
2002	23,234	922,622	39,710	39.6	94.5	61.4	4,978	2.3
2003	23,234	922,622	39,710	39.6	94.5	61.4	4,994	3.0
2004	23,234	922,622	39,710	39.6	94.5	61.4	4,996	3.0
2005	23,234	922,622	39,710	39.6	94.5	61.4	5,018	4.3
2006	23,234	922,622	39,710	39.6	94.5	61.4	5,014	3.5
2007	23,234	922,622	39,710	39.6	94.5	61.4	4,957	3.3

Sources: Population, personal income, median age and education level provided by Town of Simsbury

(1) U.S. Department of Commerce, Bureau of the Census, 1990 and 2000.

(2) Simsbury, Board of Education.

(3) State of Connecticut, Department of Labor.

TOWN OF SIMSBURY, CONNECTICUT

PRINCIPAL EMPLOYERS

CURRENT YEAR AND NINE YEARS AGO

	2007			1998		
	Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
The Hartford Life Insurance Co.	3,000	1	26.64 %	2,500	1	20.61 %
Simsbury Board of Education	667	2	5.92	519	4	4.28
McLean Home	565	3	5.02	598	3	4.93
Chubb-Executive Risk, Inc.	553	4	4.91	310	5	2.56
Ensign-Bickford Companies	300	5	2.66	798	2	6.58
Dyno Nobel	220	6	1.95			
Town of Simsbury	146	7	1.30	143	6	1.18
Veeder-Root Company	135	8	1.20	111	10	0.92
Michell of Simsbury	130	9	1.15	120	9	0.99
Wagner Ford, Nissan	92	10	0.82	124	8	1.02
Blue Ridge Insurance				140	7	1.15
	\$ 5,808		51.57 %	\$ 5,363		44.22 %

Source: U.S. Department of Commerce, Bureau of the Census 1990 and 2000.

TOWN OF SIMSBURY, CONNECTICUT

FULL-TIME GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

	Fiscal Year									
	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
<u>General Government</u>										
Central administration	4.0	4.0	5.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Finance	5.0	5.0	5.0	5.0	5.0	5.0	5.0	6.0	6.0	6.0
Tax collector	2.0	2.0	2.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Assessor's office	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Town clerk	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Data processing	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
<u>Public Safety</u>										
Officers	35.0	35.0	35.0	34.0	34.0	34.0	33.0	33.0	33.0	33.0
Civilians	10.0	10.0	10.0	10.0	10.0	10.0	9.0	8.0	8.0	8.0
<u>Planning and Development</u>										
Community development	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Planning	1.0	1.0	1.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Building	3.0	3.0	3.0	3.0	4.0	4.0	4.0	4.0	4.0	4.0
Engineering	3.0	3.0	3.0	3.0	4.0	4.0	4.0	4.0	4.0	4.0
<u>Facilities Management</u>										
Public works	1.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Buildings and maintenance	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Highway	19.0	19.0	19.0	19.5	20.5	21.0	21.0	21.0	20.2	20.2
Sewer treatment plant	10.0	10.0	10.0	10.0	10.0	10.0	9.0	9.0	9.0	8.0
Landfill	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.8	0.8
<u>Social Services</u>										
	4.0	4.0	4.0	4.0	4.0	4.0	3.0	3.0	3.0	3.0
<u>Public Libraries</u>										
	13.0	13.0	13.0	13.0	13.0	13.0	13.0	12.0	12.0	12.0
<u>Parks and Recreation</u>										
	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	15.0	15.0
<u>Board of Education</u>										
Certified	415.0	414.0	405.0	405.0	414.0	404.0	402.0	385.0	378.0	370.0
Noncertified	238.0	235.0	233.0	239.0	232.0	203.0	194.0	183.0	168.0	160.0
Total	<u>795.0</u>	<u>792.0</u>	<u>782.0</u>	<u>788.5</u>	<u>793.5</u>	<u>755.0</u>	<u>740.0</u>	<u>711.0</u>	<u>688.0</u>	<u>671.0</u>

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Source: Town of Simsbury and Simsbury Board of Education.

TOWN OF SIMSBURY, CONNECTICUT
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

	Fiscal Year									
	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
<u>General Government</u>										
Birth certificates issued	165	194	170	244	261	226	228	213	237	278
Death certificates issued	181	182	193	203	186	191	209	229	240	222
Marriage licenses issued	165	178	207	216	228	233	233	171	230	261
<u>Boards and Agencies</u>										
Registered voters	16,560	16,560	16,447	16,873	15,421	15,606	16,138	15,021	14,994	15,694
<u>Planning and Development</u>										
Building permits issued	520	677	572	522	480	535	455	582	498	553
Building department fees	366,733	422,155	414,031	397,461	296,818	311,759	270,110	393,752	427,525	422,039
Value of building permits (in thousand of dollars)	23,347	25,022	46,640	33,849	16,097	20,310	15,842	29,899	27,432	25,664
<u>Public Safety</u>										
Part I crimes	272	234	240	230	245	232	300	252	271	303
Motor vehicle accidents	714	744	853	774	766	744	781	664	584	574
Medical calls	1,025	1,088	1,044	940	925	927	958	847	864	762
Motor vehicle enforcement	4,235	3,635	4,168	2,975	3,566	4,015	3,391	3,092	3,143	2,477
Alarm responses	812	862	873	932	971	905	1,183	1,249	1,217	1,148
Total incidents	24,158	23,518	24,451	22,653	23,921	23,928	22,533	14,916	14,698	14,592
<u>Facility Management</u>										
Miles of roads maintained	163	163	163	163	163	163	160	159	159	159
<u>Public Libraries</u>										
Volumes in collection	147,234	163,104	158,655	155,000	154,998	146,500	142,000	138,420	137,322	135,573
Items circulated	378,185	436,048	450,685	455,544	480,749	468,405	435,877	414,239	410,953	408,223
Attendance	217,845	262,136	268,484	276,314	290,000	290,564	277,211	266,172	270,313	274,308
Events	601	760	756	700	758	742	644	698	621	466
<u>Human Services</u>										
Dial-a-Ride passengers	8,164	8,000	8,000	6,660	7,388	8,115	7,619	7,775	8,996	9,545
Dial-a-Ride traveled miles	45,799	42,041	37,082	33,573	36,086	38,598	38,307	45,526	45,050	46,308
<u>Education</u>										
Elementary schools	5	5	5	5	5	5	5	5	5	5
Middle schools	1	1	1	1	1	1	1	1	1	1
High schools	1	1	1	1	1	1	1	1	1	1

Source(s): Various Town Departments

TOWN OF SIMSBURY, CONNECTICUT
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

	Fiscal Year									
	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
<u>Public Safety</u>										
Police stations	1	1	1	1	1	1	1	1	1	1
Substations	1	1	1	1	1	1	1	1	1	1
Police vehicles	18	18	18	18	18	18	18	18	18	15
<u>Facility Management</u>										
Miles of town roads	163	163	163	163	163	163	160	159	159	159
Miles of sidewalks	8	8	8	8	8	8	8	8	8	8
Sanitary sewers (miles)	79	79	79	79	78	78	78	78	77	77
Storm sewers (miles)	55	55	55	54	54	54	54	54	54	54
Treatment capacity (thousands of gallons)	2,850	2,850	2,850	2,850	2,850	2,850	2,850	2,850	2,850	2,850
<u>Parks and Recreation</u>										
Acreage	5,815	5,815	5,815	5,815	5,815	5,815	5,815	5,815	5,815	5,815
Neighborhood parks	11	11	11	11	11	11	11	11	11	11
Playgrounds	12	12	12	12	12	12	12	12	12	12
Swimming pools	6	6	6	6	6	6	6	6	6	6
Ice skating facilities	1	1	1	1	1	1	1	1	1	1
Public golf course	1	1	1	1	1	1	1	1	1	1
Tennis courts	17	17	17	17	17	17	14	14	14	14
Baseball fields	14	14	14	14	14	14	14	14	14	14
Basketball courts	2	2	2	2	2	2	2	2	2	2
Soccer fields	20	20	20	20	20	20	20	20	20	20
Football fields	2	2	2	2	2	2	1	1	1	1
<u>Public Libraries</u>										
Libraries	1	1	1	1	1	1	1	1	1	1
<u>Health and Welfare</u>										
Community center	1	1	1	1	1	1	1	1	1	1
Dial-a-ride buses	2	2	2	2	2	2	2	2	2	2
<u>Public Education</u>										
Schools	7	7	7	7	7	7	7	7	7	7

Source(s): Various Town Departments