

Town of Simsbury Connecticut



Comprehensive Annual Financial Report

For The Fiscal Year Ended

June 30, 2009

TOWN OF SIMSBURY, CONNECTICUT
COMPREHENSIVE ANNUAL FINANCIAL
REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

Department of Finance
Kevin G. Kane
Director of Finance

Introductory Section

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COMPREHENSIVE ANNUAL FINANCIAL REPORT
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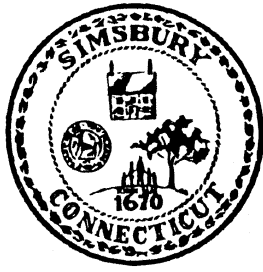
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Town of Simsbury

933 HOPMEADOW STREET

P.O. BOX 495

SIMSBURY, CONNECTICUT 06070

December 9, 2009

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, 2009.

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, 2009, 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 auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the Town of Simsbury's financial statements for the fiscal year ended June 30, 2009, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

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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 one of the finest in 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 5.5% compared to the state average of 8.0% and the national average of 9.5%.

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 12.2% and 5.9%, respectively, versus 3.0% for all other expenses and 5.3% for total expenses). In 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 0.8% and 2.0%, respectively, in student enrollment and full-time positions.

During the same ten-year period, total revenues have increased on an average of 5.5% annually compared to 5.7% annually for property tax revenues, and all other revenues increase 4.1% annually. Ten years ago, property tax revenues accounted for 88.6% of total revenues versus 90.5% today.

Long-Term Financial Planning

The Town has a five-year Capital Improvement Plan which totals approximately \$61.0 million of which is estimated that \$44.8 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
- Other Post Employment Benefit (OPEB) Trust Investment Policy
- GASB 34 - Capital Asset Policy

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, 2009, the annual debt retirement expense percentage in relation to the total annual budget was 7.35%, and therefore was not in compliance with the Town's debt policy.

Major Initiatives

At the May 5, 2009, Special Town Meeting:

- \$550,000 was approved and appropriated for a Combined Parks and Golf Maintenance Facility. Funding for this project will be through the issuance of bonds. This project is projected to be completed by spring of 2010.
- \$150,000 was approved for a Replacement Generator for Squadron Line School. Funding for this project will be through the issuance of bonds. This project is projected to be completed by summer of 2010.
- \$120,000 was approved and appropriated for Central School Building Renovations for the re-building of the brownstone egress stairs on the north and south ends of the 1911 original Central School building and partial re-pointing of the brownstone/masonry on the building. Funding for this project will be through the issuance of bonds. This project was completed in the fall of 2009.
- \$100,000 was approved and appropriated for Replacement of Core Switches that service the schools and the Town. Funding for this project will be through the issuance of bonds. This project was completed in the fall of 2009.

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, 2008. This was the tenth consecutive year that we have received this prestigious award. In order to be awarded a Certificate of Achievement, the Town must

publish an easily readable and efficiently organized comprehensive annual financial report. The report published satisfied both generally accepted accounting principles and applicable legal requirements.

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

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

Respectfully submitted,



Mary A. Glassman
First Selectman



Kevin G. Kane
Director of Finance/Treasurer

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Town of Simsbury
Connecticut

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2008

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

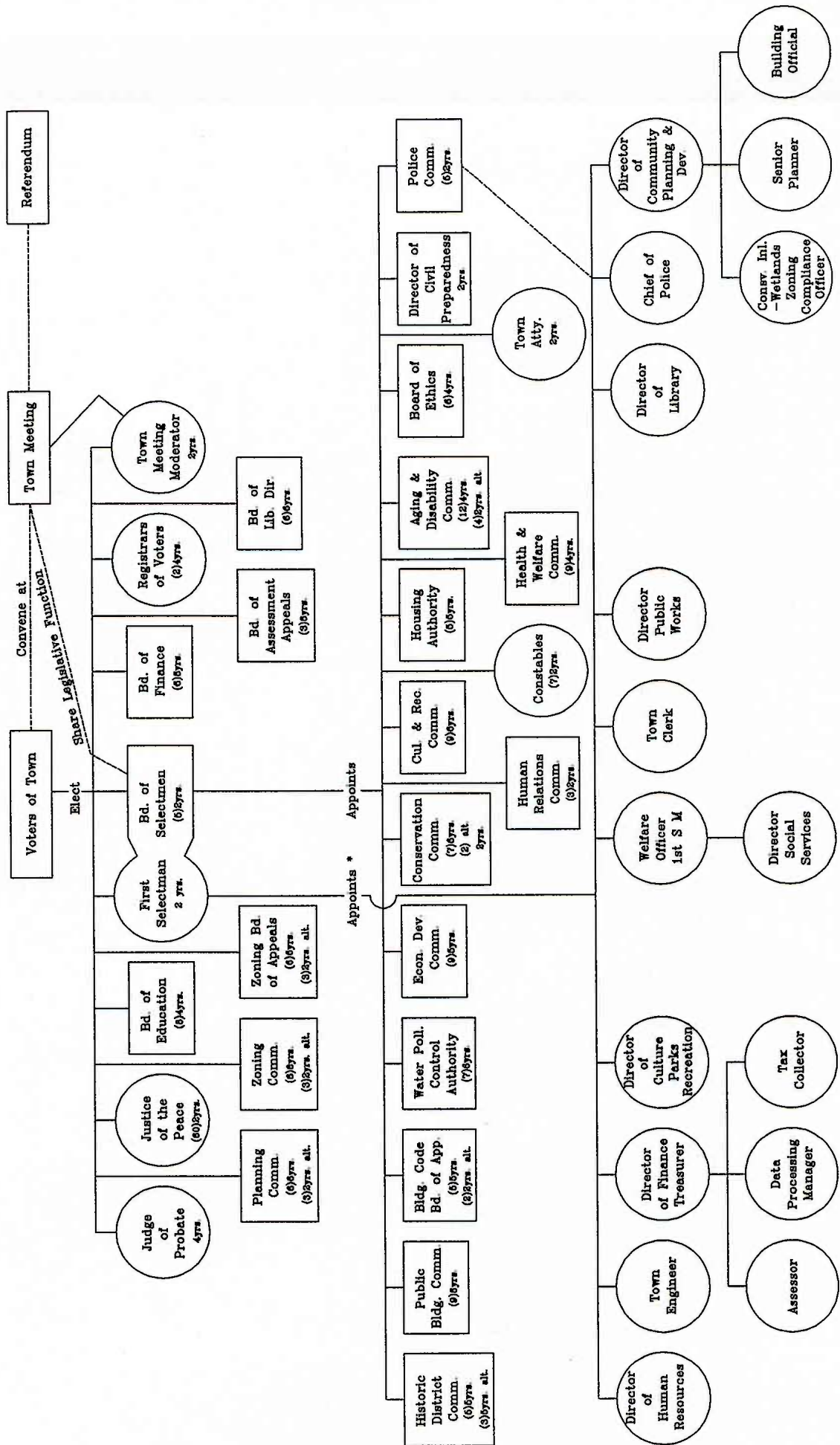
Legend

□ 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

Mary A. Glassman First Selectman
John K. Hampton, Deputy 1st Selectman
Moria Kunkel Wertheimer
David Ryan
Robert S. Hensley
Rich Hogan

BOARD OF EDUCATION

John L. Sennott, Chairman
Charles Moret, Vice Chairman
Lydia A. Tedone
Michael Gorman
Chris M. Kelley
Michael Wade
Tara Willerup
Susan Salina

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



Accounting | Tax | Business Consulting

Independent Auditors' Report

To the Board of Finance
Town of Simsbury
Simsbury, Connecticut

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Simsbury, Connecticut, as of and for the year ended June 30, 2009, 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 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, 2009 and the respective changes in financial position and cash flows, where applicable, thereof, and the respective budgetary comparison for the General Fund and Sewer Use Fund for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Management's discussion and analysis on pages 3 through 19 and the required supplementary information on pages 63 and 64 are not required parts of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures which consisted principally of

Blum, Shapiro & Company, P.C.

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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 our report dated December 9, 2009 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, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of our audit.

Blum, Shapiro & Company, P.C.

December 9, 2009

TOWN OF SIMSBURY, CONNECTICUT
Management's Discussion and Analysis
JUNE 30, 2009

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, 2009. 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 \$99,584,702 for the Governmental Activities.
- On a government-wide basis, the government's total net assets increased by \$9,407,519 for the Governmental Activities.
- As of the close of the current fiscal year, the Town's Governmental Funds reported combined ending fund balances of \$17,954,626, a decrease of \$2,841,236 in comparison with the prior year. Of this total amount, \$17,390,019 is available for spending at the government's discretion (unreserved fund balance).
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$8,000,965 or 9.00% 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 Exhibits I and II 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 Exhibits III - V 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 Exhibits VI - VII 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 Exhibits IX and X 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 32-62 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 immediately following the notes to the financial statements. Combining and individual fund statements and schedules can be found on pages 65-80 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 \$99,584,702 at the close of the most recent fiscal year.

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

NET ASSETS - GOVERNMENTAL ACTIVITIES

June 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Current assets	\$ 26,993,163	\$ 26,133,598
Capital assets, net of accumulated depreciation	132,426,309	129,164,860
Noncurrent assets	<u>327,864</u>	<u>268,279</u>
Total Assets	<u>159,747,336</u>	<u>155,566,737</u>
Current liabilities	12,445,011	11,840,689
Noncurrent liabilities	<u>47,717,623</u>	<u>53,548,865</u>
Total Liabilities	<u>60,162,634</u>	<u>65,389,554</u>
Net Assets:		
Invested in capital assets, net of related debt	<u>79,465,301</u>	<u>71,428,484</u>
Unrestricted	<u>20,119,401</u>	<u>18,748,699</u>
Total Net Assets	\$ <u>99,584,702</u>	\$ <u>90,177,183</u>

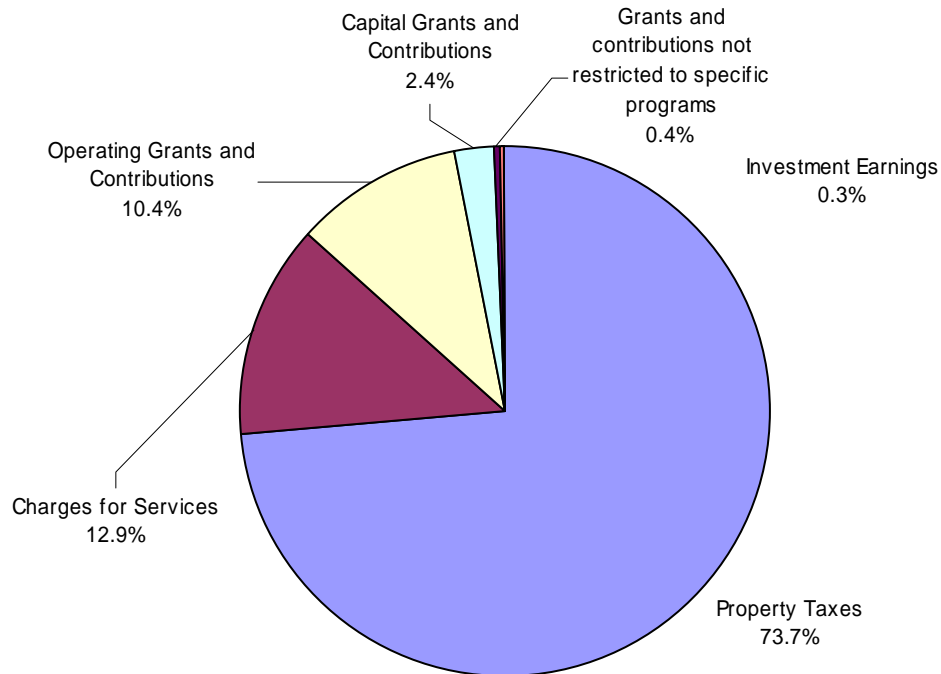
The government's net assets increased by \$9,407,519 or 10.43% during the current fiscal year compared to \$4,316,084 or 5.03% for the prior fiscal year. Unrestricted net assets, the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements, is \$20,119,401 at the end of this year compared to \$18,748,699 at the end of the prior year for an increase of \$1,370,702.

CHANGES IN NET ASSETS - GOVERNMENTAL ACTIVITIES
For the Years Ended June 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Revenues:		
Program revenues:		
Charges for services	\$ 12,940,760	\$ 31,142,186
Operating grants and contributions	10,915,178	8,590,367
Capital grants and contributions	2,579,226	600,243
General revenues:		
Property taxes	77,301,151	75,343,007
Grants and contributions not restricted to specific program	396,487	411,508
Investment income	281,164	1,260,912
Total revenues	<u>104,413,966</u>	<u>117,348,223</u>
Expenses:		
General government	3,062,056	3,292,873
Planning and development	1,843,702	1,384,238
Public safety	6,046,297	6,057,274
Facility management	8,081,543	7,755,390
Culture and recreation	5,018,286	4,911,460
Health and welfare	868,396	756,733
Education	68,363,256	86,929,937
Interest on long-term debt	1,722,911	1,944,234
Total expenses	<u>95,006,447</u>	<u>113,032,139</u>
Change in net assets	9,407,519	4,316,084
Net Assets, July 1	<u>90,177,183</u>	<u>85,861,099</u>
Net Assets, June 30	<u>\$ 99,584,702</u>	<u>\$ 90,177,183</u>

Total revenues were \$104,413,996 and \$117,348,223, respectively, for the years ended June 30, 2009 and 2008. Total cost of all programs and services were \$95,006,447 and \$113,032,139, respectively, for the years ended June 30, 2009 and 2008. Net assets increased by \$9,407,519 and \$4,316,084 for the years ended June 30, 2009 and 2008, respectively.

Revenue by Source - Governmental Activities



Governmental Activities

Major revenue factors during the year include:

- Property taxes collected increased by \$1,958,144 or 2.60%. The property tax budget increase was \$3,821,561 or 5.28% and the revenue budget decrease (excluding property taxes) was \$754,168 to cover an expenditure budget increase of \$3,067,393 or 3.73%. The revenue budget decrease of \$754,168 was primarily driven by a decrease in the Car grant of \$928,962.
- Charges for services decreased by \$18,201,426 or 58.4%. Illustrated below is a comparison between 2009 and 2008:

	<u>2009</u>	<u>2008</u>	<u>Variance</u>
General government	\$ 688,041	\$ 1,525,815	\$ (837,774)
Planning and development	369,448	436,580	(67,132)
Public safety	264,779	300,355	(35,576)
Facility management	3,566,041	3,344,116	221,925
Culture and recreation	2,033,644	1,944,369	89,275
Health and welfare	182,981	101,749	81,232
Education	5,835,826	23,489,202	(17,653,376)
Total	\$ <u>12,940,760</u>	\$ <u>31,142,186</u>	\$ <u>(18,201,426)</u>

Illustrated below is a detail breakdown of Charges for Services revenues which had a \$100,000 variance between 2009 and 2008:

	<u>2009</u>	<u>2008</u>	<u>Variance</u>	<u>Explanation</u>
<u>General Government:</u>				
Central Administration Misc.	\$ 105,704	\$ 788,099	\$ (682,395)	For 2008 received a one-time settlement check of \$512,068 from CRRA and two checks totaling \$189,000 from Westminster for payments in lieu of taxes. First payment was received in July 2007 and second payment was received in June 2008.
Town Clerk Conveyance Tax	336,178	465,812	(129,634)	Decrease was due to the downturn in the economy.
<u>Public Safety:</u>				
Police Private Duty	112,907	236,871	(123,964)	Decrease was due to the downturn in the economy.
<u>Planning & Development:</u>				
Building Department Fees	334,404	435,721	(101,317)	Decrease was due to the downturn in the economy.
<u>Education:</u>				
Teacher's Retirement	4,668,347	21,729,370	(17,061,023)	For 2009, State of CT decreased its contribution on behalf of the town of Simsbury by \$17,061,023.

- Operating grants and contributions increased by \$2,324,811 or 27.1%. Illustrated below is a comparison between 2009 and 2008:

	<u>2009</u>	<u>2008</u>	<u>Variance</u>
General government	\$ 747,425	\$ 76,087	\$ 671,338
Planning and development	259,341	84,894	174,447
Public safety	1,621	25,604	(23,983)
Facility management	1,439,409	193,037	1,246,372
Culture and recreation		10,000	(10,000)
Health and welfare	53,504	53,304	200
Education	8,413,878	8,147,441	266,437
Total	<u>\$ 10,915,178</u>	<u>\$ 8,590,367</u>	<u>\$ 2,324,811</u>

Illustrated below is a detail breakdown of operating grants revenues which had a \$100,000 variance between 2009 and 2008:

	<u>2009</u>	<u>2008</u>	<u>Variance</u>	<u>Explanation</u>
<u>General Government:</u>				
Small Cities Community Block Grant	\$ 482,228	\$ 24,799	\$ 457,429	Grant covers capital improvements to senior housing for the Simsbury Housing Authority
<u>Facilities Management:</u>				
Clean Water Fund Loan Payment - Town of Avon	617,147		617,147	2009 first year for debt service payments for the 2% Clean Water Fund Loan
Clean Water Fund Loan Payment - Town of Granby	244,731		244,731	2009 first year for debt service payments for the 2% Clean Water Fund Loan
LOCIP Grants	394,471		157,731	LOCIP grants for the 2007 and 2008 appropriation and a partial for the 2009 appropriation.
<u>Education:</u>				
Education Cost Sharing Grant	5,368,467	5,124,187	244,280	Increase in State funding.

- Capital grants and contributions increased by \$1,978,983 or 329.7%. Illustrated below is a breakdown comparison between 2009 and 2008:

	<u>2009</u>	<u>2008</u>	<u>Variance</u>
Planning and development	\$ 1,120,342	\$	\$ 1,120,342
Facility management		251,285	(251,285)
Culture and recreation	289,664	250,000	39,664
Education	<u>1,169,220</u>	<u>98,958</u>	<u>1,070,262</u>
Total	<u>\$ 2,579,226</u>	<u>\$ 600,243</u>	<u>\$ 1,978,983</u>

Illustrated below is a detail breakdown of capital grants and contributions which had a \$100,000 variance between 2009 and 2008:

	<u>2009</u>	<u>2008</u>	<u>Variance</u>	<u>Explanation</u>
<u>Planning and Development:</u>				
Open Space Grants	\$ 716,175	\$	\$ 716,175	Represent two grants for the \$7,000,000, September 4, 2007, land purchase from Ethel Walker School.
Greenway Grant	404,167		404,167	Represents grants for the May 2005, \$750,000 Greenway Project.
<u>Facility Management:</u>				
Clean Water Fund Grant		182,685	(182,685)	For 2008 grant was for the \$26.8 million expansion and renovation of the Waste Water Facility

- Grants not restricted to specific programs decreased by \$15,021 or 3.65%.
- Unrestricted investment earnings decreased by \$979,748 or 77.7%. The decrease was due to lower investment rates for the current fiscal year of 1.0% compared to 3.7% for the prior fiscal year.

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

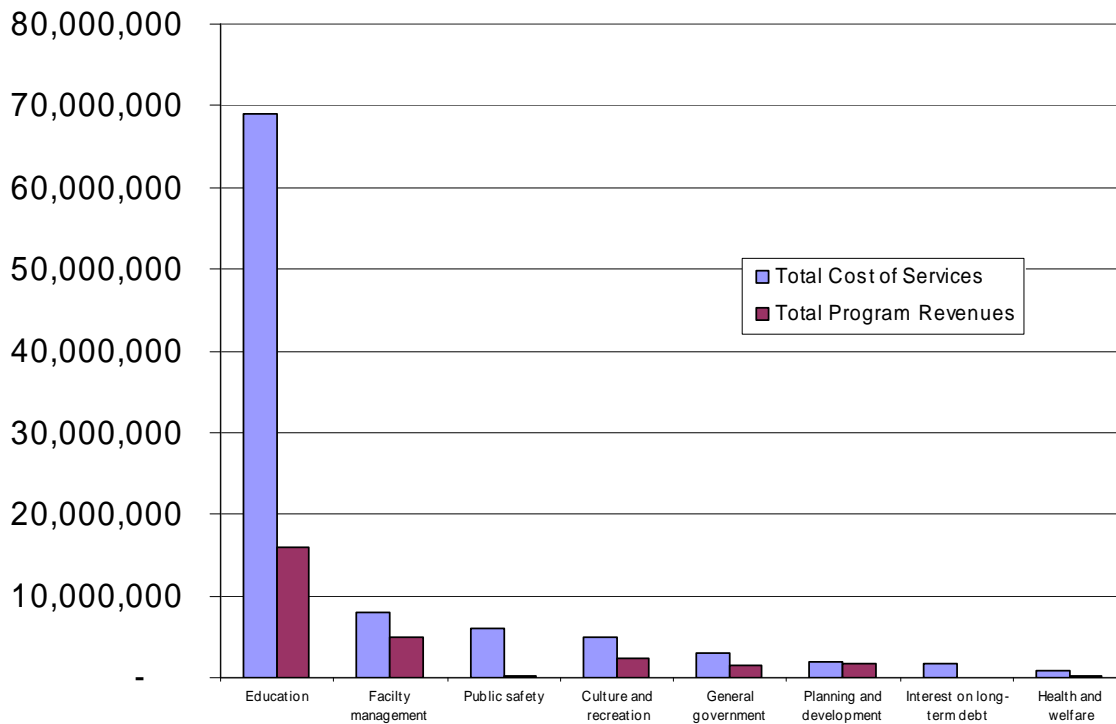
The following table present the cost of each of the Town's programs as well as each program's net cost (total cost less revenues generated by the activities). The net cost shows the financial burden that was placed on the Town's taxpayers by each of these functions.

GOVERNMENTAL ACTIVITIES

For the Year Ended June 30, 2009

	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
Education	\$ 68,363,256	\$ 52,944,332
Facility management	8,081,543	3,076,093
Public safety	6,046,297	5,779,897
Culture and recreation	5,018,286	2,694,978
General government	3,062,056	1,626,590
Planning and development	1,843,702	94,571
Interest on long-term debt	1,722,911	1,722,911
Health and welfare	868,396	631,911
Totals	\$ <u>95,006,447</u>	\$ <u>68,571,283</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 \$17,954,626, a decrease of \$2,841,236 in comparison with the prior year. Of this amount, \$533,085 is reserved for encumbrances, and \$31,522 is reserved for inventories. Also, 97.1% or \$17,390,019 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 \$8,465,133. Of this total fund balance, \$464,168 is reserved for encumbrances, with the balance being undesignated in the amount of \$8,000,965. 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 9.00% of the total General Fund expenditures, while total fund balance represents 9.52% of that same amount.

The fund balance of the Town's General Fund increased by \$220,966 during the current fiscal year and the undesignated fund balance increased by \$356,305 as illustrated below.

The major factors behind the increase of \$356,305 are as follows:

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

- Property taxes collected were \$1,049,234 higher than the budget. Current collection rate of 99.41% versus budgeted collection rate of 98% was \$899,238 higher than the budget. In addition, the Town's prior year taxes were \$127,312 higher than budget, and interest and lien fees were \$22,684 higher than budget.
- Intergovernmental revenues were \$291,576 higher than budget.
- Investment income was \$979,328 lower than the budget. The primary driver was lower investment rates for the current fiscal year of 1.0% compared to 3.7% for the prior fiscal year.
- Charges for goods and services were \$163,184 lower than the budget. Conveyance tax receipts were \$203,822 lower than the budget.
- Licenses and permits revenues were \$50,387 lower than the budget. Building department fees were \$44,596 lower than the budget.
- Local revenues were \$114,635 higher than the budget. During the current year, prior year encumbrances were closed out totaling \$149,153.
- Other financing sources were \$16,728 higher than the budget. Elementary Modular Classroom project that was approved in May 2004 was officially closed and its remaining funds totaling \$2,099 were transferred to the General Fund. The Police Special Duty Fund transfer was \$14,629 higher than budgeted.
- General Fund expenditures were \$454,770 lower than the amended budget and \$78,724 lower than the original budget. During the fiscal year, the Board of Finance provided supplemental appropriations from RESERVES totaling \$376,046. Board of Education returned \$12,928 or 0.09% of their original/amended budget of \$60,621,160. Board of Selectmen returned \$441,841 or 2.36% of their amended budget of \$18,708,655.

The Sewer Use Fund has a fund balance of \$5,768,422 at the end of the year, a decrease of \$57,961 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 \$26.8 million renovation and expansion capital project. This project was funded 100% by the State of Connecticut Clean Water Fund 2% Loan and Grant program. This project is completed and payments begin on the 20-year, 2% loan program starting monthly beginning September 2008. The loan will be repaid by future sewer user charges.

The major factors behind the decrease of \$57,961 are as follows:

- Sewer Use Fund generated total revenues of \$3,953,851, of which \$861,878 were 2% Clean Water Loan payments from Towns of Avon and Granby for their share. \$47,472 was from investment income, \$2,606,289 was from sewer use fees and \$438,212 on new sewer service connections and other fees.
- Total expenditures were \$4,011,812, of which \$1,800,674 was to operate the Sewer Treatment Plant, and 2% Clean Water Fund Loan payments totaling \$2,211,138, of which \$1,705,330 and \$505,808, respectively, were for principal and interest.

The Sewer Assessment Fund has a fund balance of \$1,123,854 at the end of the year, an increase of \$142,811 from the prior year.

The major factors behind the increase of \$142,811 are as follows:

- \$9,526 was from investment income, \$111,987 was from principal payments received on sewer assessments and \$21,298 was from interest and lien fees payment on sewer assessments.

The Capital Project Fund has a negative fund balance of \$175,476 at the end of the year, a decrease of \$3,711,610 from the prior year. This decrease was primarily driven by total expenditures of \$6,313,242 and offset by \$2,601,632 in revenues and net transfers in/out.

- The Town had one major capital project which incurred over \$1 million in expenditures during the year. For the year expenditures were \$4.4 million for the Tariffville Expansion & Renovation. The remaining \$1.9 million was for all other capital projects.
- These expenditures were offset by \$2,533,208 in grant revenues. The Town received grant revenues of \$1,127,635 for the Tariffville Expansion & Renovation project, \$716,175 for the Ethel Walker Land Purchase, \$404,167 for the Greenway project, \$200,000 for the Library Expansion & Renovation project, \$27,126 for the Modular Classroom project and \$8,105 for the Elementary Modular Classroom project. \$70,523 was transferred in from the General Fund RESERVES to close out three capital projects. These transfers in included \$54,096 for the Central School Roof Replacement that was approved in May 2004, \$7,105 for the Henry James Expansion project that was approved in November 1998 and \$9,324 for the Henry James Expansion Phase II project that was approved in May 2000. There was \$2,099 transferred out to the General Fund for the closed Modular Classrooms project that was approved in May 2004.

Other nonmajor governmental funds have a total fund balance of \$2,772,693, an increase of \$564,558 from the prior year as illustrated below.

	<u>2009</u>	<u>2008</u>	<u>Variance</u>	<u>Explanation of \$100,000 Variance</u>
Residential Rental Properties	\$ 104,717	\$ 120,147	\$ (15,430)	
Animal Control Fund	48,693	61,016	(12,323)	
Simsbury Farms Fund	95,647	51,727	43,920	
General Government Program Fund	93,107	84,623	8,484	
Public Safety Program Fund	106,375	101,924	4,451	
Planning & Development Program Fund	420,332	285,478	134,854	Timing of expenditures and receipt of grants. Reimbursement grants for 2008 expenditures received in 2009.
Facilities Management Program Fund	790,517	521,912	268,605	“
Health & Welfare Program Fund	157,511	179,205	(21,694)	
Culture & Recreation Program Fund	72,210	83,783	(11,573)	
Board of Education Program Fund	373,438	425,139	(51,701)	
Cafeteria	253,758	258,335	(4,577)	
Capital and Nonrecurring Expenditures Fund	<u>256,388</u>	<u>34,846</u>	<u>221,542</u>	LOCIP Grant Due From the State of CT totaling \$237,100
Total	\$ <u>2,772,693</u>	\$ <u>2,208,135</u>	\$ <u>564,558</u>	

General Fund Budgetary Highlights

For the current year \$376,046 transfers were made from reserves. On the Board of Selectmen budget \$573,745 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, 2009

	<u>Original Budget</u>	<u>Transfers From Reserves</u>		<u>Budget Transfer</u>		<u>Amended Budget</u>
General government	\$ 1,991,885	\$		\$ 81,537	(f)	2,073,422
Planning and development	722,100	99,900	(e)	8,680	(f)	830,680
Public safety	3,878,074	20,881	(d), (e)	83,314	(f)	3,982,269
Facility management	3,558,427	29,290	(b)	86,396	(f)	3,674,113
Culture and recreation	2,127,038	147,000	(a)	49,432	(f)	2,323,470
Health and welfare	506,349	8,450	(c)	29,637	(f)	544,436
Fringe benefits and insurance	4,489,101			(77,941)	(f)	4,411,160
Education	60,621,160					60,621,160
Special projects	575,309			(261,055)	(f)	314,254
Debt service (principal and interest)	6,258,286					6,258,286
Transfers to other funds	<u>484,326</u>	<u>70,525</u>	(b)			<u>554,851</u>
Totals	\$ <u>85,212,055</u>	\$ <u>376,046</u>		\$ <u>-</u>		\$ <u>85,588,101</u>

Reasons behind transfers from Reserves:

- (a) On December 16, 2008, Simsbury Board of Finance approved a supplemental appropriation for a HUD grant in the amount of \$147,000 for a RFID System self check in/check out for the Library.
- (b) On January 20, 2009, Simsbury Board of Finance approved supplemental appropriations totaling \$99,815. This included \$70,525 to close out three capital projects. \$54,096 was for the Central School Roof Replacement project, \$7,105 for the Henry James Expansion project and \$9,324 for the Henry James Expansion Phase II project. A \$29,290 supplemental appropriation was approved from funds received by the Connecticut Resource Recovery Authority to be used towards closing the Town landfill.
- (c) On February 10, 2009, Simsbury Board of Finance approved a supplemental appropriation for a State of Connecticut grants totaling \$8,450. \$3,450 was for motion detector night lights for the Senior Center and \$5,000 for laptop computers for the Senior Center.
- (d) On May 19, 2009, Simsbury Board of Finance approved a supplemental appropriation for an Emergency Management grant in the amount of \$10,000.
- (e) On June 16, 2009, Simsbury Board of Finance approved supplemental appropriations totaling \$110,781 for four grants. Includes an Emergency Management Grant in the amount of \$10,881; \$25,000 for a State of Connecticut DEP grant for a study on low-impact development; \$49,900 for a grant for an Incentive Housing Zone Study; \$25,000 for a grant from the Connecticut Trust for Historic Preservation to conduct a study of the Town Center.

Reasons behind budget transfers:

(f) On the Board of Selectmen budget \$573,745 was transferred from within the budget. Illustrated below are the material budget transfers to cover deficits:

- \$261,055 was transferred from “Un-negotiated Salary” to several payroll budgeted line items for wage settlements covering all employees.
- \$137,649 was transferred to cover gasoline and diesel fuel costs.
- \$38,207 was transferred to cover shortfall in Facilities Maintenance accounts, primarily in Landfill (\$35,480).
- \$23,564 was transferred to cover shortfalls in Support Services accounts.
- \$23,003 was transferred to cover electricity costs.
- \$18,309 was transferred to cover shortfall in Building Improvements primarily for Town Offices.
- \$9,141 was transferred to cover shortfall in Heating Oil accounts.
- \$8,685 was transferred to cover shortfalls in Office Supplies accounts.
- \$6,882 was transferred to cover shortfalls in Water Charge accounts.
- \$6,753 was transferred to cover shortfall in Consultant Services account.
- \$6,261 was transferred to cover shortfall in Equipment Maintenance accounts.
- \$5,032 was transferred to cover shortfalls in Copy & Printing accounts.

During the year, General Fund revenues exceeded budgetary estimates by \$277,581, and expenditures were \$454,770 lower than the amended budget and were \$78,724 lower than the original budget. Overall revenues over expenditures on the budgetary basis were \$356,305. In the current year, revenues increased by 1.0% over the prior year as expenditures increased by 0.6%.

The major factors are as follows:

- Property taxes collected were \$1,049,234 higher than the budget.
- Intergovernmental revenues were \$291,576 higher than the budget.
- Investment income was \$979,328 lower than the budget.
- Charges for goods and services were \$163,184 lower than the budget.
- Licenses and permits revenues were \$50,387 lower than the budget.
- Other local revenues were \$114,635 higher than the budget.
- General Fund expenditures were \$78,724 lower than the original budget and \$454,770 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, 2009 amounted to \$132,426,309. This investment in capital assets included land, buildings and system improvements, machinery and equipment, park facilities, roads, highways, and bridges. The total net change in the Town's investment in capital assets for the current fiscal year was \$3,261,449, which was comprised of an increase of \$6,980,839 for new additions and a decrease of \$3,719,390 for depreciation.

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

Infrastructure

- Increased by \$611,952. This increase was comprised of \$366,954 which was for the repaving of existing roads, \$166,317 for the Greenway project and \$78,681 for new sanitary sewers and structures.

Buildings and Improvements

- Net increased by \$680,782. The largest change was a transfer from construction work in progress for the Simsbury High School Auditorium in the amount of \$680,802.

Construction Work in Progress

- Increased by \$5,742,245. The four largest additions were \$4,370,432, \$500,000, \$464,839 and \$257,417 for the Tarrifville Renovation and Expansion project, Triangle Five Year Phase-In Land Acquisition, South Pump Station Improvement and Library Renovation and Expansion project, respectively.
- The Simsbury High School Auditorium project was completed in the current year and was transferred out to Building and Improvements in the amount of \$680,802.

Vehicles & Equipment

- Increased by \$626,662. Included Town additions totaling \$274,546 for the purchase of four police vehicles, one large truck, three used vehicles and an air compressor. Included education additions totaling \$352,116 for three school buses, vehicle, tractor, various indoor maintenance equipment and a racing shell donated by the Friends of Simsbury Crew.
- Accounted for \$415,912 of the capital asset reductions. Included Town deletions totaling \$245,809 and Education deletions totaling \$170,103.

Update on Approved Capital Projects

- At a May 5, 2009, Special Town Meeting, four capital projects were approved as follows:
 - Combined Parks and Golf Maintenance Facility in the amount of \$550,000. Funding for this project will be through the issuance of bonds. This project is projected to be completed by spring of 2010.
 - Replacement Generator for Squadron Line School in the amount of \$150,000. Funding for this project will be through the issuance of bonds. This project is projected to be completed by summer of 2010.
 - Central School Building Renovations in the amount of \$120,000. This project includes the re-building of the brownstone egress stairs on the north and south ends of the 1911 original Central School building and partial re-pointing of the brownstone/masonry on the building. Funding for this project will be through the issuance of bonds. This project was completed in the fall of 2009.

- Replacement of Core Switches in the amount of \$100,000. Funding for this project will be through the issuance of bonds. This project was completed in the fall of 2009.
- 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. To date \$36.1 million has been expended. Hard construction started during the summer of 2003 and the project is close to be completed. Due to favorable construction bid results, the total cost for this project is projected to be between \$36 million and \$37 million. Funding for this project will be from a combination of school building grants from the State of Connecticut and through the issuance of general obligation bonds. In September 2003, the Town issued a \$23,765,000 general obligation bond with final maturity due January 2018, at an interest rate of 3.74%. 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 interest rate of 3.69%.
- Construction work in progress continues for the \$6.1 million Library Expansion project that was approved at May 2006 Referendum. During the current fiscal year, \$0.3 million was expended and to-date \$5.8 million has been 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 100% completed by spring of 2010.
- Construction work in progress continues for the \$6.2 million Tariffville School expansion and renovation project that was approved at a May 2006 referendum vote. During the current fiscal year, \$4.4 million was expended and to date \$4.8 million has been expended. Hard construction started during the summer of 2008 and the project is expected to be completed by summer of 2010. 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 April 2008, the Town issued a \$4,000,000 general obligation bond of which \$1,940,000 was partial funding for this project. The Town projects receiving grant revenues of \$1,860,000 and is planning a future bond issue to fund the difference needed, up-to \$2.4 million.
- During fiscal year 2009/10 it is expected that several major school capital projects will be completed and closed. They include the Simsbury High School expansion and renovation project. 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 Exhibit A-4 of this report.

CAPITAL ASSETS (net of depreciation)**June 30, 2009**

	Governmental Activities
Infrastructure	\$ 14,626,738
Land and buildings	67,184,484
Vehicles and equipment	3,419,574
Construction work in progress	<u>47,195,513</u>
Total	\$ <u>132,426,309</u>

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 \$52,747,836 of which \$5,709,068 is due within one year. All of the debt is backed by the full faith and credit of the Town.

OUTSTANDING DEBT**June 30, 2009**

	Governmental Activities
General obligation bonds	\$ 33,295,000
Loan payable - Clean Water Fund	19,331,886
Loan payable - State of CT	<u>120,950</u>
Total	\$ <u>52,747,836</u>

The Town's total debt decreased during the current fiscal year by \$6,527,597. This decrease was comprised of debt payments of \$4,815,000 on general obligation bonds, \$1,705,330 on Clean Water Fund loan and \$7,267 on State of CT loan.

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

State statutes limit the amount of general obligation debt a governmental entity may issue to 7.0 times its total prior years' tax collections. The current debt limitation for the Town is \$543,238,654 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 48-50 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 2010 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 June 2009 was 5.5%, which is an increase from a rate of 4.1% a year ago. This compares to the State's average unemployment rate of 8.0% and the national average rate of 9.5%. A factor that the Board of Finance uses is the projected grand list growth. Due to the downturn in the economy and court settlements, the October 1, 2008 grand list had zero growth. For fiscal year 2010 the Board of Finance set a 1.25% budget spending guideline on all operating budgets. Board of Selectmen brought forward a budget with a decrease of \$556,870 or 3.04%. Board of Education and Non-Public School budgets were both brought forward with a 1.25% increase. The debt service budget was brought forward and approved with a decrease of \$144,261 or 2.31%. Illustrated on the following page is a recap of the 2010 General Fund budget property tax increase.

<u>Allocation of Tax Increase</u>		
	<u>Amount</u>	<u>%</u>
Board of Education	\$ 753,869	0.99
Non-Public Schools	6,332	0.01
Debt Retirement	(144,261)	(0.19)
Board of Selectmen	(556,870)	(0.73)
Revenue	<u>1,018,002</u>	<u>1.34</u>
 New Additional Property Tax Revenues	 1,077,072	 <u><u>1.42</u></u>
 Budgeted FY 08/09 Property Tax Revenues	 <u>75,985,441</u>	
 Budgeted FY 09/10 Property Tax Revenues	 \$ <u><u>77,062,513</u></u>	

The actual tax increase on all property was approximately 1.69%.

During the current fiscal year, unreserved fund balance in the General Fund increased to \$8,000,965.

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, 2009

	Governmental Activities
Assets:	
Current assets:	
Cash and cash equivalents	\$ 23,734,026
Investments	280,240
Accounts receivable	2,947,375
Inventories	31,522
Total current assets	<u>26,993,163</u>
Noncurrent assets:	
Pension and other post employment benefit assets	327,864
Capital assets:	
Nondepreciable	62,352,202
Depreciable, net	70,074,107
Total noncurrent assets	<u>132,754,173</u>
Total assets	<u>159,747,336</u>
Liabilities:	
Current liabilities:	
Accounts payable	3,968,559
Accrued interest payable	601,401
Unearned revenues	280,531
Claims liabilities	1,175,639
Bonds and loans payable	5,770,361
Compensated absences	643,520
Landfill closing	5,000
Total current liabilities	<u>12,445,011</u>
Noncurrent liabilities:	
Bonds and loans payable	46,977,475
Unamortized premium on bonds	481,616
Compensated absences	168,532
Landfill closing	90,000
Total noncurrent liabilities	<u>47,717,623</u>
Total liabilities	<u>60,162,634</u>
Net Assets:	
Invested in capital assets, net of related debt	79,465,301
Unrestricted	20,119,401
Total Net Assets	<u>\$ 99,584,702</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF SIMSBURY, CONNECTICUT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2009**

Function/Program Activities	Program Revenues				Net Revenues (Expenses) and Changes in Net Assets
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
General government	\$ 3,062,056	\$ 688,041	\$ 747,425	\$	\$ (1,626,590)
Planning and development	1,843,702	369,448	259,341	1,120,342	(94,571)
Public safety	6,046,297	264,779	1,621		(5,779,897)
Facility management	8,081,543	3,566,041	1,439,409		(3,076,093)
Culture and recreation	5,018,286	2,033,644		289,664	(2,694,978)
Health and welfare	868,396	182,981	53,504		(631,911)
Education	68,363,256	5,835,826	8,413,878	1,169,220	(52,944,332)
Interest on long-term debt	1,722,911				(1,722,911)
Total Governmental Activities	<u>\$ 95,006,447</u>	<u>\$ 12,940,760</u>	<u>\$ 10,915,178</u>	<u>\$ 2,579,226</u>	<u>(68,571,283)</u>
General Revenues:					
Property taxes, levied for general purposes					77,301,151
Grants and contributions not restricted to specific programs					396,487
Investment earnings					281,164
Total general revenues					<u>77,978,802</u>
Change in net assets					9,407,519
Net Assets at Beginning of Year					<u>90,177,183</u>
Net Assets at End of Year					<u>\$ 99,584,702</u>

The accompanying notes are an integral part of the financial statements

TOWN OF SIMSBURY, CONNECTICUT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2009

	<u>General Fund</u>	<u>Sewer Use Fund</u>	<u>Sewer Assessment Fund</u>	<u>Capital Project Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS						
Cash and cash equivalents	\$ 10,699,797	\$ 5,856,232	\$ 1,123,854	\$ 598,674	\$ 2,409,736	\$ 20,688,293
Investments					280,240	280,240
Receivables	1,359,586	88,648	509,204	50,000	563,535	2,570,973
Due from other funds	125,830					125,830
Inventories					31,522	31,522
Total Assets	<u>\$ 12,185,213</u>	<u>\$ 5,944,880</u>	<u>\$ 1,633,058</u>	<u>\$ 648,674</u>	<u>\$ 3,285,033</u>	<u>\$ 23,696,858</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 2,655,086	\$ 166,538	\$	\$ 824,150	\$ 322,785	\$ 3,968,559
Due to other funds					125,830	125,830
Deferred revenue	1,064,994	9,920	509,204		63,725	1,647,843
Total liabilities	<u>3,720,080</u>	<u>176,458</u>	<u>509,204</u>	<u>824,150</u>	<u>512,340</u>	<u>5,742,232</u>
Fund Balances:						
Reserved for:						
Inventories					31,522	31,522
Encumbrances	464,168	18,817			50,100	533,085
Unreserved, reported in:						
General Fund	8,000,965					8,000,965
Sewer Use Fund		5,749,605				5,749,605
Sewer Assessment Fund			1,123,854			1,123,854
Capital Project Funds				(175,476)	256,388	80,912
Special Revenue Funds					2,434,683	2,434,683
Total fund balances	<u>8,465,133</u>	<u>5,768,422</u>	<u>1,123,854</u>	<u>(175,476)</u>	<u>2,772,693</u>	<u>17,954,626</u>
Total Liabilities and Fund Balances	<u>\$ 12,185,213</u>	<u>\$ 5,944,880</u>	<u>\$ 1,633,058</u>	<u>\$ 648,674</u>	<u>\$ 3,285,033</u>	<u>\$ 23,696,858</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF SIMSBURY, CONNECTICUT
BALANCE SHEET
GOVERNMENTAL FUNDS (CONTINUED)
AS OF JUNE 30, 2009**

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

Fund balances - total governmental funds (Exhibit III)	\$	17,954,626
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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	\$ 203,191,310	
Less accumulated depreciation	<u>(70,765,001)</u>	
Net capital assets		132,426,309

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

Pension asset	9,060	
Other postemployment benefit asset	318,804	
Property tax receivables greater than 60 days	620,771	
Sewer assessments receivable	509,204	
Interest receivable on property taxes	237,337	

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.

2,246,496

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

Bonds payable	(33,295,000)	
Unamortized bond premium	(481,616)	
Clean Water Fund 2% loan	(19,331,886)	
Notes payable	(120,950)	
Interest payable on bonds	(601,401)	
Compensated absences	(812,052)	
Claims payable	<u>(95,000)</u>	

Net Assets of Governmental Activities (Exhibit I)	\$	<u>99,584,702</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, 2009

	<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	\$ 77,284,675	\$	\$	\$	\$	\$ 77,284,675
Intergovernmental	11,031,153	861,878		2,533,208	4,269,169	18,695,408
Investment income	270,672	47,472	9,526		(46,506)	281,164
Charges for goods and services	824,400				3,029,700	3,854,100
Licenses and permits	346,713				16,633	363,346
Rental of town-owned property	3,816					3,816
Local revenues	365,735					365,735
Assessments	4,091	2,606,289	111,987			2,722,367
Other		438,212	21,298		328,197	787,707
Total revenues	<u>90,131,255</u>	<u>3,953,851</u>	<u>142,811</u>	<u>2,533,208</u>	<u>7,597,193</u>	<u>104,358,318</u>
Expenditures:						
Current:						
General government	2,081,453			2,532	155,182	2,239,167
Planning and development	713,322			29,238	774,496	1,517,056
Public safety	3,962,570				215,401	4,177,971
Facility management	3,317,027	1,800,674		111,667	179,474	5,408,842
Culture and recreation	2,139,794			76,401	1,789,497	4,005,692
Health and welfare	540,097				209,339	749,436
Fringe benefits and insurances	4,399,255					4,399,255
Education	64,620,969			192,203	4,162,960	68,976,132
Special projects	306,883					306,883
Capital outlay - Town	457,547			1,456,562	269,974	2,184,083
Capital outlay - education	36,026			4,444,639	276,427	4,757,092
Debt service:						
Principal payments	4,815,000	1,705,330			7,267	6,527,597
Interest and other	1,443,285	505,808			1,255	1,950,348
Total expenditures	<u>88,833,228</u>	<u>4,011,812</u>	<u>-</u>	<u>6,313,242</u>	<u>8,041,272</u>	<u>107,199,554</u>
Excess (Deficiency) of Revenues over Expenditures	<u>1,298,027</u>	<u>(57,961)</u>	<u>142,811</u>	<u>(3,780,034)</u>	<u>(444,079)</u>	<u>(2,841,236)</u>
Other Financing Sources (Uses):						
Transfers in	26,728			70,523	1,033,266	1,130,517
Transfers out	(1,103,789)			(2,099)	(24,629)	(1,130,517)
Total other financing sources (uses)	<u>(1,077,061)</u>	<u>-</u>	<u>-</u>	<u>68,424</u>	<u>1,008,637</u>	<u>-</u>
Net Change in Fund Balances	220,966	(57,961)	142,811	(3,711,610)	564,558	(2,841,236)
Fund Balances at Beginning of Year	<u>8,244,167</u>	<u>5,826,383</u>	<u>981,043</u>	<u>3,536,134</u>	<u>2,208,135</u>	<u>20,795,862</u>
Fund Balances at End of Year	<u>\$ 8,465,133</u>	<u>\$ 5,768,422</u>	<u>\$ 1,123,854</u>	<u>\$ (175,476)</u>	<u>\$ 2,772,693</u>	<u>\$ 17,954,626</u>

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 (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2009

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

Net change in fund balances - total governmental funds (Exhibit IV)	\$ (2,841,236)
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	6,980,839
Depreciation expense	(3,719,390)

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	(89,016)
Sewer assessment revenue	79,509
Interest income on property taxes	25,491

Change in pension and other post employment benefit assets	59,585
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The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Premium on bonds issued (net of amortization)	61,353
Accrued interest	166,084
Principal payments	6,527,597

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	(14,369)
Other - accounts payable	5,000

The net profit (loss) of the internal service funds is reported with governmental activities.	<u>2,166,072</u>
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Change in Net Assets of Governmental Activities (Exhibit II)	<u><u>\$ 9,407,519</u></u>
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The accompanying notes are an integral part of the financial statements

TOWN OF SIMSBURY, CONNECTICUT
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) - GENERAL AND MAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

	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	\$ 76,235,441	\$ 76,235,441	\$ 77,284,675	\$ 1,049,234	\$ 716,409	\$ 716,409	\$ 861,878	\$ 145,469
Intergovernmental revenues	6,071,230	6,071,230	6,362,806	291,576	216,246	216,246	47,472	(168,774)
Investment income	1,250,000	1,250,000	270,672	(979,328)	907,962	907,962	438,212	(469,750)
Charges for goods and services	987,584	987,584	824,400	(163,184)				
Rental of town-owned property	9,600	9,600	3,816	(5,784)				
Licenses and permits	397,100	397,100	346,713	(50,387)				
Local revenue	251,100	251,100	365,735	114,635				
Assessments			4,091	4,091	2,135,578	2,135,578	2,606,289	470,711
Total revenues	85,202,055	85,202,055	85,462,908	260,853	3,976,195	3,976,195	3,953,851	(22,344)
Expenditures:								
Current:								
General government	1,991,885	2,073,422	2,025,264	48,158				-
Planning and development	722,100	830,680	814,543	16,137				-
Public safety	3,878,074	3,982,269	3,973,451	8,818				-
Facility management	3,558,427	3,674,113	3,664,198	9,915	1,832,364	1,832,361	1,790,699	41,662
Culture and recreation	2,127,038	2,323,470	2,283,416	40,054				-
Health and welfare	506,349	544,436	540,097	4,339				-
Fringe benefits and insurance	4,489,101	4,411,160	4,399,255	11,905				-
Education	60,621,160	60,621,160	60,608,232	12,928				-
Special projects	575,309	314,254	15,000	299,254				-
Debt service	6,258,286	6,258,286	6,258,285	1	2,211,137	2,211,140	2,211,138	2
Total expenditures	84,727,729	85,033,250	84,581,741	451,509	4,043,501	4,043,501	4,001,837	41,664
Excess of Revenues over Expenditures	474,326	168,805	881,167	712,362	(67,306)	(67,306)	(47,986)	19,320
Other Financing Sources (Uses):								
Transfers from other funds	10,000	10,000	26,728	16,728				-
Transfers to other funds	(484,326)	(554,851)	(551,590)	3,261				-
Net other financing sources (uses)	(474,326)	(544,851)	(524,862)	19,989	-	-	-	-
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	\$ -	\$ (376,046)	356,305	\$ 732,351	\$ (67,306)	\$ (67,306)	(47,986)	\$ 19,320
Fund Balances at Beginning of Year			7,644,660				5,797,591	
Fund Balances at End of Year			\$ 8,000,965				\$ 5,749,605	

The accompanying notes are an integral part of the financial statements

TOWN OF SIMSBURY, CONNECTICUT
STATEMENT OF NET ASSETS - PROPRIETARY FUNDS
JUNE 30, 2009

	Governmental Activities <hr/> Internal Service Fund <hr/>
Assets:	
Current assets:	
Cash and cash equivalents	\$ 3,045,733
Accounts receivable, net	376,402
Total current assets	<hr/> 3,422,135
Liabilities:	
Noncurrent liabilities:	
Claim incurred but not reported	<hr/> 1,175,639
Net Assets:	
Unrestricted	\$ <hr/> <hr/> 2,246,496

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, 2009**

	Governmental Activities Internal Service Fund
Operating Revenues:	
Charges for services	\$ 10,087,816
Intergovernmental	86,265
Total operating revenues	<u>10,174,081</u>
Operating Expenses:	
Claims incurred	6,797,102
Administration and stop loss insurance fees	<u>1,210,907</u>
Total operating expenses	<u>8,008,009</u>
Change in Net Assets	2,166,072
Net Assets at Beginning of Year	<u>80,424</u>
Net Assets at End of Year	<u><u>\$ 2,246,496</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, 2009**

	Governmental Activities Internal Service Fund
Cash Flows from Operating Activities:	
Receipts from customers and users	\$ 9,797,679
Payments to employees	(8,306,620)
Net cash provided by operating activities	<u>1,491,059</u>
Cash and Cash Equivalents at Beginning of Year	<u>1,554,674</u>
Cash and Cash Equivalents at End of Year	\$ <u><u>3,045,733</u></u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating income	\$ <u>2,166,072</u>
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Change in assets and liabilities:	
Increase in accounts receivable	(376,402)
Decrease in claims payable	(298,611)
Total adjustments	<u>(675,013)</u>
Net Cash Provided by Operating Activities	\$ <u><u>1,491,059</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, 2009

	<u>Pension Trust Funds</u>	<u>Other Post Employment Benefit Trust Fund</u>	<u>Agency Fund School Activity Fund</u>
Assets:			
Cash and cash equivalents	\$	\$	\$ 651,312
Investments - mutual funds	<u>30,886,435</u>	<u>1,746,923</u>	<u></u>
Total assets	30,886,435	1,746,923	<u><u>\$ 651,312</u></u>
Liabilities:			
Due to student groups	<u></u>	<u></u>	<u><u>\$ 651,312</u></u>
Net Assets:			
Held in Trust for Pension Benefits and Other Purposes	<u><u>\$ 30,886,435</u></u>	<u><u>\$ 1,746,923</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, 2009

	Pension Trust Funds	Other Post Employment Benefit Trust Fund
	<hr/>	<hr/>
Additions (reductions):		
Contributions		
Employer	\$ 1,632,109	\$ 1,726,500
Plan members	486,962	802,248
Other	4,622	
Total contributions	<hr/> 2,123,693 <hr/>	<hr/> 2,528,748 <hr/>
Investment earnings (loss):		
Net decrease in fair value of investments	(7,574,140)	(293,141)
Interest	1,499	61,973
Total investment loss	<hr/> (7,572,641) <hr/>	<hr/> (231,168) <hr/>
Less investment expenses:		
Investment management fees	(207,693)	(25,842)
Custodian fees	(40,946)	
Net investment loss	<hr/> (7,821,280) <hr/>	<hr/> (257,010) <hr/>
Total additions (reductions)	<hr/> (5,697,587) <hr/>	<hr/> 2,271,738 <hr/>
Deductions:		
Benefits	2,431,801	1,828,748
Administrative expense	42,207	
Total deductions	<hr/> 2,474,008 <hr/>	<hr/> 1,828,748 <hr/>
Net Change in Net Assets	(8,171,595)	442,990
Net Assets at Beginning of Year	<hr/> 39,058,030 <hr/>	<hr/> 1,303,933 <hr/>
Net Assets at End of Year	<hr/> \$ 30,886,435 <hr/>	<hr/> \$ 1,746,923 <hr/>

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 (GASB).

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

Government-Wide and Fund Financial Statements

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

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 and are not eliminated in the process of consolidation. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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 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.

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

TOWN OF SIMSBURY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

The Town reports the following major governmental funds:

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

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

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

The *Capital Project Fund* accounts for financial resources to be used for capital expenditures or for the acquisition or construction of capital facilities, improvements and/or equipment. Capital projects of greater than one year's duration have been accounted for in the Capital Project 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 on behalf of students.

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

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Town's proprietary 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.

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.

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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

H. Net Pension and Other Post Employment (OPEB) Assets

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

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

I. Long-Term Obligations

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

J. Compensated Absences and Termination Benefits

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

K. Equity

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

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

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

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

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

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

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

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

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

L. Property Taxes

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

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

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 year's 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 GAAP 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 \$376,046 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, 2009 follows:

	General Fund	Sewer Use Fund
Excess (deficiency) of revenues and other sources over expenditures and other uses for budgeted funds - budgetary basis	\$ 356,305	\$ (47,986)
Timing difference:		
Change in reserve for encumbrances	<u>(135,339)</u>	<u>(9,975)</u>
Net Change in Fund Balance - GAAP Basis	<u>\$ 220,966</u>	<u>\$ (57,961)</u>

TOWN OF SIMSBURY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

3. DETAILED NOTES ON ALL FUNDS

A. CASH, CASH EQUIVALENTS AND INVESTMENTS

The deposit of public funds is controlled by the Connecticut General Statutes (Section 7-402). Deposits may be made in a “qualified public depository” as defined by Statute or, in amounts not exceeding the Federal Deposit Insurance Corporation insurance limit, in an “out of state bank,” as defined by the Statutes, which is not a “qualified public depository.”

The Connecticut General Statutes (Section 7-400) permit municipalities to invest in: 1) obligations of the United States and its agencies, 2) highly rated obligations of any state of the United States or of any political subdivision, authority or agency thereof, and 3) shares or other interests in custodial arrangements or pools maintaining constant net asset values and in highly rated no-load open end money market and mutual funds (with constant or fluctuating net asset values) whose portfolios are limited to obligations of the United States and its agencies, and repurchase agreements fully collateralized by such obligations. Other provisions of the Statutes cover specific municipal funds with particular investment authority. The provisions of the Statutes regarding the investment of municipal pension funds do not specify permitted investments. Therefore, investment of such funds is generally controlled by the laws applicable to fiduciaries and the provisions of the applicable plan.

The Statutes (Sections 3-24f and 3-27f) also provide for investment in shares of the State Short-Term Investment Fund (STIF) and the State Tax Exempt Proceeds Fund (TEPF). These investment pools are under the control of the State Treasurer, with oversight provided by the Treasurer’s Cash Management Advisory Board, and are regulated under the State Statutes and subject to annual audit by the Auditors of Public Accounts. Investment yields are accounted for on an amortized-cost basis with an investment portfolio that is designed to attain a market-average rate of return throughout budgetary and economic cycles. Investors accrue interest daily based on actual earnings, less expenses and transfers to the designated surplus reserve, and the fair value of the position in the pool is the same as the value of the pool shares.

Deposits

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. Connecticut General Statutes require that each depository maintain segregated collateral (not required to be based on a security agreement between the depository and the municipality and, therefore, not perfected in accordance with federal law) in an amount equal to a defined percentage of its public deposits based upon the depository’s risk-based capital ratio.

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$12,328,707 of the Town's bank balance of \$13,341,639 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 11,020,836
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name	<u>1,307,871</u>
Total Amount Subject to Custodial Credit Risk	\$ <u><u>12,328,707</u></u>

Cash Equivalents

At June 30, 2009, the Town's cash equivalents amounted to \$12,863,431. The following table provides a summary of the Town's cash equivalents (excluding U.S. government guaranteed obligations) as rated by nationally recognized statistical rating organizations. The pools all have maturities of less than one year.

	<u>Standard and Poor's</u>	<u>Fitch Ratings</u>
State Short-Term Investment Fund (STIF)	\$ 287,669	AAAm
MBIA, Inc. - Cooperative Liquid Assets Securities System (CLASS)	12,575,762	AAA

Investments

As of June 30, 2009, the Town had fair value investments of \$32,913,598 invested in various mutual funds.

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 Statutes governing qualified public depositories.

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.

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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>Capital Project Fund</u>	<u>Other Funds</u>	<u>Total</u>
Receivables:						
Accounts	\$ 195,292	\$	\$	\$	\$ 417,703	\$ 612,995
Property taxes	797,570					797,570
Interest receivable	237,337					237,337
Special assessments	71,830	88,648	509,204			669,682
Due from other governments	<u>57,557</u>	<u></u>	<u></u>	<u>50,000</u>	<u>522,234</u>	<u>629,791</u>
Total Receivables	<u>\$ 1,359,586</u>	<u>\$ 88,648</u>	<u>\$ 509,204</u>	<u>\$ 50,000</u>	<u>\$ 939,937</u>	<u>\$ 2,947,375</u>

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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

	<u>Unavailable</u>	<u>Unearned</u>
General Fund:		
Delinquent property taxes receivable	\$ 620,771	\$
Property taxes collected in advance		206,886
Interest receivable on property taxes	237,337	
Sewer Use Fund:		
Grant		9,920
Sewer Assessment Fund:		
Sewer assessment receivable	509,204	
Nonmajor governmental funds:		
Miscellaneous loans		26,564
Various grants		37,161
Total Deferred/Unearned Revenue for Governmental Funds	\$ <u>1,367,312</u>	\$ <u>280,531</u>

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

C. Capital Assets

Capital asset activity for the year ended June 30, 2009 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 5,626,689			\$ 5,626,689
Development rights	9,530,000			9,530,000
Construction in progress	42,134,070	5,742,245	680,802	47,195,513
Total capital assets not being depreciated	<u>57,290,759</u>	<u>5,742,245</u>	<u>680,802</u>	<u>62,352,202</u>
Capital assets being depreciated:				
Buildings and improvements	78,254,565	680,802	20	78,935,347
Land improvements	6,952,700			6,952,700
Equipment	17,204,740	626,662	415,912	17,415,490
Infrastructure	36,923,619	611,952		37,535,571
Total capital assets being depreciated	<u>139,335,624</u>	<u>1,919,416</u>	<u>415,932</u>	<u>140,839,108</u>
Less accumulated depreciation for:				
Buildings and improvements	27,587,704	1,812,844		29,400,548
Land improvements	4,225,363	234,341		4,459,704
Equipment	13,539,127	872,701	415,912	13,995,916
Infrastructure	22,109,329	799,504		22,908,833
Total accumulated depreciation	<u>67,461,523</u>	<u>3,719,390</u>	<u>415,912</u>	<u>70,765,001</u>
Total capital assets being depreciated, net	<u>71,874,101</u>	<u>(1,799,974)</u>	<u>20</u>	<u>70,074,107</u>
Governmental Activities Capital Assets, Net	<u>\$ 129,164,860</u>	<u>\$ 3,942,271</u>	<u>\$ 680,822</u>	<u>\$ 132,426,309</u>

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

Governmental activities:	
General government	\$ 273,782
Education	1,138,483
Planning and development	3,920
Public safety	119,260
Facility management	1,818,895
Culture and recreation	360,517
Health and welfare	<u>4,533</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 3,719,390</u>

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Construction Commitments

The government has active construction projects as of June 30, 2009. The following is a summary of capital projects as of June 30, 2009:

<u>Project</u>	<u>Project Authorization</u>	<u>Spent to Date</u>
<u>Sewer Extension Projects:</u>		
Project 2008	\$ 260,000	\$ 93,046
<u>Town Projects:</u>		
Townwide computer technology	330,000	311,428
Economic Development Fund 5/02	250,000	151,893
Sewer Rehab - Church & Elm St 5/04	100,000	82,500
Library Expansion Design Services 3/05	200,000	195,063
Greenway 5/05	750,000	749,599
Park Improvements 5/06	450,000	416,738
Library Expansion 5/06	6,100,000	5,797,691
Gertsen Land Purchase 5/08	720,000	26,010
Triangle Land Purchase 5/08	2,750,000	513,228
Streetscape 5/08	325,000	17,029
Eno Hall Improvements 5/08	1,000,000	464,836
Water Extensions 5/08	170,000	
South Pump Station Rehab 5/08	450,000	45,102
Golf/Recreation Maintenance Building 5/09	550,000	
<u>Education Projects:</u>		
Simsbury High School Addition and Alteration 5/02	43,178,567	36,084,751
Modular classrooms 5/02	340,000	299,339
System Window Treatment Project 5/02	220,000	174,976
SHS Auditorium Improvement 5/04	712,500	691,048
System HVAC/Boiler Replacement 5/05	500,000	498,006
Computer Technology Improvement 5/06	450,000	285,766
Tariffville Expansion 5/06	6,200,000	4,765,021
System Telecommunication, Security Lighting Upgrade 5/06	420,000	415,023
HVAC Boiler Replacement 5/08	700,000	
Tootin Hills Roof Replacement 5/08	1,257,500	26,719
Squadron Line Generator Replacement 5/09	150,000	1,478
Central School Brownstone 5/09	120,000	1,425
District Core Switches 5/09	100,000	
Total	\$ 68,753,567	\$ 52,107,715

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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, 2009 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	State & Federal Grant Fund	\$ <u>125,830</u>

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

Interfund transfers:

	<u>General Fund</u>	<u>Capital Project Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Transfers Out</u>
Transfers out:				
General Fund	\$	\$ 70,523	\$ 1,033,266	\$ 1,103,789
Capital Project Fund	2,099			2,099
Nonmajor governmental Funds	<u>24,629</u>			<u>24,629</u>
Total Transfers In	\$ <u>26,728</u>	\$ <u>70,523</u>	\$ <u>1,033,266</u>	\$ <u>1,130,517</u>

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, 2009 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	\$ 38,110,000	\$	\$ 4,815,000	\$ 33,295,000	\$ 4,815,000
Premium on bonds issued	542,969		61,353	481,616	61,353
Loan payable - Clean Water Fund	21,037,216		1,705,330	19,331,886	886,668
Loan payable - State of Connecticut	128,217		7,267	120,950	7,340
Total bonds and loans payable	59,818,402	-	6,588,950	53,229,452	5,770,361
Compensated absences	797,683	33,323	18,954	812,052	643,520
Landfill	100,000		5,000	95,000	5,000
Total Governmental Activities					
Long-Term Liabilities	<u>\$ 60,716,085</u>	<u>\$ 33,323</u>	<u>\$ 6,612,904</u>	<u>\$ 54,136,504</u>	<u>\$ 6,418,881</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, no general obligation bonds 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 Issue</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Annual Principal</u>	<u>Principal Outstanding June 30, 2009</u>
General Bonds	2/1/00	\$ 5,000,000	5.00-5.20%	2/01/10	\$ 550,000 - 450,000	\$ 450,000
General Bonds	2/15/0	4,240,000	3.50-5.00%	2/15/11	400,000	800,000
General Bonds	9/1/03	23,765,000	1.50-4.25%	1/15/18	1,560,000 - 1,880,000	14,060,000
General Bonds	4/1/05	5,000,000	3.00-3.75%	1/15/15	350,000 - 520,000	3,090,000
General Bonds	3/1/06	4,880,000	3.625-4.00%	1/15/16	480,000 - 490,000	3,410,000
General Bonds	4/18/0	9,865,000	3.75-4.00%	1/15/17	985,000 - 990,000	7,885,000
General Bonds	4/8/08	4,000,000	3.25-4.00%	1/15/18	400,000	<u>3,600,000</u>
Total						\$ <u><u>33,295,000</u></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>
2010	\$ 4,815,000	\$ 1,299,025	\$ 6,114,025
2011	4,360,000	1,120,588	5,480,588
2012	3,960,000	952,700	4,912,700
2013	3,950,000	803,275	4,753,275
2014	3,945,000	649,550	4,594,550
2015-2018	<u>12,265,000</u>	<u>1,120,275</u>	<u>13,385,275</u>
	\$ <u><u>33,295,000</u></u>	\$ <u><u>5,945,413</u></u>	\$ <u><u>39,240,413</u></u>

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Clean Water Fund Loan

The Town's Waste Water Treatment Plant \$26,840,083 renovation and expansion capital project was funded by the State of Connecticut Clean Water Fund 2% Loan and Grant program. The loan will be repaid by future sewer user charges.

Annual debt service requirements to maturity for the Clean Water Fund loan are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 886,668	\$ 378,539	\$ 1,265,207
2011	904,565	360,642	1,265,207
2012	922,823	342,384	1,265,207
2013	941,449	323,758	1,265,207
2014	960,452	304,755	1,265,207
2015-2019	5,100,997	1,225,039	6,326,036
2020-2024	5,637,004	689,032	6,326,036
2025-2027	3,977,928	133,997	4,111,925
	<u>\$ 19,331,886</u>	<u>\$ 3,758,146</u>	<u>\$ 23,090,032</u>

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>
2010	\$ 7,340	\$ 1,182	\$ 8,522
2011	7,414	1,108	8,522
2012	7,488	1,034	8,522
2013	7,563	959	8,522
2014	7,639	883	8,522
2015-2019	39,361	3,249	42,610
2020-2024	41,377	1,233	42,610
2025	2,768	8	2,776
	<u>\$ 120,950</u>	<u>\$ 9,656</u>	<u>\$ 130,606</u>

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Authorized But Unissued Bonds

The total of authorized but unissued bonds (net of projected grants) at June 30, 2009 is \$9,913,478. 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 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. The participants' annual benefit is 2% of final average earnings times credited service for union employees, and 2½% of final average earnings times credited service for unaffiliated employees. 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 under two separate divisions. Division 000 participants are defined as those individuals who entered the plan on or after January 18, 1990, whereas Division 001 participants entered the plan prior to January 18, 1990. 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

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

earnings times credited service for Division 001. The Plan permits early retirement for participants at the earlier of 5 years early with 10 years of service or 20 years of credited service for Division 000, and at five years early with 10 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 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, 2008, plan membership consisted of the following:

	General Government Plan	Police Plan	Board of Education Plan
Retirees and beneficiaries currently receiving benefits	65	26	85
Vested terminated employees	49	2	55
Active employees	108	33	179
Total Participants	222	61	319

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Summary of Significant Accounting Policies

Basis of Accounting - Pension plan financial statements are prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenues in the period in which employee services are performed. Benefits and refunds are recognized when due and payable in accordance with the terms of the plans.

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

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 \$544,651 were made in accordance with actuarially determined requirements. The contribution represents 100% of the actuarially determined contribution and 9.63% 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.

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 \$381,438 were made in accordance with actuarially determined requirements. The contribution represents 100% of the actuarially determined contribution and 15.05% 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 \$706,020 were made in accordance with actuarially determined requirements. The contribution represents 100% of the actuarially determined contribution and 11.10% of covered payroll. State of Connecticut Statutes assign the authority to establish and amend the contribution provisions of the plan to the Town of Simsbury Board of Education.

Administrative costs of the plan are financed through investment earnings.

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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, 2009 were as follows:

	General Government Plan	Police Plan	Board of Education Plan	Total
Annual required contribution (ARC)	\$ 544,651	\$ 381,438	\$ 705,973	\$ 1,632,062
Interest on net pension obligation			(767)	(767)
Adjustment to annual required Contribution			1,343	1,343
Annual pension cost	544,651	381,438	706,549	1,632,638
Contributions made	544,651	381,438	706,020	1,632,109
Increase in net pension obligation	-	-	529	529
Net pension obligation (asset), beginning of year	-	-	(9,589)	(9,589)
Net Pension Obligation (Asset), End of Year	\$ -	\$ -	\$ (9,060)	\$ (9,060)

The annual required contribution for the current year was determined as part of the July 1, 2008 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 as a level dollar amount over 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 Ending	Annual Pension Cost (APC)	Actual Contribution	Percentage of APC Contributed	Net Pension Obligation (Asset)
General Government:				
6/30/07	\$ 499,353	\$ 499,353	100%	\$ -
6/30/08	549,783	549,783	100	-
6/30/09	544,651	544,651	100	-
Police:				
6/30/07	\$ 380,508	\$ 380,508	100%	\$ -
6/30/08	386,131	386,131	100	-
6/30/09	381,438	381,438	100	-
Board of Education:				
6/30/07	\$ 620,055	\$ 619,560	99.9%	\$ (10,121)
6/30/08	698,500	697,968	99.9	(9,589)
6/30/09	706,549	706,020	99.9	(9,060)

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:				
Investments - mutual funds	\$ 12,081,185	\$ 8,800,998	\$ 10,004,252	\$ 30,886,435
Net Assets:				
Held in Trust for Pension Benefits and Other Purposes	\$ 12,081,185	\$ 8,800,998	\$ 10,004,252	\$ 30,886,435

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

	General Government Pension Fund	Board of Education Pension Fund	Police Pension Fund	Pension Trust Funds
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Funds</u>
Additions:				
Contributions				
Employer	\$ 544,651	\$ 706,020	\$ 381,438	\$ 1,632,109
Plan members	169,640	150,341	166,981	486,962
Other	<u>1,482</u>	<u>1,768</u>	<u>1,372</u>	<u>4,622</u>
Total contributions	<u>715,773</u>	<u>858,129</u>	<u>549,791</u>	<u>2,123,693</u>
Investment earnings (loss):				
Net decrease				
in fair value of investments	(3,003,099)	(2,153,297)	(2,417,744)	(7,574,140)
Interest	<u>527</u>	<u>519</u>	<u>453</u>	<u>1,499</u>
Total investment loss	(3,002,572)	(2,152,778)	(2,417,291)	(7,572,641)
Less investment expenses:				
Investment management fees	81,734	59,056	66,903	(207,693)
Custodian fees	<u>14,863</u>	<u>12,561</u>	<u>13,522</u>	<u>(40,946)</u>
Net investment loss	<u>(3,099,169)</u>	<u>(2,224,395)</u>	<u>(2,497,716)</u>	<u>(7,821,280)</u>
Total reductions	<u>(2,383,396)</u>	<u>(1,366,266)</u>	<u>(1,947,925)</u>	<u>(5,697,587)</u>
Deductions:				
Benefits	956,465	664,230	811,106	2,431,801
Administrative expense	<u>16,524</u>	<u>16,128</u>	<u>9,555</u>	<u>42,207</u>
Total deductions	<u>972,989</u>	<u>680,358</u>	<u>820,661</u>	<u>2,474,008</u>
Net Change in Net Assets	(3,356,385)	(2,046,624)	(2,768,586)	(8,171,595)
Net Assets at Beginning of Year	<u>15,437,570</u>	\$ <u>10,847,622</u>	\$ <u>12,772,838</u>	<u>39,058,030</u>
Net Assets at End of Year	\$ <u><u>12,081,185</u></u>	\$ <u><u>8,800,998</u></u>	\$ <u><u>10,004,252</u></u>	\$ <u><u>30,886,435</u></u>

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

B. Teachers Retirement

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

All certified teachers are eligible to participate in the plan and are required to contribute 7.25% of their annual earnings. The Board of Education does not contribute to the plan. Prior to July 1, 1989, teachers were vested in their contributions up to 5% of their earnings prior to five years of service. After five years of service, teachers were fully vested in their own contributions. After 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 10-183 b (7). The State's contribution to the plan on behalf of the Town for the fiscal year ended June 30, 2009 was \$4,668,347 and is recognized in the General Fund GAAP basis statement of revenues, expenditures and changes in fund balances. For the year ended June 30, 2009, teachers of the Town contributed \$2,191,697 to the plan, and covered payroll for the year was \$30,230,303.

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. Post Employment 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.

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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, 2007, plan membership consisted of the following:

	Retiree Health Plan
Retire members	177
Spouses of retired members	109
Active plan members	661
	<hr/>
Total Participants	947

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

Town Employees

Town employees receiving coverage under ConnectiCare contribute between \$449 and \$481 per month for retiree only coverage and between \$898 and \$962 per month for retiree and spouse coverage to age 65. Town employees receiving coverage under CIGNA contribute between \$657 and \$737 per month for retiree only coverage and between \$1,312 and \$1,474 per month for retiree and spouse coverage to age 65. Town employees over age 65 receive coverage under CIGNA contribute \$205 per month for retiree only coverage and \$410 per month for retiree and spouse coverage.

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Board of Education Employees

Board of Education employees receiving coverage under ConnectiCare contribute between \$452 and \$470 per month for retiree only coverage and between \$903 and \$941 per month for retiree and spouse coverage to age 65, and \$357 and \$714 per month, respectively, thereafter. Board of Education employees receiving coverage under CIGNA contribute between \$644 and \$671 per month for retiree only coverage and between \$1,285 and \$1,338 per month for retiree and spouse coverage to age 65, and \$205 and \$410 per month, respectively, thereafter.

For the year ended June 30, 2009, plan members contributed \$802,248 for their share of premium payments. 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 \$1,726,500 were made in accordance with actuarially determined requirements. Of this amount, \$391,469 represents premium payments, \$635,031 represents implicit rate subsidy and \$700,000 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 30 years. The following table shows the components of the Town's annual OPEB cost for the year, the amount actually contributed to the plan and changes in the Town's net OPEB obligation (asset):

		Retiree Medical Program
Annual required contribution (ARC)	\$	1,670,800
Interest on net pension obligation		(19,402)
Adjustment to annual required contribution		14,988
Annual OPEB cost (expense)		<u>1,666,386</u>
Contributions made		<u>1,726,500</u>
Decrease in net pension obligation		(60,114)
Net pension obligation (asset), beginning of year		<u>(258,690)</u>
Net Pension Obligation (Asset), End of Year	\$	<u><u>(318,804)</u></u>

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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 years ending June 30, 2009, 2008 and 2007 is presented below.

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)
6/30/08	2,065,510	2,193,500	106.20	(258,690)
6/30/09	1,666,386	1,726,500	103.61	(318,804)

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.

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, 2007 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 6.8% initially, reduced by decrements to an ultimate rate of 4.1% after 70 years. The general inflation assumption is 2.5% - 3.0%. Projected salary increases were 4%. The actuarial value of assets was determined using market value. The UAAL is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at June 30, 2007 was 29 years.

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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, 2009.

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 2009, total claims expense of \$6,797,102 was incurred, which represent claims processed and an estimate for claims incurred but not reported as of June 30, 2009.

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, 2009 of \$1,175,639.

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

A schedule of changes in the claims liability for the years ended June 30, 2009 and 2008, 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
2007-08	\$ 875,038	\$ 7,398,179	\$ 6,798,967	\$ 1,474,250
2008-09	1,474,250	6,797,102	7,095,713	1,175,639

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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 \$95,000 reported as a liability in the government-wide financial statements represent an estimate of the postclosure costs to be incurred by the Town over the next 20 fiscal years for mandatory ground water testing based on a study conducted by an independent consultant. It is estimated that the Town will incur a \$5,000 annual cost over the next 19 fiscal years. This estimate is subject to changes that may result from inflation, technological changes or regulatory changes.

Required Supplementary Information

TOWN OF SIMSBURY, CONNECTICUT

REQUIRED SUPPLEMENTARY INFORMATION - PENSION TRUST FUNDS

Schedule of Funding Progress

<u>Actuarial Valuation Date</u>	<u>Fiscal Year Ending</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</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>							
7/1/2002	6/30/2004	\$ 11,887,950	\$ 11,522,840	\$ (365,110)	103.17%	\$ 5,150,678	(7.09)%
7/1/2003	6/30/2005	12,745,601	12,843,975	98,374	99.23%	5,634,493	1.75%
7/1/2004	6/30/2006	12,827,946	13,960,599	1,132,653	91.89%	5,673,024	19.97%
7/1/2005	6/30/2007	13,109,718	14,510,879	1,401,161	90.34%	5,507,619	25.44%
7/1/2006	6/30/2008	13,790,005	15,476,716	1,686,711	89.10%	5,617,253	30.03%
7/1/2007	6/30/2009	15,097,575	16,521,502	1,423,927	91.38%	5,656,359	25.17%
<i>Police</i>							
7/1/2002	6/30/2004	9,734,447	9,847,424	112,977	98.85%	2,221,264	5.09%
7/1/2003	6/30/2005	10,497,879	10,377,843	(120,036)	101.16%	2,331,495	(5.15)%
7/1/2004	6/30/2006	10,735,800	11,031,742	295,942	97.32%	2,363,965	12.52%
7/1/2005	6/30/2007	10,998,691	12,086,785	1,088,094	91.00%	2,444,737	44.51%
7/1/2006	6/30/2008	11,575,650	12,631,567	1,055,917	91.64%	2,453,053	43.05%
7/1/2007	6/30/2009	12,584,503	13,487,926	903,423	93.30%	2,533,739	35.66%
<i>Board of Education</i>							
7/1/2002	6/30/2004	8,086,744	8,252,056	165,312	98.00%	4,529,080	3.65%
7/1/2003	6/30/2005	8,613,380	8,865,376	251,996	97.16%	5,029,001	5.01%
7/1/2004	6/30/2006	8,662,907	9,897,971	1,235,064	87.52%	5,450,012	22.66%
7/1/2005	6/30/2007	8,812,712	10,521,372	1,708,660	83.76%	5,784,204	29.54%
7/1/2006	6/30/2008	9,326,881	11,476,766	2,149,885	81.27%	6,069,458	35.42%
7/1/2007	6/30/2009	10,352,719	12,226,796	1,874,077	84.67%	6,362,430	29.46%

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>
6/30/2009	\$ 544,651	100%	\$ 381,438	100%	\$ 705,973	100%
6/30/2008	549,783	100%	386,131	100%	697,968	100%
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%

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

<u>Actuarial Valuation Date</u>	<u>Fiscal Year Ending</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
<i>Retiree Medical Program</i>							
7/1/2006	6/30/2007	\$	\$ 24,002,900	\$ 24,002,900	0.00%	n/a	n/a
7/1/2006	6/30/2008		24,002,900	24,002,900	0.00%	n/a	n/a
7/1/2007	6/30/2009	676,400	18,354,200	17,677,800	3.69%	n/a	n/a

Schedule of Employer Contributions

<u>Year Ended</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
6/30/2009	\$ 1,670,800	103.3%
6/30/2008	2,067,900	106.6%
6/30/2007	1,968,000	106.6%

June 30, 2007 was the transition year. Information in this schedule is presented for three years.

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 Project Fund

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

TOWN OF SIMSBURY, CONNECTICUT

GENERAL FUND

STATEMENT OF REVENUES AND OTHER FINANCING SOURCES -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)FOR THE YEAR ENDED JUNE 30, 2009
WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED JUNE 30, 2008

	2009				2008
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Actual Amounts
	Original	Final	(Budgetary Basis)		(Budgetary Basis)
Property Taxes:					
Current year taxes	\$ 75,655,441	\$ 75,655,441	\$ 76,554,679	\$ 899,238	\$ 74,316,257
Prior year's taxes	330,000	330,000	457,312	127,312	434,180
Interest and lien fees	250,000	250,000	272,684	22,684	312,152
Total property taxes	76,235,441	76,235,441	77,284,675	1,049,234	75,062,589
Intergovernmental Revenues:					
State of Connecticut:					
Office of Policy and Management:					
Property tax relief:					
Disabled	879	879	918	39	878
Property tax relief - elderly	54,608	54,608	57,108	2,500	54,608
Additional veterans	4,498	4,498	4,537	39	4,498
Manufacturer's inventory	51,000	51,000	71,312	20,312	64,271
Boat registration	9,019	9,019	9,019	-	9,019
Department of Education:					
Education equalization grant	5,367,517	5,367,517	5,368,467	950	5,124,187
School transportation	115,837	115,837	110,845	(4,992)	116,759
Adult education	7,609	7,609	8,431	822	8,027
Nonpublic schools - transportation	35,954	35,954	41,982	6,028	35,832
Miscellaneous:					
State-owned property	86,301	86,301	86,586	285	84,379
Telephone access line grant	123,789	123,789	98,337	(25,452)	125,243
Solid waste	135,000	135,000	152,023	17,023	129,560
Pequot casino revenue	63,549	63,549	64,149	600	63,809
Airport grant			97,374	97,374	19,000
Other			191,718	191,718	59,467
Housing Authority in lieu of taxes	15,670	15,670		(15,670)	12,745
Total intergovernmental revenues	6,071,230	6,071,230	6,362,806	291,576	5,912,282
Investment income	1,250,000	1,250,000	270,672	(979,328)	1,004,469
Charges for Goods and Services:					
Conveyance tax receipts	540,000	540,000	336,178	(203,822)	465,812
Town clerk recording fees	150,000	150,000	128,038	(21,962)	140,377
Town clerk farmland preservation fees	5,000	5,000	4,521	(479)	4,801
Tax collector - fire district supplies, etc.	6,500	6,500	6,500	-	6,500
Police department - emergency reporting	33,134	33,134	35,801	2,667	34,278
Elderly/handicapped transportation	5,000	5,000	5,524	524	6,055
Library fines and fees	49,500	49,500	55,133	5,633	38,433
War Memorial pool	12,000	12,000	14,236	2,236	19,876
Education - tuition for regular education	60,250	60,250	48,880	(11,370)	62,641
Education - school rentals	45,000	45,000	100,897	55,897	107,008
Community gardens	1,200	1,200	2,910	1,710	1,810
Registrars revenue			5,782	5,782	176
World skate	80,000	80,000	80,000	-	80,000
Total charges for goods and services	987,584	987,584	824,400	(163,184)	967,767

(Continued on next page)

TOWN OF SIMSBURY, CONNECTICUT

GENERAL FUND

SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)FOR THE YEAR ENDED JUNE 30, 2009
WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED JUNE 30, 2008

	2009		2008	
	Budgeted Amounts		Variance with Final Budget Positive (Negative)	Actual Amounts (Budgetary Basis)
	Original	Final		
Rental of Town-Owned Property:				
Eno Memorial Hall	\$ 9,600	\$ 9,600	\$ (5,784)	\$ 7,832
Licenses and Permits:				
Sporting licenses	500	500	(23)	442
Land use commission	15,000	15,000	(8,034)	10,211
Engineering department fees	1,000	1,000	(414)	734
Police department fees	1,600	1,600	2,680	2,785
Building department fees	379,000	379,000	(44,596)	435,721
Total licenses and permits	397,100	397,100	(50,387)	449,893
Other Local Revenues:				
General Government			20,322	
Central administration miscellaneous	137,000	137,000	(13,796)	803,099
Land Use Commission miscellaneous			-	4,294
Finance department miscellaneous			-	50
Tax department miscellaneous			1,000	1,274
Town clerk miscellaneous	40,000	40,000	4,823	46,088
Public Safety			53,703	
Police accident reports, parking tickets, etc.	15,000	15,000	(6,884)	8,608
Police department miscellaneous			6,210	6,543
Planning and Development			11,226	
Building department miscellaneous			-	125
Facilities Management			24,859	
Public works miscellaneous			1,655	
Eno memorial hall miscellaneous			43	
Highway department miscellaneous			-	20,000
Social Services			7,077	
Culture and Recreation			12,768	
Library Hartford Foundation Grant	44,100	44,100	(12,013)	52,475
Insurance refunds			15,763	342
Board of Education miscellaneous	15,000	15,000	(12,121)	3,960
Total other local revenues	251,100	251,100	114,635	946,858
Assessments:				
Water assessments			4,091	5,529
Total Revenues	85,202,055	85,202,055	260,853	84,357,219
Other Financing Sources:				
Transfers from other funds:				
Public Safety Program	10,000	10,000	14,629	48,455
Capital Project Fund			2,099	198,291
Total other financing sources	10,000	10,000	16,728	246,746
Total Revenues and Other Financing Sources	\$ 85,212,055	\$ 85,212,055	\$ 277,581	\$ 84,603,965

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, 2009
WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED JUNE 30, 2008

	2009				2008
	Budgeted Amounts		Actual Amounts	Variance with	Actual Amounts
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)	(Budgetary Basis)
General Government:					
Central administration	\$ 509,226	\$ 519,010	\$ 519,006	\$ 4	\$ 649,990
Administration services	55,085	60,845	60,844	1	50,576
Board of Finance	11,926	6,166	4,903	1,263	13,425
Land use commission	48,634	46,870	26,521	20,349	61,830
Economic development commission	49,548	50,221	49,568	653	62,171
Historic district commission	1,961	1,961	142	1,819	11,099
Public building committee	3,231	3,231	3,074	157	2,549
Police commission	318	318		318	
Beautification	4,900	4,900	4,786	114	3,535
Tourism committee	2,650	2,650	2,077	573	2,687
Elections	88,478	100,215	100,213	2	118,770
Finance department	306,176	322,953	322,398	555	290,549
Tax collector	142,167	157,864	157,861	3	139,877
Assessors	206,911	224,940	224,937	3	205,805
Data processing	124,174	123,216	123,027	189	108,448
Auditors	29,700	29,700	29,700	-	28,650
Legal	214,484	206,064	186,348	19,716	330,709
Town clerk	176,023	195,403	193,340	2,063	169,907
Probate court	5,988	5,988	5,613	375	5,085
Transportation	6,305	7,860	7,860	-	7,574
Miscellaneous	4,000	3,047	3,046	1	3,516
Total general government	1,991,885	2,073,422	2,025,264	48,158	2,266,752
Planning and Development:					
Director of community development	159,729	268,638	265,153	3,485	153,061
Planning department	122,789	141,047	139,924	1,123	106,777
Building department	183,494	200,812	192,529	8,283	181,240
Engineering	256,088	220,183	216,937	3,246	277,222
Total planning and development	722,100	830,680	814,543	16,137	718,300
Public Safety:					
Police	3,876,074	3,980,269	3,971,489	8,780	3,758,291
Civil preparedness	2,000	2,000	1,962	38	269
Total public safety	3,878,074	3,982,269	3,973,451	8,818	3,758,560
Facility Management:					
General administration	173,264	141,391	138,988	2,403	80,860
Building and grounds	684,089	728,549	726,070	2,479	704,206
Highway department	2,538,974	2,613,351	2,608,320	5,031	2,492,052
Landfill	162,100	190,822	190,820	2	175,029
Total facility management	3,558,427	3,674,113	3,664,198	9,915	3,452,147

(Continued on next page)

TOWN OF SIMSBURY, CONNECTICUT

GENERAL FUND

STATEMENT OF EXPENDITURES AND OTHER FINANCING USES -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)FOR THE YEAR ENDED JUNE 30, 2009
WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED JUNE 30, 2008

	2009				2008
	Budgeted Amounts		Actual Amounts	Variance with	Actual Amounts
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)	(Budgetary Basis)
Culture and Recreation:					
Library	\$ 1,365,776	\$ 1,558,512	\$ 1,527,578	\$ 30,934	\$ 1,253,761
Recreation	117,450	118,745	118,742	3	119,795
Town parks and open space	643,812	646,213	637,096	9,117	618,389
Total culture and recreation	<u>2,127,038</u>	<u>2,323,470</u>	<u>2,283,416</u>	<u>40,054</u>	<u>1,991,945</u>
Health and Welfare:					
Health department	98,189	98,189	98,189	-	92,258
Social services administration	159,817	179,761	178,512	1,249	156,000
Elderly services outreach	132,233	149,703	146,613	3,090	121,159
Transportation	116,110	116,783	116,783	-	114,850
Total health and welfare	<u>506,349</u>	<u>544,436</u>	<u>540,097</u>	<u>4,339</u>	<u>484,267</u>
Fringe Benefits and Insurance:					
Social Security	725,897	663,334	663,334	-	618,152
Town general liability insurance	344,112	328,954	328,953	1	330,383
Employee group insurance	2,586,981	2,586,028	2,574,124	11,904	2,543,136
Unemployment reserve	13,570	14,303	14,303	-	21,309
Pensions	818,541	818,541	818,541	-	831,694
Total fringe benefits and insurance	<u>4,489,101</u>	<u>4,411,160</u>	<u>4,399,255</u>	<u>11,905</u>	<u>4,344,674</u>
Board of Education	<u>60,621,160</u>	<u>60,621,160</u>	<u>60,608,232</u>	<u>12,928</u>	<u>58,562,224</u>
Special Projects					
Unnegotiated salary and benefits	<u>575,309</u>	<u>314,254</u>	<u>15,000</u>	<u>299,254</u>	<u>306,883</u>
Debt Service:					
Principal	4,815,000	4,815,000	4,815,000	-	4,465,000
Interest	1,443,286	1,443,286	1,443,285	1	1,395,785
Total debt service	<u>6,258,286</u>	<u>6,258,286</u>	<u>6,258,285</u>	<u>1</u>	<u>5,860,785</u>
Other Financing Uses:					
Transfers to other funds	<u>484,326</u>	<u>554,851</u>	<u>551,590</u>	<u>3,261</u>	<u>2,817,794</u>
Total Expenditures and Other Financing Uses	<u>\$ 85,212,055</u>	<u>\$ 85,588,101</u>	<u>\$ 85,133,331</u>	<u>\$ 454,770</u>	<u>\$ 84,564,331</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, 2009**

	<u>Original Appropriation</u>	<u>Amended Appropriation</u>	<u>Actual Expenditures and Encumbrances</u>	<u>Variance Favorable (Unfavorable)</u>
General control	\$ 1,833,011	\$ 1,833,011	\$ 1,824,831	\$ 8,180
Instruction	36,763,785	36,763,785	36,885,032	(121,247)
Health education	590,002	590,002	635,793	(45,791)
Transportation	2,127,011	2,127,011	2,186,174	(59,163)
Operation of school plant	5,185,762	5,185,762	4,938,180	247,582
Maintenance of schools	1,432,393	1,432,393	1,430,703	1,690
Fixed charges	9,779,783	9,779,783	9,849,096	(69,313)
Food services	6,600	6,600	6,781	(181)
Student activities	496,391	496,391	488,581	7,810
Community service	32,855	32,855	27,031	5,824
Additional equipment	839,497	839,497	821,176	18,321
Tuition to other schools	1,027,475	1,027,475	1,010,582	16,893
Nonpublic schools	<u>506,595</u>	<u>506,595</u>	<u>504,272</u>	<u>2,323</u>
Total Expenditures	\$ <u>60,621,160</u>	\$ <u>60,621,160</u>	\$ <u>60,608,232</u>	\$ <u>12,928</u>

**TOWN OF SIMSBURY, CONNECTICUT
CAPITAL PROJECT FUND
SCHEDULE OF EXPENDITURES COMPARED WITH APPROPRIATIONS
FOR THE YEAR ENDED JUNE 30, 2009**

	Appropriations			Expenditures			Uncommitted
	Balance	Current	Balance	Balance	Current	Balance	Balance
	June 30, 2008	Year	June 30, 2009	June 30, 2008	Year	June 30, 2009	June 30, 2009
Sewer extension projects:							
Project 2006	\$ 240,000	\$	\$ 240,000	\$ 238,408	\$ 1,592	\$ 240,000	\$ -
Project 2008	260,000		260,000		93,046	93,046	166,954
Town projects:							
Townwide computer technology	330,000		330,000	296,006	15,422	311,428	18,572
Sewer Treatment Plant							
Economic Development Fund 5/02	250,000		250,000	151,893		151,893	98,107
Sewer Rehab - Church & Elm Street 5/04	100,000		100,000	82,500		82,500	17,500
Library Expansion Design Services 3/05	200,000		200,000	185,887	9,176	195,063	4,937
Greenway 5/05	750,000		750,000	583,282	166,317	749,599	401
Park Improvements 5/06	450,000		450,000	349,513	67,225	416,738	33,262
Library Expansion 5/06	6,100,000		6,100,000	5,540,274	257,417	5,797,691	302,309
Gertsen Land Purchase 5/08	720,000		720,000		26,010	26,010	693,990
Triangle Land Purchase 5/08	2,750,000		2,750,000		513,228	513,228	2,236,772
Streetscape 10/167 5/08	325,000		325,000		17,029	17,029	307,971
Eno Hall Improvements 5/08	1,000,000		1,000,000		464,836	464,836	535,164
Water Extensions 5/08	170,000		170,000			-	170,000
South Pump Station Rehab 5/08	450,000		450,000		45,102	45,102	404,898
Golf/Recreation Maint Bldg 5/09		550,000	550,000			-	550,000
Education projects:							
Henry James expansion project	3,581,662	(19,109)	3,562,553	3,555,506	7,047	3,562,553	-
Henry James expan proj phase II 5/00	1,260,000	(9,338)	1,250,662	1,250,662		1,250,662	-
Simsbury High School Addition							
& Alteration 5/02	43,178,567		43,178,567	36,055,957	28,794	36,084,751	7,093,816
Modular Classrooms 5/02	340,000		340,000	299,339		299,339	40,661
System Window Treatment Project 5/02	220,000		220,000	126,428	48,548	174,976	45,024
Central School Roof Replacement 5/04	325,000	(53,232)	271,768	271,768		271,768	-
SHS Auditorium Improvement 5/04	712,500		712,500	664,972	26,076	691,048	21,452
System HVAC/Boiler Replacement 5/05	500,000		500,000	495,124	2,882	498,006	1,994
Computer technology improv 5/06	450,000		450,000	176,551	109,215	285,766	164,234
Tariffville expansion project 5/06	6,200,000		6,200,000	394,589	4,370,432	4,765,021	1,434,979
System Telecommunications, Security							
Lighting Upgrade 5/08	420,000		420,000	400,797	14,226	415,023	4,977
HVAC Boiler replacement 5/08	700,000		700,000			-	700,000
Tootin Hills roof replacement	1,257,500		1,257,500		26,719	26,719	1,230,781
Squadron Line generator 5/09		150,000	150,000		1,478	1,478	148,522
Central School brownstone 5/09		120,000	120,000		1,425	1,425	118,575
District core switches 5/09		100,000	100,000			-	100,000
Totals	\$ 73,240,229	\$ 838,321	\$ 74,078,550	\$ 51,119,456	\$ 6,313,242	\$ 57,432,698	\$ 16,645,852

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.
- **Preserve America** - to account for funds received from Federal Preserve America Program, State of CT, Commission on Culture & Tourism and Simsbury Main Street Partnership. Expenditures will be made to pay for program activities associated with Preserve America Marketing Grant.
- **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.
- **Small Cities Community Development Block Grant** - to account for small cities grant for capital improvements to the Owen Murphy senior housing.

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 \$532,434 as of June 30, 2009. 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 \$1,051,006 as of June 30, 2009. 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 of 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 to the well being of Town citizens in need of assistance. Interest income is earned on assets with a fair value of \$464,796 as of June 30, 2009. The assets are held in a separate trust and are not in the Town's name.
- **Kate Southwell Income** - to account for the distribution of Trust's interest income to the Town and expenses related to the well being of Town citizens, excluding citizens of Tariffville, in need of assistance. Interest income is earned on assets with a fair value of \$253,259 as of June 30, 2009. The assets are held in a separate trust and are not in the Town's name.
- **Mary Schneider Memorial** - to account for donations to the Town and expenses related to the well being of Town citizens in need of assistance.

Culture & Recreation Program Fund - includes the following program:

- **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 Project Funds

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

JUNE 30, 2009

	Special Revenue Funds						
	Residential Rental Properties	Animal Control	Simsbury Farms Fund	General Government Program Fund	Public Safety Program Fund	Planning & Development Program Fund	Facilities Management Program Fund
ASSETS							
Cash and cash equivalents	\$ 109,731	\$ 48,776	\$ 151,950	\$ 56,614	\$ 106,444	\$ 424,566	\$ 826,108
Investments							
Receivables:							
Accounts						40,280	
Due from other governments				50,000			
Inventories							
Total Assets	<u>\$ 109,731</u>	<u>\$ 48,776</u>	<u>\$ 151,950</u>	<u>\$ 106,614</u>	<u>\$ 106,444</u>	<u>\$ 464,846</u>	<u>\$ 826,108</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 5,014	\$ 83	\$ 56,303	\$ 13,406	\$	\$ 17,578	\$ 35,591
Due to other funds							
Deferred revenue				101	69	26,936	
Total liabilities	<u>5,014</u>	<u>83</u>	<u>56,303</u>	<u>13,507</u>	<u>69</u>	<u>44,514</u>	<u>35,591</u>
Fund balances:							
Reserved for:							
Inventories							
Encumbrances	50,100						
Unreserved, reported in:							
Special revenue funds	54,617	48,693	95,647	93,107	106,375	420,332	790,517
Capital project funds							
Total fund balances	<u>104,717</u>	<u>48,693</u>	<u>95,647</u>	<u>93,107</u>	<u>106,375</u>	<u>420,332</u>	<u>790,517</u>
Total Liabilities and Fund Balances	<u>\$ 109,731</u>	<u>\$ 48,776</u>	<u>\$ 151,950</u>	<u>\$ 106,614</u>	<u>\$ 106,444</u>	<u>\$ 464,846</u>	<u>\$ 826,108</u>

(Continued on next page)

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

JUNE 30, 2009

	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
ASSETS						
Cash and cash equivalents	\$ 176,548	\$ 72,383	\$ 93,198	\$ 204,438	\$	\$ 138,980
Investments			280,240			
Receivables:						
Accounts				1,021		
Due from other governments				28,475	206,659	237,100
Inventories				31,522		
Total Assets	\$ 176,548	\$ 72,383	\$ 373,438	\$ 265,456	\$ 206,659	\$ 376,080
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 19,037	\$ 173	\$	\$ 11,698	\$ 44,210	\$ 119,692
Due to other funds					125,830	
Deferred revenue					36,619	
Total liabilities	19,037	173	-	11,698	206,659	119,692
Fund balances:						
Reserved for:						
Inventories				31,522		
Encumbrances						
Unreserved, reported in:						
Special revenue funds	157,511	72,210	373,438	222,236		
Capital project funds						256,388
Total fund balances	157,511	72,210	373,438	253,758	-	256,388
Total Liabilities and Fund Balances	\$ 176,548	\$ 72,383	\$ 373,438	\$ 265,456	\$ 206,659	\$ 376,080

**TOWN OF SIMSBURY, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2009**

	Special Revenue Funds						
	Residential Rental Properties	Animal Control	Simsbury Farms Fund	General Government Program Fund	Public Safety Program Fund	Planning & Development Program Fund	Facilities Management Program Fund
Revenues:							
Intergovernmental	\$	\$	\$	\$ 85,691	\$ 1,621	\$ 666,669	\$ 183,060
Charges for goods and services	24,012		1,737,624	28,315	131,007	151,405	
Licenses and permits		16,633					
Investment income				215		2,033	2,104
Net decrease in fair value of investments							
Other		1,234	4,068			34,232	129,032
Total revenues	24,012	17,867	1,741,692	114,221	132,628	854,339	314,196
Expenditures							
Current operating:							
General government				105,737			
Planning and development						719,485	
Public safety		73,110			103,299		
Facility management	30,920						45,591
Culture and recreation			1,735,496				
Health and welfare							
Education							
Capital outlay - Town					90,249		
Capital outlay - Education							
Debt service:							
Principal payments	7,267						
Interest and other	1,255						
Total expenditures	39,442	73,110	1,735,496	105,737	193,548	719,485	45,591
Excess (Deficiency) of Revenues over Expenditures	(15,430)	(55,243)	6,196	8,484	(60,920)	134,854	268,605
Other Financing Sources (Uses):							
Transfers in		42,920	65,666		90,000		
Transfers out			(27,942)		(24,629)		
Total other financing sources (uses)	-	42,920	37,724	-	65,371	-	-
Net Change in Fund Balances	(15,430)	(12,323)	43,920	8,484	4,451	134,854	268,605
Fund Balances at Beginning of Year	120,147	61,016	51,727	84,623	101,924	285,478	521,912
Fund Balances at End of Year	\$ 104,717	\$ 48,693	\$ 95,647	\$ 93,107	\$ 106,375	\$ 420,332	\$ 790,517

(Continued on next page)

**TOWN OF SIMSBURY, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2009**

	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	Interfund Elimination	
Revenues:								
Intergovernmental	\$ 53,504	\$	\$	\$ 190,587	\$ 2,693,566	\$ 394,471	\$	\$ 4,269,169
Charges for goods and services			23,866	933,471				3,029,700
Licenses and permits								16,633
Investment income	683					20		5,055
Net decrease in fair value of investments			(51,561)					(51,561)
Other	133,458	10,580	15,593					328,197
Total revenues	<u>187,645</u>	<u>10,580</u>	<u>(12,102)</u>	<u>1,124,058</u>	<u>2,693,566</u>	<u>394,491</u>	<u>-</u>	<u>7,597,193</u>
Expenditures								
Current operating:								
General government						49,445		155,182
Planning and development						55,011		774,496
Public safety						38,992		215,401
Facility management						102,963		179,474
Culture and recreation		22,153				31,848		1,789,497
Health and welfare	209,339							209,339
Education			39,599	1,128,635	2,693,566	301,160		4,162,960
Capital outlay - Town						179,725		269,974
Capital outlay - Education						276,427		276,427
Debt service:								
Principal payments								7,267
Interest and other								1,255
Total expenditures	<u>209,339</u>	<u>22,153</u>	<u>39,599</u>	<u>1,128,635</u>	<u>2,693,566</u>	<u>1,035,571</u>	<u>-</u>	<u>8,041,272</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(21,694)</u>	<u>(11,573)</u>	<u>(51,701)</u>	<u>(4,577)</u>	<u>-</u>	<u>(641,080)</u>	<u>-</u>	<u>(444,079)</u>
Other Financing Sources (Uses):								
Transfers in						862,622	(27,942)	1,033,266
Transfers out							27,942	(24,629)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>862,622</u>	<u>-</u>	<u>1,008,637</u>
Net Change in Fund Balances	(21,694)	(11,573)	(51,701)	(4,577)	-	221,542	-	564,558
Fund Balances at Beginning of Year	<u>179,205</u>	<u>83,783</u>	<u>425,139</u>	<u>258,335</u>	<u>-</u>	<u>34,846</u>	<u>-</u>	<u>2,208,135</u>
Fund Balances at End of Year	<u>\$ 157,511</u>	<u>\$ 72,210</u>	<u>\$ 373,438</u>	<u>\$ 253,758</u>	<u>\$ -</u>	<u>\$ 256,388</u>	<u>\$ -</u>	<u>\$ 2,772,693</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, 2009

	Residential Rental Properties				Animal Control				Simsbury Farms Fund			
	Budget			Variance with Final Budget Positive (Negative)	Budget			Variance with Final Budget Positive (Negative)	Budget			Variance with Final Budget Positive (Negative)
	Original	Final	Actual		Original	Final	Actual		Original	Final	Actual	
Revenues:												
Charges for goods and services	\$	\$	\$	\$ -	\$	\$	\$	\$ -	\$ 1,727,159	\$ 1,727,159	\$ 1,729,317	\$ 2,158
Rental of town-owned property	45,279	45,279	24,012	(21,267)				-	15,000	15,000	12,375	(2,625)
Local revenue				-	16,793	16,793	17,867	1,074				-
Total revenues	<u>45,279</u>	<u>45,279</u>	<u>24,012</u>	<u>(21,267)</u>	<u>16,793</u>	<u>16,793</u>	<u>17,867</u>	<u>1,074</u>	<u>1,742,159</u>	<u>1,742,159</u>	<u>1,741,692</u>	<u>(467)</u>
Expenditures:												
Current:												
Public safety				-	79,107	79,107	69,239	9,868				-
Facility management	81,207	81,207	81,020	187				-				-
Culture and recreation				-				-	1,759,882	1,759,882	1,713,882	46,000
Debt service	8,522	8,522	8,522	-				-				-
Total expenditures	<u>89,729</u>	<u>89,729</u>	<u>89,542</u>	<u>187</u>	<u>79,107</u>	<u>79,107</u>	<u>69,239</u>	<u>9,868</u>	<u>1,759,882</u>	<u>1,759,882</u>	<u>1,713,882</u>	<u>46,000</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(44,450)</u>	<u>(44,450)</u>	<u>(65,530)</u>	<u>(21,080)</u>	<u>(62,314)</u>	<u>(62,314)</u>	<u>(51,372)</u>	<u>10,942</u>	<u>(17,723)</u>	<u>(17,723)</u>	<u>27,810</u>	<u>45,533</u>
Other Financing Sources (Uses):												
Transfers from other funds				-	42,920	42,920	42,920	-	65,666	65,666	65,666	-
Transfers to other funds				-				-	(47,943)	(47,943)	(27,942)	(20,001)
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>42,920</u>	<u>42,920</u>	<u>42,920</u>	<u>-</u>	<u>17,723</u>	<u>17,723</u>	<u>37,724</u>	<u>(20,001)</u>
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	<u>\$ (44,450)</u>	<u>\$ (44,450)</u>	<u>(65,530)</u>	<u>\$ (21,080)</u>	<u>\$ (19,394)</u>	<u>\$ (19,394)</u>	<u>(8,452)</u>	<u>\$ 10,942</u>	<u>\$ -</u>	<u>\$ -</u>	<u>65,534</u>	<u>\$ 25,532</u>
Fund Balances at Beginning of Year			<u>120,147</u>				<u>57,145</u>				<u>30,113</u>	
Fund Balances at End of Year			<u>\$ 54,617</u>				<u>\$ 48,693</u>				<u>\$ 95,647</u>	

TOWN OF SIMSBURY, CONNECTICUT

SCHEDULE OF EXPENDITURES COMPARED WITH APPROPRIATIONS -
CAPITAL AND NONRECURRING EXPENDITURES FUND

FOR THE YEAR ENDED JUNE 30, 2009

	Appropriations			Expenditures			Designated for Specific Projects
	Balance July 1, 2008	Current Year	Balance June 30, 2009	Balance July 1, 2008	Current Year	Balance June 30, 2009	
Revaluation - October 2007	\$ 241,500		\$ 241,500	\$ 179,756	\$ 12,946	\$ 192,702	\$ 48,798
Firetown bridge design	28,000		28,000		906	906	27,094
Copier - Town Offices	20,000	(1,579)	18,421	18,421		18,421	-
Technology Needs Assessment	58,000		58,000		36,499	36,499	21,501
Portable Radios - Police	28,000	(50)	27,950	27,950		27,950	-
Sidewalk improvements RR/Station Street	55,000		55,000	1,623	53,377	55,000	-
10/05 Storm drainage repairs	70,000		70,000	69,272	728	70,000	-
3/4 Ton Van - Buildings and Grounds	28,000	(201)	27,799	27,799		27,799	-
Air Handling System - Highway	35,000		35,000	24,460	10,540	35,000	-
Road improvements	159,420		159,420		159,420	159,420	-
Simsbury Farms Study	50,000	(50,000)	-			-	-
Green aerator - Golf Course	21,000	(108)	20,892	20,892		20,892	-
Buses	142,000		142,000	140,025	1,975	142,000	-
Ceiling/flooring replacement	139,000		139,000	109,173	29,827	139,000	-
Interior Building renovations	147,000		147,000	78,441	68,559	147,000	-
Plumbing modification	55,000		55,000	17,589	37,411	55,000	-
Replace mobile data terminals - Police		40,000	40,000		38,992	38,992	1,008
New phone system - Town Offices		65,000	65,000			-	65,000
Scout Hall improvements		30,000	30,000		20,250	20,250	9,750
Bikeway improvements		80,000	80,000		14,798	14,798	65,202
Tariffville gazebo		75,000	75,000			-	75,000
Architectural services - Simsbury Farms		75,000	75,000		31,848	31,848	43,152
Road improvements		160,957	160,957		77,680	77,680	83,277
Maintenance vehicle		37,000	37,000		29,067	29,067	7,933
Buses		225,000	225,000		225,000	225,000	-
Ceiling/flooring replacement		105,000	105,000		55,166	55,166	49,834
Interior building renovations		88,000	88,000		74,555	74,555	13,445
Plumbing modification		60,000	60,000		13,145	13,145	46,855
Equip. instruct/non-instruct		120,000	120,000		42,882	42,882	77,118
Totals	\$ 1,276,920	\$ 1,109,019	\$ 2,385,939	\$ 715,401	\$ 1,035,571	\$ 1,750,972	\$ 634,967

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.

HMO - 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 ConnectiCare HMO 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.

TOWN OF SIMSBURY, CONNECTICUT
COMBINING STATEMENT OF NET ASSETS - PROPRIETARY FUNDS
JUNE 30, 2009

	Governmental Activities			
	Internal Service Funds			Total
	PPO	Dental	HMO	
Assets:				
Current assets:				
Cash and cash equivalents	\$ 1,618,802	\$ 383,761	\$ 1,043,170	\$ 3,045,733
Accounts receivable, net	376,402			376,402
Total current assets	<u>1,995,204</u>	<u>383,761</u>	<u>1,043,170</u>	<u>3,422,135</u>
Liabilities:				
Noncurrent liabilities:				
Claim incurred but not reported	<u>690,960</u>	<u>23,756</u>	<u>460,923</u>	<u>1,175,639</u>
Net Assets:				
Unrestricted	\$ <u><u>1,304,244</u></u>	\$ <u><u>360,005</u></u>	\$ <u><u>582,247</u></u>	\$ <u><u>2,246,496</u></u>

TOWN OF SIMSBURY, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES

IN NET ASSETS - PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2009

	Governmental Activities			
	Internal Service Funds			
	PPO	Dental	HMO	Total
Operating Revenues:				
Charges for services	\$ 3,876,445	\$ 722,404	\$ 5,488,967	\$ 10,087,816
Intergovernmental	50,816	477	34,972	86,265
Total operating revenues	<u>3,927,261</u>	<u>722,881</u>	<u>5,523,939</u>	<u>10,174,081</u>
Operating Expenses:				
Claims incurred	2,474,313	473,182	3,849,607	6,797,102
Administration and stop loss insurance fees	615,173	37,051	558,683	1,210,907
Total operating expenses	<u>3,089,486</u>	<u>510,233</u>	<u>4,408,290</u>	<u>8,008,009</u>
Change in Net Assets	837,775	212,648	1,115,649	2,166,072
Net Assets at Beginning of Year	<u>466,469</u>	<u>147,357</u>	<u>(533,402)</u>	<u>80,424</u>
Net Assets at End of Year	<u>\$ 1,304,244</u>	<u>\$ 360,005</u>	<u>\$ 582,247</u>	<u>\$ 2,246,496</u>

TOWN OF SIMSBURY, CONNECTICUT
COMBINING STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

	Governmental Activities			
	Internal Service Funds			Total
	PPO	Dental	HMO	
Cash Flows from Operating Activities:				
Receipts from customers and users	\$ 3,550,859	\$ 722,881	\$ 5,523,939	\$ 9,797,679
Payments to employees	<u>(3,178,564)</u>	<u>(591,350)</u>	<u>(4,536,706)</u>	<u>(8,306,620)</u>
Net cash provided by operating activities	372,295	131,531	987,233	1,491,059
Cash and Cash Equivalents at at Beginning of Year	<u>1,246,507</u>	<u>252,230</u>	<u>55,937</u>	<u>1,554,674</u>
Cash and Cash Equivalents at End of Year	\$ <u><u>1,618,802</u></u>	\$ <u><u>383,761</u></u>	\$ <u><u>1,043,170</u></u>	\$ <u><u>3,045,733</u></u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:				
Operating income	\$ <u>837,775</u>	\$ <u>212,648</u>	\$ <u>1,115,649</u>	\$ <u>2,166,072</u>
Adjustments to reconcile operating income to net cash provided by operating activities:				
Change in assets and liabilities:				
Increase in accounts receivable	(376,402)			(376,402)
Decrease in claims payable	<u>(89,078)</u>	<u>(81,117)</u>	<u>(128,416)</u>	<u>(298,611)</u>
Total adjustments	<u>(465,480)</u>	<u>(81,117)</u>	<u>(128,416)</u>	<u>(675,013)</u>
Net Cash Provided by Operating Activities	\$ <u><u>372,295</u></u>	\$ <u><u>131,531</u></u>	\$ <u><u>987,233</u></u>	\$ <u><u>1,491,059</u></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, 2009**

	Balance June 30, 2008	Additions	Deductions	Balance June 30, 2009
School Activity Fund				
Assets:				
Cash and short-term investments	\$ <u>608,088</u>	\$ <u>2,145,933</u>	\$ <u>2,102,709</u>	\$ <u>651,312</u>
Liabilities:				
Due to student groups	\$ <u>608,088</u>	\$ <u>2,145,933</u>	\$ <u>2,102,709</u>	\$ <u>651,312</u>

Other Schedules

TOWN OF SIMSBURY, CONNECTICUT
SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING
FOR THE YEAR ENDED JUNE 30, 2009

Grand List Year	Balance July 1, 2008	Current Levy	Lawful Corrections		Transfers to Suspense	Adjusted Taxes	Collections	Interest	Liens	Other Fees	Refunds	Balance June 30, 2009
			Additions	Deductions								
2007	\$	\$ 76,674,991	\$ 895,277	\$ 609,840	\$	\$ 76,960,428	\$ 76,784,490	\$ 136,835	\$ 766	\$ 180	\$ 279,439	\$ 455,377
2006		533,511	15,090	24,790	30,949	492,862	355,759	71,490	1,080	84	25,465	162,568
2005		172,842	367	5,069	(3,724)	171,864	94,753	32,350	216		5,574	82,685
2004		59,797		519	(2,204)	61,482	25,358	14,260	72		3,028	39,152
2003		27,226		178	(2,067)	29,115	8,462	8,948	24		132	20,785
2002		11,277		771	(682)	11,188	2,842	1,005	48			8,346
2001		6,858			(448)	7,306	1,550	1,069		10		5,756
2000		5,305		212	(436)	5,529	498	557				5,031
1999		8,878	127	851	(1,433)	9,587	708	788				8,879
1998		2,020		98	(754)	2,676	656	1,114				2,020
1997		1,524		162	(488)	1,850	326	641				1,524
1996		1,481		842	(1,098)	1,737	256	531				1,481
1995		1,427		529	(708)	1,606	179	279				1,427
1994		1,402		327	(447)	1,522	120	299				1,402
1993		1,137		883	(930)	1,184	47	38				1,137
1992		1,137		1,137		-						-
1991		1,137		1,137		-						-
	\$	<u>836,959</u>	\$ <u>76,674,991</u>	\$ <u>910,861</u>	\$ <u>647,345</u>	\$ <u>15,530</u>	\$ <u>77,759,936</u>	\$ <u>77,276,004</u>	\$ <u>270,204</u>	\$ <u>2,206</u>	\$ <u>313,638</u>	\$ <u>797,570</u>

TOWN OF SIMSBURY, CONNECTICUT

SCHEDULE OF CHANGES IN SEWER USER CHARGES RECEIVABLE

FOR THE YEAR ENDED JUNE 30, 2009

Grand List Year	Balance July 1, 2008	Current Year Charges	Adjustments	Collections	Balance June 30, 2009
2007	\$	\$ 2,658,253	\$ (11,089)	\$ 2,597,791	\$ 49,373
2006	46,238		(20,207)	(8,203)	34,234
2005	2,571		(17,980)	(16,820)	1,411
2004	1,000		(600)	(400)	800
2003	800		(400)	(200)	600
2002	600		(400)	(400)	600
2001	510		(340)	(340)	510
2000	280		(280)	(280)	280
1999	236		(236)	(236)	236
1998	216		(216)	(216)	216
1997	216		(216)	(216)	216
1996	172				172
Totals	\$ <u>52,839</u>	\$ <u>2,658,253</u>	\$ <u>(51,964)</u>	\$ <u>2,570,480</u>	\$ <u>88,648</u>

SCHEDULE 3

TOWN OF SIMSBURY, CONNECTICUT
SCHEDULE OF CHANGES IN SEWER ASSESSMENT RECEIVABLE
FOR THE YEAR ENDED JUNE 30, 2009

Phases	Balance June 30, 2008	Additions	Principal	Interest	Lien Fees	Balance June 30, 2009
I	\$ 23,307	\$ 30	\$ 16,839	\$ 1,479	\$ 183	\$ 6,498
II	243,714		23,100	10,932	22	220,614
V	153,995	350	34,374	8,079	96	119,971
VI	2,938					2,938
VII	398			200		398
VIII	5,613					5,613
O	-	190,846	37,674	258	48	153,172
	<u>\$ 429,965</u>	<u>\$ 191,226</u>	<u>\$ 111,987</u>	<u>\$ 20,948</u>	<u>\$ 349</u>	<u>\$ 509,204</u>

TOWN OF SIMSBURY, CONNECTICUT
SCHEDULE OF CHANGES IN WATER ASSESSMENT RECEIVABLE
FOR THE YEAR ENDED JUNE 30, 2009

<u>Balance</u> <u>June 30, 2008</u>	<u>Additions</u>	<u>Principal</u>	<u>Interest</u>	<u>Lien Fees</u>	<u>Balance</u> <u>June 30, 2009</u>
\$ <u>87,324</u>	\$ <u>-</u>	\$ <u>15,494</u>	\$ <u>4,067</u>	\$ <u>24</u>	\$ <u>71,830</u>

**TOWN OF SIMSBURY, CONNECTICUT
SCHEDULE OF DEBT LIMITATION
FOR THE YEAR ENDED JUNE 30, 2009**

Revenue from taxation for the year ended June 30, 2009:

Taxes	\$ 77,276,004
Interest and lien fees	<u>272,410</u>
Total	<u>77,548,414</u>

Reimbursed for:

Tax relief for elderly	<u>57,108</u>
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Base	\$ <u><u>77,605,522</u></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	\$ 174,612,425	\$ 349,224,849	\$ 291,020,708	\$ 252,217,947
4-1/2 times base				
3-3/4 times base				
3-1/4 times base				
Total debt limitation	<u>174,612,425</u>	<u>349,224,849</u>	<u>291,020,708</u>	<u>252,217,947</u>
Indebtedness:				
Bonds and loans payable	11,074,950	22,341,000	19,331,886	
Bonds authorized and unissued	<u>103,250</u>	<u>9,810,228</u>	<u>19,331,886</u>	<u>-</u>
Total indebtedness	<u>11,178,200</u>	<u>32,151,228</u>	<u>19,331,886</u>	<u>-</u>
Debt Limitation in Excess of Outstanding and Authorized Debt	<u>\$ 163,434,225</u>	<u>\$ 317,073,621</u>	<u>\$ 271,688,822</u>	<u>\$ 252,217,947</u>
Total capacity of borrowing (7 times base)		\$ 543,238,654		
Total present indebtedness		<u>62,661,314</u>		
Margin for Additional Borrowing		<u>\$ 480,577,340</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	86-89
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	90-92
These schedules contain information to help the reader assess the Town's most significant local revenue source, property taxes	
Debt Capacity	93-95
These schedules present information to help the reader assess the affordability of the Town's current level of outstanding debt and the Town's ability to issue additional debt in the future.	
Demographic and Economic Information	96-97
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	98-100
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.	

TABLE 1

TOWN OF SIMSBURY, CONNECTICUT

NET ASSETS BY COMPONENT

SINCE INCEPTION OF GASB 34
(Accrual Basis of Accounting)

	FISCAL YEAR						
	2003	2004	2005	2006	2007	2008	2009
Governmental Activities:							
Invested in capital assets, net of related debt	\$ 44,611,089	\$ 36,873,960	\$ 48,885,116	\$ 61,353,651	\$ 57,160,740	\$ 71,428,484	\$ 79,465,301
Unrestricted	10,758,599	23,152,722	19,559,268	17,816,187	27,075,037	18,748,699	20,119,401
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>\$ 84,235,777</u>	<u>\$ 90,177,183</u>	<u>\$ 99,584,702</u>

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

TABLE 2

TOWN OF SIMSBURY, CONNECTICUT

CHANGES IN NET ASSETS

SINCE INCEPTION OF GASB 34

(Accrual Basis of Accounting)

	FISCAL YEAR						
	2003	2004	2005	2006	2007	2008	2009
Expenses:							
Governmental activities:							
General government	\$ 2,855,845	\$ 2,980,798	\$ 2,864,389	\$ 2,607,616	\$ 3,227,615	\$ 3,292,873	\$ 3,062,056
Planning and development	1,205,289	1,670,365	1,345,269	1,144,974	1,185,140	1,384,238	1,843,702
Public safety	4,357,948	4,713,105	5,139,769	5,210,279	6,628,916	6,057,274	6,046,297
Facility management	5,987,721	5,537,947	5,613,885	6,353,281	6,998,785	7,755,390	8,081,543
Culture and recreation	3,964,109	4,088,281	4,379,125	4,410,376	4,600,392	4,911,460	5,018,286
Health and welfare	571,903	625,983	655,206	670,742	731,067	756,733	868,396
Board of Education	52,150,131	53,683,639	57,874,235	60,816,027	63,948,341	86,929,937	68,363,256
Debit service interest	598,453	1,171,846	1,205,222	1,218,918	1,240,906	1,944,234	1,722,911
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>	<u>113,032,139</u>	<u>95,006,447</u>
Program Revenues:							
Governmental activities:							
Charges for services:							
General government	871,518	1,079,044	933,527	890,119	970,739	1,525,815	688,041
Planning and development	324,938	398,793	415,615	432,093	368,307	436,580	369,448
Public safety	298,584	254,578	229,646	296,751	416,669	300,355	264,779
Facility management	1,760,609	2,528,563	2,094,212	2,550,256	3,313,968	3,344,116	3,566,041
Culture and recreation	1,567,022	1,626,810	2,265,570	1,832,410	1,764,394	1,944,369	2,033,644
Health and welfare	145,821	83,598	113,115	115,407	129,673	101,749	182,981
Board of Education	2,891,360	2,813,032	3,156,380	5,166,869	5,186,062	23,489,202	5,835,826
Operating grants and contributions:							
General government			7,000		23,981	76,087	747,425
Planning and development	273,206	445,874	230,019	88,177	15,610	84,894	259,341
Public safety	66,608	55,641	28,432	2,083	45,456	25,604	1,621
Facility management	137,294	130,252	443,244	245,200	532,835	193,037	1,439,409
Culture and recreation	2,189			4,225		10,000	
Health and welfare	14,000	14,000	14,000	14,000	47,054	53,304	53,504
Board of Education	3,562,309	3,760,393	4,345,513	5,004,949	5,989,693	8,147,441	8,413,878
Capital grants and contributions:							
Planning and development							1,120,342
Facility management			1,470,939	3,046,142	1,736,988	251,285	
Culture and recreation			355,537	144,463		250,000	289,664
Board of Education	571,075	1,909,575	4,209,285	2,106,224	54,675	98,958	1,169,220
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>	<u>40,332,796</u>	<u>26,435,164</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>	<u>(72,699,343)</u>	<u>(68,571,283)</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	75,343,007	77,301,151
Grants and contributions not restricted to specific programs	569,144	452,645	453,215	417,229	446,703	411,508	396,487
Unrestricted investment earnings	336,285	324,082	651,665	1,214,833	1,769,925	1,260,912	281,164
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>	<u>77,015,427</u>	<u>77,978,802</u>
Change in Net Assets:							
Total Governmental Activities	\$ <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>	\$ <u>4,316,084</u>	\$ <u>9,407,519</u>

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

TABLE 3

TOWN OF SIMSBURY, CONNECTICUT

FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

		FISCAL YEAR									
		2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General fund:											
Reserved	\$	435,553	\$ 604,350	\$ 474,049	\$ 337,901	\$ 232,198	\$ 82,574	\$ 383,046	\$ 455,901	\$ 599,507	\$ 464,168
Unreserved		<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>	<u>7,644,660</u>	<u>8,000,965</u>
Total General Fund	\$	<u><u>5,212,838</u></u>	<u><u>5,189,714</u></u>	<u><u>4,703,859</u></u>	<u><u>6,146,772</u></u>	<u><u>6,632,068</u></u>	<u><u>8,090,326</u></u>	<u><u>9,270,813</u></u>	<u><u>8,060,927</u></u>	<u><u>8,244,167</u></u>	<u><u>8,465,133</u></u>
All other governmental funds:											
Reserved	\$	43,745	\$ 56,364	\$ 50,284	\$ 38,153	\$ 29,901	\$ 35,581	\$ 33,144	\$ 52,520	\$ 93,438	\$ 100,439
Unreserved, reported in:											
Sewer use fund		1,516,039	1,735,964	1,885,827	2,160,758	2,557,234	3,014,780	3,730,359	4,805,457	5,797,591	5,749,605
Sewer assessment fund		1,188,563	1,410,469	1,272,792	1,337,354	1,230,457	1,304,171	1,119,179	1,480,193	981,043	1,123,854
Capital projects fund		1,552,766	3,402,865	1,725,606	(1,663,765)	9,857,672	5,366,498	1,266,434	10,451,298	3,570,980	80,912
Special revenue funds		<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>	<u>2,108,642</u>	<u>2,434,683</u>
Total All Other Governmental Funds	\$	<u><u>6,112,195</u></u>	<u><u>8,298,849</u></u>	<u><u>6,734,687</u></u>	<u><u>3,587,646</u></u>	<u><u>15,549,400</u></u>	<u><u>11,618,515</u></u>	<u><u>8,431,859</u></u>	<u><u>19,075,955</u></u>	<u><u>12,551,694</u></u>	<u><u>9,489,493</u></u>

TABLE 4

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

LAST TEN YEARS
(Accrual Basis of Accounting)

	FISCAL YEAR									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Revenues:										
Property taxes	\$ 47,094,926	\$ 51,106,047	\$ 54,637,178	\$ 59,642,400	\$ 63,395,587	\$ 66,306,205	\$ 69,323,250	\$ 72,405,901	\$ 75,062,589	\$ 77,284,675
Intergovernmental	8,759,869	7,713,366	7,251,740	7,012,082	8,596,764	13,410,876	14,839,566	12,127,573	31,385,988	18,695,408
Investment income	1,227,280	1,374,252	600,605	336,286	324,081	651,665	1,214,832	1,769,928	1,260,912	281,164
Charges for goods and services	2,910,852	2,971,203	3,341,641	3,470,058	3,741,358	3,713,825	4,078,414	3,998,603	4,100,337	3,854,100
Licenses and permits	469,631	282,617	321,458	402,960	536,831	534,015	464,673	400,740	468,128	363,346
Rental of town owned property	6,415	5,878	7,205	9,163	8,119	10,335	10,023	11,242	7,832	3,816
Local revenues	188,612	294,400	165,824	307,534	150,729	101,324	201,967	374,484	946,858	365,735
Assessments	1,087,708	1,242,289	1,223,312	1,441,505	1,818,860	1,770,048	1,741,301	2,515,975	2,644,249	2,722,367
Other	608,858	787,199	998,147	688,370	735,794	1,504,615	1,462,690	1,041,555	1,311,395	787,707
Total revenues	62,354,151	65,777,251	68,547,110	73,310,358	79,308,123	88,002,908	93,336,716	94,646,001	117,188,288	104,358,318
Expenditures:										
Current:										
General government	2,106,000	1,996,123	2,150,698	2,245,797	2,302,429	2,222,381	1,861,949	2,426,435	2,448,471	2,239,167
Planning and development	896,319	968,303	949,863	968,935	1,417,243	1,092,928	920,001	899,308	1,015,444	1,517,056
Public safety	3,028,040	3,143,928	3,312,402	3,261,931	3,428,991	3,613,566	3,658,607	3,938,574	4,068,623	4,177,971
Facility management	3,579,959	4,064,561	4,250,481	4,264,091	3,817,083	3,790,198	4,521,499	4,970,704	5,122,093	5,408,842
Culture and recreation	2,951,181	2,909,051	2,981,491	3,242,568	3,317,728	3,497,648	3,618,128	3,666,929	3,852,304	4,005,692
Health and welfare	439,454	473,100	489,766	500,717	548,502	561,158	571,064	618,704	634,133	749,436
Fringe benefits and insurance	1,785,614	2,156,312	2,889,326	2,681,696	3,076,788	3,160,935	3,539,933	4,652,868	4,344,674	4,399,255
Education	40,286,688	44,070,359	46,196,775	50,190,959	52,489,681	55,187,980	59,869,388	63,353,338	84,812,623	68,976,132
Special projects				85,948	131,000	28,559	21,000	172,910	176,813	306,883
Capital outlay	11,116,637	5,543,988	4,455,799	4,635,212	15,396,026	21,684,838	27,251,989	9,471,548	16,039,531	6,941,175
Debit service:										
Principal	1,391,664	1,876,709	2,181,776	2,291,845	4,176,913	3,906,982	4,307,053	4,122,123	4,472,195	6,527,597
Interest	463,064	651,287	738,749	644,788	856,841	1,259,750	1,223,826	1,257,069	1,805,498	1,950,348
Total expenditures	68,044,620	67,853,721	70,597,126	75,014,487	90,959,225	100,006,923	111,364,437	99,550,510	128,792,402	107,199,554
Deficiency of Revenues over Expenditures	(5,690,469)	(2,076,470)	(2,050,016)	(1,704,129)	(11,651,102)	(12,004,015)	(18,027,721)	(4,904,509)	(11,604,114)	(2,841,236)
Other Financing Sources:										
Proceeds from sales of bonds	5,000,000	4,240,000			24,098,152	5,025,331	4,955,122	10,046,304	4,090,780	
Proceeds from loans						4,506,057	11,066,430	4,292,415	1,172,314	
Total other financing sources	5,000,000	4,240,000	-	-	24,098,152	9,531,388	16,021,552	14,338,719	5,263,094	-
Net Change in Fund Balances	(690,469)	2,163,530	(2,050,016)	(1,704,129)	12,447,050	(2,472,627)	(2,006,169)	9,434,210	(6,341,020)	(2,841,236)
Fund Balance at Beginning of Year	12,015,502	11,325,033	13,488,563	11,438,547	9,734,418	22,181,468	19,708,841	17,702,672	27,136,882	20,795,862
Fund Balance at End of Year	\$ 11,325,033	\$ 13,488,563	\$ 11,438,547	\$ 9,734,418	\$ 22,181,468	\$ 19,708,841	\$ 17,702,672	\$ 27,136,882	\$ 20,795,862	\$ 17,954,626
Debit Service as a Percentage to Noncapital Expenditures	3.26%	4.06%	4.42%	4.17%	6.66%	6.60%	6.58%	5.97%	5.57%	8.46%

TABLE 5

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								
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
2008	1,502,769	214,362	16,638	172,758	115,896	222,290	2,022,423	36.90	3,961,196	51.1
2009	1,991,069	295,774	16,918	176,222	117,587	276,266	2,597,570	29.60	3,971,248	65.4

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

Note: Except for the fiscal year ending 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 ending 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

	2009			2000		
	Taxable Assessed Value	Rank	Percentage of Gross Taxable Assessed Grand List	Taxable Assessed Value	Rank	Percentage of Gross Taxable Assessed Grand List
E and A/I and Simsbury Commons LP	\$ 36,496,980	1	1.41 %	\$		%
Simsbury Assoc. Limited Partnership	29,865,500	2	1.15	34,390,710	1	2.36
Hartford Life and Accident Ins. Company	28,662,010	3	1.10	23,365,150	2	1.60
Executive Risk Indemnity Inc.	21,036,020	4	0.81	13,376,340	6	0.92
Simsbury Hopmeadow Street LLC	15,862,460	5	0.61			
Connecticut Light & Power	15,185,290	6	0.58	19,354,448	3	1.33
Simsbury Commons North E&A LLC	10,012,980	7	0.39			
Powder Forest Homes LLC	8,869,680	8	0.34			
McLean George P Estate	8,468,690	9	0.33			
Ensign-Bickford Realty Corporation	7,883,410	10	0.30	14,146,890	5	0.97
Stephen D. Fish				15,506,410	4	1.06
Avon Simsbury Mall Associates				10,561,110	7	0.73
Ensign-Bickford Company				7,634,333	8	0.52
Executive Risk Management Association				6,031,920	9	0.41
Chase Manhattan Auto Finance Corp.				4,882,680	10	0.34
	<u>\$ 182,343,020</u>		<u>7.02 %</u>	<u>\$ 149,249,991</u>		<u>10.24 %</u>

Source: Town Assessor's office

TOWN OF SIMSBURY, CONNECTICUT

PROPERTY TAX LEVIES AND COLLECTIONS

LAST TEN FISCAL YEARS

(In Thousands)

Fiscal Year	Taxes Levied for the Fiscal Year		Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2000	\$	46,812	\$ 46,421	99.16 %	\$ 389	\$ 46,810	100.00 %
2001		51,067	50,627	99.14	431	51,058	99.98
2002		54,635	54,192	99.19	438	54,630	99.99
2003		59,500	59,014	99.18	480	59,494	99.99
2004		62,867	62,438	99.32	421	62,859	99.99
2005		65,824	65,439	99.42	364	65,803	99.97
2006		69,119	68,671	99.35	408	69,080	99.94
2007		72,151	71,633	99.28	435	72,068	99.88
2008		75,006	74,473	99.29	371	74,843	99.78
2009		76,960	76,505	99.41		76,505	99.41

Source: Town Tax Collector office and Finance office

TABLE 8

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						
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
2008	12,688,000	25,422,000		128,217	21,037,216	59,275,433	1.50%	1.49%	2.55
2009	10,954,000	22,341,000		120,950	19,331,886	52,747,836	1.33%	1.33%	2.27

(1) See Table 5 for taxable property value data

(2) See Table 11 for personal income and population data.

TABLE 9

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 **	
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
2008	34.34	2.56	36.90	1.30	38.20
2009	27.42	2.18	29.60	1.05	30.65

* Debt service millage based on debt expenditures to assessment

Town millage set as one number

** The Simsbury Fire District has no debt

TABLE 10

TOWN OF SIMSBURY, CONNECTICUT

LEGAL DEBT MARGIN INFORMATION

LAST TEN FISCAL YEARS

	FISCAL YEAR									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Debt limit	\$ 330,164,989	\$ 358,160,110	\$ 382,825,009	\$ 419,535,599	\$ 445,499,103	\$ 466,141,480	\$ 486,940,951	\$ 508,394,397	\$ 529,348,036	\$ 543,238,654
Total net debt applicable to limit	<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>	<u>72,902,911</u>	<u>62,661,314</u>
Legal Debt Margin	\$ <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>	\$ <u>456,445,125</u>	\$ <u>480,577,340</u>
Total net debt applicable to the limit as a percentage of debt limit	3.93%	4.31%	3.55%	2.72%	6.98%	7.89%	9.97%	11.52%	13.77%	11.53%

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 2009 debt limit can be found on Schedule 5 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		
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
2008	23,234	922,622	39,710	39.6	94.5	61.4	4,917	4.1
2009	23,234	922,622	39,710	39.6	94.5	61.4	4,908	5.5

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

	2009			2000		
	Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
The Hartford Life Insurance Co.	3,000	1	25.41 %	3,008	1	24.80 %
Simsbury Board of Education	666	2	5.64	568	4	4.68
McLean Home	463	3	3.92	600	3	4.95
Chubb-Executive Risk, Inc.	400	4	3.39	606	5	5.00
Ensign-Bickford Companies	232	5	1.96	598	2	4.93
Super Stop & Shop	170	6	1.44			
Town of Simsbury	149	7	1.26	143	6	1.18
Hoffman Auto Group	144	8	1.22			
Michell of Simsbury	101	9	0.86	100	9	0.82
Hopmeadow Country Club	100	10	0.85			
Blue Ridge Insurance				140	7	1.15
Veeder-Root Company				135	8	1.11
Wagner, Ford, Nissan				92	10	0.76
	<u>5,425</u>		<u>45.95 %</u>	<u>5,990</u>		<u>49.38 %</u>

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

TOWN OF SIMSBURY, CONNECTICUT
FULL TIME GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

		FISCAL YEAR									
		2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
General government:											
Central administration		5.0	5.0	4.0	4.0	5.0	4.0	4.0	4.0	4.0	4.0
Finance		4.0	4.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	6.0
Tax collector		2.0	2.0	2.0	2.0	2.0	3.0	3.0	3.0	3.0	3.0
Assessor's		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
Public safety:											
Officers		36.0	35.0	35.0	35.0	35.0	34.0	34.0	34.0	33.0	33.0
Civilians		11.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	9.0	8.0
Planning and development:											
Community development		2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Planning		2.0	2.0	1.0	1.0	1.0	2.0	2.0	2.0	2.0	2.0
Building		3.0	3.0	3.0	3.0	3.0	3.0	4.0	4.0	4.0	4.0
Engineering		3.0	3.0	3.0	3.0	3.0	3.0	4.0	4.0	4.0	4.0
Facilities management:											
Public works		2.0	1.0	1.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Buildings & 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	19.0	19.0	19.5	20.5	21.0	21.0	21.0
Sewer treatment plant		10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	9.0	9.0
Landfill		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Social services		4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	3.0	3.0
Public libraries		14.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0	12.0
Parks and recreation		18.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0
Board of Education:											
Certified		416.0	416.0	415.0	414.0	405.0	405.0	414.0	404.0	402.0	385.0
Non-certified		250.0	251.0	238.0	235.0	233.0	239.0	232.0	203.0	194.0	183.0
Total		815.0	810.0	795.0	792.0	782.0	788.5	793.5	755.0	740.0	711.0

Source: Town of Simsbury and Simsbury Board of Education

TABLE 14

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

	FISCAL YEAR									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
<u>General Government</u>										
Birth certificates issued	191	174	165	194	170	244	261	226	228	213
Death certificates issued	169	188	181	182	193	203	186	191	209	229
Marriage licenses issued	222	184	165	178	207	216	228	233	233	171
Civil union licenses issued	3	5								
<u>Boards and Agencies</u>										
Registered voters	16,601	16,560	16,560	16,560	16,447	16,873	15,421	15,606	16,138	15,021
<u>Planning and Development</u>										
Building permits issued	483	495	520	677	572	522	480	535	455	582
Building department fees	334,404	435,721	366,733	422,155	414,031	397,461	296,818	311,759	270,110	393,752
Value of building permits (in thousand of dollars)	21,760	19,255	23,347	25,022	46,640	33,849	16,097	20,310	15,842	29,899
<u>Public Safety</u>										
Part I crimes	214	236	272	234	240	230	245	232	300	252
Motor vehicle accidents	724	756	714	744	853	774	766	744	781	664
Medical calls	1,216	1,129	1,025	1,088	1,044	940	925	927	958	847
Motor vehicle enforcement	5,242	4,949	4,235	3,635	4,168	2,975	3,566	4,015	3,391	3,092
Alarm responses	866	797	812	862	873	932	971	905	1,183	1,249
Total incidents	28,055	25,703	24,158	23,518	24,451	22,653	23,921	23,928	22,533	14,916
<u>Facility Management</u>										
Miles of roads maintained	163	163	163	163	163	163	163	163	160	159
<u>Public Libraries</u>										
Volumes in collection	156,000	145,759	147,234	163,104	158,655	155,000	154,998	146,500	142,000	138,420
Items circulated	461,113	330,825	378,185	436,048	450,685	455,544	480,749	468,405	435,877	414,239
Attendance	256,000	191,704	217,845	262,136	268,484	276,314	290,000	290,564	277,211	266,172
Events	708	420	601	760	756	700	758	742	644	698
<u>Human Services</u>										
Dial-a-ride passengers	8,625	8,322	8,164	8,000	8,000	6,660	7,388	8,115	7,619	7,775
Dial-a-ride traveled miles	45,101	43,932	45,799	42,041	37,082	33,573	36,086	38,598	38,307	45,526
<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

TABLE 15

TOWN OF SIMSBURY, CONNECTICUT

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

	FISCAL YEAR									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
<u>Facility Management</u>										
Miles of town roads	163	163	163	163	163	163	163	163	160	159
Miles of sidewalks	8	8	8	8	8	8	8	8	8	8
Sanitary sewers (miles)	81	81	79	79	79	79	78	78	78	78
Storm sewers (miles)	55	55	55	55	55	54	54	54	54	54
Treatment capacity (thousands of gallons)	3,800	3,800	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	17	17	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	21	20	20	20	20	20	20	20	20	20
Football fields	2	2	2	2	2	2	2	2	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

Source(s): Various Town Departments