

Town of Simsbury Connecticut



Comprehensive Annual Financial Report

For The Fiscal Year Ended

June 30, 2006

TOWN OF SIMSBURY, CONNECTICUT
COMPREHENSIVE ANNUAL FINANCIAL
REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

Department of Finance
Kevin G. Kane
Director of Finance

Introductory Section

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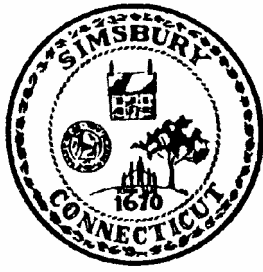
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Town of Simsbury

933 HOPMEADOW STREET

P.O. BOX 495

SIMSBURY, CONNECTICUT 06070

November 8, 2006

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, 2006.

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, 2006 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates by management, and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the Town of Simsbury financial statements for the fiscal year ended June 30, 2006 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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8:30 - 4:30 Tuesday through Friday

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

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

Profile of the Government

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

The Town of Simsbury operates under a Charter revised as of November 7, 2006. The form of government is Board of Selectman - Town Meeting. There are five Selectmen (2-year term) and a full-time paid First Selectman (2-year term). There is also an eight-member Board of Education (4-year term) and a six member Board of Finance (6-year term). The First Selectman functions as the Town’s Chief Elected and Administrative Official. The legislative authority of the government is vested in the Board of Selectmen and the Town Meeting. The Charter requires an automatic referendum for the annual budget and for expenditures in excess of 2% of the annual budget.

The Town of Simsbury provides a full range of services, including police protection, the construction and maintenance of streets and other infrastructure, recreational activities and cultural events, and a public school system which is one of the finest at the state and national level for excellence. Certain sanitation services are provided by the 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 over 2,500 employees.

The Town's current unemployment rate is 3.5% compared to the state average of 4.4% and the national average of 4.6%.

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 9.2% and 5.7%, respectively, versus 3.9% for all other expenses and 5.3% for total expenses). In the case of debt service, the higher increase was primarily driven by the \$43 million High School Expansion and Renovation project which forced annual debt service to exceed the maximum allowable percentage under the Town's Debt Policy. The growth in the Board of Education expenses reflects a ten-year annual average increase of 1.6% and 2.2%, respectively, in student enrollment and full-time positions.

During the same ten-year period, total revenues have increased on an average of 5.3% annually, compared to 6.3% annually for property tax revenues and all other revenues decrease 1.0% annually. Ten years ago, property tax revenues accounted for 85.9% of total revenues versus 91.8% today.

Long-Term Financial Planning

The Town has a five-year Capital Improvement Plan which totals approximately \$28.8 million of which is estimated that \$23.2 million will be funded through debt and the remainder from grants and fund balance.

Relevant Financial Policies

The Town of Simsbury's written financial policies are as follows:

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

The Town's debt policy establishes as a long term objective that debt retirement expenses (interest and principal) be at a rate of not more than 5 - 7% of the total annual budget. For the past three fiscal years ended June 30, 2006, 2005 and 2004, the annual debt retirement expense percentage in relation to the total annual budget was 7.38%, 7.36% and 7.38%, respectively, and therefore, has not been in compliance with the Town's debt policy.

Major Initiatives

At the May 2, 2006, Special Town Meeting:

- \$240,000 was approved and appropriated for design and construction of sanitary sewers on portions of Bushy Hill Road and other equivalent areas. Funding for this project will come from the Sewer Assessment Fund. This project is projected to be completed by summer of 2007.
- \$450,000 was approved and appropriated for design and construction of various park improvements at Weatogue Park, Tariffville Park, Meadow Pond Park, Curtiss Park, Memorial Park, Simsbury Meadows and Town Forest. Funding for this project will be through the issuance of bonds. This project is projected to be completed by summer of 2007.
- \$450,000 was approved and appropriated for replacement and/or expansion of computer network equipment at the Town's seven schools. Funding for this project will be through the issuance of bonds. This project is projected to be completed by summer 2008.
- \$420,000 was approved and appropriated for a security system upgrade in all seven schools incorporating security cameras, monitors and infrastructure to improve the system security, and to update telephone, voice mail, alarms systems and lighting. Funding for this project will be through the issuance of bonds. This project is projected to be completed by summer 2008.

At the May 16, 2006, Referendum:

- \$6,100,000 was approved and appropriated for design and construction of 19,600 square foot additions and renovations to the Simsbury Public Library. Funding for this project will be through the issuance \$4,600,000 of bonds, \$1,000,000 from General Fund reserves and \$500,000 from grants. This project is projected to be completed by January 2008.

- \$6,200,000 was approved and appropriated for expansion of Tariffville School and selected renovations to the existing school. Funding for this project will be through the issuance \$4,340,000 of bonds and \$1,860,000 from grants. This project is projected to be completed by summer 2009.

At the October 17, 2006, Special Town Meeting:

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

At the November 7, 2006, Referendum:

- \$7,000,000 was approved and appropriated for the acquisition of development rights and or fee simple ownership of two parcels of land comprising approximately 360 acres west of Bushy Hill Road owned by Ethel Walker School. Funding for this project will be \$2,000,000 from General Fund reserves and \$5,000,000 through the issuance of bonds and grants. This project is projected to be completed by spring of 2007.

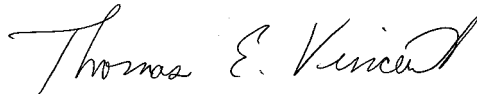
Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town for its comprehensive annual financial report for fiscal year ended June 30, 2005. This was the seventh consecutive year that the government has 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 must satisfy 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 continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

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

Respectfully submitted,



Thomas E. Vincent
First Selectman



Kevin G. Kane
Director of Finance/Treasurer

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Town of Simsbury
Connecticut

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2005

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



President

Executive Director

Town of Simsbury Organizational Chart

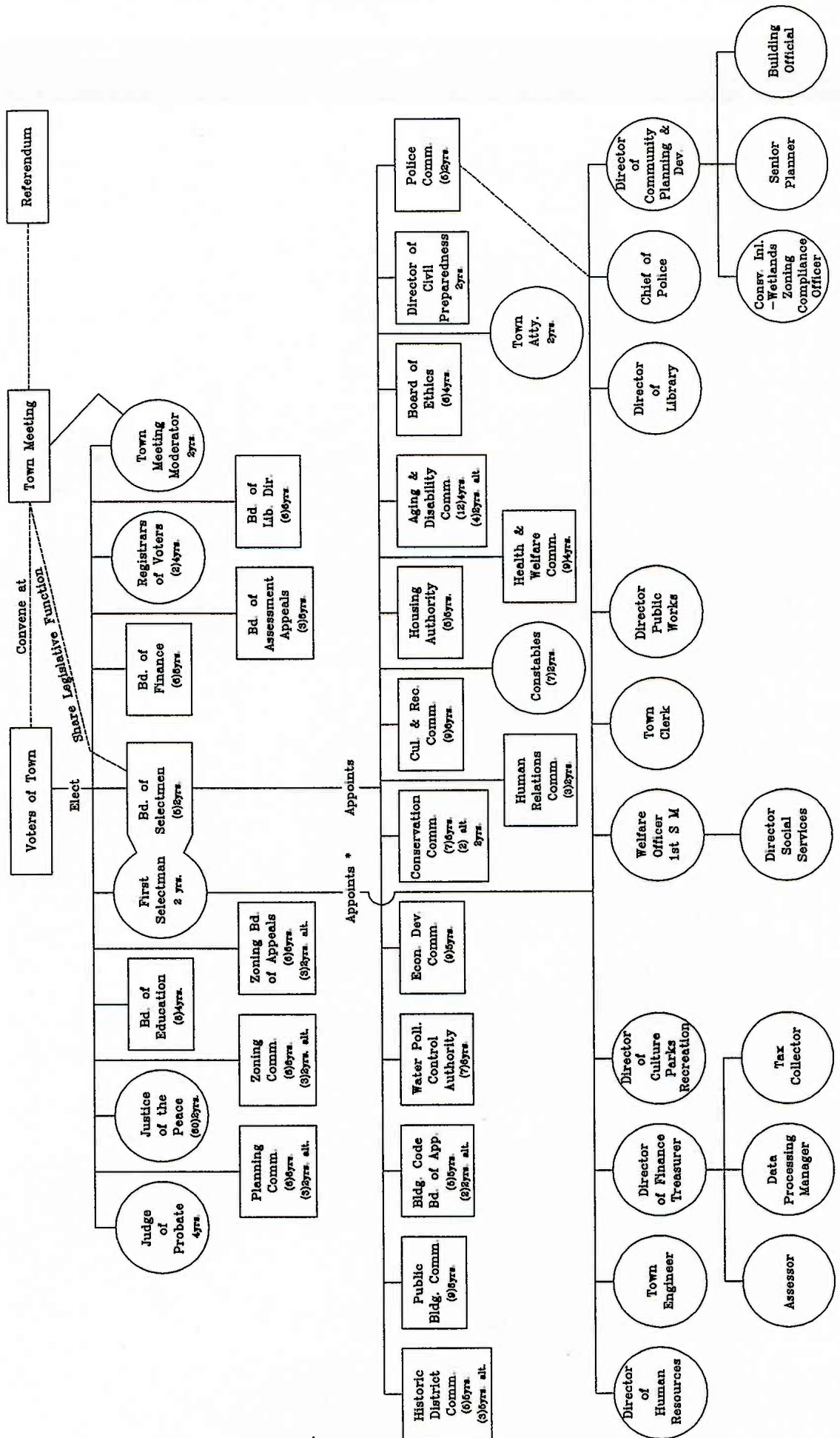
Legend

□ Groups functioning as boards, commissions or departments

○ Individuals functioning as separate officers

* With the approval of Board of Selectmen

() Indicates number of members on a board or commission, followed by term of office



PRINCIPAL OFFICIALS

BOARD OF SELECTMEN

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

BOARD OF EDUCATION

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

BOARD OF FINANCE

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

APPOINTED OFFICIALS

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

Financial Section



Report of Independent Accountants

To the Board of Finance
Town of Simsbury
Simsbury, Connecticut

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Simsbury, Connecticut, as of and for the year ended June 30, 2006, which collectively comprise the Town of Simsbury, Connecticut's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes consideration of the internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Simsbury, Connecticut, as of June 30, 2006 and the respective changes in financial position and cash flows, where applicable, thereof, for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Management's discussion and analysis on pages 3 through 18 and the required supplementary information on page 58 are not required parts of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

In accordance with *Government Auditing Standards*, we have also issued a report dated November 6, 2006 on our consideration of the Town of Simsbury, Connecticut's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over compliance on the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of our audit.

Blum, Shapiro & Company, P.C.

November 6, 2006

TOWN OF SIMSBURY, CONNECTICUT
Management's Discussion and Analysis
JUNE 30, 2006

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, 2006. 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 \$79,169,838 for the Governmental Activities.
- On a government-wide basis, the government's total net assets increased by \$10,725,454 for the Governmental Activities.
- As of the close of the current fiscal year, the Town's Governmental Funds reported combined ending fund balances of \$17,702,672, a decrease of \$2,006,169 in comparison with the prior year. Of this total amount, \$17,286,482 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 \$8,887,767 or 11.66% of total General Fund expenditures.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business.

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

The statement of activities presents information showing how the Town's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in a future fiscal period (e.g., uncollected taxes and earned but unused vacation leave).

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

The government-wide financial statements can be found on pages 19-20 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into three categories: Governmental Funds, Proprietary Funds and Fiduciary Funds.

Governmental Funds

Governmental Funds are used to account for essentially the same functions reported as Governmental Activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of Governmental Funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for Governmental Funds with similar information presented for Governmental Activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between Governmental Funds and Governmental Activities.

The Town maintains 17 individual funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Sewer Use Fund, Sewer Assessment Fund and the Capital Project Fund, all of which are considered to be major funds.

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

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

The basic governmental fund financial statements can be found on pages 21-25 of this report.

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

The basic proprietary fund financial statements can be found on pages 26-28 of this report.

Fiduciary Funds - Fiduciary Funds are used to account for resources held for the benefit of parties outside the government. Fiduciary Funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Town's own programs. The accounting used for Fiduciary Funds is much like that used for Proprietary Funds.

The basic fiduciary fund financial statements can be found on pages 29-30 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 31-57 of this report.

Required Supplementary Information

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

Other Information

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes to the financial statements. Combining and individual fund statements and schedules can be found on pages 65-71 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 \$79,169,838 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, 2006 and 2005

	<u>2006</u>	<u>2005</u>
Current assets	\$ 22,367,848	\$ 25,204,690
Capital assets, net of accumulated depreciation	110,255,843	86,101,108
Noncurrent assets	<u>10,616</u>	<u>11,074</u>
Total Assets	<u>132,634,307</u>	<u>111,316,872</u>
Current liabilities	7,983,065	9,035,723
Noncurrent liabilities	<u>45,481,404</u>	<u>33,836,765</u>
Total Liabilities	<u>53,464,469</u>	<u>42,872,488</u>
Net Assets:		
Invested in capital assets, net of related debt	61,353,651	48,885,116
Unrestricted	<u>17,816,187</u>	<u>19,559,268</u>
Total Net Assets	<u>\$ 79,169,838</u>	<u>\$ 68,444,384</u>

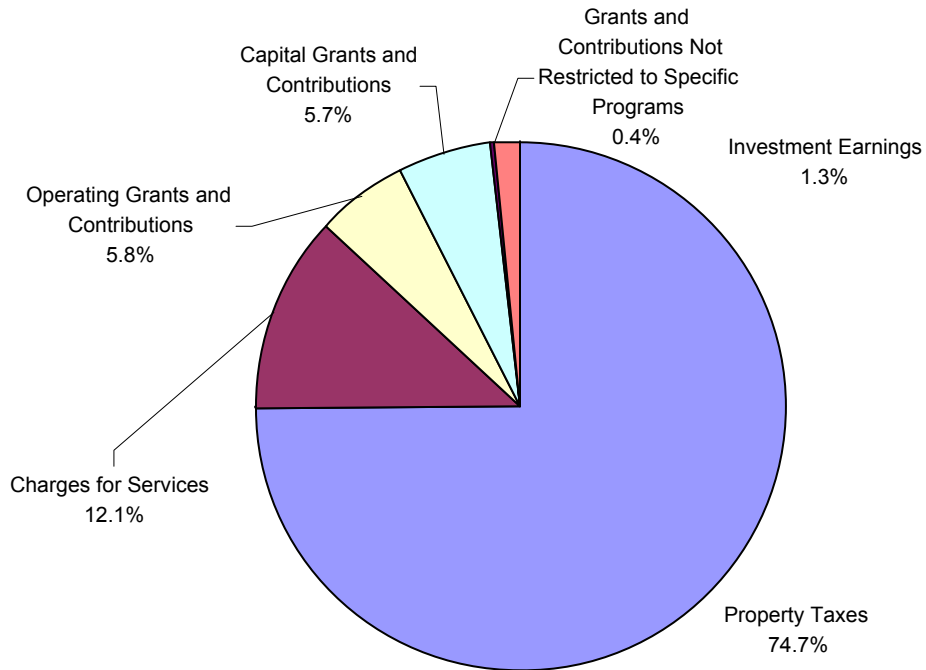
The government's net assets increased by \$10,725,454 or 15.7% during the current fiscal year compared to \$8,417,702 or 14.0% for the prior fiscal year. Unrestricted net assets, the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements, is \$17,816,187 at the end of this year compared to \$19,559,268 at the end of the prior year for a decrease of \$1,743,081.

CHANGES IN NET ASSETS - GOVERNMENTAL ACTIVITIES
For the Years Ended June 30, 2006 and 2005

	<u>2006</u>	<u>2005</u>
Revenues:		
Program revenues:		
Charges for services	\$ 11,283,905	\$ 9,208,065
Operating grants and contributions	5,358,634	5,068,208
Capital grants and contributions	5,296,829	6,035,761
General revenues:		
Property taxes	69,586,237	66,077,888
Grants and contributions not restricted to specific program	417,229	453,215
Investment income	1,214,833	651,665
Total revenues	<u>93,157,667</u>	<u>87,494,802</u>
Expenses:		
General government	2,586,616	2,835,830
Planning and development	1,144,974	1,345,269
Public safety	5,210,279	5,139,769
Facility management	6,353,281	5,613,885
Culture and recreation	4,410,376	4,379,125
Health and welfare	670,742	655,206
Education	60,816,027	57,874,235
Special projects	21,000	28,559
Interest on long-term debt	1,218,918	1,205,222
Total expenses	<u>82,432,213</u>	<u>79,077,100</u>
Change in net assets	10,725,454	8,417,702
Net Assets, July 1	<u>68,444,384</u>	<u>60,026,682</u>
Net Assets, June 30	\$ <u><u>79,169,838</u></u>	\$ <u><u>68,444,384</u></u>

Total revenues were \$93,157,667 and \$87,494,802 for the years ended June 30, 2006 and 2005, respectively. Total cost of all programs and services were \$82,432,213 and \$79,077,100 for the years ended June 30, 2006 and 2005, respectively. Net assets increased by \$10,725,454 and \$8,417,702 for the years ended June 30, 2006 and 2005, respectively.

Revenue by Source - Governmental Activities



Governmental Activities

Major revenue factors during the year include the following:

- Property taxes increased by \$3,508,349 or 5.33%. The property tax revenue budget increase was \$2,875,397 or 4.4% to cover an expenditure budget increase of \$3,293,306 or 4.7%, and a revenue budget increase (excluding property taxes) of \$417,909. The revenue budget increase of \$417,909 was primarily driven by an increase of State Aid for the Education Equalization grant of \$344,908.
- Charges for services increased by 2,075,840 or 22.5%. Illustrated below is a comparison between 2006 and 2005:

	2006	2005	Variance
General government	\$ 890,119	\$ 933,527	\$ (43,408)
Planning and development	432,093	415,615	16,478
Public safety	296,751	229,646	67,105
Facility management	2,550,256	2,094,212	456,044
Culture and recreation	1,832,410	2,265,570	(433,160)
Health and welfare	115,407	113,115	2,292
Education	5,166,869	3,156,380	2,010,489
Total	\$ 11,283,905	\$ 9,208,065	\$ 2,075,840

Illustrated below is a detail breakdown of Charges for Services revenues which had a \$100,000 variance between 2006 and 2005:

	<u>2006</u>	<u>2005</u>	<u>Variance</u>	<u>Explanation</u>
<u>General Government:</u>				
Town Clerk conveyance taxes	\$ 505,065	\$ 632,864	\$ (127,799)	The primary driver in the decrease was due to the sale of the Simsbury Commons Mall in 2005
<u>Facility Management:</u>				
Water Assessment	162,523		162,523	One time revenue
WPCA Fees	499,301	85,563	413,378	The primary driver was new service connections and an increase in the service connection fee from \$350 to \$4,095
Sewer Use Fees	1,522,198	1,668,079	(145,881)	Reduction in usage for Towns of Avon and Granby
<u>Culture and Recreation:</u>				
Band Shell donations	135,283	671,161	(535,878)	Decrease in donations to fund construction of Simsbury Meadow Band Shell which was completed summer of 2005
<u>Board of Education:</u>				
Teachers Retirement Plan - State of CT Contribution	3,495,439	1,604,321	1,891,118	State of CT increased their contribution

- Operating grants and contributions decreased by \$290,426 or 5.7%. Illustrated below is a comparison between 2006 and 2005:

	<u>2006</u>	<u>2005</u>	<u>Variance</u>
General government	\$	\$ 7,000	\$ (7,000)
Planning and development	88,177	230,019	(141,842)
Public safety	2,083	28,432	(26,349)
Facility management	245,200	443,244	(198,044)
Culture and recreation	4,225		4,225
Health and welfare	14,000	14,000	
Education	<u>5,004,949</u>	<u>4,345,513</u>	<u>659,436</u>
Total	\$ <u>5,358,634</u>	\$ <u>5,068,208</u>	\$ <u>290,426</u>

Illustrated below is a detail breakdown of operating grants revenues which had a \$100,000 variance between 2006 and 2005:

	<u>2006</u>	<u>2005</u>	<u>Variance</u>	<u>Explanation</u>
<u>Planning and Development:</u>				
Greenway Grants	\$ 88,177	\$ 230,019	\$ (141,842)	
<u>Facilities Management:</u>				
LOCIP Grants		319,769	(319,769)	During 2005 received two years of grant revenues which covers reimbursements for 2004 and 2003 appropriations
<u>Education:</u>				
Education Cost Sharing Grant	2,377,788	2,200,569	177,219	
State and Federal Grant Fund	2,352,247	1,848,106	504,141	

- Capital grants and contributions decreased by \$738,932 or 12.2%. Illustrated below is a breakdown comparison between 2006 and 2005:

	<u>2006</u>	<u>2005</u>	<u>Variance</u>
Facility management	\$ 3,046,142	\$ 1,470,939	\$ 1,575,203
Culture and recreation	144,463	355,537	(211,074)
Education	<u>2,106,224</u>	<u>4,209,285</u>	<u>(2,103,061)</u>
Total	<u>\$ 5,296,829</u>	<u>\$ 6,035,761</u>	<u>\$ (738,932)</u>

Illustrated below is a detail breakdown of capital grants and contributions which had a \$100,000 variance between 2006 and 2005:

	<u>2006</u>	<u>2005</u>	<u>Variance</u>	<u>Explanation</u>
<u>Facility Management:</u>				
Clean Water Fund Grant	\$ 3,046,142	\$ 1,270,939	\$ 1,775,203	Grant for the \$26.8 million expansion and renovation of the Waste Water Facility
STEAP Grant		200,000	(200,000)	Grant for air conditioning Eno Memorial Hall
<u>Culture and Recreation:</u>				
DECD Grant	144,463	355,537	(211,074)	Grant for the construction of the Simsbury Meadow Band Shell
<u>Education:</u>				
SHS Addition & Alteration School Building Grant	1,893,977	4,196,349	(2,302,372)	

- Grants not restricted to specific programs decreased by \$35,986 or 7.9%.

- Unrestricted investment earnings increased by \$563,168 or 86.4%. The increase was driven by two factors. Higher investment rates for the current fiscal year of 3.87% compared to 1.83% for the prior fiscal year generated an additional \$777,119 in investment earnings. Investments of the proceeds of the \$23,765,000 bond issue in September 2003 for the High School Expansion and Renovation capital project generated \$48,702 in the current fiscal year compared to \$262,653 in the prior fiscal year for a decrease of \$213,951.

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

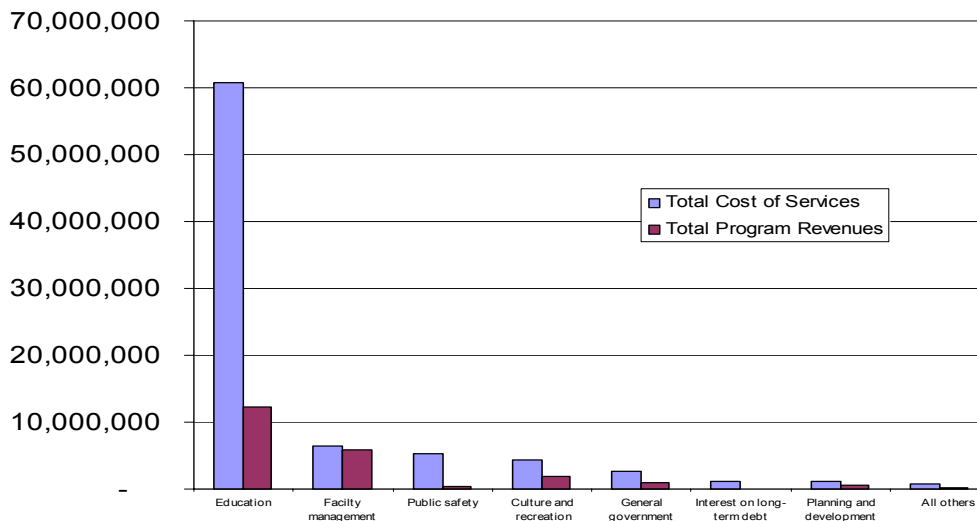
The following table presents the cost of each of the Town's programs as well as each program's net cost (total cost less revenues generated by the activities). The net cost shows the financial burden that was placed on the Town's taxpayers by each of these functions.

GOVERNMENTAL ACTIVITIES

For the Year Ended June 30, 2006

	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
Education	\$ 60,816,027	\$ 48,537,985
Facility management	6,353,281	511,683
Public safety	5,210,279	4,911,445
Culture and recreation	4,410,376	2,429,278
General government	2,586,616	1,696,497
Interest on long-term debt	1,218,918	1,218,918
Planning and development	1,144,974	624,704
All others	<u>691,742</u>	<u>562,335</u>
Totals	\$ <u><u>82,432,213</u></u>	\$ <u><u>60,492,845</u></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 \$17,702,672, a decrease of \$2,006,169 in comparison with the prior year. Of this amount, \$383,046 is reserved for encumbrances, and \$33,144 is reserved for inventories. Also, 97.6% or \$17,286,482 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 \$9,270,813. Of this total fund balance, \$383,046 is reserved for encumbrances, with the balance being undesignated in the amount of \$8,887,767. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 11.66% of the total General Fund expenditures, while total fund balance represents 12.17% of that same amount.

The fund balance of the Town's General Fund increased by \$1,180,487 during the current fiscal year and the undesignated fund balance increased by \$880,015 as illustrated below:

The major factors behind the increase of \$880,015 are as follows:

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

- Property taxes collected were \$463,093 higher than the budget. Current collection rate of 99.35% versus budgeted collection rate of 98% produced revenues that were \$475,138 higher than the budget. The budgeted property tax revenue was higher than it should have been by \$267,000 in that when the Town budgets were presented at Town Meeting and before the Town Budget Referendum vote the Connecticut State Legislature extended the conveyance tax rate of \$.0025 per thousand for an additional year. In setting the Town mill rate, the Board of Finance increased current property tax revenues for the change in conveyance tax revenues.
- Intergovernmental revenues were \$181,263 higher than the budget. Education Equalization Grants were \$153,407 higher than the budget.
- Investment income was \$649,914 higher than the budget. The primary driver was higher investment rates for the current fiscal year of 3.87% compared to 1.83% for the prior fiscal year.
- Charges for goods and services were \$460,531 higher than the budget. Town Clerk's conveyance tax receipts were \$295,065 higher than the budget. The conveyance tax rate was \$.0025 per thousand, which was to expire on June 30, 2005 and was to revert back to a rate of \$.0011 per thousand. The actual budgeted revenue was based on a rate of \$.0011 per thousand. After the budget was approved the State Legislature extended the conveyance tax rate of \$.0025 per thousand for an additional year. Therefore, the primary driver in the increase in conveyance tax revenues was due to the higher rate. World skate land lease payments received were \$130,498 higher than budget. The primary reason for the higher payments was that the Town received back payments from prior years that were owed.
- Licenses and permits revenues were \$83,711 higher than the budget. Building department fees were \$87,155 higher than the budget.

- Local revenues were \$68,967 higher than the budget.
- The Town generated \$162,523 in revenues for water assessments which were not budgeted.
- Other financing sources were \$76,031 higher than the budget. This was driven by the \$48,702 transfer in from the High School Expansion and Renovation capital project interest earned.
- General Fund expenditures were \$81,159 lower than the amended budget but were \$1,268,841 higher than the original budget. During the fiscal year, the Board of Finance and at a Referendum vote approved supplemental appropriations from reserves totaling \$1,350,000. Board of Education returned \$18,885 or 0.036% of their total budget of \$52,448,195. Board of Selectmen returned \$62,274 or 0.37% of their amended budget of \$16,930,963.

The Sewer Use Fund has a fund balance of \$3,730,359 at the end of the year, an increase of \$715,579 from the prior year.

The major factors behind the increase of \$715,579 are as follows:

- The original revenue budget in comparison to the original expenditure budget was projected to generate an increase in fund balance of approximately \$382,700. These additional funds are to be used to help pay the projected future debt service associated with the anticipated major expansion and renovation to the Sewer Treatment Plant.
- WPCA fees were \$414,378 higher than the budget. The primary driver was new service connections and an increase in the service connection fee from \$350 to \$4,095.
- Investment income was \$97,778 higher than the budget. The primary driver was higher investment rates for the current fiscal year of 3.87% compared to 1.83% for the prior fiscal year.
- Sewer Use Fees were \$145,881 lower than budget. This was due to a reduction in usage for the Towns of Avon and Granby.
- Expenditures were \$39,858 higher than the original budget. During the fiscal year, the original budget was amended by \$50,000 to cover the significant unexpected increase in energy cost.

The Sewer Assessment Fund has a fund balance of \$1,119,179 at the end of the year, a decrease of \$184,992 from the prior year.

The major factors behind the decrease of \$184,992 are as follows:

- Sewer Assessment Fund generated total revenues of \$140,523, of which \$49,483 was from investment income, \$56,580 was from principal payments received on sewer assessments and \$34,460 was from interest and lien fees payment on sewer assessments.
- Sewer Assessment Fund transferred out \$325,515, of which \$85,515 was transferred to the General Fund for reimbursement for debt service payments on sewer extensions and \$240,000 was transferred to the Capital Project Fund to fund new sewer extension projects which will be assessed once they are completed.

The Capital Project Fund has a fund balance of \$1,156,852 at the end of the year, a decrease of \$4,000,326 from the prior year. This decrease was primarily driven by total expenditures of \$26,750,323 and offset by \$22,749,997 in revenues, bond/loan proceeds and net transfers in/out. The Town has several major capital projects which each incurred over \$1 million in expenditures during the year. For the year, expenditures were \$14.2 million for the Sewer Treatment Plant Renovation & Expansion, \$7.5 million for the Simsbury High School Addition & Alteration, \$1.8 million for the Simsbury High School Track & Field and \$3.3 million for all other capital projects. These expenditures were offset by \$5,154,758 in grant revenues, \$4,952,122 from the \$4,880,000 March 2006 General Obligation Bond Issue which included a bond premium of \$75,122, \$11,066,430 from a 2% clean water fund loan for the renovation and expansion of the Sewer Treatment Plant Renovation & Expansion, \$48,702 investment income on a portion of the proceeds from the \$23,765,000 High School Bond Issue

from September 2003 and net transfers in/out totaling \$1,431,152. Transfers in included transfers from General Fund reserves totaling \$1,315,000 which included \$1 million for the \$6.1 million Library Expansion project approved at a May 2006 Referendum and \$315,000 in supplemental appropriations as approved by the Board of Finance for the Simsbury High School Track & Field project (\$190,000) and Central Roof Replacement project (\$125,000).

Other nonmajor governmental funds have a total fund balance of \$2,425,469, an increase of \$283,083 from the prior year as illustrated below.

	<u>2006</u>	<u>2005</u>	<u>Variance</u>	<u>Explanation of \$100,000 Variance</u>
Residential Rental Properties	\$ 119,820	\$ 108,542	\$ 11,278	
Animal Control Fund	58,580	44,356	14,224	
Simsbury Farms Fund	3	18,038	(18,035)	
General Government Program Fund	59,897	45,388	14,509	
Public Safety Program Fund	102,238	116,320	(14,082)	
Planning & Development Program Fund	448,875	210,923	237,952	In 2006 the Town received a \$144,463 DECD grant for reimbursement for the band shell construction costs that were incurred and paid for in 2005.
Facilities Management Program Fund	533,423	536,091	(2,668)	
Health & Welfare Program Fund	164,765	138,370	26,395	
Culture & Recreation Program Fund	92,027	82,115	9,912	
Board of Education Program Fund	410,039	384,765	25,274	
Cafeteria	326,220	248,158	78,062	
Capital and Nonrecurring Expenditures Fund	<u>109,582</u>	<u>209,320</u>	<u>(99,738)</u>	
Total	\$ <u>2,425,469</u>	\$ <u>2,142,386</u>	\$ <u>283,083</u>	

General Fund Budgetary Highlights

For the current year, \$1,350,000 transfers were made from reserves. On the Board of Selectmen budget, \$729,216 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, 2006

	<u>Original Budget</u>	<u>Transfers from Reserves</u>		<u>Budget Transfer</u>		<u>Amended Budget</u>
General government	\$ 1,863,006	\$ 35,000	(b)	\$ (6,050)	(e)	\$ 1,891,956
Planning and development	638,532			(31,150)	(e)	607,382
Public safety	3,442,391			(37,780)	(e)	3,404,611
Facility management	3,059,398			(17,055)	(e)	3,042,343
Culture and recreation	1,892,484			(73,049)	(e)	1,819,435
Health and welfare	476,126			(2,861)	(e)	473,265
Fringe benefits and insurance	3,638,667			71,107	(e)	3,709,774
Education	52,448,195					52,448,195
Special projects	201,072			(28,162)	(e)	172,910
Debt service (principal and interest)	5,526,058			(3,700)	(e)	5,522,358
Transfers to other funds	<u>369,287</u>	<u>1,315,000</u>	(a), (c), (d)	<u>128,700</u>	(e)	<u>1,812,987</u>
Totals	\$ <u>73,555,216</u>	\$ <u>1,350,000</u>		\$ <u>-</u>		\$ <u>74,905,216</u>

Reasons behind transfers from reserves:

- (a) On September 6, 2005, Simsbury Board of Finance approved a supplemental appropriation in the amount of \$190,000 for the Simsbury High School track and field project for sport lighting.
- (b) On December 20, 2005, Simsbury Board of Finance approved a supplemental appropriation in the amount of \$35,000 to settle a claim of the Hayes Landing Condominium.
- (c) On January 24, 2006, Simsbury Board of Finance approved a supplemental appropriation in the amount of \$125,000 for the Central School roof replacement project.
- (d) On May 16, 2006, Simsbury voters approved a \$6,100,000 appropriation to expand and renovate the Simsbury Public Library. Of this appropriation, \$1,000,000 was approved to be funded from a transfer from General Fund reserves.

Reasons behind budget transfers:

- (e) Non-Affiliated employees only, \$28,162 was transferred from special projects (Unnegotiated Salaries). Approximately \$505,806 was transferred to cover: two Police Officers, heart & hypertension settlements totaling \$246,496; \$125,000 to fund a portion of the funds needed for the required October 1, 2007 property revaluation; \$93,000 for energy related shortfalls; \$37,610 to cover the legal budget shortfall due to the Meadowood litigation; \$3,700 was transferred from Debt Service to operating transfers out to be used to partial fund approved capital projects.

During the year, General Fund revenues exceeded budgetary estimates by \$2,148,856 and expenditures were \$81,159 lower than the amended budget but were \$1,268,841 higher than the original budget. Overall revenues over expenditures on the budgetary basis were \$880,015. In the current year, revenues increased by 5.6% over the prior year as expenditures increased by 6.8%.

The major factors are as follows:

- Property taxes collected were \$463,093 higher than the budget.
- Intergovernmental revenues were \$181,263 higher than the budget.
- Investment income was \$649,914 higher than the budget.
- Charges for goods and services were \$460,531 higher than the budget.
- Licenses and permits revenues were \$83,711 higher than the budget.
- Other local revenues were \$68,967 higher than the budget.
- Assessments were \$162,523 higher than the budget
- Other financing sources were \$76,031 higher than the budget.
- General Fund expenditures were \$1,268,841 higher than the original budget and \$81,159 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, 2006 amounted to \$110,255,843. This investment in capital assets included land, buildings and system improvements, machinery and equipment, park facilities, roads, highways and bridges. The total net increase in the Town's investment in capital assets for the current fiscal year was \$24,154,735, which was comprised of an increase of \$27,251,989 for new additions and a decrease of \$3,097,254 for depreciation. The Town also had reductions in assets of \$756,668, which were fully depreciated. The Town also reclassified \$2,183,675 for the completed Police Station Renovation project from construction work in progress to buildings and improvements.

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

Infrastructure

- Accounted for \$321,878 or 1.2% of the capital asset additions. The town has a road improvement program with approximately \$500,000 available annually to maintain the current road infrastructure.
- Accounted for \$13,138 or 1.7% of the capital asset reductions.

Land and buildings

- Increased by \$2,183,675 for the transfer from construction work in progress for the Police Station Renovation project.

Construction work in progress

- Accounted for \$25,476,491 or 93.5% of the capital asset additions. The three largest additions was \$14,199,008, \$7,484,207 and \$1,762,472 for the Sewer Treatment Plant Expansion, Simsbury High School Expansion and Renovation project and Simsbury High School Track and Fields projects, respectively. Police Station Renovation project in the amount of \$2,183,675 was completed in the current year and was transferred to land and buildings.

Vehicles and equipment

- Accounted for \$753,620 or 2.9% of the capital asset additions. This included town additions totaling \$558,002 for the purchase of five police cruisers, two police vehicles, two large plow trucks, one large street sweeper, one large backhoe, one Dial-A-Ride van, one mid-size truck and one fairway mower for the Golf Course. This included education additions totaling \$195,618 for three school buses and two risographics machines.
- Accounted for \$743,530 or 98.3% of the capital asset reductions. This included the disposal of twenty-three town vehicles and three school buses.

Update on Approved Capital Projects

- At a May 2006 Special Town Meeting, five capital projects were approved. Sewer Extension was approved in the amount of \$240,000, which is to be funded from Sewer Assessment Fund balance. Also approved was Park Improvements for \$450,000, Board of Education, Computer Technology for \$450,000 and System Telecommunications, Security Lighting Upgrade for \$420,000. These projects are to be funded from the issuance of general obligation bonds. These projects are expected to be completed by the summer of 2008.

- At a May 2006 Referendum, two capital projects were approved, including Library Expansion for \$6,100,000 which is to be funded from \$1,000,000 General Fund fund balance, \$500,000 grant and the issuance of \$4,600,000 in general obligation bonds. This project is expected to be completed by spring of 2008. Also approved was Tariffville Addition and Renovation project for \$6,200,000, which is to be funded by a combination of general obligation bonds and school building grants. This project is expected to be completed by summer of 2009.

- Construction work in progress will continue for the \$43.2 million high school expansion and renovation project that was approved at a May 2002 referendum vote. During the current fiscal year, \$7.5 million was expended and to-date \$34.6 million has been expended. Hard construction started during the summer of 2003 and the project is expected to be completed by the winter of 2006. Due to favorable construction bid results, the total cost for this project is projected to be between \$36 million and \$37 million. Funding for this project will be from a combination of school building grants from the State of Connecticut and through the issuance of general obligation bonds. In September 2003, the Town issued a \$23,765,000 general obligation bond with final maturity due January 2018, at an interest rate of 3.74%. 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 will continue for the \$26.8 million sewer treatment plant expansion and renovation project that was approved at a May 2002 referendum vote. During the current fiscal year, \$14.2 million was expended and to-date \$20.9 million has been expended. Funding for this project will be through an outright grant between 15% and 20% of the project cost plus a 20-year, 2% loan between 80% and 85% of the project cost. Once construction starts, it will take approximately 24 months to complete the project. Twelve months after the project is completed, payments begin on the 20-year, 2% loan program. Ownership of this plant will be 68% for the Town of Simsbury, 23% for the town of Avon and 9% for the Town of Granby. This project is expected to be completed by spring 2007.

- Construction work in progress will continue for the \$2.1 million high school track and field project. During the current fiscal year, \$1,762,472 was expended and to-date \$2,034,329 has been expended. Construction started on this project in the spring of 2005 and is expected to be completed by fall 2006.

- During fiscal year 2006/07 it is expected that several major school capital projects will be completed and closed. They include the \$4.5 million Tootin Hills expansion project whose final cost came under \$4.1 million; \$4.8 million combined Henry James expansion project phase I and II. All of these projects have been funded by a combination of direct pay-downs from the Debt Service budget, general obligation bonds and school construction grants.

- For an update for all capital projects, please refer to the statement of revenues, expenditures and changes in fund balances - governmental funds.

CAPITAL ASSETS (Net of Depreciation)
June 30, 2006

	Governmental Activities
Infrastructure	\$ 14,996,867
Land and buildings	33,922,621
Vehicles and equipment	2,314,580
Construction work in progress	<u>59,021,775</u>
Total	\$ <u>110,255,843</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 \$48,540,022 of which \$4,122,123 is due within one year. All of the debt is backed by the full faith and credit of the Town.

OUTSTANDING DEBT
June 30, 2006

	Governmental Activities
General obligation bonds	\$ 32,825,000
Premium on bonds issued	362,170
Loan payable - Clean Water Fund	15,572,487
Loan payable - State of CT	<u>142,535</u>
Total	\$ <u>48,902,192</u>

The Town's total debt increased during the current fiscal year by \$11,639,377. This increase was comprised a new debt totaling \$15,946,430 and scheduled principal debt payments made totaling \$4,307,053. In March 2006, the Town issued general obligation bonds in the amount of \$4,880,000 which comprised of \$3,070,000 for the Simsbury High Addition and Alteration project, \$600,000 for the Golf Course Improvement project, \$500,000 for the Elementary Schools HVAC/Boiler Replacement project, \$360,000 for Development Rights and \$350,000 for the Highway Fleet Service Building. In addition, the Town received during the fiscal year \$11,066,430, 2% Clean Water Fund loan for the ongoing Expansion and Renovation to the Waste Water Facility capital project.

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

State statutes limit the amount of general obligation debt a governmental entity may issue to 7.0 times its total prior years' tax collections. The current debt limitation for the Town is \$486,940,951 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 46-48 of this report.

Economic Factors and Next Year's Budgets and Rates

The Town's elected Board of Finance considers many factors when setting the fiscal year 2007 budget spending guideline and mill rate. Factors include the economy, which covers the unemployment rate and the increase in the annual social security cola for the elderly. The current unemployment rate for the Town of Simsbury for 2006 was 3.5%, which is a decrease from a rate of 4.3% a year ago. This compares to the State's average unemployment rate of 4.4% and the national average rate of 4.6%. The social security cola for the elderly for 2005 was 4.1%. Another factor that the Board of Finance uses is the projected grand list growth which was approximately 2.6% for the October 1, 2005 Grand List. For fiscal year 2007, the Board of Finance set a 5.60% budget spending guideline on all operating budgets. The Board of Finance also budgeted \$600,000 to begin funding a material portion of the annual required contribution to adhere to GASB Statement Nos. 43 and 45 - Other Post Employment Benefits (OPEB) which will become an annual budget requirement commencing with fiscal year 2009. The debt service budget was brought forward and approved with a 1.35% decrease. Illustrated below is a recap of the 2007 General Fund budget property tax increase.

	<u>Allocation of Tax Increase</u>	
	<u>Amount</u>	<u>%</u>
Board of Education	\$ 3,215,620	4.81
Board of Selectmen	1,117,683	1.67
Debt Retirement	(74,646)	(0.11)
Non-Public Schools	63,445	0.10
Revenue	<u>(1,227,382)</u>	<u>(1.84)</u>
 New Additional Property Tax Revenues	 3,094,720	 <u>4.63</u>
 Budgeted FY 05/06 Property Tax Revenues	 <u>66,790,121</u>	
 Budgeted FY 06/07 Property Tax Revenues	 \$ <u>69,884,841</u>	

The actual tax increase on all property less the 2.6% grand list growth was 1.99%.

During the current fiscal year, unreserved fund balance in the General Fund increased to \$8,887,767.

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, 2006

	<u>Governmental Activities</u>
Assets:	
Current assets:	
Cash and cash equivalents	\$ 20,258,156
Investments	344,099
Accounts receivable	134,465
Property taxes receivable	721,936
Interest and other receivables	263,286
Special assessments receivable	438,884
Due from other governments	173,878
Inventories	33,144
Total current assets	<u>22,367,848</u>
Noncurrent assets:	
Pension assets	10,616
Capital assets:	
Nondepreciable	66,178,464
Depreciable, net	44,077,379
Total noncurrent assets	<u>110,266,459</u>
Total assets	<u>132,634,307</u>
Liabilities:	
Current liabilities:	
Accounts payable	2,670,730
Accrued interest payable	553,627
Advance collections	18,900
Unearned revenue	10,111
Bonds and notes payable	4,155,493
Compensated absences	607,574
Total current liabilities	<u>8,016,435</u>
Noncurrent liabilities:	
Bonds payable	44,417,899
Unamortized premium on bonds	328,800
Compensated absences	204,335
Landfill closing	100,000
Claims liabilities	397,000
Total noncurrent liabilities	<u>45,448,034</u>
Total liabilities	<u>53,464,469</u>
Net Assets:	
Invested in capital assets, net of related debt	61,353,651
Unrestricted	17,816,187
Total Net Assets	<u>\$ 79,169,838</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, 2006

Function/Program Activities	Program Revenues				Net Revenues (Expenses) and Changes in Net Assests
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
General government	\$ 2,586,616	\$ 890,119	\$	\$	\$ (1,696,497)
Planning and development	1,144,974	432,093	88,177		(624,704)
Public safety	5,210,279	296,751	2,083		(4,911,445)
Facility management	6,353,281	2,550,256	245,200	3,046,142	(511,683)
Culture and recreation	4,410,376	1,832,410	4,225	144,463	(2,429,278)
Health and welfare	670,742	115,407	14,000		(541,335)
Education	60,816,027	5,166,869	5,004,949	2,106,224	(48,537,985)
Special projects	21,000				(21,000)
Interest on long-term debt	1,218,918				(1,218,918)
Total Governmental Activities	<u>\$ 82,432,213</u>	<u>\$ 11,283,905</u>	<u>\$ 5,358,634</u>	<u>\$ 5,296,829</u>	<u>(60,492,845)</u>
General Revenues:					
Property taxes, levied for general purposes					69,586,237
Grants and contributions not restricted to specific programs					417,229
Investment earnings					<u>1,214,833</u>
Total general revenues					<u>71,218,299</u>
Change in net assets					10,725,454
Net Assets at Beginning of Year					<u>68,444,384</u>
Net Assets at End of Year					<u>\$ 79,169,838</u>

The accompanying notes are an integral part of the financial statements

TOWN OF SIMSBURY, CONNECTICUT

BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2006

	General Fund	Sewer Use Fund	Sewer Assessment Fund	Capital Project Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 10,084,668	\$ 3,735,599	\$ 1,119,179	\$ 2,306,651	\$ 2,139,585	\$ 19,385,682
Investments					344,099	344,099
Receivables:						
Accounts receivable	31,987	17,640			84,838	134,465
Property taxes receivable	721,936					721,936
Special assessments receivable	125,673	16,085	297,126			438,884
Due from other governments	259				173,619	173,878
Due from other funds	143,989					143,989
Inventories					33,144	33,144
Total Assets	<u>\$ 11,108,512</u>	<u>\$ 3,769,324</u>	<u>\$ 1,416,305</u>	<u>\$ 2,306,651</u>	<u>\$ 2,775,285</u>	<u>\$ 21,376,077</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 1,285,902	\$ 29,215	\$	\$ 1,149,799	\$ 205,814	\$ 2,670,730
Due to other funds					143,989	143,989
Deferred revenue	551,797	9,750	297,126		13	858,686
Total liabilities	<u>1,837,699</u>	<u>38,965</u>	<u>297,126</u>	<u>1,149,799</u>	<u>349,816</u>	<u>3,673,405</u>
Fund Balances:						
Reserved for:						
Inventories					33,144	33,144
Encumbrances	383,046					383,046
Unreserved, reported in:						
General Fund	8,887,767					8,887,767
Sewer Use Fund		3,730,359				3,730,359
Sewer Assessment Fund			1,119,179			1,119,179
Capital Project Fund				1,156,852	109,582	1,266,434
Special Revenue Funds					2,282,743	2,282,743
Total fund balances	<u>9,270,813</u>	<u>3,730,359</u>	<u>1,119,179</u>	<u>1,156,852</u>	<u>2,425,469</u>	<u>17,702,672</u>
Total Liabilities and Fund Balances	<u>\$ 11,108,512</u>	<u>\$ 3,769,324</u>	<u>\$ 1,416,305</u>	<u>\$ 2,306,651</u>	<u>\$ 2,775,285</u>	<u>\$ 21,376,077</u>

The accompanying notes are an integral part of the financial statements

TOWN OF SIMSBURY, CONNECTICUT

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

JUNE 30, 2006

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

Fund balances - total governmental funds (page 21)	\$	17,702,672
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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	\$	173,259,481	
Less accumulated depreciation		<u>(63,003,638)</u>	
Net capital assets			110,255,843

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

Pension assets	10,616
Property tax receivables greater than 60 days	532,549
Sewer assessments receivable	297,126
Interest receivable on property taxes	263,286

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.

475,474

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

Bonds payable	(32,825,000)
Unamortized bond premium	(362,170)
Clean Water Fund 2% loan	(15,572,487)
Notes payable	(142,535)
Interest payable on bonds	(553,627)
Compensated absences	(811,909)
Claims payable	<u>(100,000)</u>

Net Assets of Governmental Activities (page 19)	\$	<u>79,169,838</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, 2006

	General Fund	Sewer Use Fund	Sewer Assessment Fund	Capital Project Fund	Nonmajor Governmental Funds	Total Governmental Fund
Revenues:						
Property taxes	\$ 69,323,250	\$	\$	\$	\$	\$ 69,323,250
Intergovernmental	6,756,843	12,350		5,154,758	2,936,371	14,860,322
Investment income	949,914	116,957	49,483	48,702	49,776	1,214,832
Charges for goods and services	1,177,284				2,901,130	4,078,414
Licenses and permits	446,161				18,512	464,673
Rental of town owned property	10,023					10,023
Local revenues	201,967					201,967
Assessments	162,523	1,509,848	56,580			1,728,951
Other		508,483	34,460	93,833	817,508	1,454,284
Total revenues	<u>79,027,965</u>	<u>2,147,638</u>	<u>140,523</u>	<u>5,297,293</u>	<u>6,723,297</u>	<u>93,336,716</u>
Expenditures:						
Current:						
General government	1,822,958			16,101	22,890	1,861,949
Planning and development	606,650			19,169	294,182	920,001
Public safety	3,402,405				256,202	3,658,607
Facility management	2,596,757	1,432,059		238,616	254,067	4,521,499
Culture and recreation	1,801,497			279,750	1,536,881	3,618,128
Health and welfare	472,304				98,760	571,064
Fringe benefits and insurances	3,539,933					3,539,933
Education	55,983,288			90,656	3,795,444	59,869,388
Special projects	21,000					21,000
Capital outlay - Town	436,888			15,819,021	513,452	16,769,361
Capital outlay - education				10,287,010	195,618	10,482,628
Debt service:						
Principal payments	4,300,000				7,053	4,307,053
Interest and other	1,222,357				1,469	1,223,826
Total expenditures	<u>76,206,037</u>	<u>1,432,059</u>	<u>-</u>	<u>26,750,323</u>	<u>6,976,018</u>	<u>111,364,437</u>
Excess (Deficiency) of Revenues over Expenditures	<u>2,821,928</u>	<u>715,579</u>	<u>140,523</u>	<u>(21,453,030)</u>	<u>(252,721)</u>	<u>(18,027,721)</u>
Other Financing Sources (Uses):						
Transfers in	171,546			1,560,832	603,463	2,335,841
Transfers out	(1,812,987)		(325,515)	(129,680)	(67,659)	(2,335,841)
General obligation bonds issued				4,880,000		4,880,000
Clean water loans issued				11,066,430		11,066,430
Premium on general obligation bonds				75,122		75,122
Total other financing sources (uses)	<u>(1,641,441)</u>	<u>-</u>	<u>(325,515)</u>	<u>17,452,704</u>	<u>535,804</u>	<u>16,021,552</u>
Net Change in Fund Balances	1,180,487	715,579	(184,992)	(4,000,326)	283,083	(2,006,169)
Fund Balances at Beginning of Year	<u>8,090,326</u>	<u>3,014,780</u>	<u>1,304,171</u>	<u>5,157,178</u>	<u>2,142,386</u>	<u>19,708,841</u>
Fund Balances at End of Year	<u>\$ 9,270,813</u>	<u>\$ 3,730,359</u>	<u>\$ 1,119,179</u>	<u>\$ 1,156,852</u>	<u>\$ 2,425,469</u>	<u>\$ 17,702,672</u>

The accompanying notes are an integral part of the financial statements

TOWN OF SIMSBURY, CONNECTICUT

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

FOR THE YEAR ENDED JUNE 30, 2006

Amounts reported for governmental activities in the statement of activities (page 20) are different because of the following:

Net change in fund balances - total governmental funds (page 23)	\$ (2,006,169)
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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	27,251,989
Depreciation expense	(3,097,254)

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	(25,121)
Sewer assessment revenue	(56,579)
Interest income on property taxes	12,388
Intergovernmental revenue on school bonds	(109,737)

Change in pension assets	(458)
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The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Bond and loan proceeds	(15,946,430)
Premium on bonds issued (net of amortization)	(46,823)
Accrued interest	(23,391)
Principal payments	4,307,053

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	(3,024)
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The net profit of the internal service funds is reported with governmental activities.	<u>469,010</u>
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Change in Net Assets of Governmental Activities (page 20)	<u><u>\$ 10,725,454</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) - MAJOR GOVERNMENTAL FUNDS**

FOR THE YEAR ENDED JUNE 30, 2006

	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	\$ 68,860,157	\$ 68,860,157	\$ 69,323,250	\$ 463,093	\$	\$	\$	\$ -
Intergovernmental revenues	3,080,141	3,080,141	3,261,404	181,263				-
Investment income	300,000	300,000	949,914	649,914	19,179	19,179	116,957	97,778
Charges for goods and services	716,753	716,753	1,177,284	460,531	83,580	83,580	508,483	424,903
Rental of town-owned property	7,200	7,200	10,023	2,823				-
Licenses and permits	362,450	362,450	446,161	83,711				-
Local revenue	133,000	133,000	201,967	68,967				-
Assessments			162,523	162,523	1,672,142	1,672,142	1,522,198	(149,944)
Total revenues	<u>73,459,701</u>	<u>73,459,701</u>	<u>75,532,526</u>	<u>2,072,825</u>	<u>1,774,901</u>	<u>1,774,901</u>	<u>2,147,638</u>	<u>372,737</u>
Expenditures:								
Current:								
General government	1,863,006	1,891,956	1,872,186	19,770				-
Planning and development	638,532	607,382	606,650	732				-
Public safety	3,442,391	3,404,611	3,402,405	2,206				-
Facility management	3,059,398	3,042,343	3,018,645	23,698	1,392,201	1,442,201	1,432,059	10,142
Culture and recreation	1,892,484	1,819,435	1,816,497	2,938				-
Health and welfare	476,126	473,265	472,304	961				-
Fringe benefits and insurance	3,638,667	3,709,774	3,697,806	11,968				-
Education	52,448,195	52,448,195	52,429,310	18,885				-
Special projects	201,072	172,910	172,910	-				-
Debt service	5,526,058	5,522,358	5,522,357	1				-
Total expenditures	<u>73,185,929</u>	<u>73,092,229</u>	<u>73,011,070</u>	<u>81,159</u>	<u>1,392,201</u>	<u>1,442,201</u>	<u>1,432,059</u>	<u>10,142</u>
Excess of Revenues over Expenditures	<u>273,772</u>	<u>367,472</u>	<u>2,521,456</u>	<u>2,153,984</u>	<u>382,700</u>	<u>332,700</u>	<u>715,579</u>	<u>382,879</u>
Other Financing Sources (Uses):								
Transfers from other funds	95,515	95,515	171,546	76,031				-
Transfers to other funds	(369,287)	(1,812,987)	(1,812,987)	-				-
Net other financing uses	<u>(273,772)</u>	<u>(1,717,472)</u>	<u>(1,641,441)</u>	<u>76,031</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	<u>\$ -</u>	<u>\$ (1,350,000)</u>	<u>880,015</u>	<u>\$ 2,230,015</u>	<u>\$ 382,700</u>	<u>\$ 332,700</u>	<u>715,579</u>	<u>\$ 382,879</u>
Fund Balances at Beginning of Year			<u>8,007,752</u>				<u>3,014,780</u>	
Fund Balances at End of Year			<u>\$ 8,887,767</u>				<u>\$ 3,730,359</u>	

The accompanying notes are an integral part of the financial statements

TOWN OF SIMSBURY, CONNECTICUT
STATEMENT OF NET ASSETS - PROPRIETARY FUNDS
JUNE 30, 2006

	<u>Governmental Activities Internal Service Fund</u>
Assets:	
Current assets:	
Cash and cash equivalents	\$ 872,474
Liabilities:	
Noncurrent liabilities:	
Claim incurred but not reported	<u>397,000</u>
Net Assets:	
Unrestricted	\$ <u><u>475,474</u></u>

The accompanying notes are an integral part of the financial statements

TOWN OF SIMSBURY, CONNECTICUT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN NET ASSETS - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2006

	<u>Governmental Activities Internal Service Fund</u>
Operating Revenues:	
Charges for services	\$ 5,359,523
Intergovernmental	76,511
Total operating revenues	<u>5,436,034</u>
Operating Expenses:	
Claims incurred	3,971,627
Administration fees	306,426
Stop loss insurance fees	688,971
Total operating expenses	<u>4,967,024</u>
Change in Net Assets	469,010
Net Assets at Beginning of Year, as Restated	<u>6,464</u>
Net Assets at End of Year	<u><u>\$ 475,474</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, 2006

	<u>Governmental Activities Internal Service Fund</u>
Cash Flows from Operating Activities:	
Receipts from customers and users	\$ 5,653,172
Payments to employees and others	<u>(5,178,024)</u>
Net cash provided by operating activities	<u>475,148</u>
Cash Flows from Noncapital Financing Activities:	
Transfers out to other funds	<u>(61,186)</u>
Net cash used in noncapital financing activities	<u>(61,186)</u>
Net Increase in Cash and Cash Equivalents	413,962
Cash and Cash Equivalents at Beginning of Year	<u>458,512</u>
Cash and Cash Equivalents at End of Year	<u><u>\$ 872,474</u></u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating income	\$ 469,010
Adjustments to reconcile operating income to net cash provided by operating activities:	
Decrease in accounts receivable	217,138
Decrease in claims payable	<u>(211,000)</u>
Net Cash Provided by Operating Activities	<u><u>\$ 475,148</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, 2006

	Pension Trust Funds	Agency Fund <u>School Activity Fund</u>
Assets:		
Cash and short-term investments	\$ 173,600	\$ 553,637
Investments, at fair value:		
Frank Russell Fixed Income Fund I	8,568,664	
Frank Russell Fixed Income Fund II	3,487,622	
Frank Russell International Equity Fund	3,593,626	
Frank Russell Equity Fund I	12,455,276	
Frank Russell Equity Fund II	5,394,386	
Frank Russell Real Estate Equity Fund	1,998,050	
Total investments	<u>35,497,624</u>	<u>-</u>
Total assets	<u>35,671,224</u>	<u>553,637</u>
Liabilities:		
Accounts payable		
Due to student groups		553,637
Total Liabilities	<u>-</u>	<u>553,637</u>
Net Assets:		
Held in Trust for Pension Benefits and Other Purposes	\$ <u>35,671,224</u>	\$ <u>-</u>

The accompanying notes are an integral part of the financial statements

TOWN OF SIMSBURY, CONNECTICUT

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS - FIDUCIARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2006

	<u>Pension Funds</u>
Additions:	
Contributions	
Employer	\$ 1,248,119
Plan members	360,004
Other	249
Total contributions	<u>1,608,372</u>
Investment earnings:	
Net increase in fair value of investments	3,310,821
Interest	2,904
Total investment earnings	<u>3,313,725</u>
Less investment expenses:	
Investment management fees	207,761
Custodian fees	42,250
Net investment income	<u>3,063,714</u>
Total additions	<u>4,672,086</u>
Deductions:	
Benefits	1,841,032
Administrative expense	26,811
Total deductions	<u>1,867,843</u>
Net Change in Net Assets	2,804,243
Net Assets at Beginning of Year	<u>32,866,981</u>
Net Assets at End of Year	<u><u>\$ 35,671,224</u></u>

The accompanying notes are an integral part of the financial statements

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Town of Simsbury, Connecticut, operates under a charter as revised November 7, 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 of the Town that meet the criteria for inclusion as set forth in Statement of Governmental Accounting Standards No. 14 issued by the Governmental Accounting Standards Board.

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

B. Basis of Presentation

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

Government-Wide and Fund Financial Statements

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

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

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

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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

The Town reports the following major governmental funds:

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

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

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

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

Additionally, the Town reports the following fund types:

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

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

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

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

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

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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.

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

When both restricted and unrestricted resources are available for use, it is the 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

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

F. Receivables and Payables

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

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

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

G. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$5,000 and an estimated useful life of more than two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its life are not capitalized.

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

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

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

H. Net Pension Assets

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

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

I. Long-Term Obligations

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

J. Compensated Absences and Termination Benefits

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

K. Equity

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

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

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

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

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

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

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

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

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

L. Property Taxes

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

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

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

Property tax revenues are recognized when they become available. Available means due or past due and receivable within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. The Town defines the current period to mean within 60 days after year-end. Property taxes receivable not expected to be collected during the available period are reflected in deferred revenue in the fund financial statements. The entire receivable is recorded as revenue in the government-wide financial statements. Property taxes collected prior to June 30 that are applicable to the subsequent years' assessment are reflected as advance tax collections in both the fund financial statements and the government-wide financial statements.

M. Accounting Estimates

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

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

Budgets for the General Fund, Sewer Use Fund, Residential Rental Properties Fund, 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.

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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

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

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

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

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

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

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

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Subject to certain restrictions, additional appropriations may be approved by the Board of Finance upon recommendation of the Board of Selectmen. Summarizations of the amended general fund budgets approved by the Board of Finance for the “budgetary” general and certain special revenue funds are presented in the required supplementary information. During the year, supplemental budgetary appropriations of \$1,350,000 were made from General Fund unappropriated and unencumbered surplus.

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

As explained above, the Town’s budgetary fund structure accounts for certain transactions differently from that utilized in reporting in conformity with GAAP. A reconciliation of these differences at June 30, 2006 follows:

	General Fund	Sewer Use Fund
Excess of revenues and other sources over expenditures and other uses for budgeted funds - budgetary basis	\$ 880,015	\$ 715,579
Timing difference:		
Change in reserve for encumbrances	<u>300,472</u>	<u> </u>
Net Change in Fund Balance - GAAP Basis	<u>\$ 1,180,487</u>	<u>\$ 715,579</u>

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

3. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

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

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$5,534,275 of the Town's bank balance of \$6,090,555 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 4,930,848
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name	<u>603,427</u>
Total Amount Subject to Custodial Credit Risk	<u>\$ 5,534,275</u>

Investments

As of June 30, 2006, the Town had the following investments:

Investment Type	Credit Rating	Fair Value	Investment Maturities (Years)		
			Current	1 - 10	More Than 10
Mutual funds:					
Equity	n/a	\$ 23,441,334	\$ 23,441,334	\$	\$
Fixed income	n/a	12,056,283	12,056,283		
Reich and Tang	n/a	9,750	9,750		
State of CT STIF	AAAm	6,293,804	6,293,804		
MBIA Class Plus	AAA	<u>8,856,194</u>	<u>8,856,194</u>		
Total		<u>\$ 50,657,365</u>	<u>\$ 50,657,365</u>	<u>\$ -</u>	<u>\$ -</u>

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

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

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Concentration of Credit Risk - Maturities shall be staggered to avoid undue concentration of funds in a specific maturity. At least 10% of the portfolio shall be invested in overnight instruments or in marketable securities which can be sold to raise cash in one day's notice.

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

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

B. Receivables

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

	<u>General</u>	<u>Sewer Use Fund</u>	<u>Sewer Assessment Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Receivables:					
Accounts	\$ 31,987	\$ 17,640	\$	\$ 84,838	\$ 134,465
Property taxes	721,936				721,936
Special assessments	125,673	16,085	297,126		438,884
Due from other governments	<u>259</u>	<u></u>	<u></u>	<u>173,619</u>	<u>173,878</u>
Total Receivables	<u>\$ 879,855</u>	<u>\$ 33,725</u>	<u>\$ 297,126</u>	<u>\$ 258,457</u>	<u>\$ 1,469,163</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	\$ 532,549	\$
Property taxes collected in advance		18,900
Property taxes overcollection		348
Sewer Use Fund:		
Grant		9,750
Sewer Assessment Fund:		
Sewer assessment receivable	297,126	
Other Governmental Funds - State and Federal		
Education Grants:		
Various education grants		13
Total Deferred/Unearned Revenue for Governmental Funds	\$ <u>829,675</u>	\$ <u>29,011</u>

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

C. Capital Assets

Capital asset activity for the year ended June 30, 2006 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	830,000	700,000		1,530,000
Construction in progress	<u>35,728,959</u>	<u>25,476,491</u>	<u>2,183,675</u>	<u>59,021,775</u>
Total capital assets not being depreciated	<u>42,185,648</u>	<u>26,176,491</u>	<u>2,183,675</u>	<u>66,178,464</u>
Capital assets being depreciated:				
Buildings and improvements	48,921,212	2,183,675		51,104,887
Land improvements	4,298,217			4,298,217
Equipment	16,076,105	753,620	743,530	16,086,195
Infrastructure	<u>35,282,978</u>	<u>321,878</u>	<u>13,138</u>	<u>35,591,718</u>
Total capital assets being depreciated	<u>104,578,512</u>	<u>3,259,173</u>	<u>756,668</u>	<u>107,081,017</u>
Less accumulated depreciation for:				
Buildings and improvements	23,608,320	1,362,889		24,971,209
Land improvements	3,531,402	134,561		3,665,963
Equipment	13,675,422	839,723	743,530	13,771,615
Infrastructure	<u>19,847,908</u>	<u>760,081</u>	<u>13,138</u>	<u>20,594,851</u>
Total accumulated depreciation	<u>60,663,052</u>	<u>3,097,254</u>	<u>756,668</u>	<u>63,003,638</u>
Total capital assets being depreciated, net	<u>43,915,460</u>	<u>161,919</u>		<u>44,077,379</u>
Governmental Activities Capital Assets, Net	<u>\$ 86,101,108</u>	<u>\$ 26,338,410</u>	<u>\$ 2,183,675</u>	<u>\$ 110,255,843</u>

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

Governmental activities:	
General government	\$ 250,034
Education	1,218,975
Public safety	112,870
Facility management	1,197,250
Culture and recreation	312,526
Health and welfare	<u>5,599</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 3,097,254</u>

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Construction Commitments

The government has various active construction projects. The following is a summary of these projects as of June 30, 2006:

Project	Project Authorization	Spent to Date
Sewer Extension Projects:		
Project 2004	\$ 240,000	\$ 144,986
Project 2006	240,000	
Town Projects:		
Townwide technology integration	287,000	279,132
Townwide computer technology	330,000	245,633
Water main installations	120,000	91,689
Sewer Treatment Plant Renovation & Expansion 5/02	26,840,083	20,879,118
Development Rights 5/02	1,000,000	715,353
Economic Development Fund 5/02	250,000	67,686
Water main extensions 5/04	190,000	600
Highway Fleet Service Building 5/04	350,000	293,679
Sewer Rehab - Church & Elm St 5/04	100,000	72,534
Library Expansion Design Services 3/05	200,000	64,265
Greenway 5/05	750,000	38,653
Golf Course Improvements 5/05	600,000	328,924
Park Improvements 5/06	450,000	
Library Expansion 5/06	6,100,000	
Education Projects:		
Tootin Hills expansion project	4,529,107	4,041,041
Henry James expansion project	3,581,662	3,555,506
Central School boiler and heating 5/00	250,000	249,595
Henry James expansion project phase II 5/00	1,260,000	1,250,662
Simsbury High School Addition and Alteration 5/02	43,178,567	34,612,000
Modular classrooms 5/02	340,000	278,629
System Flooring Replacement 5/02	250,000	212,584
System Window Treatment Project 5/02	220,000	101,991
Central School Roof Replacement 5/04	325,000	21,920
SHS Auditorium Improvement 5/04	712,500	52,042
Computer Technology Improvement 5/04	300,000	206,929

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Elementary Modular Classrooms 5/04	500,000	441,388
System HVAC/Boiler Replacement 5/05	500,000	470,041
Simsbury High School Track & Field 9/05	2,095,014	2,034,329
Computer Technology Improvement 5/06	450,000	
Tariffville Expansion 5/06	6,200,000	
System Telecommunication, Security		
Lighting Upgrade 5/06	420,000	

Total	\$ <u>103,158,933</u>	\$ <u>70,750,909</u>
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The commitments are being financed with general obligation bonds and State and Federal grants.

D. Interfund Receivables, Payables and Transfers

The composition of interfund balances as of June 30, 2006 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ <u>143,989</u>

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

Interfund transfers:

<u>Transfers Out</u>				
	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Other Governmental Funds</u>	<u>Total Transfers Out</u>
Transfers in:				
General Fund	\$	\$ 1,318,700	\$ 494,287	\$ 1,812,987
Sewer Assessment Fund	85,515	240,000		325,515
Capital Project Fund	76,565		53,115	129,680
Other Governmental Funds	9,466	2,132	56,061	67,659
Total Transfers In	\$ <u>171,546</u>	\$ <u>1,560,832</u>	\$ <u>603,463</u>	\$ <u>2,335,841</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, 2006 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds and loans payable:					
General obligation bonds	\$ 32,245,000	\$ 4,880,000	\$ 4,300,000	\$ 32,825,000	\$ 4,115,000
Premium on bonds issued	315,347	75,122	28,299	362,170	33,370
Loan payable - Clean Water Fund	4,506,057	11,066,430		15,572,487	
Loan payable - State of Connecticut	149,588		7,053	142,535	7,123
Total bonds and loans payable	37,215,992	16,021,552	4,335,352	48,902,192	4,155,493
Compensated absences	808,885	133,196	130,172	811,909	607,574
Landfill closing	100,000			100,000	
Claims incurred but not reported	608,000	3,971,627	4,182,627	397,000	
Total Governmental Activities					
Long-Term Liabilities	<u>\$ 38,732,877</u>	<u>\$ 20,126,375</u>	<u>\$ 8,648,151</u>	<u>\$ 50,211,101</u>	<u>\$ 4,763,067</u>

Compensated absences are generally liquidated by the General Fund.

General Obligation Bonds

The Town issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. During the year, general obligation bonds totaling \$4,880,000 were issued.

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

General obligation bonds are direct obligations of the Town for which full faith and credit are pledged and are payable from taxes levied on all taxable properties located within the Town. General obligation bonds currently outstanding are as follows:

	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Annual Principal</u>	<u>Principal Outstanding June 30, 2006</u>
General Obligation Bonds	1/15/97	5,000,000	4.60-4.70%	1/15/07	\$ 530,000 - 610,000	\$ 610,000
General Obligation Bonds	2/1/00	5,000,000	5.00-5.20%	2/1/10	550,000 - 450,000	1,930,000
General Obligation Bonds	2/15/01	4,240,000	3.50-5.00%	2/15/11	400,000	2,000,000
General Obligation Bonds	9/1/03	23,765,000	1.50-4.25%	1/15/18	1,560,000 - 1,880,000	18,755,000
General Obligation Bonds	4/1/05	5,000,000	3.00-3.75%	1/15/15	350,000 - 520,000	4,650,000
General Obligation Bonds	3/1/06	4,880,000	3.625-4.00%	1/15/16	480,000 - 490,000	<u>4,880,000</u>
Total						<u>\$ 32,825,000</u>

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

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2007	\$ 4,115,000	\$ 1,255,670	\$ 5,370,670
2008	3,475,000	1,104,950	4,579,950
2009	3,425,000	982,400	4,407,400
2010	3,425,000	857,088	4,282,088
2011	2,975,000	730,250	3,705,250
2012-2016	12,290,000	2,093,963	14,383,963
2017-2018	<u>3,120,000</u>	<u>198,900</u>	<u>3,318,900</u>
	<u>\$ 32,825,000</u>	<u>\$ 7,223,221</u>	<u>\$ 40,048,221</u>

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

Clean Water Fund Loan

The Town's ongoing Waste Water Treatment Plant \$26,840,083 renovation and expansion capital project is being funded 100% by the State of Connecticut Clean Water Fund 2% Loan and Grant program. As of June 30, 2006, the Town's loan obligation is \$15,572,487. The project itself is expected to be completed by January 2007. One year after the completion of the project, the Town will commence repaying the 2% loan over a 20-year period. The loan will be repaid by future sewer user charges.

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:

Year Ending June 30,	Principal	Interest	Total
2007	\$ 7,123	\$ 1,399	\$ 8,522
2008	7,195	1,327	8,522
2009	7,267	1,255	8,522
2010	7,340	1,182	8,522
2011	7,414	1,108	8,522
2012-2016	38,199	4,411	42,610
2017-2021	40,156	2,454	42,610
2022-2025	27,841	501	28,342
	<u>\$ 142,535</u>	<u>\$ 13,637</u>	<u>\$ 156,172</u>

Authorized But Unissued Bonds

The total of authorized but unissued bonds (net of projected grants) at June 30, 2006 is \$21,307,210. In some cases, interim financing is obtained through bond anticipation notes or other short-term borrowings until the issuance of long-term debt.

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

4. EMPLOYEE RETIREMENT PLAN

A. Pension Trust Fund

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

Plan Description

General Government Pension Plan

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

Police Pension Plan

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

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Board of Education Pension Plan

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

At July 1, 2005, plan membership consisted of the following:

	General Government Plan	Police Plan	Board of Education Plan
Retirees and beneficiaries currently receiving benefits	56	20	77
Vested terminated employees	44	2	41
Active employees	105	33	164
Total Participants	205	55	282

Summary of Significant Accounting Policies

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

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

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Contributions

General Government Plan

This plan provides for union employee contributions of 2% and unaffiliated employee contributions of 5% of regular earnings. The Town is required by its Charter to contribute amounts necessary to fund the plan. Employer contributions to the plan of \$457,749 were made in accordance with actuarially determined requirements. The contribution represents 100% of the actuarially determined contribution and 8.07% of covered payroll. State of Connecticut Statutes assign the authority to establish and amend the contribution provisions of the plan to the Town of Simsbury.

Administrative costs of the plan are financed through investment earnings.

Police Plan

Plan provisions require employee contributions of 6% of regular earnings for Division 000 and employee contributions of 3% of regular earnings for Division 001. The Town is required by Charter to contribute amounts necessary to fund the plan. Employer contributions to the plan of \$275,641 were made in accordance with actuarially determined requirements. The contribution represents 100% of the actuarially determined contribution and 11.66% 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 \$514,729 were made in accordance with actuarially determined requirements. The contribution represents 100% of the actuarially determined contribution and 9.44% of covered payroll. State of Connecticut Statutes assign the authority to establish and amend the contribution provisions of the plan to the Town of Simsbury Board of Education.

Administrative costs of the plan are financed through investment earnings.

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

Concentrations

Investments that represent greater than 5% of net assets at June 30, 2006 are as follows:

	<u>General Government</u>	<u>Police</u>	<u>Board of Education</u>
Frank Russell Fixed Income Fund I	\$ 3,320,369	\$ 2,962,685	\$ 2,285,610
Frank Russell Fixed Income Fund II	1,361,712	1,197,616	928,294
Frank Russell International Equity Fund	1,462,258	1,158,961	972,407
Frank Russell Equity Fund I	4,975,877	4,135,209	3,344,190
Frank Russell Equity Fund II	2,183,752	1,747,102	1,463,532
Frank Russell Real Estate Equity Fund	807,596	660,394	530,060

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, 2006 were as follows:

	<u>General Government Plan</u>	<u>Police Plan</u>	<u>Board of Education Plan</u>	<u>Total</u>
Annual required contribution (ARC)	\$ 457,749	\$ 275,641	\$ 514,729	\$ 1,248,119
Interest on net pension obligation			(886)	(886)
Adjustment to annual required contribution			1,344	1,344
Annual pension cost	457,749	275,641	515,187	1,248,577
Contributions made	457,749	275,641	514,729	1,248,119
Decrease in net pension obligation	-	-	458	458
Net pension obligation (asset), beginning of year	-	-	(11,074)	(11,074)
Net Pension Obligation (Asset), End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (10,616)</u>	<u>\$ (10,616)</u>

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

The annual required contribution for the current year was determined as part of the July 1, 2005 actuarial valuation using the entry age normal cost method for the General Government Plan and the Police Plan, and projected unit credit cost method for the Board of Education Plan. The actuarial assumptions included (a) an 8% investment rate of return and (b) 4% projected salary increases for both the General Government Plan and the Board of Education Plan and a 5% projected salary increase for the Police Plan. The assumptions did not include inflation and post-retirement benefit increases. The actuarial value of assets was determined at 75% of expected market value of assets plus 25% of actual market value of assets. The value is constrained to +/- 20% of the actual market value. The unfunded actuarial accrued liability is being amortized on a 20-year closed period beginning July 1, 2001 for all plans.

Three-Year Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Actual Contribution	Percentage of APC Contributed	Net Pension Obligation
General Government:				
6/30/04	\$ 266,484	\$ 266,484	100%	\$ -
6/30/05	346,341	346,341	100	-
6/30/06	457,749	457,749	100	-
Police:				
6/30/04	\$ 250,605	\$ 250,605	100%	\$ -
6/30/05	244,811	244,811	100	-
6/30/06	275,641	275,641	100	-
Board of Education:				
6/30/04	\$ 309,882	\$ 309,664	99.9%	\$ (11,309)
6/30/05	362,792	362,557	99.9	(11,074)
6/30/06	515,187	514,729	99.9	(10,616)

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Financial statements for each individual pension plan are as follows:

	General Government Pension Fund	Board of Education Pension Fund	Police Pension Fund	Total Pension Trust Funds
Assets:				
Cash and short-term investments	\$ 59,820	\$ 66,034	\$ 47,746	\$ 173,600
Investments, at fair value:				
Frank Russell Fixed Income Fund I	3,320,369	2,285,610	2,962,685	8,568,664
Frank Russell Fixed Income Fund II	1,361,712	928,294	1,197,616	3,487,622
Frank Russell International Equity Fund	1,462,258	972,407	1,158,961	3,593,626
Frank Russell Equity Fund I	4,975,877	3,344,190	4,135,209	12,455,276
Frank Russell Equity Fund II	2,183,752	1,463,532	1,747,102	5,394,386
Frank Russell Real Estate Equity Fund	807,596	530,060	660,394	1,998,050
Total investments	<u>14,111,564</u>	<u>9,524,093</u>	<u>11,861,967</u>	<u>35,497,624</u>
Net Assets:				
Held in Trust for Pension Benefits and Other Purposes	<u>\$ 14,171,384</u>	<u>\$ 9,590,127</u>	<u>\$ 11,909,713</u>	<u>\$ 35,671,224</u>
	General Government Pension Fund	Board of Education Pension Fund	Police Pension Fund	Total Pension Trust Funds
Additions:				
Contributions:				
Employer	\$ 457,749	\$ 514,729	\$ 275,641	\$ 1,248,119
Plan members	118,369	118,048	123,587	360,004
Other	4	245	-	249
Total contributions	<u>576,122</u>	<u>633,022</u>	<u>399,228</u>	<u>1,608,372</u>
Investments earnings:				
Net increase in fair value of investments	1,310,736	887,092	1,112,993	3,310,821
Interest	1,067	861	976	2,904
Total investment earnings	<u>1,311,803</u>	<u>887,953</u>	<u>1,113,969</u>	<u>3,313,725</u>
Less investment expenses:				
Investment management fees	82,262	56,356	69,143	207,761
Custodian fees	15,243	12,850	14,157	42,250
Net investment income	<u>1,214,298</u>	<u>818,747</u>	<u>1,030,669</u>	<u>3,063,714</u>
Total additions	<u>1,790,420</u>	<u>1,451,769</u>	<u>1,429,897</u>	<u>4,672,086</u>
Deductions:				
Benefits	695,403	643,077	502,552	1,841,032
Administrative expense	7,327	12,796	6,688	26,811
Total deductions	<u>702,730</u>	<u>655,873</u>	<u>509,240</u>	<u>1,867,843</u>
Net Change in Net Assets	1,087,690	795,896	920,657	2,804,243
Net Assets at Beginning of Year	<u>13,083,694</u>	<u>8,794,231</u>	<u>10,989,056</u>	<u>32,866,981</u>
Net Assets at End of Year	<u>\$ 14,171,384</u>	<u>\$ 9,590,127</u>	<u>\$ 11,909,713</u>	<u>\$ 35,671,224</u>

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

B. Teachers Retirement

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

All certified teachers are eligible to participate in the plan and are required to contribute 7.25% of their annual earnings. The Board of Education does not contribute to the plan. Prior to July 1, 1989, teachers were vested in their contributions up to 5% of their earnings prior to five years of service. After five years of service teachers were fully vested in their own contributions. After ten years of service teachers are fully vested and entitled to a monthly pension benefit which is payable at the age of sixty. The State of Connecticut contributes amounts based on actuarial reserve basis described in C.G.S. Sections 10-1831 and 10-183z. The State's contribution to the plan on behalf of the Town for the fiscal year ended June 30, 2006 was \$3,495,439 and is recognized in the General Fund GAAP basis statement of revenues, expenditures and changes in fund balances. For the year ended June 30, 2006, teachers of the Town contributed \$2,015,475 to the plan, and covered payroll for the year was \$27,799,660.

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

5. OTHER INFORMATION

A. Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; error and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks did not exceed commercial insurance coverage during the three years ended June 30, 2006.

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 2006, total claims expense of \$3,971,627 was incurred, which represents claims processed and an estimate for claims incurred but not reported as of June 30, 2006.

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, 2006 of \$397,000.

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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

A schedule of changes in the claims liability for the years ended June 30, 2006 and 2005, 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
2004-05	\$ 547,000	\$ 4,351,151	\$ 4,290,151	\$ 608,000
2005-06	608,000	3,971,627	4,182,627	397,000

B. Contingent Liabilities

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

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

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

C. Landfill Postclosure Care Costs

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

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

TOWN OF SIMSBURY, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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

D. Other Postemployment Benefits

The Town and Board of Education provide certain health care benefits for retired employees. Substantially all of the Town's and Board of Education's employees may become eligible for these benefits, as provided by union contracts and personnel policies, if they reach normal retirement age while working for the Town and Board of Education. The cost of providing these benefits are expensed as part of the annual insurance premiums, which were approximately \$355,000 for the fiscal year ended June 30, 2006 of which the Town's portion was \$254,000 and Board of Education's portion was \$101,000. Currently, 162 retirees meet the eligibility requirements of which 69 are Town retirees and 93 are Board of Education retirees.

Required Supplementary Information

TOWN OF SIMSBURY, CONNECTICUT

REQUIRED SUPPLEMENTARY INFORMATION - PENSION TRUST FUNDS

Schedule of Funding Progress

Plan Year	Actuarial Value of Assets	Actuarial Liability (AAL) Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
<i>General Government</i>						
7/1/2000	\$ 12,274,948	\$ 10,279,184	\$ (1,995,764)	119.42%	\$ 4,949,817	(40.32)%
7/1/2001	12,700,127	10,936,520	(1,763,607)	116.13%	5,357,168	(32.92)%
7/1/2002	11,887,950	11,522,840	(365,110)	103.17%	5,150,678	(7.09)%
7/1/2003	12,745,601	12,843,975	98,374	99.23%	5,634,493	1.75%
7/1/2004	12,827,946	13,960,599	1,132,653	91.89%	5,673,024	19.97%
7/1/2005	13,109,718	14,510,879	1,401,161	90.34%	5,507,619	25.44%

Police

7/1/2000	9,897,225	8,594,441	(1,302,784)	115.16%	2,005,021	(64.98)%
7/1/2001	10,353,123	9,170,543	(1,182,580)	112.90%	2,071,096	(57.10)%
7/1/2002	9,734,447	9,847,424	112,977	98.85%	2,221,264	5.09%
7/1/2003	10,497,879	10,377,843	(120,036)	101.16%	2,331,495	(5.15)%
7/1/2004	10,735,800	11,031,742	295,942	97.32%	2,363,965	12.52%
7/1/2005	10,998,691	12,086,785	1,088,094	91.00%	2,444,737	44.51%

Board of Education

7/1/2000	8,568,704	7,253,234	(1,315,470)	118.14%	4,040,283	(32.56)%
7/1/2001	8,755,681	7,719,352	(1,036,329)	113.43%	4,355,390	(23.79)%
7/1/2002	8,086,744	8,252,056	165,312	98.00%	4,529,080	3.65%
7/1/2003	8,613,380	8,865,376	251,996	97.16%	5,029,001	5.01%
7/1/2004	8,662,907	9,897,971	1,235,064	87.52%	5,450,012	22.66%
7/1/2005	8,812,712	10,521,372	1,708,660	83.76%	5,784,204	29.54%

Schedule of Employer Contributions

Year Ended	General Government		Police		Board of Education	
	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed
6/30/2006	\$ 457,749	100%	\$ 275,641	100%	\$ 514,729	100%
6/30/2005	346,341	100%	244,811	100%	362,557	100%
6/30/2004	264,484	100%	250,605	100%	309,664	100%
6/30/2003	123,937	100%	88,404	100%	178,586	100%
6/30/2002	95,733	100%	67,894	100%	141,021	100%
6/30/2001	102,135	100%	77,300	100%	134,756	100%

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

Supplemental, Combining and Individual Fund Statements and Schedules

Major Governmental Funds

General Fund

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

Sewer Use Fund

To account for sewer user fees and sewer plant operations.

Sewer Assessment Fund

To account for sewer assessments.

Capital Project Fund

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

**TOWN OF SIMSBURY, CONNECTICUT
GENERAL FUND
STATEMENT OF REVENUES AND OTHER FINANCING SOURCES -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2006
WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED JUNE 30, 2005**

	2006				2005
	Budgeted Amounts		Actual Amounts	Variance with	Actual Amounts
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)	(Budgetary Basis)
Property Taxes:					
Current year taxes	\$ 68,280,157	\$ 68,280,157	\$ 68,755,295	\$ 475,138	\$ 65,346,209
Prior year's taxes	330,000	330,000	323,689	(6,311)	556,668
Interest and lien fees	250,000	250,000	244,266	(5,734)	403,328
Total property taxes	68,860,157	68,860,157	69,323,250	463,093	66,306,205
Intergovernmental Revenues:					
State of Connecticut:					
Office of Policy and Management:					
Property tax relief:					
Disabled			598	598	446
Property tax relief - elderly	59,055	59,055	53,604	(5,451)	59,055
Additional veterans	4,408	4,408	4,524	116	4,408
Manufacturer's inventory	69,029	69,029	65,725	(3,304)	69,029
Boat registration	9,019	9,019	9,019	-	9,019
Department of Education:					
Education equalization grant	2,224,381	2,224,381	2,377,788	153,407	2,200,569
School building grant	112,159	112,159	107,345	(4,814)	115,760
School transportation	89,702	89,702	83,704	(5,998)	89,156
Special education - tuition					15,845
Adult education	3,888	3,888	6,555	2,667	6,072
Nonpublic schools - transportation	29,201	29,201	28,090	(1,111)	22,192
Miscellaneous:					
State-owned property	77,854	77,854	83,600	5,746	80,369
Library grant				-	2,254
Telephone access line grant	188,748	188,748	135,919	(52,829)	176,016
Solid waste	125,000	125,000	149,819	24,819	121,548
Pequot casino revenue	60,863	60,863	57,621	(3,242)	51,465
COPS In School grant			2,083	2,083	9,545
Homeland security grant			72,687	72,687	-
Other	6,000	6,000	2,500	(3,500)	1,155
Housing Authority in lieu of taxes	20,834	20,834	20,223	(611)	20,180
Total intergovernmental revenues	3,080,141	3,080,141	3,261,404	181,263	3,054,083
Investment income	300,000	300,000	949,914	649,914	305,256
Charges for Goods and Services:					
Conveyance tax receipts	210,000	210,000	505,065	295,065	632,864
Town clerk recording fees	200,000	200,000	173,242	(26,758)	185,755
Town clerk farmland preservation fee			4,119	4,119	-
Tax collector - fire district supplies, etc.	6,500	6,500	6,500	-	6,500
Police department - emergency reporting	30,363	30,363	20,000	(10,363)	20,000
Elderly/handicapped transportation	7,500	7,500	6,631	(869)	3,901
Library fines and fees	49,800	49,800	49,875	75	48,454
War Memorial pool	12,000	12,000	12,573	573	13,854
Education - tuition for regular education	21,090	21,090	53,842	32,752	47,396
Education - school rentals	45,000	45,000	88,604	43,604	81,142
Community gardens	1,500	1,500	1,335	(165)	1,200
Senior citizen center	8,000	8,000		(8,000)	-
World skate	125,000	125,000	255,498	130,498	50,000
Total charges for goods and services	716,753	716,753	1,177,284	460,531	1,091,066

(Continued on next page)

**TOWN OF SIMSBURY, CONNECTICUT
GENERAL FUND
STATEMENT OF REVENUES AND OTHER FINANCING SOURCES -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2006
WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED JUNE 30, 2005**

	2006				2005
	Budgeted Amounts		Actual Amounts	Variance with	Actual Amounts
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)	(Budgetary Basis)
Rental of Town-Owned Property:					
Eno Memorial Hall	\$ 7,200	\$ 7,200	\$ 10,023	\$ 2,823	\$ 9,160
Lovejoy Property				-	1,175
Total rental of town-owned property	<u>7,200</u>	<u>7,200</u>	<u>10,023</u>	<u>2,823</u>	<u>10,335</u>
Licenses and Permits:					
Sporting licenses	550	550	444	(106)	477
Land use commission	25,000	25,000	12,025	(12,975)	12,713
Engineering department fees	800	800	9,887	9,087	838
Police department fees	1,100	1,100	1,650	550	1,602
Building department fees	335,000	335,000	422,155	87,155	414,031
Total licenses and permits	<u>362,450</u>	<u>362,450</u>	<u>446,161</u>	<u>83,711</u>	<u>429,661</u>
Other Local Revenues:					
Insurance refunds	10,000	10,000	22,621	12,621	3,925
Police accident reports, parking tickets, etc.	15,000	15,000	5,445	(9,555)	9,950
Board of education miscellaneous	15,000	15,000	11,119	(3,881)	3,333
Land use commission miscellaneous				-	34,598
Finance department miscellaneous				-	25
Tax department miscellaneous			1,317	1,317	1,430
Town clerk miscellaneous	37,000	37,000	38,383	1,383	40,102
Building department miscellaneous			50	50	100
Senior center miscellaneous			25	25	-
Culture and recreation miscellaneous			50	50	125
Central administration miscellaneous	56,000	56,000	122,957	66,957	7,736
Total other local revenues	<u>133,000</u>	<u>133,000</u>	<u>201,967</u>	<u>68,967</u>	<u>101,324</u>
Assessment					
Water assessment			162,523	162,523	-
Total revenues	<u>73,459,701</u>	<u>73,459,701</u>	<u>75,532,526</u>	<u>2,072,825</u>	<u>71,297,930</u>
Other Financing Sources:					
Transfers from other funds					
Public Safety Program	10,000	10,000	9,466	(534)	10,044
Capital Project Fund			76,565	76,565	287,984
Debt Service Fund - sewer assessment	85,515	85,515	85,515	-	87,415
Total other financing sources	<u>95,515</u>	<u>95,515</u>	<u>171,546</u>	<u>76,031</u>	<u>385,443</u>
Total Revenues and Other Financing Sources	<u>\$ 73,555,216</u>	<u>\$ 73,555,216</u>	<u>\$ 75,704,072</u>	<u>\$ 2,148,856</u>	<u>\$ 71,683,373</u>

**TOWN OF SIMSBURY, CONNECTICUT
GENERAL FUND
STATEMENT OF EXPENDITURES AND OTHER FINANCING USES -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2006
WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED JUNE 30, 2005**

	2006				2005
	Budgeted Amounts		Actual Amounts	Variance with	Actual Amounts
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)	(Budgetary Basis)
General Government:					
Central administration	\$ 431,072	\$ 440,376	\$ 440,074	\$ 302	\$ 501,374
Administration services	43,581	54,659	54,658	1	39,077
Board of Finance	8,472	9,478	9,427	51	8,607
Land use commission	25,175	23,136	22,534	602	22,204
Economic development commission	50,395	49,034	48,333	701	37,084
Historic district commission	811	811	48	763	192
Public building committee	2,931	3,632	3,629	3	3,631
Police commission	318	318	-	318	-
Beautification	3,900	4,159	3,778	381	3,906
Tourism committee	2,000	2,683	2,682	1	712
Elections	79,301	69,719	68,768	951	69,947
Finance department	312,634	302,154	301,209	945	294,668
Tax collector	153,019	146,395	145,444	951	146,481
Assessors	201,038	193,232	192,744	488	184,899
Data processing	103,025	104,986	104,626	360	90,326
Auditors	28,750	27,350	27,350	-	27,700
Legal	214,633	252,243	242,714	9,529	324,167
Town clerk	186,951	194,979	191,659	3,320	188,764
Probate court	5,400	4,512	4,511	1	2,865
Transportation	5,600	6,429	6,428	1	3,510
Miscellaneous	4,000	1,671	1,570	101	3,939
Total general government	1,863,006	1,891,956	1,872,186	19,770	1,954,053
Planning and Development:					
Director of community development	146,462	109,862	109,144	718	146,094
Planning department	58,912	68,584	68,583	1	44,473
Building department	176,995	174,114	174,104	10	178,378
Engineering	256,163	254,822	254,819	3	272,879
Total planning and development	638,532	607,382	606,650	732	641,824
Public Safety:					
Police	3,440,391	3,402,611	3,400,687	1,924	3,390,938
Civil preparedness	2,000	2,000	1,718	282	50
Total public safety	3,442,391	3,404,611	3,402,405	2,206	3,390,988
Facility Management:					
General administration	150,865	73,354	64,016	9,338	69,317
Building and grounds	607,944	686,718	684,834	1,884	590,089
Highway department	2,137,989	2,124,781	2,112,305	12,476	1,989,601
Landfill	162,600	157,490	157,490	-	138,755
Total facility management	3,059,398	3,042,343	3,018,645	23,698	2,787,762

(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, 2006
WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED JUNE 30, 2005**

	2006				2005
	Budgeted Amounts		Actual Amounts	Variance with	Actual Amounts
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)	(Budgetary Basis)
Culture and Recreation:					
Library	\$ 1,209,193	\$ 1,153,059	\$ 1,150,329	\$ 2,730	\$ 1,086,324
Recreation	111,851	116,784	116,781	3	111,128
Town parks and open space	571,440	549,592	549,387	205	569,393
Total culture and recreation	<u>1,892,484</u>	<u>1,819,435</u>	<u>1,816,497</u>	<u>2,938</u>	<u>1,766,845</u>
Health and Welfare:					
Health department	84,586	84,586	84,586	-	84,316
Social services administration	151,756	150,308	149,479	829	155,975
Elderly services outreach	130,889	127,809	127,677	132	114,842
Transportation	108,895	110,562	110,562	-	106,356
Total health and welfare	<u>476,126</u>	<u>473,265</u>	<u>472,304</u>	<u>961</u>	<u>461,489</u>
Fringe Benefits and Insurance:					
Social security	636,376	585,552	573,977	11,575	568,010
Town general liability insurance	404,625	604,175	604,175	-	361,353
Employee group insurance	1,928,666	1,855,086	1,855,052	34	1,688,150
Unemployment reserve	11,000	13,570	13,570	-	10,971
Pensions	658,000	651,391	651,032	359	532,451
Total fringe benefits and insurance	<u>3,638,667</u>	<u>3,709,774</u>	<u>3,697,806</u>	<u>11,968</u>	<u>3,160,935</u>
Board of Education	<u>52,448,195</u>	<u>52,448,195</u>	<u>52,429,310</u>	<u>18,885</u>	<u>50,176,680</u>
Special Projects:					
Unnegotiated salary and benefits	<u>201,072</u>	<u>172,910</u>	<u>172,910</u>	<u>-</u>	<u>21,000</u>
Debt Service:					
Principal	4,303,700	4,300,000	4,300,000	-	3,900,000
Interest	1,222,358	1,222,358	1,222,357	1	1,258,210
Total debt service	<u>5,526,058</u>	<u>5,522,358</u>	<u>5,522,357</u>	<u>1</u>	<u>5,158,210</u>
Other Financing Uses:					
Transfers to other funds	<u>369,287</u>	<u>1,812,987</u>	<u>1,812,987</u>	<u>-</u>	<u>556,056</u>
Total Expenditures and Other Financing Uses	<u>\$ 73,555,216</u>	<u>\$ 74,905,216</u>	<u>\$ 74,824,057</u>	<u>\$ 81,159</u>	<u>\$ 70,075,842</u>

TOWN OF SIMSBURY, CONNECTICUT

GENERAL FUND

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

FOR THE YEAR ENDED JUNE 30, 2006

	<u>Original Appropriation</u>	<u>Amended Appropriation</u>	<u>Actual Expenditures and Encumbrances</u>	<u>Variance Favorable (Unfavorable)</u>
General control	\$ 1,522,487	\$ 1,522,487	\$ 1,453,028	\$ 69,459
Instruction	32,943,289	32,943,289	33,333,469	(390,180)
Health education	517,300	517,300	520,081	(2,781)
Transportation	1,831,739	1,831,739	1,886,228	(54,489)
Operation of school plant	4,093,116	4,093,116	3,978,132	114,984
Maintenance of schools	1,231,488	1,231,488	1,187,837	43,651
Fixed charges	8,357,818	8,357,818	8,049,649	308,169
Food services	6,375	6,375	1,852	4,523
Student activities	508,718	508,718	530,237	(21,519)
Community service	29,450	29,450	29,448	2
Additional equipment	82,867	82,867	51,013	31,854
Tuition to other schools	939,996	939,996	1,025,694	(85,698)
Nonpublic schools	<u>383,552</u>	<u>383,552</u>	<u>382,642</u>	<u>910</u>
Total Expenditures	\$ <u>52,448,195</u>	\$ <u>52,448,195</u>	\$ <u>52,429,310</u>	\$ <u>18,885</u>

TOWN OF SIMSBURY, CONNECTICUT

CAPITAL PROJECT FUND

SCHEDULE OF EXPENDITURES COMPARED WITH APPROPRIATIONS

FOR THE YEAR ENDED JUNE 30, 2006

	Appropriations			Expenditures			Uncommitted
	Balance	Current	Balance	Balance	Current	Balance	Balance
	June 30, 2005	Year	June 30, 2006	June 30, 2005	Year	June 30, 2006	June 30, 2006
Sewer extension projects:							
Project 2004	\$ 240,000	\$	\$ 240,000	\$ 7,680	\$ 137,306	\$ 144,986	\$ 95,014
Project 2006		240,000	240,000			-	240,000
Town projects:							
Townwide Technology Integration	287,000		287,000	275,588	3,544	279,132	7,868
Townwide computer technology	330,000		330,000	233,876	11,757	245,633	84,367
Library - planning & feasibility study	100,000		100,000	92,372	7,628	100,000	-
Water main installations	120,000		120,000	91,689		91,689	28,311
Eno Memorial Hall	812,039	6,357	818,396	773,878	44,518	818,396	-
Development Rights 5/00	1,000,000		1,000,000	996,184	3,816	1,000,000	-
Drake Hill/Rte 10 & 167 5/00	463,400	(461,800)	1,600	800	800	1,600	-
Library Preliminary Design 5/00	100,000		100,000	95,382	4,618	100,000	-
Sewer Treatment Plant							
Renovation & Expansion 5/02	26,840,083		26,840,083	6,680,110	14,199,008	20,879,118	5,960,965
Development Rights 5/02	1,000,000		1,000,000		715,353	715,353	284,647
Economic Development Fund 5/02	303,115	(53,115)	250,000	66,886	800	67,686	182,314
Police Station Renovations 5/03	2,300,000		2,300,000	2,041,243	258,757	2,300,000	-
Water main extensions 5/04	190,000		190,000		600	600	189,400
Highway Fleet Service Building 5/04	350,000		350,000		293,679	293,679	56,321
Sewer Rehab - Church & Elm Street 5/04	100,000		100,000	17,142	55,392	72,534	27,466
Simsbury Meadows Park Improvements 5/04	300,000		300,000	96,761	203,239	300,000	-
Library Expansion Design Services 3/05	200,000		200,000		64,265	64,265	135,735
Greenway 5/05	750,000		750,000		38,653	38,653	711,347
Golf Course Improvements 5/05	600,000		600,000		328,924	328,924	271,076
Park Improvements 5/06		450,000	450,000			-	450,000
Library Expansion 5/06		6,100,000	6,100,000			-	6,100,000
Education projects:							
Tootin Hills expansion project	4,529,107		4,529,107	4,041,041		4,041,041	488,066
Henry James expansion project	3,581,662		3,581,662	3,555,506		3,555,506	26,156
Central School boiler & heating 5/00	250,000		250,000	249,595		249,595	405
Henry James expan proj phase II 5/00	1,260,000		1,260,000	1,250,662		1,250,662	9,338
Simsbury High School Addition							
& Alteration 5/02	43,178,567		43,178,567	27,127,793	7,484,207	34,612,000	8,566,567
Computer technology improv 5/02	135,000		135,000	125,530	9,470	135,000	-
Modular Classrooms 5/02	340,000		340,000	273,904	4,725	278,629	61,371
System Flooring Replacement 5/02	250,000		250,000	111,515	101,069	212,584	37,416
System Window Treatment Project 5/02	220,000		220,000	96,489	5,502	101,991	118,009
Central School Roof Replacement 5/04	200,000	125,000	325,000	14,852	7,068	21,920	303,080
SHS Auditorium Improvement 5/04	712,500		712,500	10,245	41,797	52,042	660,458
Computer technology improv 5/04	300,000		300,000	135,371	71,558	206,929	93,071
Elementary Modular Classrooms 5/04	500,000		500,000	21,631	448,410	470,041	29,959
System HVAC/Boiler Replacement 5/05	500,000		500,000		441,388	441,388	58,612
Simsbury High School Track & Field 9/05	1,905,014	190,000	2,095,014	271,857	1,762,472	2,034,329	60,685
Computer technology improv 5/06		450,000	450,000			-	450,000
Tariffville expansion project 5/06		6,200,000	6,200,000			-	6,200,000
System Telecommunications, Security							
Lighting Upgrade		420,000	420,000			-	420,000
Totals	\$ 94,247,487	\$ 13,666,442	\$ 107,913,929	\$ 48,755,582	\$ 26,750,323	\$ 75,505,905	\$ 32,408,024

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 dog warden.

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

General Government Program Fund - includes the following programs:

- **Preservation of Historic Documents** - to account for, in the Town Clerk's office, additional revenues collected, grant revenues received and expenditures to preserve land records pursuant to Public Act No. 00-146.
- **LOCIP** - to account for document fees collected by the Town Clerk's office to be used for expenditures that qualify under the State Local Capital Improvement (LOCIP) grants.
- **Ellsworth Fund** - to be used for the beautification of the main streets of the Town of Simsbury, particularly Hopmeadow Street, and/or expenses relating to the Planning Commission.

Public Safety Program Fund - includes the following programs:

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

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

Planning & Development Program Fund - includes the following programs:

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

Facilities Management Program Fund - includes the following programs:

- **Town Aid Fund** - to account for state town aid road grants and related expenses to town roads.
- **Eno Memorial Hall** - to account for the revenue from the settlement of the Kenessat painting and the expenditures for capital improvements and maintenance for the Eno Memorial Hall building.
- **Antoinette Eno Wood** - to account for the distribution of Trust's interest income to the Town and expenses related in maintaining Eno Memorial Hall. Interest income is earned on assets with a fair value of \$655,374 as of June 30, 2006. 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 \$1,293,685 as of June 30, 2006. The assets are held in a separate trust and are not in the Town's name.
- **Pease Cemetery Trust** - to maintain the Pease and Shaw cemetery lots.

Health & Welfare Program Fund - includes the following programs:

- **Social Workers Contingency** - to account for donations and gifts and associated expenses related to the well being of Town citizens in need of assistance.
- **Senior Center** - to account for donations and expenses related to senior center programs.
- **Youth services** - to account for grant and expenditures related to youth services.
- **Julia Darling Income** - to account for the distribution of Trust's interest income to the Town and expenses related to the well being of town citizens in need of assistance. Interest income is earned on assets with a fair value of \$572,118 as of June 30, 2006. 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 \$311,737 as of June 30, 2006. The assets are held in a separate trust and are not in the Town's name.
- **Mary Schneider Memorial** - to account for donations to the Town and expenses related to the well being of Town citizens in need of assistance.

Culture & Recreation Program Fund - includes the following programs:

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

Board of Education Program Fund - includes the following programs:

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

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

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

Capital Projects Fund

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

TOWN OF SIMSBURY, CONNECTICUT

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS**

JUNE 30, 2006

	Special Revenue Funds						
	Residential Rental Properties	Animal Control Fund	Simsbury Farms Fund	General Government Program Fund	Public Safety Program Fund	Planning & Development Program Fund	Facilities Management Program Fund
ASSETS							
Cash and cash equivalents	\$ 132,253	\$ 62,645	\$ 3,615	\$ 59,897	\$ 118,174	\$ 435,159	\$ 620,102
Investments							
Receivables:							
Accounts			3,000		26,330	13,716	
Due from other governments							
Inventories							
Total Assets	<u>\$ 132,253</u>	<u>\$ 62,645</u>	<u>\$ 6,615</u>	<u>\$ 59,897</u>	<u>\$ 144,504</u>	<u>\$ 448,875</u>	<u>\$ 620,102</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 12,433	\$ 4,065	\$ 6,612	\$	\$ 42,266	\$	\$ 86,679
Due to other funds							
Deferred revenue							
Total liabilities	<u>12,433</u>	<u>4,065</u>	<u>6,612</u>	<u>-</u>	<u>42,266</u>	<u>-</u>	<u>86,679</u>
Fund balances:							
Reserved for inventories							
Unreserved, reported in:							
Special revenue funds	119,820	58,580	3	59,897	102,238	448,875	533,423
Capital project funds							
Total fund balances	<u>119,820</u>	<u>58,580</u>	<u>3</u>	<u>59,897</u>	<u>102,238</u>	<u>448,875</u>	<u>533,423</u>
Total Liabilities and Fund Balances	<u>\$ 132,253</u>	<u>\$ 62,645</u>	<u>\$ 6,615</u>	<u>\$ 59,897</u>	<u>\$ 144,504</u>	<u>\$ 448,875</u>	<u>\$ 620,102</u>

(Continued on next page)

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

JUNE 30, 2006

	Special Revenue Funds				Capital Project 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	Total Nonmajor Governmental Funds
ASSETS							
Cash and cash equivalents	\$ 165,677	\$ 92,826	\$ 51,483	\$ 270,773	\$	\$ 126,981	\$ 2,139,585
Investments			344,099				344,099
Receivables:							
Accounts			14,457	27,335			84,838
Due from other governments					173,619		173,619
Inventories				33,144			33,144
Total Assets	\$ 165,677	\$ 92,826	\$ 410,039	\$ 331,252	\$ 173,619	\$ 126,981	\$ 2,775,285
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 912	\$ 799	\$	\$ 5,032	\$ 29,617	\$ 17,399	\$ 205,814
Due to other funds					143,989		143,989
Deferred revenue					13		13
Total liabilities	912	799	-	5,032	173,619	17,399	349,816
Fund balances:							
Reserved for inventories				33,144			33,144
Unreserved, reported in:							
Special revenue funds	164,765	92,027	410,039	293,076			2,282,743
Capital project funds						109,582	109,582
Total fund balances	164,765	92,027	410,039	326,220	-	109,582	2,425,469
Total Liabilities and Fund Balances	\$ 165,677	\$ 92,826	\$ 410,039	\$ 331,252	\$ 173,619	\$ 126,981	\$ 2,775,285

**TOWN OF SIMSBURY, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2006**

	Special Revenue Funds						
	Residential Rental Properties	Animal Control Fund	Simsbury Farms Fund	General Government Program Fund	Public Safety Program Fund	Planning & Development Program Fund	Facilities Management Program Fund
Revenues:							
Property taxes	\$	\$	\$	\$	\$	\$	\$
Intergovernmental						232,640	172,513
Charges for goods and services	38,472		1,561,579	30,186	251,145	51,245	
Licenses and permits		18,512					
Investment income				758		4,048	11,929
Other			3,812			135,283	101,656
Total revenues	38,472	18,512	1,565,391	30,944	251,145	423,216	286,098
Expenditures							
Current operating:							
General government				16,435			
Planning and development						238,379	
Public safety		53,623			202,579		
Facility management	18,672						46,517
Culture and recreation			1,530,135				
Health and welfare							
Education							
Capital outlay - Town					149,102		240,117
Capital outlay - education							
Debt service:							
Principal payments	7,053						
Interest and other	1,469						
Total expenditures	27,194	53,623	1,530,135	16,435	351,681	238,379	286,634
Excess (Deficiency) of Revenues Over Expenditures	11,278	(35,111)	35,256	14,509	(100,536)	184,837	(536)
Other Financing Sources (Uses):							
Transfers in		52,105			95,920	53,115	
Transfers out		(2,770)	(53,291)		(9,466)		(2,132)
Total other financing sources (uses)	-	49,335	(53,291)	-	86,454	53,115	(2,132)
Net Change in Fund Balances	11,278	14,224	(18,035)	14,509	(14,082)	237,952	(2,668)
Fund Balances at Beginning of Year	108,542	44,356	18,038	45,388	116,320	210,923	536,091
Fund Balances at End of Year	\$ 119,820	\$ 58,580	\$ 3	\$ 59,897	\$ 102,238	\$ 448,875	\$ 533,423

(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, 2006**

	Special Revenue Funds				Capital Project Funds	Total Nonmajor Governmental Funds
	Health & Welfare Program Fund	Culture & Recreation Program Fund	Board of Education Program Fund	Cafeteria	State and Federal Education Grants	Capital and Nonrecurring Expenditures Fund
Revenues:						
Property taxes	\$	\$	\$	\$	\$	\$
Intergovernmental	14,000	8,406		156,565	2,352,247	2,936,371
Charges for goods and services			16,617	951,886		2,901,130
Licenses and permits						18,512
Investment income	2,403		28,977			49,776
Other	108,752	8,252	2,500			817,508
Total revenues	<u>125,155</u>	<u>16,658</u>	<u>48,094</u>	<u>1,108,451</u>	<u>2,352,247</u>	<u>6,723,297</u>
Expenditures						
Current operating:						
General government						6,455
Planning and development						55,803
Public safety						256,202
Facility management						188,878
Culture and recreation		6,746				1,536,881
Health and welfare	98,760					98,760
Education			22,820	1,030,389	2,352,247	3,795,444
Capital outlay - Town						124,233
Capital outlay - education						195,618
Debt service:						
Principal payments						7,053
Interest and other						1,469
Total expenditures	<u>98,760</u>	<u>6,746</u>	<u>22,820</u>	<u>1,030,389</u>	<u>2,352,247</u>	<u>6,976,018</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>26,395</u>	<u>9,912</u>	<u>25,274</u>	<u>78,062</u>	<u>-</u>	<u>(502,061)</u>
Other Financing Sources (Uses):						
Transfers in						402,323
Transfers out						(67,659)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>402,323</u>
Net Change in Fund Balances	26,395	9,912	25,274	78,062	-	(99,738)
Fund Balances at Beginning of Year	<u>138,370</u>	<u>82,115</u>	<u>384,765</u>	<u>248,158</u>	<u>-</u>	<u>2,142,386</u>
Fund Balances at End of Year	<u>\$ 164,765</u>	<u>\$ 92,027</u>	<u>\$ 410,039</u>	<u>\$ 326,220</u>	<u>\$ -</u>	<u>\$ 2,425,469</u>

TOWN OF SIMSBURY, CONNECTICUT

**COMBINED 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, 2006

	Residential Rental Properties				Animal Control Fund				Simsbury Farms Fund			
	Budget		Actual	Variance with Final Budget Positive (Negative)	Budget		Actual	Variance with Final Budget Positive (Negative)	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final			Original	Final		
Revenues:												
Charges for goods and services	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Rental of town-owned property	57,416	57,416	38,472	(18,944)				-	1,609,000	1,609,000	1,551,380	(57,620)
Local revenue					18,700	18,700	18,480	(220)	20,000	20,000	10,199	(9,801)
Total revenues	<u>57,416</u>	<u>57,416</u>	<u>38,472</u>	<u>(18,944)</u>	<u>18,700</u>	<u>18,700</u>	<u>18,480</u>	<u>(220)</u>	<u>1,629,000</u>	<u>1,629,000</u>	<u>1,565,391</u>	<u>(63,609)</u>
Expenditures:												
Current:												
Public safety				-	78,035	78,035	53,591	24,444				-
Facility management	45,860	45,860	18,672	27,188				-				-
Culture and recreation				-				-	1,575,708	1,575,708	1,530,135	45,573
Debt service	8,522	8,522	8,522	-				-				-
Total expenditures	<u>54,382</u>	<u>54,382</u>	<u>27,194</u>	<u>27,188</u>	<u>78,035</u>	<u>78,035</u>	<u>53,591</u>	<u>24,444</u>	<u>1,575,708</u>	<u>1,575,708</u>	<u>1,530,135</u>	<u>45,573</u>
Excess (Deficiency) of Revenues over Expenditures	<u>3,034</u>	<u>3,034</u>	<u>11,278</u>	<u>8,244</u>	<u>(59,335)</u>	<u>(59,335)</u>	<u>(35,111)</u>	<u>24,224</u>	<u>53,292</u>	<u>53,292</u>	<u>35,256</u>	<u>(18,036)</u>
Other Financing Sources (Uses):												
Transfers from other funds					52,105	52,105	52,105	-				-
Transfers to other funds					(2,770)	(2,770)	(2,770)	-	(53,292)	(53,292)	(53,291)	1
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>49,335</u>	<u>49,335</u>	<u>49,335</u>	<u>-</u>	<u>(53,292)</u>	<u>(53,292)</u>	<u>(53,291)</u>	<u>1</u>
Excess of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	<u>\$ 3,034</u>	<u>\$ 3,034</u>	<u>11,278</u>	<u>\$ 8,244</u>	<u>\$ (10,000)</u>	<u>\$ (10,000)</u>	<u>14,224</u>	<u>\$ 24,224</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(18,035)</u>	<u>\$ (18,035)</u>
Fund Balances at Beginning of Year			<u>108,542</u>				<u>44,356</u>				<u>18,038</u>	
Fund Balances at End of Year			<u>\$ 119,820</u>				<u>\$ 58,580</u>				<u>\$ 3</u>	

TOWN OF SIMSBURY, CONNECTICUT

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

FOR THE YEAR ENDED JUNE 30, 2006

	Appropriations			Expenditures			Designated for Specific Projects
	Balance	Current	Balance	Balance	Current	Balance	
	July 1, 2005	Year	June 30, 2006	July 1, 2005	Year	June 30, 2006	June 30, 2006
Fleet Car	\$ 20,000	\$ (11)	\$ 19,989	\$ 19,989	\$	\$ 19,989	\$ -
Plan of Development	20,000		20,000		6,455	6,455	13,545
Townwide Drainage Improvements	60,000	(1)	59,999	4,196	55,803	59,999	-
Highway - 4 Wheel Drive Pick-Up	38,000		38,000	35,427	2,573	38,000	-
Joint Maintenance Facility	14,000	(461)	13,539	7,636	5,903	13,539	-
Dial-A-Ride Van	20,000	(2,175)	17,825		17,825	17,825	-
Recreation - F150 Pick-Up Truck	25,000	(524)	24,476	24,476		24,476	-
Library - Computers	12,000	(15)	11,985	11,985		11,985	-
Road Improvements	159,873		159,873	159,792	81	159,873	-
Golf Course Drainage	25,000	(15)	24,985	24,985		24,985	-
Aerifier & Fairway Mower - Golf	53,000	(103)	52,897	52,897		52,897	-
Interior Building renovations	12,000	(1)	11,999	6,012	5,987	11,999	-
Exterior modifications	18,700		18,700	5,837	12,863	18,700	-
Electrical modifications	24,300		24,300	10,833	13,467	24,300	-
Heating modifications	18,000		18,000	11,706	6,294	18,000	-
Computer equipment	170,000		170,000	141,124	28,876	170,000	-
Equip. instruct. new	49,577		49,577	19,151	30,426	49,577	-
Equip. instruct. replacement	49,610		49,610	17,741	31,869	49,610	-
Equip. non-instruct. new	17,200		17,200		17,200	17,200	-
Equip. non-instruct. replacement	73,613		73,613	41,018	32,595	73,613	-
Ceiling/Flooring replacement	47,000		47,000	12,307	34,693	47,000	-
Indexing System - Town Clerk		75,000	75,000		5,460	5,460	69,540
Records Management System - Police		80,000	80,000		65,000	65,000	15,000
Improvements to Town Offices		30,000	30,000			-	30,000
Rear Seal & Pont - Town Offices		65,000	65,000		65,000	65,000	-
Road Improvements		159,420	159,420		115,321	115,321	44,099
Fairway Mower - Golf		37,000	37,000		35,948	35,948	1,052
Interior Building renovations		78,900	78,900		22,282	22,282	56,618
Computer equipment		163,400	163,400		104,551	104,551	58,849
Buses		171,000	171,000		161,755	161,755	9,245
Equip. instruct/non-instruct		84,700	84,700		82,748	82,748	1,952
Revaluation - October 2007		125,000	125,000			-	125,000
Totals	\$ 926,873	\$ 1,066,114	\$ 1,992,987	\$ 607,112	\$ 960,975	\$ 1,568,087	\$ 424,900

Fiduciary Funds

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

Agency Fund:

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

TOWN OF SIMSBURY, CONNECTICUT

AGENCY FUND

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

FOR THE YEAR ENDED JUNE 30, 2006

	Balance June 30, 2005	Additions	Deductions	Balance June 30, 2006
School Activity Fund				
Assets:				
Cash and short-term investments	\$ <u>516,408</u>	\$ <u>1,590,822</u>	\$ <u>1,553,593</u>	\$ <u>553,637</u>
Liabilities:				
Due to student groups	\$ <u>516,408</u>	\$ <u>1,590,822</u>	\$ <u>1,553,593</u>	\$ <u>553,637</u>

Other Schedules

TOWN OF SIMSBURY, CONNECTICUT

SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING

FOR THE YEAR ENDED JUNE 30, 2006

Grand List Year	Balance July 1, 2005	Current Levy	Lawful Corrections		Transfers to Suspense	Adjusted Taxes	Collections	Interest	Liens	Other Fees	Refunds	Balance June 30, 2006	
			Additions	Deductions									
2004	\$	\$ 68,363,878	\$ 1,070,306	\$ 315,674	\$	\$ 69,118,510	\$ 68,907,092	\$ 125,324	\$ 888	\$ 1,081	\$ 235,667	\$ 447,085	
2003		384,745	12,923	39,461	28,132	330,075	223,367	42,089	1,128	105	29,486	136,194	
2002		125,887	79	4,560	6,517	114,889	64,497	21,415	281	131	3,851	54,243	
2001		62,790	524	708	2,300	60,306	28,011	15,729	168		698	32,993	
2000		45,338		307	(82)	45,113	17,957	13,230	120		307	27,463	
1999		41,007	53	79	(198)	41,179	10,806	10,544	72			30,373	
1998		17,514	57	61	(233)	17,743	9,389	10,312	72			8,354	
1997		8,042		68	(566)	8,540	748	768	24			7,792	
1996		(3,455)		59	(882)	(2,632)	823	1,308				(3,455)	
1995		(16,497)		62	(331)	(16,228)	358					(16,586)	
1994		823		77	(234)	980	158					822	
1993		(1,001)			(850)	(151)	850	209				(1,001)	
1992		(1,504)	253	8	(719)	(540)	964	585				(1,504)	
1991		(4,194)		111	(111)	(4,194)						(4,194)	
1990		1,094				1,094						1,094	
1989		2,263			(103)	2,366	103					2,263	
1988		335		335		-						-	
	\$	663,187	\$ 68,363,878	\$ 1,084,195	\$ 361,570	\$ 32,640	\$ 69,717,050	\$ 69,265,123	\$ 241,513	\$ 2,753	\$ 1,317	\$ 270,009	\$ 721,936

TOWN OF SIMSBURY, CONNECTICUT

SCHEDULE OF CHANGES IN SEWER USER CHARGES RECEIVABLE

FOR THE YEAR ENDED JUNE 30, 2006

Grand List Year	Balance July 1, 2005	Current Year Charges	Adjustments	Collections	Balance June 30, 2006
2005	\$	\$ 1,670,070	\$ (150,455)	\$ 1,509,500	\$ 10,115
2004	7,110		2,583	7,293	2,400
2003	2,213			613	1,600
2002	850				850
2001	279				279
2000	236				236
1999	217				217
1998	216				216
1997	172				172
Totals	\$ <u>11,293</u>	\$ <u>1,670,070</u>	\$ <u>(147,872)</u>	\$ <u>1,517,406</u>	\$ <u>16,085</u>

TOWN OF SIMSBURY, CONNECTICUT

SCHEDULE OF CHANGES IN SEWER ASSESSMENT RECEIVABLE

FOR THE YEAR ENDED JUNE 30, 2006

Phases	Balance June 30, 2005	Additions	Principal	Interest	Lien Fees	Balance June 30, 2006
I	\$ 2,407	\$	\$	\$	\$	\$ 2,407
II	31,835		2,609	8,054		29,226
V	309,901		53,357	24,825	72	256,544
VI	2,938					2,938
VII	398			500		398
VIII	6,226		613	1,009		5,613
	<u>\$ 353,705</u>	<u>\$ -</u>	<u>\$ 56,579</u>	<u>\$ 34,388</u>	<u>\$ 72</u>	<u>\$ 297,126</u>

TOWN OF SIMSBURY, CONNECTICUT

SCHEDULE OF CHANGES IN WATER ASSESSMENT RECEIVABLE

FOR THE YEAR ENDED JUNE 30, 2006

<u>Balance</u> <u>June 30, 2005</u>	<u>Additions</u>	<u>Principal</u>	<u>Interest</u>	<u>Lien Fees</u>	<u>Balance</u> <u>June 30, 2006</u>
\$ <u> -</u>	\$ <u> 162,523</u>	\$ <u> 36,850</u>	\$ <u> 47</u>	\$ <u> -</u>	\$ <u> 125,673</u>

TOWN OF SIMSBURY, CONNECTICUT

SCHEDULE OF DEBT LIMITATION

FOR THE YEAR ENDED JUNE 30, 2006

Revenue from taxation for the year ended June 30, 2006:

Taxes	\$ 69,265,123
Interest and lien fees	<u>244,266</u>
Total	69,509,389

Reimbursed for:

Tax relief for elderly	<u>53,604</u>
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Base	\$ <u><u>69,562,993</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	\$ 156,516,734	\$	\$	\$
4-1/2 times base		313,033,469		
3-3/4 times base			260,861,224	
3-1/4 times base				<u>226,079,727</u>
Total debt limitation	<u>156,516,734</u>	<u>313,033,469</u>	<u>260,861,224</u>	<u>226,079,727</u>
Indebtedness:				
Bonds and loans payable	<u>5,747,871</u>	<u>27,219,664</u>	<u>15,572,487</u>	
Debt Limitation in Excess of Outstanding and Authorized Debt	\$ <u><u>150,768,863</u></u>	\$ <u><u>285,813,805</u></u>	\$ <u><u>245,288,737</u></u>	\$ <u><u>226,079,727</u></u>
Total capacity of borrowing (7 times base)		\$ 486,940,951		
Total present indebtedness		<u>48,540,022</u>		
Margin for Additional Borrowing		\$ <u><u>438,400,929</u></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	77-80
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	81-83
These schedules contain information to help the reader assess the Town's most significant local revenue source, property taxes.	
Debt Capacity	84-86
These schedules present information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.	
Demographic and Economic Information	87-88
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	89-91
These schedules contain service and infrastructure data to help the reader understand how the information in the Town's financial report relates to the services the Town provides and the activities it performs.	

TOWN OF SIMSBURY, CONNECTICUT

NET ASSETS BY COMPONENT

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

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

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

TOWN OF SIMSBURY, CONNECTICUT

CHANGES IN NET ASSETS

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

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Expenses:				
Governmental activities:				
General government	\$ 2,769,897	\$ 2,849,798	\$ 2,835,830	\$ 2,586,616
Planning and development	1,205,289	1,670,365	1,345,269	1,144,974
Public safety	4,357,948	4,713,105	5,139,769	5,210,279
Facility management	5,987,721	5,537,947	5,613,885	6,353,281
Culture and recreation	3,964,109	4,088,281	4,379,125	4,410,376
Health and welfare	571,903	625,983	655,206	670,742
Board of Education	52,150,131	53,683,639	57,874,235	60,816,027
Special projects	85,948	131,000	28,559	21,000
Debit service interest	598,453	1,171,846	1,205,222	1,218,918
Total governmental activities expenses	<u>71,691,399</u>	<u>74,471,964</u>	<u>79,077,100</u>	<u>82,432,213</u>
Program Revenues:				
Governmental activities:				
Charges for services	7,859,852	8,784,418	9,208,065	11,283,905
Operating grants and contributions	4,055,606	4,406,160	5,068,208	5,358,634
Capital grants and contributions	571,075	1,909,575	6,035,761	5,296,829
Total governmental activities revenues	<u>12,486,533</u>	<u>15,100,153</u>	<u>20,312,034</u>	<u>21,939,368</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>
General Revenues and Other				
Changes in Net Assets:				
Governmental activities:				
Property taxes	59,548,645	63,252,078	66,077,888	69,586,237
Grants and contributions not restricted to specific programs	569,144	452,645	453,215	417,229
Unrestricted investment earnings	<u>336,285</u>	<u>324,082</u>	<u>651,665</u>	<u>1,214,833</u>
Total general revenues and other changes in net assets	<u>60,454,074</u>	<u>64,028,805</u>	<u>67,182,768</u>	<u>71,218,299</u>
Change in Net Assets	\$ <u>1,249,208</u>	\$ <u>4,656,994</u>	\$ <u>8,417,702</u>	\$ <u>10,725,454</u>

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

TOWN OF SIMSBURY, CONNECTICUT

FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
General Fund:										
Reserved	\$ 1,349,210	\$ 1,839,580	\$ 540,019	\$ 435,553	\$ 604,350	\$ 474,049	\$ 337,901	\$ 232,198	\$ 82,574	\$ 383,046
Unreserved	<u>5,353,898</u>	<u>5,017,582</u>	<u>4,502,327</u>	<u>4,777,285</u>	<u>4,585,364</u>	<u>4,229,810</u>	<u>5,808,871</u>	<u>6,399,870</u>	<u>8,007,752</u>	<u>8,887,767</u>
Total General Fund	<u>\$ 6,703,108</u>	<u>\$ 6,857,162</u>	<u>\$ 5,042,346</u>	<u>\$ 5,212,838</u>	<u>\$ 5,189,714</u>	<u>\$ 4,703,859</u>	<u>\$ 6,146,772</u>	<u>\$ 6,632,068</u>	<u>\$ 8,090,326</u>	<u>\$ 9,270,813</u>
All other governmental funds:										
Reserved	\$ 165,806	\$ 239,556	\$ 90,862	\$ 43,745	\$ 56,364	\$ 50,284	\$ 38,153	\$ 29,901	\$ 35,581	\$ 33,144
Unreserved, reported in:										
Sewer Use Fund	1,109,692	1,195,008	1,263,267	1,516,039	1,735,964	1,885,827	2,160,758	2,557,234	3,014,780	3,730,359
Sewer Assessment Fund	1,193,933	1,194,288	1,312,005	1,188,563	1,410,469	1,272,792	1,337,354	1,230,457	1,304,171	1,119,179
Capital Projects Fund	4,378,737	3,063,595	2,569,425	1,552,766	3,402,865	1,725,606	(1,663,765)	9,857,672	5,366,498	1,266,434
Special Revenue Funds	<u>1,338,074</u>	<u>1,487,768</u>	<u>1,737,597</u>	<u>1,811,082</u>	<u>1,693,187</u>	<u>1,800,178</u>	<u>1,715,146</u>	<u>1,874,136</u>	<u>1,897,485</u>	<u>2,282,743</u>
Total All Other Governmental Funds	<u>\$ 8,186,242</u>	<u>\$ 7,180,215</u>	<u>\$ 6,973,156</u>	<u>\$ 6,112,195</u>	<u>\$ 8,298,849</u>	<u>\$ 6,734,687</u>	<u>\$ 3,587,646</u>	<u>\$ 15,549,400</u>	<u>\$ 11,618,515</u>	<u>\$ 8,431,859</u>

TOWN OF SIMSBURY, CONNECTICUT

REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - GOVERNMENTAL FUNDSLAST TEN YEARS
(Modified Accrual Basis of Accounting)

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Revenues:										
Property taxes	\$ 39,637,660	\$ 42,195,557	\$ 44,479,385	\$ 47,094,926	\$ 51,106,047	\$ 54,637,178	\$ 59,642,400	\$ 63,395,587	\$ 66,306,205	\$ 69,323,250
Intergovernmental	4,955,756	4,520,707	7,317,147	8,759,869	7,713,366	7,251,740	7,012,082	8,596,764	13,410,876	14,860,322
Investment income	1,249,532	1,386,967	1,300,602	1,227,280	1,374,252	600,605	336,286	324,081	651,665	1,214,832
Charges for goods and services	2,242,214	2,420,939	2,627,636	2,910,852	2,971,203	3,341,641	3,470,058	3,741,358	3,713,825	4,078,414
Licenses and permits	360,338	450,607	453,071	469,631	282,617	321,458	402,960	536,831	534,015	464,673
Rental of town owned property	13,790	13,433	9,505	6,415	5,878	7,205	9,163	8,119	10,335	10,023
Local revenues	292,256	129,540	317,847	188,612	294,400	165,824	307,534	150,729	101,324	201,967
Assessments	1,180,728	1,261,175	1,139,259	1,087,708	1,242,289	1,223,312	1,441,505	1,818,860	1,770,048	1,728,951
Other	715,742	764,158	675,975	608,858	787,199	998,147	688,370	735,794	1,504,615	1,454,284
Total revenues	<u>50,648,016</u>	<u>53,143,083</u>	<u>58,320,427</u>	<u>62,354,151</u>	<u>65,777,251</u>	<u>68,547,110</u>	<u>73,310,358</u>	<u>79,308,123</u>	<u>88,002,908</u>	<u>93,336,716</u>
Expenditures:										
Current:										
General government	1,692,606	1,679,183	1,865,162	2,106,000	1,996,123	2,150,698	2,245,797	2,302,429	2,222,381	1,861,949
Planning and development	517,719	845,748	763,512	896,319	968,303	949,863	968,935	1,417,243	1,092,928	920,001
Public safety	2,571,065	2,757,937	2,895,513	3,028,040	3,143,928	3,312,402	3,261,931	3,428,991	3,613,566	3,658,607
Facility management	3,446,782	3,340,828	3,767,119	3,579,959	4,064,561	4,250,481	4,264,091	3,817,083	3,790,198	4,521,499
Culture and recreation	2,180,860	2,259,171	2,616,076	2,951,181	2,909,051	2,981,491	3,242,568	3,317,728	3,497,648	3,618,128
Health and welfare	369,840	364,291	426,532	439,454	473,100	489,766	500,717	548,502	561,158	571,064
Fringe benefits and insurance	1,982,479	2,181,962	2,011,634	1,785,614	2,156,312	2,889,326	2,681,696	3,076,788	3,160,935	3,539,933
Education	32,901,477	33,461,222	37,513,412	40,286,688	44,070,359	46,196,775	50,190,959	52,489,681	55,187,980	59,869,388
Special projects	502,643	744,260	734,769				85,948	131,000	28,559	21,000
Capital outlay	5,043,737	3,732,479	5,277,211	11,116,637	5,543,988	4,455,799	4,635,212	15,396,026	21,684,838	27,251,989
Debit service:										
Principal	2,045,955	1,950,299	1,902,023	1,391,664	1,876,709	2,181,776	2,291,845	4,176,913	3,906,982	4,307,053
Interest	539,646	677,676	569,339	463,064	651,287	738,749	644,788	856,841	1,259,750	1,223,826
Total expenditures	<u>53,794,809</u>	<u>53,995,056</u>	<u>60,342,302</u>	<u>68,044,620</u>	<u>67,853,721</u>	<u>70,597,126</u>	<u>75,014,487</u>	<u>90,959,225</u>	<u>100,006,923</u>	<u>111,364,437</u>
Deficiency of Revenues over Expenditures	<u>(3,146,793)</u>	<u>(851,973)</u>	<u>(2,021,875)</u>	<u>(5,690,469)</u>	<u>(2,076,470)</u>	<u>(2,050,016)</u>	<u>(1,704,129)</u>	<u>(11,651,102)</u>	<u>(12,004,015)</u>	<u>(18,027,721)</u>
Other Financing Sources:										
Proceeds from sales of bonds	5,000,000			5,000,000	4,240,000			24,098,152	5,025,331	4,955,122
Proceeds from loans									4,506,057	11,066,430
Total other financing sources	<u>5,000,000</u>	<u>-</u>	<u>-</u>	<u>5,000,000</u>	<u>4,240,000</u>	<u>-</u>	<u>-</u>	<u>24,098,152</u>	<u>9,531,388</u>	<u>16,021,552</u>
Net Change in Fund Balances	1,853,207	(851,973)	(2,021,875)	(690,469)	2,163,530	(2,050,016)	(1,704,129)	12,447,050	(2,472,627)	(2,006,169)
Fund Balance at Beginning of Year	<u>13,036,143</u>	<u>14,889,350</u>	<u>14,037,377</u>	<u>12,015,502</u>	<u>11,325,033</u>	<u>13,488,563</u>	<u>11,438,547</u>	<u>9,734,418</u>	<u>22,181,468</u>	<u>19,708,841</u>
Fund Balance at End of Year	<u>\$ 14,889,350</u>	<u>\$ 14,037,377</u>	<u>\$ 12,015,502</u>	<u>\$ 11,325,033</u>	<u>\$ 13,488,563</u>	<u>\$ 11,438,547</u>	<u>\$ 9,734,418</u>	<u>\$ 22,181,468</u>	<u>\$ 19,708,841</u>	<u>\$ 17,702,672</u>
Debit Service as a Percentage to Noncapital Expenditures	5.30%	5.23%	4.49%	3.26%	4.06%	4.42%	4.17%	6.66%	6.60%	6.58%

TOWN OF SIMSBURY, CONNECTICUT

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS

(In Thousands)

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								
1997	\$ 999,604	\$ 146,946	\$ 2,927	\$ 119,299	\$ 71,837	\$ 121,021	\$ 1,340,613	29.20	\$ 2,019,675	66.4 %
1998	1,016,282	143,075	2,845	124,195	74,439	124,450	1,360,836	30.30	2,072,378	65.7
1999	1,036,502	142,209	3,078	128,155	80,841	125,852	1,390,785	31.20	2,100,094	66.2
2000	1,051,651	147,919	3,309	138,974	87,532	128,356	1,429,385	32.40	2,354,423	60.7
2001	1,070,364	152,282	3,616	149,350	90,797	134,080	1,466,409	34.40	2,543,166	57.7
2002	1,082,695	156,096	3,496	155,946	92,697	136,742	1,490,930	36.30	2,780,635	53.6
2003	1,092,195	156,700	3,834	160,071	95,802	142,332	1,508,602	39.10	2,978,069	50.7
2004	1,442,409	214,967	5,694	162,215	97,653	202,615	1,922,938	32.60	3,006,733	64.0
2005	1,451,226	211,294	11,382	155,606	94,500	202,483	1,924,008	34.00	3,346,110	57.5
2006	1,464,321	209,663	7,610	165,612	101,640	199,885	1,948,846	35.20	3,687,323	52.9

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

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

TOWN OF SIMSBURY, CONNECTICUT

PRINCIPAL TAXPAYERS

CURRENT YEAR AND NINE YEARS AGO

	2006			1997		
	Taxable Assessed Value	Rank	Percentage of Gross Taxable Assessed Grand List	Taxable Assessed Value	Rank	Percentage of Gross Taxable Assessed Grand List
Simsbury Assoc. Limited Partnership	\$ 37,800,000	1	1.90 %	\$ 34,248,510	1	2.51 %
Hartford Life and Accident Ins. Company	26,099,540	2	1.31	22,358,800	2	1.64
Executive Risk Indemnity Inc.	18,388,060	3	0.93	5,072,550	8	0.37
Connecticut Light & Power	15,048,180	4	0.76	14,444,800	5	1.06
Ensign-Bickford Realty Corporation	14,937,530	5	0.75	15,076,240	4	1.10
E and A/I and Simsbury Commons LP	13,022,000	6	0.66			
Simsbury Commons North E&A LLC	8,024,310	7	0.40			
Dyno-Noble Inc.	6,949,159	8	0.35			
McLean George P Estate	6,583,490	9	0.33			
Simsbury Hopmeadow Street	6,234,830	10	0.31			
Stephen D. Fish				15,736,960	3	1.15
Avon Simsbury Mall Associates				9,888,740	6	0.72
Ensign-Bickford Company				5,252,850	7	0.38
Talcott Hotel Limited Partnership				3,694,620	9	0.27
Forestal Assoc. Limited Partnership				3,163,570	10	0.23
	<u>\$ 153,087,099</u>		<u>7.70 %</u>	<u>\$ 128,937,640</u>		<u>9.43 %</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
1997	\$	39,284	\$ 38,813	98.80 %	\$ 500	\$ 39,313	100.07 %
1998		41,682	41,225	98.90	536	41,761	100.19
1999		43,769	43,364	99.07	735	44,100	100.75
2000		46,812	46,421	99.16	385	46,806	99.99
2001		51,067	50,627	99.14	327	50,954	99.78
2002		54,635	54,192	99.19	230	54,422	99.61
2003		59,500	59,014	99.18	340	59,354	99.75
2004		62,867	62,438	99.32	522	62,960	100.15
2005		65,824	65,439	99.42	557	65,996	100.26
2006		69,119	68,671	99.35	324	68,995	99.82

Source: Town Tax Collector Office and Finance Office

TOWN OF SIMSBURY, CONNECTICUT

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

LAST TEN FISCAL YEARS

Fiscal Year	General Bonded Debt						Percentage of Actual Taxable Value of Property (1)	Percentage of Personal Income (2)	Per Capita
	General Obligation Bonds			State of CT	Clean	Total			
	General Purpose	Schools	Sewers	Project Loan	Water Fund Loan	Primary Government			
1997	\$ 4,020,600	\$ 9,214,000	\$ 635,400	\$ 203,607	\$	\$ 14,073,607	0.70%	0.50%	0.64
1998	2,954,484	8,387,616	577,900	197,075		12,117,075	0.58%	0.43%	0.55
1999	1,982,704	7,522,896	519,400	190,477		10,215,477	0.49%	0.36%	0.46
2000	2,546,372	10,633,428	460,200	183,813		13,823,813	0.59%	0.35%	0.59
2001	4,517,676	11,097,624	394,700	177,104		16,187,104	0.64%	0.41%	0.70
2002	3,936,828	9,579,972	318,200	170,328		14,005,328	0.50%	0.35%	0.60
2003	3,519,440	7,789,860	240,700	163,483		11,713,483	0.39%	0.29%	0.50
2004	2,799,912	28,183,088	161,900	156,670		31,301,570	1.04%	0.79%	1.35
2005	5,052,444	27,110,756	81,800	149,588	4,506,057	36,900,645	1.10%	0.93%	1.59
2006	5,605,336	27,219,664		142,535	15,572,487	48,540,022	1.32%	1.22%	2.09

(1) See page 81 for taxable property value data

(2) See page 87 for personal income and population data

TOWN OF SIMSBURY, CONNECTICUT

DIRECT AND OVERLAPPING GOVERNMENTS

LAST TEN FISCAL YEARS

Fiscal Year	Town of Simsbury General Fund			Simsbury Fire District	Total
	Operating Millage	Debt Service Millage *	Total Town Millage	Millage **	
1997	26.75	2.45	29.20	1.30	30.50
1998	28.41	1.89	30.30	1.30	31.60
1999	29.47	1.73	31.20	1.30	32.50
2000	31.27	1.13	32.40	1.30	33.70
2001	32.89	1.51	34.40	1.30	35.70
2002	34.55	1.75	36.30	1.30	37.60
2003	37.31	1.79	39.10	1.30	40.40
2004	30.20	2.40	32.60	1.09	33.69
2005	31.50	2.50	34.00	1.09	35.09
2006	32.60	2.60	35.20	1.15	36.35

* Debt service millage based on debt expenditures to assessment

Town millage set as one number

** The Simsbury Fire District has no debt

TOWN OF SIMSBURY, CONNECTICUT

LEGAL DEBT MARGIN INFORMATION

LAST TEN FISCAL YEARS

	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Debt limit	\$ 278,005,553	\$ 295,231,118	\$ 311,866,023	\$ 330,164,989	\$ 358,160,110	\$ 382,825,009	\$ 419,535,599	\$ 445,499,103	\$ 466,141,480	\$ 486,940,951
Total net debt applicable to limit	<u>11,659,815</u>	<u>9,717,861</u>	<u>10,088,275</u>	<u>12,968,755</u>	<u>15,440,471</u>	<u>13,588,188</u>	<u>11,392,227</u>	<u>31,084,191</u>	<u>36,790,908</u>	<u>48,540,022</u>
Legal Debt Margin	\$ <u>266,345,738</u>	\$ <u>285,513,257</u>	\$ <u>301,777,748</u>	\$ <u>317,196,234</u>	\$ <u>342,719,639</u>	\$ <u>369,236,821</u>	\$ <u>408,143,372</u>	\$ <u>414,414,912</u>	\$ <u>429,350,572</u>	\$ <u>438,400,929</u>
Total net debt applicable to the limit as a percentage of debt limit	4.19%	3.29%	3.23%	3.93%	4.31%	3.55%	2.72%	6.98%	7.89%	9.97%

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 2006 debt limit can be found on page 76 of this report.

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

Fiscal Year	Population (1)					Education Level in Years of Schooling (1)		School Enrollment (2)	Unemployment Rate (3)
		Personal Income (thousands of dollars) (1)	Per Capita Personal Income (1)	Median Age (1)	Percentage of				
					High School Graduate or Higher	Bachelor's Degree or Higher			
1997	22,023	\$ 624,286	\$ 28,347	37.1	94.5	56.0	4,383	2.9 %	
1998	22,023	624,286	28,347	37.1	94.5	56.0	4,470	1.6	
1999	22,023	624,286	28,347	37.1	94.5	56.0	4,559	2.0	
2000	23,234	922,622	39,710	39.6	94.5	61.4	4,753	1.2	
2001	23,234	922,622	39,710	39.6	94.5	61.4	4,888	1.5	
2002	23,234	922,622	39,710	39.6	94.5	61.4	4,978	2.3	
2003	23,234	922,622	39,710	39.6	94.5	61.4	4,994	3.0	
2004	23,234	922,622	39,710	39.6	94.5	61.4	4,996	3.0	
2005	23,234	922,622	39,710	39.6	94.5	61.4	5,018	4.3	
2006	23,234	922,622	39,710	39.6	94.5	61.4	5,014	3.5	

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) Town of Simsbury, Board of Education.

(3) State of Connecticut, Department of Labor.

TOWN OF SIMSBURY, CONNECTICUT

PRINCIPAL EMPLOYERS

CURRENT YEAR AND NINE YEARS AGO

	2006			1997		
	Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
The Hartford Life Insurance Co.	2,589	1	22.99 %	2,500	1	20.61 %
Simsbury Board of Education	649	2	5.76	519	4	4.28
McLean Home	565	3	5.02	598	3	4.93
Chubb-Executive Risk, Inc.	553	4	4.91	310	5	2.56
Ensign-Bickford Companies	300	5	2.66	798	2	6.58
Dyno Nobel	220	6	1.95			
Town of Simsbury	142	7	1.26	143	6	1.18
Veeder-Root Company	135	8	1.20	111	10	0.92
Michell of Simsbury	130	9	1.15	120	9	0.99
Wagner, Ford, Nissan	92	10	0.82	124	8	1.02
Blue Ridge Insurance				140	7	1.15
	<u>5,375</u>		<u>47.72 %</u>	<u>5,363</u>		<u>44.22 %</u>

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

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

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>
<u>General Government</u>										
Central administration	4.0	5.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	5.0
Finance	5.0	5.0	5.0	5.0	5.0	5.0	6.0	6.0	6.0	5.0
Tax collector	2.0	2.0	3.0	3.0	3.0	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
<u>Public Safety</u>										
Officers	35.0	35.0	34.0	34.0	34.0	33.0	33.0	33.0	33.0	33.0
Civilians	10.0	10.0	10.0	10.0	10.0	9.0	8.0	8.0	8.0	8.0
<u>Planning and Development</u>										
Community development	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Planning	1.0	1.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	3.0
Building	3.0	3.0	3.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Engineering	3.0	3.0	3.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
<u>Facility Management</u>										
Public works	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Buildings and maintenance	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Highway	19.0	19.0	19.5	20.5	21.0	21.0	21.0	20.2	20.2	20.8
Sewer treatment plant	10.0	10.0	10.0	10.0	10.0	9.0	9.0	9.0	8.0	8.0
Landfill	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.8	0.8	1.2
<u>Social Services</u>	4.0	4.0	4.0	4.0	4.0	3.0	3.0	3.0	3.0	3.0
<u>Public Libraries</u>	13.0	13.0	13.0	13.0	13.0	13.0	12.0	12.0	12.0	12.0
<u>Parks and Recreation</u>	16.0	16.0	16.0	16.0	16.0	16.0	16.0	15.0	15.0	15.0
<u>Board of Education</u>										
Certified	414.0	405.0	405.0	414.0	404.0	402.0	385.0	378.0	370.0	366.0
Noncertified	235.0	233.0	239.0	232.0	203.0	194.0	183.0	168.0	160.0	158.0
Total	<u>792.0</u>	<u>782.0</u>	<u>788.5</u>	<u>793.5</u>	<u>755.0</u>	<u>740.0</u>	<u>711.0</u>	<u>688.0</u>	<u>671.0</u>	<u>667.0</u>

Source: Town of Simsbury and Simsbury Board of Education.

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

	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
<u>General Government</u>										
Birth certificates issued	194	170	244	261	226	228	213	237	278	272
Death certificates issued	182	193	203	186	191	209	229	240	222	220
Marriage licenses issued	178	207	216	228	233	233	171	230	261	300
<u>Boards and Agencies</u>										
Registered voters	16,560	16,447	16,873	15,421	15,606	16,138	15,021	14,994	15,694	15,689
<u>Planning and Development</u>										
Building permits issued	677	572	522	480	535	455	582	498	553	574
Building department fees	422,155	414,031	397,461	296,818	311,759	270,110	393,752	427,525	422,039	318,566
Value of building permits (in thousands of dollars)	25,022	46,640	33,849	16,097	20,310	15,842	29,899	27,432	25,664	26,351
<u>Public Safety</u>										
Part I crimes	234	240	230	245	232	300	252	271	303	312
Motor vehicle accidents	744	853	774	766	744	781	664	584	574	581
Medical calls	1,088	1,044	940	925	927	958	847	864	762	740
Motor vehicle enforcement	3,635	4,168	2,975	3,566	4,015	3,391	3,092	3,143	2,477	2,429
Alarm responses	862	873	932	971	905	1,183	1,249	1,217	1,148	1,286
Total incidents	23,518	24,451	22,653	23,921	23,928	22,533	14,916	14,698	14,592	13,738
<u>Facility Management</u>										
Miles of roads maintained	163	163	163	163	163	160	159	159	159	159
<u>Public Libraries</u>										
Volumes in collection	163,104	158,655	155,000	154,998	146,500	142,000	138,420	137,322	135,573	137,499
Items circulated	436,048	450,685	455,544	480,749	468,405	435,877	414,239	410,953	408,223	399,485
Attendance	262,136	268,484	276,314	290,000	290,564	277,211	266,172	270,313	274,308	277,954
Events	760	756	700	758	742	644	698	621	466	747
<u>Human Services</u>										
Dial-A-Ride passengers	8,000	8,000	6,660	7,388	8,115	7,619	7,775	8,996	9,545	10,094
Dial-A-Ride traveled miles	42,041	37,082	33,573	36,086	38,598	38,307	45,526	45,050	46,308	47,566
<u>Education</u>										
Elementary schools	5	5	5	5	5	5	5	5	5	5
Middle schools	1	1	1	1	1	1	1	1	1	1
High schools	1	1	1	1	1	1	1	1	1	1

Source(s): Various Town Departments

TOWN OF SIMSBURY, CONNECTICUT

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>
<u>Public Safety</u>										
Police stations	1	1	1	1	1	1	1	1	1	1
Substations	1	1	1	1	1	1	1	1	1	1
Police vehicles	18	18	18	18	18	18	18	18	15	15
<u>Facility Management</u>										
Miles of town roads	163	163	163	163	163	160	159	159	159	159
Miles of sidewalks	8	8	8	8	8	8	8	8	8	8
Sanitary sewers (miles)	79	79	79	78	78	78	78	77	77	77
Storm sewers (miles)	55	55	54	54	54	54	54	54	54	53
Treatment capacity (thousands of gallons)	2,850	2,850	2,850	2,850	2,850	2,850	2,850	2,850	2,850	2,850
<u>Parks and Recreation</u>										
Acreage	5,815	5,815	5,815	5,815	5,815	5,815	5,815	5,815	5,815	5,815
Neighborhood parks	11	11	11	11	11	11	11	11	11	11
Playgrounds	12	12	12	12	12	12	12	12	12	12
Swimming pools	6	6	6	6	6	6	6	6	6	6
Ice skating facilities	1	1	1	1	1	1	1	1	1	1
Public golf course	1	1	1	1	1	1	1	1	1	1
Tennis courts	17	17	17	17	17	14	14	14	14	14
Baseball fields	14	14	14	14	14	14	14	14	14	14
Basketball courts	2	2	2	2	2	2	2	2	2	2
Soccer fields	20	20	20	20	20	20	20	20	20	20
Football fields	2	2	2	2	2	1	1	1	1	1
<u>Public Libraries</u>										
Libraries	1	1	1	1	1	1	1	1	1	1
<u>Health and Welfare</u>										
Community center	1	1	1	1	1	1	1	1	1	1
Dial-A-Ride buses	2	2	2	2	2	2	2	2	2	2
<u>Public Education</u>										
Schools	7	7	7	7	7	7	7	7	7	7

Source(s): Various Town Departments