

# **Town of Granby Connecticut**



## **Comprehensive Annual Financial Report**

**Fiscal Year Ended June 30, 2010**

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## **Comprehensive Annual Financial Report**

**Fiscal Year Ended June 30, 2010**

Prepared by:

Administration/Finance Departments

William F. Smith, Jr.  
Town Manager



Barbarajean C. Scibelli  
Administration Finance Officer

**TOWN OF GRANBY, CONNECTICUT**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**JUNE 30, 2010**

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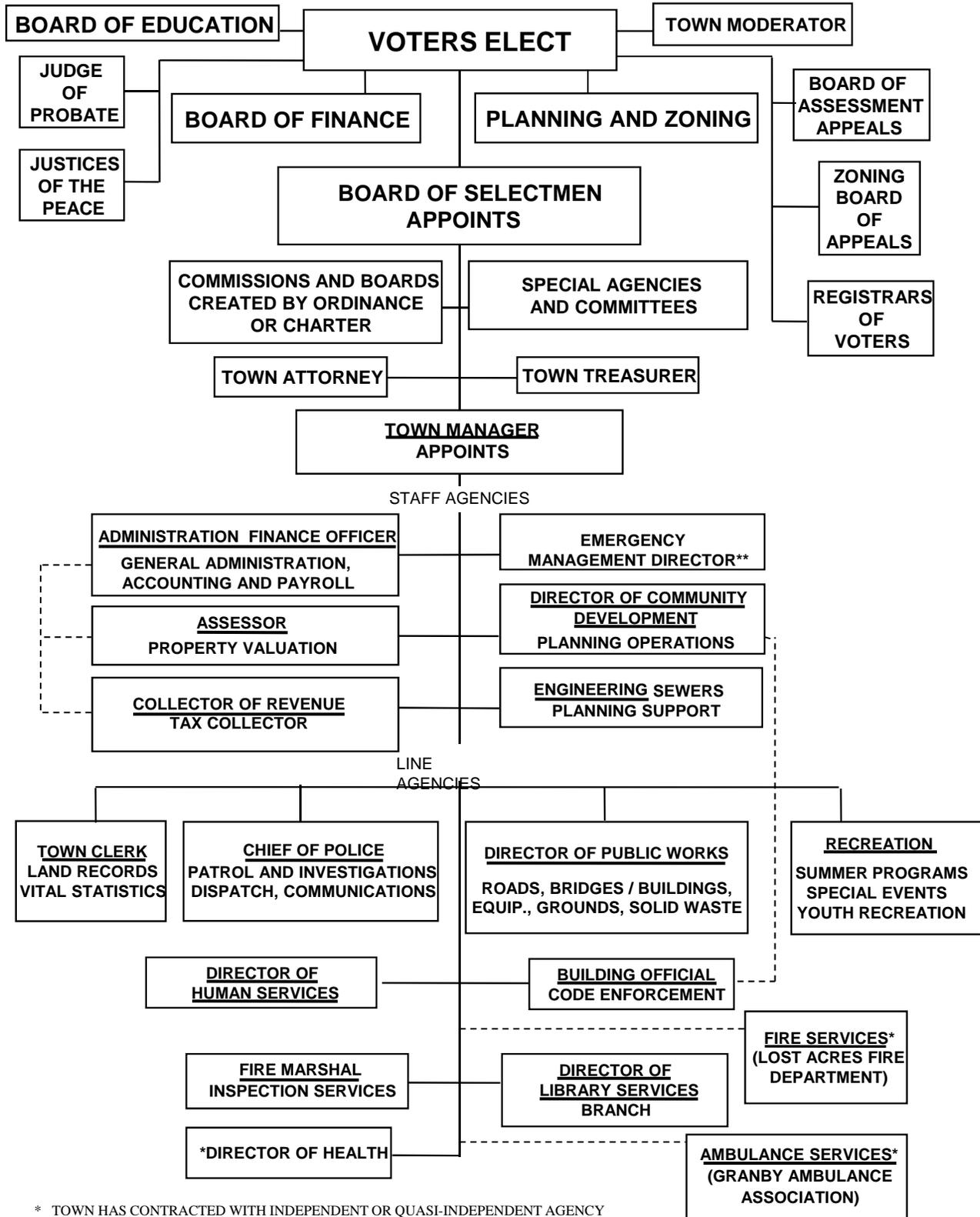
# **Introductory Section**

## TOWN OF GRANBY

### Principal Municipal Officials

| <u>Office</u>                  | <u>Name</u>              | <u>Manner of Selection</u> | <u>Term</u> |
|--------------------------------|--------------------------|----------------------------|-------------|
| First Selectman                | John E. Adams            | Elected                    | 2 years     |
| Selectman                      | Mark C. Neumann          | Elected                    | 2 years     |
| Selectman                      | Ronald F. Desrosiers     | Elected                    | 2 years     |
| Selectman                      | B. Scott Kuhnly          | Elected                    | 2 years     |
| Selectman                      | Sally S. King            | Elected                    | 2 years     |
| Town Manager                   | William F. Smith, Jr.    | Appointed                  | Indefinite  |
| Town Clerk                     | Karen I. Hazen           | Appointed                  | Indefinite  |
| Collector of Revenue           | Lauren C. Stuck          | Appointed                  | Indefinite  |
| Assessor                       | Susan J. Altieri         | Appointed                  | Indefinite  |
| Treasurer                      | Roger A. Hensdorf        | Appointed                  | 2 years     |
| Administration Finance Officer | Barbara Jean C. Scibelli | Appointed                  | Indefinite  |
| Board of Finance - Chair       | Michael B. Guarco, Jr.   | Elected                    | 4 years     |
| Board of Education - Chair     | James C. Heminway, Jr.   | Elected                    | 4 years     |
| Superintendent of Schools      | Alan Addley              | Appointed                  | 3 years     |
| Town Attorney                  | Donald R. Holtman        | Appointed                  | 2 years     |

# TOWN GOVERNMENT GRANBY, CONNECTICUT



\* TOWN HAS CONTRACTED WITH INDEPENDENT OR QUASI-INDEPENDENT AGENCY  
 \*\* THE EMERGENCY MANAGEMENT DIRECTOR HAS A COOPERATIVE RELATIONS WITH ALL TOWN DEPARTMENTS, AND EXTERNAL AND SUPPORT AGENCIES. ADDITIONAL SUPPORT STAFF PROVIDED AS NEEDED.



**TOWN OF GRANBY**  
*Incorporated 1786*

**15 NORTH GRANBY ROAD**  
**GRANBY, CONNECTICUT 06035-2125**  
**(860) 844-5300**

**WILLIAM F. SMITH, JR.**  
*TOWN MANAGER*

December 28, 2010

Town of Granby  
Granby, Connecticut

To the members of the Board of Selectmen, Board of Finance, and citizens of the Town of Granby:

I am pleased to submit the Comprehensive Annual Financial Report (CAFR) of the Town of Granby (the "Town") for the fiscal year ended June 30, 2010. The appointed auditors from Blum, Shapiro & Company, P.C., Certified Public Accountants, have issued an unqualified opinion on Granby's financial statements for the Fiscal Year 2009-10. The independent auditors' report is located at the front of the financial section of this report. Management's Discussion and Analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the Town. To the best of our knowledge and belief, the enclosed information is accurate in all material respects and is reported in a manner to present fairly the financial position and results of operations of the Town. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework that is designed to protect the government's assets from loss, theft, or misuse and to compile sufficient dependable information for the preparation of the Town's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Town's detailed configuration of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. All disclosures necessary to enable the reader to gain an understanding of the Town's financial activities have been included.

The Town is required to undergo an annual audit in conformity with the provisions of the Federal Single Audit Act and the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, as well as the Connecticut Single Audit Act. Information related to these single audits, including the schedule of expenditures of federal awards and state financial assistance, findings and recommendations, and auditors' reports on the internal control structure and compliance with applicable laws and regulations, are issued under separate cover and are not included in this report. Copies of these reports are on file in the Town Clerk's office.

## Profile of the Government

The Town of Granby covers approximately 40.8 square miles and is located sixteen miles northwest of Hartford. Granby is surrounded by the Connecticut towns of Canton, Hartland, Suffield, East Granby, Simsbury, and the Massachusetts towns of Granville and Southwick located to the north of Granby. Granby is primarily a rural residential community; however, there are a number of commercial business establishments in the Town. The Town's population, as of 2010, is estimated at 11,220. The Town, originally part of the Town of Simsbury, was incorporated in 1786.

The Town functions under the Selectmen-Town Manager form of government. A Town Charter was first adopted in 1960. The Town Charter was last revised November 5, 2002.

The legislative body of the Town is the Board of Selectmen. The Board of Selectmen consists of five members, and a separately elected First Selectman is the Chairman and presiding officer of the Board. The Board and the First Selectman each are elected at-large for two-year terms. The Board of Selectmen appoints the Town Manager who is the Chief Executive Officer of the Town. The Town Manager is responsible to the Board of Selectmen for the supervision and administration of town departments and its boards and commissions, except those elected by the people. The Board of Selectmen appoints the Town Treasurer and the Town Attorney for two-year terms.

The Board of Education membership consists of seven members who are elected at-large for four-year overlapping terms. The election of members is conducted in accordance with the Town Charter and section 9-204b of the General Statutes.

A six-member elected Board of Finance serves as the town's budget-making authority. Board members are elected for four-year overlapping terms. The Board of Finance appoints the town auditors and recommends the annual town budget for town meeting approval.

The Administration Finance Officer oversees the accounting division and assists the Town Manager in administration of finance and administrative operations. This office administers the accounts for all town funds. The Assessor's office discovers, lists and prices real estate, personal property, and motor vehicles for the purposes of taxation. The Collector of Revenue collects taxes, interest, and fees on all taxable property in the Town. This office also bills, collects, processes, and deposits money from all town departments. The Town Treasurer oversees the Town's bank deposits and trust funds and countersigns all checks for payment made with town funds.

The Town provides the following municipal services as authorized by Charter or by the Board of Selectmen: public safety (police protection and dispatch services for fire and ambulance); library; parks and recreation; public works; health and social services; community development; education; and general administrative services.

## Economic Condition and Outlook

Granby's local economy is primarily a component of residential properties and local businesses. Granby's housing base is made up primarily of single-family homes and the average homeownership rate is almost 90%. In 2009 the median home price in Granby was \$325,000. This median sales price is \$30,000 more than the average sales price in the State of Connecticut. The Town's residential component comprises about 94% of its tax base. In addition to the single

family homes Granby has six condominium developments containing 301 units. Granby's multifamily housing is located within Granby Center and along the southern Route 10 corridor where public water and public sewer is available. This infrastructure can support additional multifamily units and inquiries have been made regarding the constructions of such units. In 2010 the Town extended the sewer line by approximately 3,000 feet along Canton Road, Archie Lane and Burleigh Drive. Residents have been actively connecting to the new line, which has generated additional investment within the area.

The southern area of Route 10 is viewed as a continuing growth area. This area has experienced the greatest amount of new commercial development over the past nine years with over 110,000 square feet of new building space constructed. The area has also seen the most significant addition of residential development with over \$14,000,000 in assessed value added for Hunt Glen development.

Recognizing the changes that are occurring within this area, the Town adopted a transitional zoning district within the immediate area. The Farmington Valley YMCA complex is located in this zone. The YMCA celebrated their five-year anniversary in 2009. Additional mixed-use development is anticipated within the area and the Town is confident that it has provided the means for future quality construction that can serve Granby and the surrounding communities.

In addition to the above, located just south of the Stop & Shop Plaza is the world headquarters of Imperial Nurseries, a division of Griffin Land and Nurseries, Inc. Imperial is one of the largest growers of ornamental woody and herbaceous plants in containers in the eastern United States with operations in Connecticut and Florida. Griffin Land owns over 300 undeveloped acres within this area, which is zoned for economic development.

Overall, business activity is designed primarily to serve Town residents and, to a lesser degree, the region. Most retail, office, and personal services are located within the Granby Center. Granby Center has experienced significant changes over the years and now includes medical, attorney, real estate, financial, architectural, engineering, surveying, and other office types normally found within a thriving Town Center. Retail services range from national and local drug stores, a supermarket, health food store, specialty stores, hardware and carpeting stores, package stores, and more. Most recently a new Windsor Savings Bank branch was constructed in Granby Center. This branch is larger and more modern than the branch it replaces. It is located near and has pedestrian and vehicular linkages to the recently constructed Cumberland Farms store. Both buildings are constructed in a traditional design and with common elements that are encouraged throughout the center area. Naturally, the Center has several restaurants. These range from the fast food national chain stores to a bagel shop, local eateries, and a Starbucks. Also included are restaurants serving Mexican, Chinese, Italian, and continental cuisine. The Town has supported its Center businesses with flexible zoning regulations, through business linkage initiatives, sidewalks, and the installation of traditional street lighting. Currently a new 14,000 square foot office building is under construction within the area. In 2009 the Town adopted a creative mixed use zoning plan for the Town Center.

A variety of businesses are located to the north of Granby Center. These businesses include: Arrow Concrete, a state of the art industrial concrete plant containing 50,000 square feet; State Line Oil and State Line Propane. There are a variety of other industrial and retail service buildings within this area and the area continues to see façade and general improvements to the area buildings. Overall, this area should see additional industrial and commercial construction to meet the demand of local contractors.

While Granby is known as a highly desirable residential community, it continues to have an important commercial base. Local government in Granby has earned an exemplary reputation for its work in fostering new business, as well as assisting existing businesses.

The Grand List is comprised of a balanced mix of manufacturing and light industry and its top ten taxpayers represent about 3.1% of the total assessed value on the October 1, 2008 Grand List. The Town's last revaluation was effective for an October 1, 2007 Grand List. A state mandated revaluation is scheduled for the Town's October 1, 2012 Grand List. The Town's 2008 Grand List saw a decrease of approximately .3% due to the slow economy and depreciation of vehicles and personal property. The Town's property tax collection rate for the year ended on June 30, 2010 was \$388,326 above the budgeted amount. This represents a 101.3% tax collection rate. For Fiscal Year 2010, building permit activity fees totaled \$124,107. Town Clerk fees for 2009-10 were \$217,863. This was an increase of \$12,855 due to a slight increase in refinancing. As of 2008 Granby's Median Household income was \$104,238. This exceeded the country average of \$63,239 by \$40,999 and exceeded the state average by \$37,002. Granby's household income is the second highest of the 36 cities/town in the Hartford Capitol Region. Granby had a 2008 housing ownership rate of 89.3%, third highest in the region. The Town's 2010 average unemployment rate of 5.9% compared favorably to the statewide average of 8.1% and the national average of 9.7%.

#### Long Term Financial Planning

Town staff developed a multi-year long-range model for operations and major capital projects that shows previous budget activity and proposed future activity. The computer model considers future grand list growth, revenue projections, operating budgets, fund balance and other reserves, and mill rate increases.

The Board of Selectmen appointed a committee (Capital Program Priority Advisory Committee - CPPAC) to oversee and report to the Selectmen on major capital projects. The Committee consists of two members each of the Boards of Selectmen, Finance, and Education. The Town Treasurer is the seventh member of the Committee. Once CPPAC proposes a major capital program, it is brought to the Selectmen for review and approval. A Statement of Commitment is drafted for a five-year period that the major elected boards sign off on in order to smooth tax increases.

#### Relevant Financial Policies

Every fall, a Plus One Budget is developed for short-term budget planning. It identifies budget needs, typically items over \$5,000, for the upcoming fiscal year. The Plus One Budget is reviewed by the operating boards and forwarded to the Board of Finance. A three board meeting (Board of Selectmen, Board of Education, and Board of Finance) is then held in January to review where the town is financially. This leads to the development of a budget guideline set by the Board of Finance in February.

During budget preparation goals and objectives are reviewed annually. They have remained fairly constant for the past several years. Some of the policies include: Maintain or increase the effectiveness and efficiency of town services, pay by cash for capital expenditures when deemed appropriate, update the long-range operating and capital forecast models, and budget reasonable user fees as a revenue source.

### Major Initiatives

The Board of Selectmen appointed three working committees for future capital projects. The committees were reviewing athletic field needs for the town and school, replacement of the town park's pond house, and equipment storage needs for the town and school. All the committees presented their final reports to the Selectmen. A Library Expansion Study Committee was also appointed and their report indicates that the public library needs to be doubled in size. All projects are on hold until an acceptable plan is developed to accomplish the projects.

The town participated with the State of Connecticut to purchase development rights for a local farm. The town also purchased land for potential athletic field use.

### Regional Initiative

The town is a leader in the state for participating in regional initiatives in order to have programs that would otherwise not be practical to offer on our own. The latest regional effort was the purchase of equipment with six area towns through a grant program that will assist with trail maintenance that runs through these towns.

### Budgetary Control

On or before March 31<sup>st</sup> of each year, the Town Manager submits to the Board of Selectmen a proposed budget including estimated revenues for the Town for the ensuing fiscal year beginning July 1. The proposed budget includes proposed expenditures for the town, except for the Board of Education operations, which are separately submitted to the Board of Finance. On or before the first Monday in April, the Board of Selectmen and the Board of Education each present to the Board of Finance a proposed annual operating budget. Before the second week of April, at least one public hearing is called by the Board of Finance. The annual town meeting is then held on the fourth Monday in April; that meeting may adopt the budget by a majority vote of two-thirds present, provided at least 230 eligible voters are present. If the budget is not adopted at the meeting, the budget goes to referendum on the following Monday and every two weeks thereafter until it is passed by a machine vote majority at referendum and the budget may be amended at any time by the Board of Finance.

Upon request from the Town Manager and with approval by the Board of Selectmen, the Board of Finance may transfer appropriations from one classification to another, except within the Board of Education. The Board of Finance may also make additional special appropriations, provided that the resolution making the appropriation includes certification from the Town Manager that the appropriation does not exceed 1-½% of the annual tax levy. Special appropriations above 1-½% require special town meeting approval called by the Board of Selectmen.

The Town's budgeting system for the General Fund requires accounting for certain transactions to be on a basis other than Generally Accepted Accounting Principles (GAAP). The major difference between a Budget basis and a GAAP basis is that on a Budget basis encumbrances are recognized as a charge against a budget appropriation in the year in which the purchase order is issued. On a Budget basis, encumbrances outstanding at year-end are recorded in budgetary reports as expenditures in that year. On a GAAP basis, encumbrances at year-end are recorded as reservations of fund balance. Additionally, the State of Connecticut makes payments, on behalf of Granby teachers, into the state teacher retirement system. They are reported for GAAP purposes only.

Budgetary control is maintained by an encumbrance system. All purchases, except certain services as outlined in the Town's Purchasing Policy, require a purchase requisition and a purchase order. In addition, purchases over \$1,000 require evidence that bids or at least three quotations were received and that the lowest quote, consistent with quality, was selected.

All unencumbered appropriations lapse at year-end, except in the capital projects funds where appropriations are continued until the completion of projects. Budgetary control in a capital project fund is achieved by constraints imposed by project authorization or grant awards related to the fund.

### Cash Management

Connecticut law restricts investments of municipal funds to direct and indirect securities of the U.S. Government and deposits at qualified banks. Any uninsured and uncollateralized deposits in institutions must be invested in "qualified public depositories" covered under Connecticut General Statutes. State law requires that each financial institution accepting public deposits be responsible for pledging collateral for its public deposits, based on each bank's risk-based capital ratio. In addition, by Connecticut statute, a public depository may not accept deposits from any one municipality, which would exceed 75 percent of the capital of the depository.

During the fiscal year, idle cash is invested principally in: Municipal Bond Investors Assurance Corporation (MBIA), Cooperative Liquid Assets Security System (CLASS) accounts; the State of Connecticut Treasurer's Short-Term Investment Fund (STIF); State Street Bank's Financial Investors Trust; TD Banknorth, NA; and Financial Investors Trust (FIT). Short-term interest rates fluctuated throughout the year, decreasing significantly during the year as a result of actions by the Federal Reserve and the stock market. Simsbury Bank, where a large portion of the Town's idle cash is invested, yielded 2.23% on July 1<sup>st</sup> and by year-end (June 30, 2010) investment income decreased to 1.4%.

### Risk Management

The Town has a partially self-insured Administered Services Only account with the employee health insurance carrier, Anthem Blue Cross/Blue Shield, which is accounted for in the Town Health Benefits Fund (Internal Service Fund). The Town, Board of Education, and employees contribute funds to cover costs associated with providing medical benefits to current full-time employees and eligible former employees. The Town pays claims up to \$100,000 per participant per year with an individual stop loss policy covering amounts exceeding that limit. After careful review, the aggregate stop loss policy that would cover claims exceeding 125% of total estimated claims for the year was dropped. The Town has never made use of this coverage. The Town seeks to maintain a reserve in the Health Benefits Fund of at least 25% of expected claims. This reserve is intended to cover the Town's claims exposure; that is, the difference between the expected or estimated claims for the plan year, which the Town budgets annually. The Granby Employee Health Benefits Advisory Committee reviews the Town's health benefit budget requirements with the assistance of Lindberg & Ripple Inc., the Town's agent for employee health insurance benefits.

In 2009, the Town engaged the actuarial firm of Milliman USA to prepare a valuation as to how the Town and the Board of Education might be fiscally impacted relative to providing post-retirement healthcare benefits for eligible retirees. The Town has met the mandatory implementation date, as required in GASB Statement No. 45, by adopting a systematic plan to phase in the costs associated with *Accounting and Financial Reporting by Employers for Post*

*Employment Benefits Other than Pensions (OPEB).* The Town will continue to update the valuation every two years.

The Town has insurance coverage for workers compensation, general liability, automobile liability, physical damage, and professional liability. Coverage is provided from the Connecticut Interlocal Risk Management Association (CIRMA). The Town engaged Robert J. Dean Associates to determine the Town's insurance needs, and they review insurance proposals, loss data and other information, and make recommendations to the Town Manager and Board of Education to review and monitor our insurance program and experience.

#### Other Information

##### *Independent Audit*

Connecticut General Statutes require that all municipalities have their accounts audited annually by an independent public accountant as required under Connecticut General Statutes Section 7-392. The Board of Finance appointed Blum, Shapiro & Company, P.C., certified public accountants, to conduct the 2009-10 Town's audit. The independent auditors' report is included in this document.

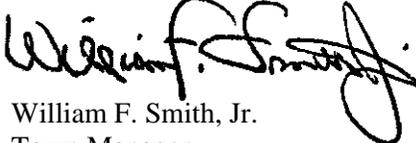
##### *Certificate of Achievement*

This report has been prepared following the guidelines of the Government Finance Officers Association (GFOA) of the United States and Canada and the Governmental Accounting Standards Board (GASB). The GFOA awards a Certificate of Achievement for Excellence in Financial Reporting to governmental units that publish an easily readable and efficiently organized Comprehensive Annual Financial Report whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement, which is valid for one year only, is the highest form of recognition in the area of governmental accounting and financial reporting, and its attainment represents a significant accomplishment for a government unit and its management. The Town has received this award for four years now. The Town intends to submit this report to GFOA for review under this program.

##### *Acknowledgments*

The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the Board of Selectmen, Board of Finance, and the Finance Department, especially Administration Finance Officer, Barbarajean C. Scibelli and her staff. I would like to express my appreciation to them and other town departments who assisted in compiling this report. My office aims to provide support and advice necessary to carry out the policies of the Granby Board of Selectmen and Board of Finance, along with the many challenging issues confronting Granby in the years ahead.

Respectfully submitted,



William F. Smith, Jr.  
Town Manager

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Town of Granby  
Connecticut

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2009

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

## **Financial Section**



Accounting | Tax | Business Consulting

## Independent Auditors' Report

Board of Finance  
Town of Granby, 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 Granby, Connecticut, as of and for the year ended June 30, 2010, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town of Granby, Connecticut'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 financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and the 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 Granby, Connecticut, as of June 30, 2010 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2010 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's discussion and analysis on page 3 through 15 and budgetary comparison information on pages 48 through 51 are not a required part 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'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.

*Blum, Shapiro & Company, P.C.*

December 28, 2010

## Management's Discussion and Analysis

This Annual Financial Report is compiled using the financial reporting requirements of the Government Accounting Standards Board (GASB) Statement 34. GASB Statement 34 requires that we, as the managers of the Town of Granby, prepare a report that focuses on our most important, or "major" funds, including the general fund.

Fund statements measure and report the "operating results" of many funds by measuring cash on hand and other assets that can easily be converted to cash. These statements show the short-term performance of individual funds using the same measures governments use when financing current operations. On the other hand, if we charge a fee to users for services, fund information will continue to be based on accrual accounting. Budgetary compliance remains an important part of governmental accountability. Our financial statements include the *original* budget as well as the final amended budget.

Our hope is to provide you, the reader, with an objective and readable analysis of our financial performance for the year. Taken together, the following statements should enable you to assess whether Granby's financial position has improved or deteriorated as a result of the year's operations. The annual financial report includes government-wide financial statements prepared on the accrual basis for all of the government's activities. Accrual accounting measures not just current assets and current liabilities, but long-term assets and liabilities as well. It also reports all revenues and all costs of providing services each year, not just those received or paid in the current fiscal year (or shortly thereafter).

In summary, the government-wide financial statements will assist the reader to:

- Assess the finances of Granby in its entirety, including the year's operating results;
- Determine whether our overall financial position improved or deteriorated;
- Evaluate whether our current-year revenues were sufficient to pay for current-year services;
- See the costs of providing you the services you have requested of us;
- See how we finance the programs you have asked for – through user fees and other program revenues versus general tax revenues;
- Understand the extent to which your government has invested in capital assets, including roads, bridges, schools, parks, and other infrastructure assets;
- Make better comparisons between governments.

The Annual Financial Report includes the following information and financial statements as defined by GASB Statement 34:

- \* **Management's Discussion and Analysis (MD&A)** – An introduction to the basic financial statements and an analytical overview of the government's financial activities. The MD&A provides an objective and easily readable analysis of the Town's financial activities based on currently known facts, decisions, or conditions. The MD&A
  - Includes comparisons of the current year to the prior year based on government-wide information;

- Provides an analysis of our overall financial position and the results of operations to assist you in assessing whether our financial position has improved or deteriorated as a result of the year's activities;
- Analyzes significant changes in fund and major budget variances;
- Describes capital asset and long-term debt activity during the year;
- Concludes with a description of currently known facts, decisions, or conditions that are expected to have a significant effect on our financial position or the results of our operations.

✳ **Basic Financial Statements**

- **Government-Wide Financial Statements** are designed to provide readers with a broad overview of the Town of Granby's finances, in a manner similar to private-sector business.
  - *Government-Wide Financial Statements* include a *statement of net assets* which presents information on all of the Town of Granby'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 of Granby is improving or deteriorating. The *statement of activities* presents information showing how the government'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 future fiscal periods (e.g., uncollected taxes and earned but unused employee vacation and sick leave). The statement of activities is prepared using the economic resources measurement focus and the accrual basis of accounting. These statements report all assets, liabilities, revenues, expenses, and gains and losses of the government. Both of the government-wide financial statements distinguish functions of the Town of Granby that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Town include general government, public safety, public works and environment, recreation and social services, education, and interest on long-term debt.
  - Fiduciary activities whose resources are not available to finance our governmental programs are excluded from these statements.

Capital assets, including infrastructure, are reported along with accumulated depreciation expense in the statement of net assets. Net assets are reported as capital assets net of related debt, restricted, and unrestricted. Permanent endowments or permanent fund principal amounts included in restricted net assets are shown as either expendable or nonexpendable.

Expenses are presented reduced by program revenues, resulting in a measurement of "net (expense) revenue" for each of the government's functions. Program expenses include all direct expenses. General revenues such as taxes and special and extraordinary items

are reported separately, ultimately arriving at the change in net assets for the period. Special items are significant transactions or other events that are either unusual or infrequent and are within the control of management.

- ***Fund Financial Statements*** are a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Granby, 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 fund* financial statements include financial data for the general fund, special revenue funds, capital projects, debt service, and permanent funds and are prepared using the current financial resources measurement focus and the modified accrual basis of accounting. *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. The focus of governmental funds is narrower than that of the government-wide financial statements, thus it is useful to compare the information presented for *governmental activities* in the government-wide financial statements with similar information presented for *governmental funds* in the long-term impact of the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*. The Town of Granby maintains forty individual governmental funds. The Town maintains thirty-six special revenue funds and two permanent funds which are included in the nonmajor governmental funds category. 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 and the capital projects fund, both of which are considered to be major funds. Data from the other thirty-eight governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the thirty-eight nonmajor governmental funds is provided in the form of *combining statements* under Supplemental Information, *Exhibits B1 and B2*. The Town of Granby adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with budget appropriations.
  - *Proprietary fund* financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. The Town of Granby

maintains one type of proprietary fund, an internal service fund. *Internal service funds* are an accounting device used to calculate and allocate costs internally among the Town of Granby's various functions. The Town uses an internal service fund to account for its employee health benefits, collecting employer and employee payments and disbursing payments as required. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

- *Fiduciary fund* financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. 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 statement because the resources of those funds are *not* available to support the Town of Granby's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Fund financial statements are presented for primary government and proprietary funds. Governmental fund statements include a balance sheet and a statement of revenues, expenditures, and changes in fund balances. Proprietary fund statements are comprised of a statement of net assets, a statement of revenues, expenses, and changes in net fund assets, and a statement of cash flows. A summary reconciliation of the fund and government-wide statements accompanies the fund financial statements.

Separate columns are shown for the general fund and for the capital projects fund, the two major governmental funds. Major funds are funds whose revenues, expenditures/expenses, assets, or liabilities (excluding extraordinary items) are at least 10 percent of corresponding totals for all governmental or enterprise funds and at least 5 percent of the aggregate amount for all governmental and enterprise funds. Non-major funds are reported in the aggregate in a separate column as are internal service funds on the proprietary fund statements.

Governmental fund balances are segregated into reserved and unreserved categories.

Proprietary fund net assets are reported in the same categories required for government-wide financial statements. Proprietary fund statements of net assets distinguish between current and non-current assets and liabilities and display restricted assets.

The statements distinguish between operating and non-operating revenues and expenses in proprietary fund statements of revenues, expenses, and changes in net fund assets. At the bottom of these statements, we reflect capital contributions, contributions to permanent and term endowments, special and extraordinary items, and transfers in arriving at the all-inclusive change in fund net assets.

We present separate fiduciary fund statements used to report assets held in a trustee or agency capacity for others and which cannot be used for our own programs. We must show a statement of fiduciary net assets and a statement of changes in fiduciary net assets. Fiduciary fund statements also disclose interfund loans, interfund services provided and used, and interfund transfers.

➤ Notes to the Financial Statements

- Consist of notes that provide information essential to your understanding of the data provided in the government-wide and fund financial statements.

➤ Required Supplementary Information (RSI)

- Consists of MD&A and budgetary comparison schedules.
- Includes budgetary comparison schedules for the general fund to demonstrate whether resources were obtained and used in accordance with the legally adopted budget.

The combining statements referred to earlier in connection with nonmajor governmental funds and fiduciary funds are presented immediately following the required supplementary information.

As management of the Town of Granby, we offer 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, 2010. We encourage readers to consider the information presented here and in the Town's financial statements, Exhibits I to IX.

### **Financial Highlights**

- The assets of the Town of Granby exceeded its liabilities at the close of the most recent year by \$56,324,631 (net assets). Of this amount, \$9,319,680 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net assets decreased by \$1,302,659.
- As of the close of the current fiscal year, the Town's governmental funds reported a combined ending fund balance of \$9,339,618, a decrease of \$1,925,746 in comparison with the prior year. *Unreserved fund balances* amounted to a collective \$7,850,145.
- At the end of the 2010 fiscal year, unreserved fund balance for the general fund was \$4,089,267. Unreserved fund balance represents 10.01% of total general fund expenditures of \$40,862,233, and total general fund balance of \$4,436,008 amounted to 10.86% of the same net expenditures.
- The Town of Granby's bonded debt decreased by \$2,967,500 (9.83%) during the current fiscal year to \$27,230,000.

## Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Town of Granby, assets exceeded liabilities by \$56,324,631 at the close of the most recent fiscal year. By far the largest portion of the Town's net assets, \$46,214,196 (82.05%) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. The Town of Granby uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the Town's investment in its capital assets 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.

**Table 1. Net Assets**

|   | <b>Governmental<br/>Activities</b> |                      |
|---|------------------------------------|----------------------|
|   | <b>2010</b>                        | <b>2009</b>          |
| Current and other assets                        | \$ 14,094,025                      | \$ 15,133,882        |
| Capital assets, net of accumulated depreciation | 75,180,423                         | 77,387,039           |
| Total assets                                    | <u>89,274,448</u>                  | <u>92,520,921</u>    |
| Long-term debt outstanding                      | 30,952,904                         | 33,738,183           |
| Other liabilities                               | 1,996,913                          | 1,155,448            |
| Total liabilities                               | <u>32,949,817</u>                  | <u>34,893,631</u>    |
| Net Assets:                                     |                                    |                      |
| Invested in capital assets, net of debt         | 46,214,196                         | 45,963,355           |
| Restricted                                      | 790,755                            | 1,144,653            |
| Unrestricted                                    | <u>9,319,680</u>                   | <u>10,519,282</u>    |
| Total Net Assets                                | <u>\$ 56,324,631</u>               | <u>\$ 57,627,290</u> |

A portion of the Town's net assets, \$790,755 (1.40%), represents resources that are subject to external restrictions on how they may be used. An amount of \$773,638 is set aside for debt service and \$17,117 is restricted for expendable trust purposes. The remaining balance of *unrestricted net assets*, \$9,319,680, may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the Town of Granby is able to report positive balances in all three categories of net assets both for government as a whole as well as for its separate governmental activities. The same situation held true for the prior fiscal year.

The government's net assets decreased by \$1,302,659 from operations during the current fiscal year. The Town brought in total general revenues of \$31,291,025 which fell short of its net program expenditures of \$32,593,684 by the amount of the net asset decrease. Gross expenses of \$46,934,966 were offset by \$3,888,534 in charges for services, \$146,328 in capital grants and

contributions, and \$10,306,420 in operating grants and contributions. The balance of the Town's total revenues of \$45,632,307 came in the form of \$30,634,232 of local property tax collections, \$360,275 as unrestricted grants and contributions, and \$296,518 of unrestricted investment earnings and miscellaneous income. Of the net program expenditures, \$22,277,223 was accounted for by the Board of Education. Net public works and environment expenditures accounted for \$3,886,173, general government \$2,288,897, public safety \$1,972,505, recreation and social services \$800,451, and interest on long-term debt \$1,368,435. The primary factors generating the decrease in net assets relate to a \$1,925,746 drop in fund balances and \$2,887,074 of depreciation charges (decrease in net assets) offset by bond principal payments of \$2,967,500 (increase in net assets).

**Governmental activities.** Governmental activities decreased the Town's net assets by \$1,302,659 as shown below, accounting for 100% of the total drop in our net assets. Key elements of this increase are as follows:

|  | <b>Governmental<br/>Activities</b> |                     |
|--|------------------------------------|---------------------|
|  | <b>2010</b>                        | <b>2009</b>         |
| Revenues:  |                                    |                     |
| Program revenues:  |                                    |                     |
| Charges for services   | \$ 3,888,534                       | \$ 3,845,404        |
| Operating grants and contributions                             | 10,306,420                         | 9,159,871           |
| Capital grants and contributions                               | 146,328                            | 419,990             |
| General revenues:  |                                    |                     |
| Property taxes   | 30,634,232                         | 30,643,498          |
| Grants and contributions not<br>restricted to specific purpose | 360,275                            | 871,825             |
| Unrestricted investment earnings                               | 229,385                            | 522,073             |
| Other general revenues   | 67,133                             | 402,877             |
| Total revenues   | <u>45,632,307</u>                  | <u>45,865,538</u>   |
| Program Expenses:  |                                    |                     |
| General government   | 2,994,981                          | 3,179,918           |
| Public safety  | 2,460,612                          | 2,626,054           |
| Public works and environment                                   | 4,385,645                          | 4,578,136           |
| Recreation and social services                                 | 1,280,233                          | 1,306,535           |
| Education  | 34,408,214                         | 31,206,167          |
| Interest on long-term debt                                     | 1,405,281                          | 1,543,199           |
| Total program expenses   | <u>46,934,966</u>                  | <u>44,440,009</u>   |
| Increase (Decrease) in Net Assets                              | <u>\$ (1,302,659)</u>              | <u>\$ 1,425,529</u> |

Total revenues from the prior year decreased slightly by \$233,231 (0.51%). On the revenue side, operating grants and contributions were up \$1,146,549, unrestricted grants decreased \$511,550, and investment earnings reflected the historically low level of interest rates with a decline of \$292,688 over last year. Net expenditures rose \$2,494,957 (5.61%) due primarily to increases on the school board side of \$3,202,047.

Chart 1 following presents the costs of each of the Town’s six 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.

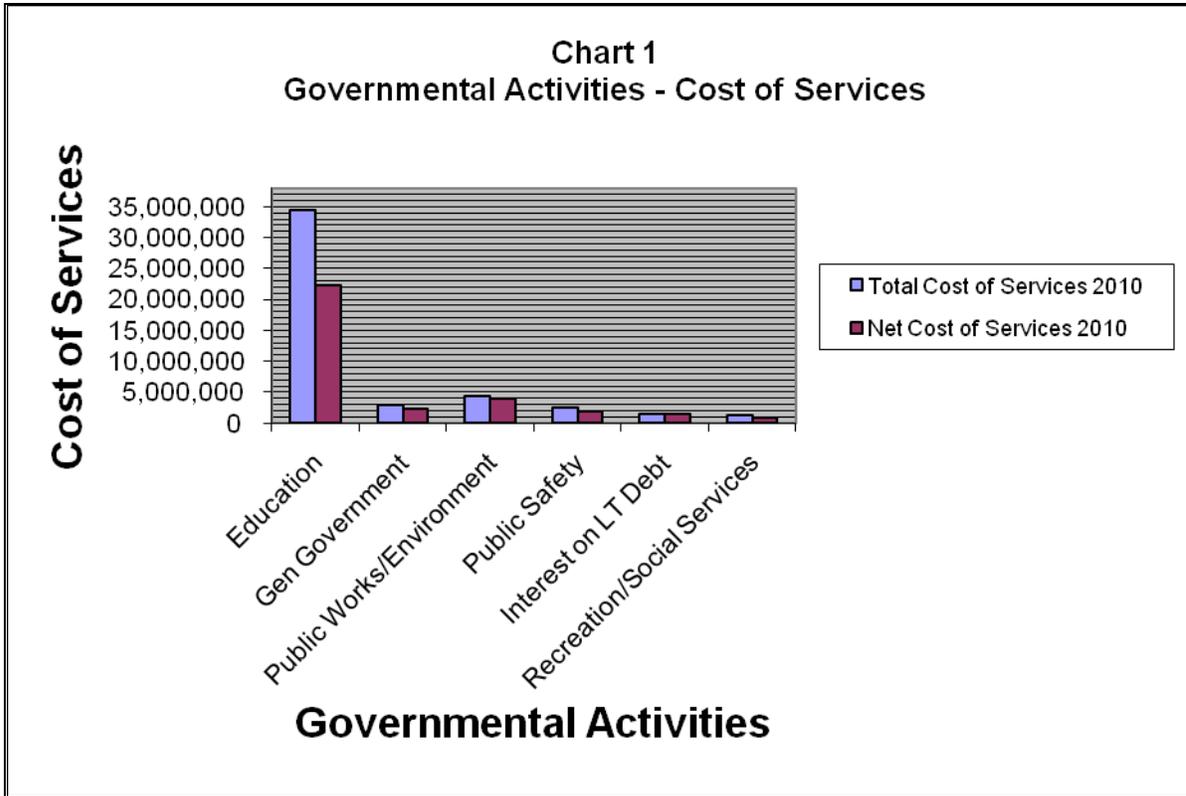
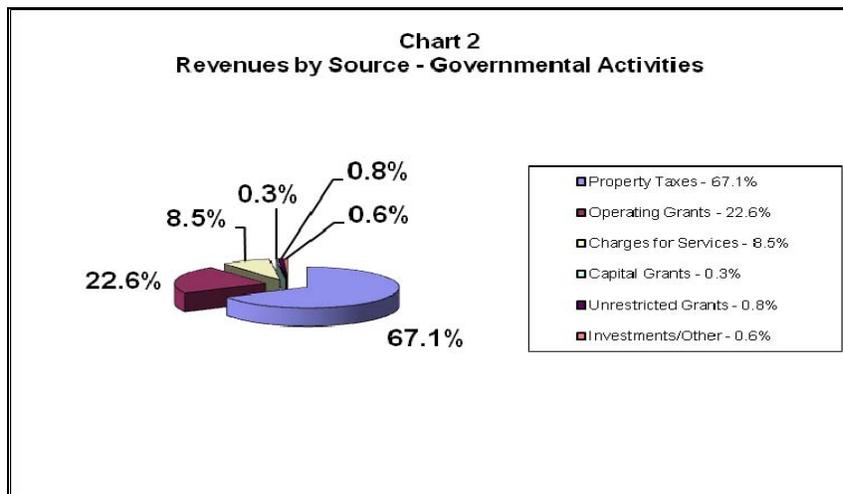


Chart 2 following indicates the sources of all Town revenues and the percentage of total Town revenue these individual revenues represent.



For the most part, increases in gross expenses closely parallel inflation and growth in the Town's population. Larger Board of Education expenditures in 2010 over FY 2009 reflect ARRA (American Reinvestment and Recovery Act) stimulus funds of \$769,574, an additional one million dollars of depreciation charges for school buildings, and an additional \$1.7 million of spending in the nonmajor special revenue funds devoted to educational outlays, primarily in the public school fund and the grants fund.

### **Financial Analysis of the Government's Funds**

As noted earlier, the Town of Granby 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 of Granby'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 \$9,339,618, a decrease of \$1,925,746 in comparison with the prior year. Unreserved fund balance, which is available for spending at the government's discretion, amounts to \$7,850,145. The General Fund, the Capital Projects Fund, and the Other Governmental Funds all posted positive fund balances for the year. Reserved fund balance in the amount of \$1,489,473 is not available for new spending because it has already been committed 1) to liquidate contracts and purchase orders of the prior period in the amount of \$346,741; 2) for use by the capital projects fund, \$350,193; and 3) to reserve \$792,539 for use by the remaining nonmajor special revenue funds.

The general fund is the chief operating fund of the Town of Granby. At the end of the current fiscal year, unreserved fund balance of the general fund was \$4,089,267 while total general fund balance reached \$4,436,008. 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 10.01% of total general fund expenditures of \$40,862,233 and total general fund balance amounted to 10.86% of the same net expenditures.

The fund balance of the Town's general fund decreased by \$1,250,488 during the current fiscal year. We completed the year with a modest operating deficit of \$161,732; however, we transferred \$1,098,793 to our capital projects fund and a variety of nonmajor special revenue funds for budgeted expenditures.

**Proprietary fund.** The Town of Granby's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail. As indicated earlier, we use an internal service fund to account for employee health benefits.

Net assets of the internal service fund at the end of the year amounted to \$2,312,835, up \$512,158 from FY 2009, all of which is unrestricted. The total increase in net assets for the fund

arose due to health insurance claims and administrative costs (\$4,287,964) coming in less than employee premiums and Town contributions of (\$4,782,683).

### General Fund Budgetary Highlights

The original revenue budget of \$38,356,450 and the final revenue budget remained unchanged. The original expenditure budget of \$39,670,655 was adjusted down by \$30,000 in the Board of Education budget for an expected drawdown of general fund balance of \$1,284,205.

During the year, actual revenues exceeded budgeted revenues by \$467,990 and actual expenditures were \$685,371 under budget, providing an overall positive budget variance of \$1,153,361. Scheduled transfers out of \$1,098,793 largely contributed to the eventual general fund drawdown of \$1,250,488. The transfers out were primarily for capital projects such as equipment (\$765,000), open space (\$55,000), Cossit improvement (\$140,000), and other activities. The \$30,000 removed from the Board of Education budget for severance was paid through a general fund transfer out. For additional information, please see Exhibit RSI-1 and RSI-2 under Required Supplementary Information contained in this report.

### Capital Asset and Debt Administration

**Capital assets.** The Town of Granby’s investment in capital assets for its governmental assets includes 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, before depreciation, was \$484,850.

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

- \$77,764 for two new police cruisers and two trailers
- \$54,621 for a new Senior Center van;
- \$161,415 for a public works dump truck, roller, mower, and curbing machine;
- \$34,900 of work on Wells Road school.

A summary of our capital assets is as follows:

|  | <b>Governmental<br/>Activities</b> |                      |
|--|------------------------------------|----------------------|
|  | <b>2010</b>                        | <b>2009</b>          |
| Land (not depreciated)                     | \$ 5,731,976                       | \$ 5,698,676         |
| Construction in progress (not depreciated) | 1,341,047                          | 1,264,389            |
| Buildings and improvements                 | 49,991,606                         | 51,724,801           |
| Vehicles and equipment                     | 3,778,355                          | 3,755,420            |
| Infrastructure                             | <u>14,337,439</u>                  | <u>14,943,753</u>    |
| Total                                      | <u>\$ 75,180,423</u>               | <u>\$ 77,387,039</u> |

Additional information on the Town of Granby’s capital assets can be found in Note 5 of this report.

**Long-term debt.** At the end of the current fiscal year, the Town of Granby had \$27,230,000 of long-term bonded debt outstanding and no short-term debt. One hundred percent of Granby’s indebtedness is general obligation debt secured by the full faith and credit of the Town.

**Table 4. Long-Term Debt**

| <u>Bonds</u> |                                       |               |                       |                         |                             |
|--------------|---------------------------------------|---------------|-----------------------|-------------------------|-----------------------------|
| <u>Date</u>  | <u>Purpose</u>                        | <u>Rate %</u> | <u>Original Issue</u> | <u>Debt Outstanding</u> | <u>Fiscal Year Maturity</u> |
| 3/1/84       | Sewer                                 | 5.00          | \$ 1,050,000          | \$ 75,000               | 2012                        |
| 6/15/91      | School                                | 7.90-5.90     | 6,000,000             | 300,000                 | 2011                        |
| 4/1/92       | School                                | 6.70-6.00     | 3,500,000             | 175,000                 | 2011                        |
| 12/15/98     | Public Improvement, School, Refunding | 3.75-4.10     | 9,090,000             | 1,730,000               | 2019                        |
| 3/24/05      | Public Improvement, Refunding         | 3.90          | 9,750,000             | 9,650,000               | 2019                        |
| 2/15/06      | Public Improvement                    | 3.75-5.00     | 10,000,000            | 8,700,000               | 2026                        |
| 8/15/06      | School                                | 3.75-5.00     | 7,800,000             | 6,600,000               | 2021                        |
|              |                                       |               | <u>\$47,190,000</u>   | <u>\$27,230,000</u>     |                             |

The Town of Granby’s bonded debt decreased by \$2,967,500 (9.83%) through scheduled principal reductions on our outstanding bonds. We assumed no new debt during the current fiscal year.

The State of Connecticut subsidizes a portion of the Town’s cost of school bond principal and interest for such bonds issued prior to 1996. As of June 30, 2010, the Town expects to receive \$259,555 in school bond principal payments from the State over the life of the remaining qualified school bonds.

State statutes limit the amount of general obligation debt a governmental entity may issue to seven times its tax collections plus interest and lien fees. For June 30, 2010, the maximum amount of borrowing permitted under the formula would be \$215,058,571. In computing the statutory debt limit, \$1,489,277 of school debt authorized but unissued is included. With net borrowings of \$28,459,722, the Town’s outstanding general obligation debt is \$186,598,849 below the maximum debt limitation (See Note 7 – Long-Term Debt of this report and Table 9 – Statement of Debt Limitation).

Standard & Poor’s Corporation (S&P), one of the three nationally recognized municipal credit rating agencies, rates our outstanding bonded debt “AA”.

The Town has entered into a number of capital leases which are treated as a long-term liability on the balance sheet. As of June 30, 2010, we had combined capital lease obligations outstanding in the amount of \$1,815,334 the proceeds of which were used for the purchase of vehicles and equipment some of which are detailed above.

**Economic Factors and Next Year’s Budget**

- The unemployment rate for the Town of Granby was 5.9% as of June 30, 2010, which is an increase from a rate of 5.8% from a year ago. This compares favorably to the state’s

average unemployment rate of 8.1% and the national average rate of 9.7% (not seasonally adjusted).

- Inflationary trends in the region compare favorably to the national indices.
- The FY 2011 budget was approved at the Annual Town Meeting on April 26, 2010.

The FY 2010 - 11 budget incorporates several goals and objectives:

- ✓ Continue to maintain or increase the effectiveness and efficiency of Town services through technology and best practice methods;
- ✓ Attempt to hold the line with the number of full-time and part-time Town personnel. In the past, this has been accomplished by continuously evaluating services and examining alternative methods of service delivery without sacrificing quality of service;
- ✓ Payments for debt service requirements to be met by budgeting from the Town's capital reserve set aside fund. Although these reserves are no longer contained in the budget, the concept remains intact. These set-asides have now been restored to meet future planned capital project costs. Therefore, retaining a sufficient fund balance to meet unanticipated needs, AND to maintain flexibility in the event of economic shifts, continues to remain an important component of this goal;
- ✓ A pay-by-cash for capital expenditures when deemed appropriate or a phase in to combine the impact of smaller capital projects over two fiscal years is considered. Equipment lease purchases, if it will avoid future major shifts in tax increases, are also assessed during the budget process;
- ✓ Continue to update the Town's long range operating and capital forecast models to meet an endorsed "Statement of Commitment" and to better predict the mill rate impact of large capital needs;
- ✓ Charge reasonable user fees as a revenue source to fund certain essential, and some non-essential but desirable, programs, projects, or non-mandatory services.

For FY 2010 – 2011, Granby's Board of Selectmen's budget *decreased* \$26,724 (-0.19%) to \$13,823,132 and the Board of Education budget remained identical to last year at \$26,667,594 for a town-wide total budget of \$40,490,726, an overall *decrease* of -0.06%.

The local real estate, personal property, and motor vehicle tax levy on the grand list of October 1, 2009 rose 0.33 mills relative to last year from 29.46 to 29.79 to generate an additional \$499,931. Intergovernmental grants from the state and federal government were set at \$7,043,085, \$245,740 less than last year to reflect an expected \$221,263 drop in state special education funding and a \$171,835 decline in school bond interest subsidy payments. We did, however, expect a \$185,997 increase in tuitions paid by out-of-town students. Budgeted use of fund balance to offset further tax increases amounted to \$1,655,000, down from \$2,161,000 as budgeted in the prior year.

General government expenditures of \$8,761,920 (before capital expenditures and debt service) are exactly the same as last year and represent 21.64% of the total budget while the Board of Education's \$26,667,594 share amounted to 65.86% of the budget. The remainder of the budget is devoted to capital improvements (\$1,015,000 – 2.51%) and debt service (\$4,036,212 – 9.97%). Debt service, almost all of which is education related, fell by \$276,724 reflecting the payment of principal and a subsequent reduction in interest expense for our outstanding bond issues. The

only material increase in the expenditure budget is a \$250,000 contribution to the Capital Non-Recurring Expenditure Fund (CNEF) that was not made last year.

All of these factors were considered in preparing the Town of Granby's budget for the 2011 fiscal year.

At the close of the June 30, 2010 fiscal year, unreserved fund balance in the general fund was reported at \$4,089,267. The Town has appropriated \$1,655,000 of this amount for spending in the 2011 fiscal year budget. In addition, in FY 2011, the Town plans to close out two funds to the general fund balance, the Granby Trail Link fund in the amount of \$238,438 and the Wells Road School fund in the amount of \$271,292.

### **Requests for Information**

This financial report is designed to provide a general overview of the Town of Granby's finances for all those with an interest in the government's operations. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Town Manager or to the Administration Finance Officer, Town of Granby Town Hall, 15 North Granby Road, Granby, CT 06035-2125.

# **Basic Financial Statements**

## TOWN OF GRANBY, CONNECTICUT

## STATEMENT OF NET ASSETS

JUNE 30, 2010

|   | <b>Governmental<br/>Activities</b> |
|---|------------------------------------|
|   | <u>                    </u>        |
| Assets:   |                                    |
| Cash and cash equivalents                       | \$ 7,066,775                       |
| Investments                                     | 5,917,623                          |
| Receivables, net                                | 1,107,843                          |
| Inventory                                       | 1,784                              |
| Capital assets not being depreciated            | 7,073,023                          |
| Capital assets being depreciated, net           | 68,107,400                         |
| Total assets                                    | <u>89,274,448</u>                  |
| Liabilities:                                    |                                    |
| Accounts and other payables                     | 1,831,571                          |
| Unearned revenue                                | 165,342                            |
| Noncurrent liabilities:                         |                                    |
| Due within one year                             | 4,271,487                          |
| Due in more than one year                       | 26,681,417                         |
| Total liabilities                               | <u>32,949,817</u>                  |
| Net Assets:                                     |                                    |
| Invested in capital assets, net of related debt | 46,214,196                         |
| Restricted for:                                 |                                    |
| Debt service                                    | 773,638                            |
| Trust purposes:                                 |                                    |
| Expendable                                      | 17,117                             |
| Unrestricted                                    | <u>9,319,680</u>                   |
| Total Net Assets                                | <u>\$ 56,324,631</u>               |

The accompanying notes are an integral part of the financial statements

**TOWN OF GRANBY, CONNECTICUT**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2010**

| <u>Functions/Programs</u>      | <u>Expenses</u>      | <u>Program Revenues</u>               |   |   | <u>Net (Expense)</u><br><u>Revenue and</u><br><u>Changes in</u><br><u>Net Assets</u> |
|--------------------------------|----------------------|---------------------------------------|---|---|--|
|                                |                      | <u>Charges for</u><br><u>Services</u> | <u>Operating</u><br><u>Grants and</u><br><u>Contributions</u> | <u>Capital</u><br><u>Grants and</u><br><u>Contributions</u> | <u>Governmental</u><br><u>Activities</u>   |
| Governmental activities:       |                      |                                       |   |   |  |
| General government             | \$ 2,994,981         | \$ 553,227                            | \$ 6,529  | \$ 146,328  | \$ (2,288,897)   |
| Public safety                  | 2,460,612            | 406,705                               | 81,402  |   | (1,972,505)  |
| Public works and environment   | 4,385,645            | 280,315                               | 219,157   |   | (3,886,173)  |
| Recreation and social services | 1,280,233            | 390,955                               | 88,827  |   | (800,451)  |
| Education                      | 34,408,214           | 2,257,332                             | 9,873,659   |   | (22,277,223)   |
| Interest on long-term debt     | 1,405,281            |                                       | 36,846  |   | (1,368,435)  |
| <b>Total</b>                   | <b>\$ 46,934,966</b> | <b>\$ 3,888,534</b>                   | <b>\$ 10,306,420</b>  | <b>\$ 146,328</b>   | <b>(32,593,684)</b>  |
| General revenues:              |                      |                                       |   |   |  |
|                                |                      |                                       |   |   | 30,634,232   |
|                                |                      |                                       |   |   | 360,275  |
|                                |                      |                                       |   |   | 229,385  |
|                                |                      |                                       |   |   | 67,133   |
|                                |                      |                                       |   |   | <u>31,291,025</u>  |
|                                |                      |                                       |   |   | (1,302,659)  |
|                                |                      |                                       |   |   | <u>57,627,290</u>  |
|                                |                      |                                       |   |   | <u>\$ 56,324,631</u>   |

The accompanying notes are an integral part of the financial statements

## TOWN OF GRANBY, CONNECTICUT

## BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2010

|  | <u>General</u>       | <u>Capital<br/>Projects</u> | <u>Nonmajor<br/>Governmental<br/>Funds</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|--|----------------------|-----------------------------|--|---|
| <b>ASSETS</b>                            |                      |                             |  |   |
| Cash and cash equivalents                | \$ 6,353,305         | \$                          | \$ 451,431                                 | \$ 6,804,736                            |
| Investments                              | 5,917,623            |                             |  | 5,917,623                               |
| Receivables, net                         | 910,945              |                             | 196,898                                    | 1,107,843                               |
| Due from other funds                     | 229,981              | 1,487,512                   | 3,447,143                                  | 5,164,636                               |
| Inventories                              |                      |                             | 1,784                                      | 1,784                                   |
| Total Assets                             | <u>\$ 13,411,854</u> | <u>\$ 1,487,512</u>         | <u>\$ 4,097,256</u>                        | <u>\$ 18,996,622</u>                    |
| <b>LIABILITIES AND FUND BALANCES</b>     |                      |                             |  |   |
| Liabilities:                             |                      |                             |  |   |
| Accounts payable and accrued liabilities | \$ 1,065,447         | \$ 167,751                  | \$ 152,360                                 | \$ 1,385,558                            |
| Due to other funds                       | 7,250,766            |                             | 229,981                                    | 7,480,747                               |
| Deferred revenue                         | 659,633              |                             | 131,066                                    | 790,699                                 |
| Total liabilities                        | <u>8,975,846</u>     | <u>167,751</u>              | <u>513,407</u>                             | <u>9,657,004</u>                        |
| Fund balances:                           |                      |                             |  |   |
| Reserved                                 | 346,741              | 350,193                     | 792,539                                    | 1,489,473                               |
| Unreserved, reported in:                 |                      |                             |  |   |
| General Fund                             | 4,089,267            |                             |  | 4,089,267                               |
| Special Revenue Funds                    |                      |                             | 2,791,310                                  | 2,791,310                               |
| Capital Project Funds                    |                      | 969,568                     |  | 969,568                                 |
| Total fund balances                      | <u>4,436,008</u>     | <u>1,319,761</u>            | <u>3,583,849</u>                           | <u>9,339,618</u>                        |
| Total Liabilities and Fund Balances      | <u>\$ 13,411,854</u> | <u>\$ 1,487,512</u>         | <u>\$ 4,097,256</u>                        | <u>\$ 18,996,622</u>                    |

(Continued on next page)

## TOWN OF GRANBY, CONNECTICUT

## BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)

JUNE 30, 2009

Reconciliation of the Balance Sheet - Governmental Funds  
to the Statement of Net Assets:

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

|  |                      |
|--|----------------------|
| Fund balances - total governmental funds (Exhibit III)   | \$ 9,339,618         |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:  |                      |
| Governmental capital assets  | \$ 109,512,716       |
| Less accumulated depreciation  | <u>(34,332,293)</u>  |
| Net capital assets   | 75,180,423           |
| Other long-term assets are not available to pay for current-period expenditures and, therefore, are not recorded in the funds:   |                      |
| Property tax receivables greater than 60 days  | 295,094              |
| Interest receivable on property taxes  | 70,708               |
| Receivable from the state for school construction projects   | 259,555              |
| Internal service funds are used by management to charge the costs of risk management to individual funds. The assets and liabilities of the internal service funds are reported with governmental activities in the statement of net assets. | 2,312,835            |
| Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:   |                      |
| Net pension obligation   | (90,828)             |
| Bonds and notes payable  | (27,230,000)         |
| Interest payable on bonds and notes  | (436,123)            |
| Compensated absences   | (1,000,323)          |
| Capital lease  | (1,815,334)          |
| Unamortized bond premium   | (303,542)            |
| Deferred charges on refunding  | 382,649              |
| Net OPEB obligation  | (568,701)            |
| Landfill post closure  | <u>(71,400)</u>      |
| Net Assets of Governmental Activities (Exhibit I)  | <u>\$ 56,324,631</u> |

The accompanying notes are an integral part of the financial statements

## TOWN OF GRANBY, CONNECTICUT

STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2010

|   | <u>General</u>      | <u>Capital<br/>Projects</u> | <u>Nonmajor<br/>Governmental<br/>Funds</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|---|---------------------|-----------------------------|--|---|
| Revenues:   |                     |                             |  |   |
| Property taxes                                    | \$ 30,666,611       | \$                          | \$   | \$ 30,666,611                           |
| Intergovernmental                                 | 9,158,803           | 79,124                      | 2,699,455                                  | 11,937,382                              |
| Licenses, fees and charges for services           | 353,589             |                             | 2,348,190                                  | 2,701,779                               |
| Investment income                                 | 188,955             | 5,858                       | 17,133                                     | 211,946                                 |
| Other revenues                                    | 332,543             | 10,035                      | 196,422                                    | 539,000                                 |
| Total revenues                                    | <u>40,700,501</u>   | <u>95,017</u>               | <u>5,261,200</u>                           | <u>46,056,718</u>                       |
| Expenditures:                                     |                     |                             |  |   |
| Current:  |                     |                             |  |   |
| General government                                | 2,918,050           |                             | 121,852                                    | 3,039,902                               |
| Public safety                                     | 2,026,961           |                             | 369,818                                    | 2,396,779                               |
| Public works and environmental                    | 2,703,649           |                             | 743,462                                    | 3,447,111                               |
| Recreation and social services                    | 597,307             |                             | 614,124                                    | 1,211,431                               |
| Education   | 28,313,332          |                             | 3,995,245                                  | 32,308,577                              |
| Capital outlay                                    |                     | 1,940,160                   |  | 1,940,160                               |
| Debt service                                      | 4,302,934           |                             |  | 4,302,934                               |
| Total expenditures                                | <u>40,862,233</u>   | <u>1,940,160</u>            | <u>5,844,501</u>                           | <u>48,646,894</u>                       |
| Excess (Deficiency) of Revenues over Expenditures | <u>(161,732)</u>    | <u>(1,845,143)</u>          | <u>(583,301)</u>                           | <u>(2,590,176)</u>                      |
| Other Financing Sources (Uses):                   |                     |                             |  |   |
| Transfers in                                      | 10,037              | 1,070,000                   | 333,793                                    | 1,413,830                               |
| Transfers out                                     | (1,098,793)         |                             | (315,037)                                  | (1,413,830)                             |
| Proceeds from capital leases                      |                     | 664,430                     |  | 664,430                                 |
| Total other financing sources (uses)              | <u>(1,088,756)</u>  | <u>1,734,430</u>            | <u>18,756</u>                              | <u>664,430</u>                          |
| Net Change in Fund Balances                       | (1,250,488)         | (110,713)                   | (564,545)                                  | (1,925,746)                             |
| Fund Balances at Beginning of Year                | <u>5,686,496</u>    | <u>1,430,474</u>            | <u>4,148,394</u>                           | <u>11,265,364</u>                       |
| Fund Balances at End of Year                      | <u>\$ 4,436,008</u> | <u>\$ 1,319,761</u>         | <u>\$ 3,583,849</u>                        | <u>\$ 9,339,618</u>                     |

(Continued on next page)

## TOWN OF GRANBY, CONNECTICUT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - GOVERNMENTAL FUNDS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2009

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund  
Balances of Governmental Funds to the Statement of Activities:

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

Net change in fund balances - total governmental funds (Exhibit IV) \$ (1,925,746)

Governmental funds report capital outlays as expenditures. In the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

|                      |             |
|----------------------|-------------|
| Capital outlay       | 725,766     |
| Depreciation expense | (2,887,074) |

The statement of activities reports losses arising from the trade-in of existing capital assets to acquire new capital assets. Conversely, governmental funds do not report any gain or loss on a trade-in of capital assets. (45,308)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, and revenues recognized in the funds are not reported in the statement of activities:

|   |           |
|---|-----------|
| School building grant receipts                                | (409,470) |
| Property tax receivable - accrual basis change                | (36,573)  |
| Property tax interest and lien revenue - accrual basis change | 4,194     |

Change in pension assets and liabilities 755

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 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 amortized and deferred in the statement of activities. The details of these differences in the treatment of long-term debt and related items are as follows:

|                         |           |
|-------------------------|-----------|
| Bond principal payments | 2,967,500 |
| Capital lease payments  | 524,355   |
| Capital lease financing | (664,430) |

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 the governmental funds:

|  |          |
|--|----------|
| Compensated absences                         | 25,370   |
| Accrued interest                             | 37,516   |
| Amortization of deferred charge on refunding | (66,426) |
| Amortization of bond premiums                | 14,455   |
| Net OPEB expense                             | (92,701) |
| Landfill post closure care                   | 13,000   |

Internal service funds are used by management to charge costs to individual funds. The net revenue of certain activities of internal services funds is reported with governmental activities. 512,158

Change in Net Assets of Governmental Activities (Exhibit II) \$ (1,302,659)

The accompanying notes are an integral part of the financial statements

## TOWN OF GRANBY, CONNECTICUT

## PROPRIETARY FUND

## STATEMENT OF NET ASSETS

JUNE 30, 2010

|                             | <b>Governmental<br/>Activities</b> |
|-----------------------------|------------------------------------|
|                             | <b>Internal<br/>Service Fund</b>   |
| Assets:                     |                                    |
| Cash and cash equivalents   | \$ 262,039                         |
| Due from other funds        | <u>2,316,111</u>                   |
| Total assets                | <u>2,578,150</u>                   |
| Liabilities:                |                                    |
| Accounts and other payables | 9,890                              |
| Risk management claims      | <u>255,425</u>                     |
| Total liabilities           | <u>265,315</u>                     |
| Net Assets:                 |                                    |
| Unrestricted                | \$ <u><u>2,312,835</u></u>         |

The accompanying notes are an integral part of the financial statements

## TOWN OF GRANBY, CONNECTICUT

## PROPRIETARY FUND

STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN FUND NET ASSETS

FOR THE YEAR ENDED JUNE 30, 2010

|                                    | <b>Governmental<br/>Activities</b> |
|------------------------------------|------------------------------------|
|                                    | <b>Internal</b>                    |
|                                    | <b>Service Fund</b>                |
| Operating Revenues:                |                                    |
| Contributions                      | \$ 3,512,813                       |
| Employee contributions             | 1,214,598                          |
| Other                              | 55,272                             |
| Total operating revenues           | <u>4,782,683</u>                   |
| Operating Expenses:                |                                    |
| Health insurance claims            | 3,582,230                          |
| Contribution to OPEB Trust Fund    | 158,000                            |
| Administrative and management fees | 547,734                            |
| Total operating expenses           | <u>4,287,964</u>                   |
| Operating Income                   | 494,719                            |
| Nonoperating Revenue:              |                                    |
| Revenues from use of money         | <u>17,439</u>                      |
| Change in Net Assets               | 512,158                            |
| Net Assets at Beginning of Year    | <u>1,800,677</u>                   |
| Net Assets at End of Year          | <u>\$ 2,312,835</u>                |

The accompanying notes are an integral part of the financial statements

## TOWN OF GRANBY, CONNECTICUT

## PROPRIETARY FUND

## STATEMENT OF CASH FLOWS

## FOR THE YEAR ENDED JUNE 30, 2010

|  | <u>Governmental<br/>Activities</u><br><u>Internal<br/>Service Fund</u> |
|--|--|
| Cash Flows from Operating Activities:  |  |
| Cash received from charges for services and contributions                              | \$ 4,492,523   |
| Cash paid for claims, premiums and fees  | (4,347,425)  |
| Net cash provided by operating activities  | <u>145,098</u>   |
| Cash Flows from Investing Activities:  |  |
| Income on investments  | <u>17,439</u>  |
| Net Increase in Cash and Cash Equivalents  | 162,537  |
| Cash and Cash Equivalents at Beginning of Year   | <u>99,502</u>  |
| Cash and Cash Equivalents at End of Year   | <u>\$ 262,039</u>  |
| Reconciliation of Operating Income to Net Cash<br>Provided by Operating Activities:    |  |
| Operating income   | \$ <u>494,719</u>  |
| Adjustments to reconcile operating income to net cash<br>used in operating activities: |  |
| (Increase) decrease in due from other funds  | (290,160)  |
| Increase (decrease) in accounts payable  | 3,940  |
| Increase (decrease) in risk management claims  | (63,401)   |
| Total adjustments  | <u>(349,621)</u>   |
| Net Cash Provided by Operating Activities  | <u>\$ 145,098</u>  |

The accompanying notes are an integral part of the financial statements

## TOWN OF GRANBY, CONNECTICUT

## FIDUCIARY FUNDS

## STATEMENT OF FIDUCIARY NET ASSETS

JUNE 30, 2010

|   | <u>Pension<br/>Trust<br/>Fund</u> | <u>OPEB<br/>Trust<br/>Fund</u> | <u>Agency<br/>Funds</u> |
|---|-----------------------------------|--------------------------------|-------------------------|
| Assets:   |                                   |                                |                         |
| Cash and cash equivalents   | \$                                | \$                             | \$ 219,723              |
| Investments - mutual funds  | 10,033,433                        | 149,555                        |                         |
| Accounts receivable   | <u>19,978</u>                     | <u>                    </u>    | <u>53,618</u>           |
| Total assets  | <u>10,053,411</u>                 | <u>149,555</u>                 | <u>\$ 273,341</u>       |
| Liabilities:  |                                   |                                |                         |
| Due to employees and others   | <u>                    </u>       | <u>                    </u>    | <u>\$ 273,341</u>       |
| Net Assets:   |                                   |                                |                         |
| Held in trust for pension benefits and other<br>postemployment benefits | <u>\$ 10,053,411</u>              | <u>\$ 149,555</u>              |                         |

The accompanying notes are an integral part of the financial statements

## TOWN OF GRANBY, CONNECTICUT

## FIDUCIARY FUNDS

STATEMENT OF CHANGES IN PLAN NET ASSETS  
PENSION TRUST FUND

FOR THE YEAR ENDED JUNE 30, 2010

|  | <b>Pension<br/>Trust<br/>Fund</b> | <b>OPEB<br/>Trust<br/>Fund</b> |
|--|-----------------------------------|--------------------------------|
|  | <u>          </u>                 | <u>          </u>              |
| Additions:   |                                   |                                |
| Contributions:   |                                   |                                |
| Employer   | \$ 275,958                        | \$ 604,000                     |
| Employee   | 159,763                           |                                |
| Total contributions  | <u>435,721</u>                    | <u>604,000</u>                 |
| Investment income (loss):                                    |                                   |                                |
| Net appreciation (depreciation) in fair value of investments | 782,961                           | (8,445)                        |
| Interest and dividends                                       | 305,065                           |                                |
| Total investment income (loss)                               | <u>1,088,026</u>                  | <u>(8,445)</u>                 |
| Total additions  | <u>1,523,747</u>                  | <u>595,555</u>                 |
| Deductions:  |                                   |                                |
| Benefits   | 485,271                           | 446,000                        |
| Administration   | 27,990                            |                                |
| Total deductions   | <u>513,261</u>                    | <u>446,000</u>                 |
| Net Increase   | 1,010,486                         | 149,555                        |
| Net Assets at Beginning of Year                              | <u>9,042,925</u>                  | <u>-</u>                       |
| Net Assets at End of Year                                    | <u>\$ 10,053,411</u>              | <u>\$ 149,555</u>              |

The accompanying notes are an integral part of the financial statements

**TOWN OF GRANBY, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2010**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. Reporting Entity**

The Town operates under a Charter as revised in November 2002. The form of government includes an elected Board of Selectmen, consisting of a First Selectman and four other members, an elected seven-member Board of Education, and an elected six-member Board of Finance.

Generally, the legislative power of the Town is vested with the Board of Selectmen. The Board of Selectmen may enact, amend or repeal ordinances and resolutions. The administration of Town offices and agencies, with the exception of the Board of Education, is the responsibility of the Town Manager who is appointed by the Board of Selectmen.

The Board of Finance is responsible for financial and taxation matters as prescribed by Town Charter and Connecticut General Statutes, and is responsible for presenting fiscal operating budgets for Town Meeting approval. The Town has the power to incur indebtedness by issuing bonds or notes as provided by Town Charter and Connecticut General Statutes.

**B. 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, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

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

**C. 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 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. 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.

Property taxes, charges for services, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. 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.

The Town reports the following major governmental funds:

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

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

Additionally, the Town reports the following fund types:

The Internal Service Fund accounts for risk management activities of the Town.

The Pension Trust Fund accounts for the activities of the Town's Pension Plan, which accumulates resources for pension benefit payments to qualified Town employees.

The Other Post Employment Benefits Trust Fund accounts for the activities of the Town Post Employment Benefits plans, which accumulates resources for healthcare payments to qualified Town employees.

The Agency Funds are custodial in nature (assets equal liabilities) and so not involve measurement of results of operation. The High School Activity, Middle School Activity, Kelly Lane School Activity, Wells Road School Activity and Contract Security Fund are the Town's agency funds.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989 generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Town does not have any business-type activities or enterprise fund to report.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes and other charges between certain Town's functions because the elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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 revenues include property taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Town's internal service fund are charges to customers for services. Operating expenses for the internal service fund include the cost of benefits 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.

#### **D. Deposits and Investments**

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the Town to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements and certain other investments as described in Note 3.

Investments for the Town are reported at fair value.

#### **E. 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." Any residual balances outstanding between the governmental activities are reported in the government-wide financial statements as "internal balances." All trade and property tax receivables are shown net of an allowance for uncollectibles.

Based upon the annual budget as adopted, the Board of Finance establishes the tax rate to be levied on the taxable property for the ensuing year.

Property taxes are levied in June on all assessed property on the grand list of October 1 prior to the beginning of the fiscal year. Real and personal property tax bills in excess of \$100 are payable in two installments, July 1 and January 1, and motor vehicle taxes are payable in one installment on July 1. Taxes become delinquent 30 days after the installment is due. Delinquent taxes are billed at least twice a year, with interest at the rate of 1.5% per month. In accordance with state law, the oldest outstanding tax is collected first. Outstanding real estate tax accounts are normally lien-ed each year prior to June 30 with legal demands and alias warrants used in the collection of personal property and motor vehicle tax bills. Additional property taxes are assessed for motor vehicles registered subsequent to the grand list date through July 31 and are payable in one installment, which is due January 1.

Property tax revenues are recorded as receivable on the due date and are recognized as revenues to the extent collected during the fiscal year or collected soon enough thereafter (within 60 days) to be used to pay liabilities of the current period. Property taxes receivable not expected to be collected during the available period are reflected as deferred revenue in the fund financial statements. Property taxes receivable at June 30, 2010 is stated net of allowance for estimated uncollectible amounts of \$48,480.

The Town levies special assessments for the purpose of financing the construction of sanitary sewers. Such assessments are collectible in installments as provided by the Connecticut General Statutes. Assessment revenues are recognized when they are collected.

## **F. Inventories and Prepaid Items**

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

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

## **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 applicable governmental or business-type activities columns 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 in excess of one year. 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 assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant and equipment of the primary government is depreciated using the straight-line method over the following estimated useful lives:

| <u>Assets</u>                | <u>Years</u> |
|------------------------------|--------------|
| Buildings                    | 40-50        |
| Building improvements        | 15-25        |
| Public domain infrastructure | 30-60        |
| Vehicles                     | 3-15         |
| Office equipment             | 5-10         |
| Computer equipment           | 5-10         |

## **H. Compensated Absences**

A limited amount of vacation time earned may be accumulated by employees until termination of their employment. Vacation leave is valued using current salary costs, as well as any salary related payments that are directly and incrementally connected with leave payments to employees. Sick leave accruals are also based on current salary costs as well as salary-related payments.

## **I. Long-Term Obligations**

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of any significant applicable bond premium or discount. Significant bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

## **J. Fund Equity**

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

## **2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

### **A. Budgetary Information**

For purposes of preparing the annual budget, the Town Manager compiles preliminary estimates of all departments and agencies, with the exception of the Board of Education, for presentation to the Board of Selectmen. After making such alterations or changes as it deems necessary, the Board of Selectmen presents the compiled budget to the Board of Finance. The Board of Education submits its estimates directly to the Board of Finance.

The Board of Finance may make such revisions to the Selectmen's and Education budget estimates as it deems desirable, and then holds public hearings and presents a proposed budget to the Annual Town Meeting held on the fourth Monday in April.

Subject to certain restrictions, additional appropriations may be approved by the Board of Finance upon recommendation of the Board of Selectmen and certification on availability of the funds by the Town Manager. In this function, department budget accounts serve as the legal level of control. As a result of additional appropriations during fiscal year 2010, the original General Fund operating budget was increased by \$221,998.

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

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

Budgets for Special Revenue Funds that are utilized to account for specific grant programs are established in accordance with the requirements of the grantor agencies. In some instances, such budgets comprehend more than one fiscal year or a fiscal period that does not coincide with the Town's fiscal year.

Legal authorization for Capital Projects is provided by the related bond ordinances and/or intergovernmental grant agreements. Capital appropriations do not lapse until the purpose for which they are designated is completed.

Expenditures that will exceed the adopted budgets can be made only upon the authority of a supplemental appropriation or an approved budgetary transfer.

### **B. Deficit Fund Equity**

For the year ended June 30, 2010, the Ambulance Association fund had a deficit fund balance of \$530 and the Emergency Management fund has a deficit fund balance of \$3,777. These deficits will be funded through contributions and future revenues.

### 3. CASH, CASH EQUIVALENTS AND INVESTMENTS

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

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

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

#### Deposits

*Deposit Custodial Credit Risk* - Custodial credit risk is the risk that, in the event of a bank failure, the Town’s deposit will not be returned. The Town does not have a deposit policy for custodial credit risk. The deposit of public funds is controlled by the Connecticut General Statutes. Deposits may be placed with any qualified public depository that has its main place of business in the State of Connecticut. Connecticut General Statutes require that each depository maintain segregated collateral (not required to be based on a security agreement between the depository and the municipality and, therefore, not perfected in accordance with federal law) in an amount equal to a defined percentage of its public deposits based upon the depository’s risk-based capital ratio.

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$6,895,947 of the Town’s bank balance of \$8,156,087 was exposed to custodial credit risk as follows:

|   |                            |
|---|----------------------------|
| Uninsured and uncollateralized  | \$ 6,106,352               |
| Uninsured and collateral held by the pledging bank’s trust department, not in the Town’s name | <u>789,595</u>             |
| Total Amount Subject to Custodial Credit Risk   | <u><u>\$ 6,895,947</u></u> |

## Cash Equivalents

At June 30, 2010, the Town's cash equivalents amounted to \$192,420. The following table provides a summary of the Town's cash equivalents (excluding U.S. government guaranteed obligations) as rated by nationally recognized statistical rating organizations. The pools all have maturities of less than one year.

|   | <u>Standard<br/>and Poor's</u> |
|---|--------------------------------|
| State Short-Term Investment Fund (STIF)   | AAAm                           |
| Cutwater Asset Management. - Cooperative Liquid Assets<br>Securities System (CLASS) | AAAm                           |

## Investments

As of June 30, 2010, the Town had the following investments:

| <u>Investment Type</u>        | <u>Credit<br/>Rating</u> | <u>Fair<br/>Value</u> | <u>Investment Maturities (Years)</u> |               |                         |
|-------------------------------|--------------------------|-----------------------|--------------------------------------|---------------|-------------------------|
|                               |                          |                       | <u>Less<br/>Than 1</u>               | <u>1 - 10</u> | <u>More<br/>Than 10</u> |
| Interest-bearing investments: |                          |                       |                                      |               |                         |
| Certificates of deposit       | *                        | \$ <u>5,917,623</u>   | \$ <u>5,917,623</u>                  | \$ -          | \$ -                    |
| Total                         |                          | 5,917,623             | \$ <u>5,917,623</u>                  | \$ -          | \$ -                    |
| Other investments:            |                          |                       |                                      |               |                         |
| Mutual funds                  |                          | <u>10,182,988</u>     |                                      |               |                         |
| Total Investments             |                          | \$ <u>16,100,611</u>  |                                      |               |                         |

\*Subject to coverage by Federal Depository Insurance and collateralization.

*Interest Rate Risk* - The Town limits their maximum final stated maturities to fifteen years, unless specific authority is given to exceed. To the extent possible, the Town will attempt to match its investments with anticipated cash flow requirements.

*Credit Risk - Investments* - As indicated above, State Statutes limit the investment options of cities and towns. The Town has an investment policy that allows the same type of investments as State Statutes.

*Concentration of Credit Risk* - The Town has no policy limiting an investment in any one issuer that is in excess of 5% of the Town's total investments.

*Custodial Credit Risk* - Custodial credit risk for an investment is the risk that, in the event of the failure of the counterparty (the institution that pledges collateral or repurchase agreement securities to the Town or that sells investments to or buys them for the Town), the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town does not have a policy for custodial credit risk. At June 30, 2010, the Town did not have any uninsured and unregistered securities held by the counterparty, or by its trust department or agent that were not in the Town's name.

#### 4. RECEIVABLES

Receivables as of year end for the Town's individual major funds and nonmajor, internal service and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

|                                   | <u>General</u>    | <u>Nonmajor<br/>and Other<br/>Funds</u> | <u>Total</u>        |
|-----------------------------------|-------------------|---|---------------------|
| Receivables:                      |                   |   |                     |
| Interest                          | \$ 70,708         | \$                                      | \$ 70,708           |
| Taxes                             | 415,000           |   | 415,000             |
| Intergovernmental                 | 259,555           | 196,898                                 | 456,453             |
| Other                             | 214,162           | 73,596                                  | 287,758             |
| Gross receivables                 | <u>959,425</u>    | <u>270,494</u>                          | <u>1,229,919</u>    |
| Less allowance for uncollectibles | <u>(48,480)</u>   |   | <u>(48,480)</u>     |
| Net Total Receivables             | <u>\$ 910,945</u> | <u>\$ 270,494</u>                       | <u>\$ 1,181,439</u> |

Governmental funds report deferred revenue in connection with receivables for revenues 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>   |
|--|--------------------|-------------------|
| Delinquent property taxes receivable (principal and interest)  | \$ 365,802         | \$                |
| Advanced tax collections                                       |                    | 34,276            |
| Grant drawdown's prior to meeting all eligibility requirements |                    | 131,066           |
| School construction receivable                                 | <u>259,555</u>     |                   |
| Total Deferred/Unearned Revenue for Governmental Funds         | <u>\$ 625,357</u>  | <u>\$ 165,342</u> |

## 5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2010 was as follows:

|   | <u>Beginning<br/>Balance</u> | <u>Increases</u>      | <u>Decreases</u>   | <u>Ending<br/>Balance</u> |
|---|------------------------------|-----------------------|--------------------|---------------------------|
| Governmental activities:                    |                              |                       |                    |                           |
| Capital assets not being depreciated:       |                              |                       |                    |                           |
| Land  | \$ 5,698,676                 | \$ 43,800             | \$ (10,500)        | \$ 5,731,976              |
| Construction in progress                    | <u>1,264,389</u>             | <u>76,658</u>         |                    | <u>1,341,047</u>          |
| Total capital assets not being depreciated  | <u>6,963,065</u>             | <u>120,458</u>        | <u>(10,500)</u>    | <u>7,073,023</u>          |
| Capital assets being depreciated:           |                              |                       |                    |                           |
| Buildings and improvements                  | 64,850,040                   |                       | (23,620)           | 64,826,420                |
| Vehicles and equipment                      | 10,533,185                   | 605,308               | (169,932)          | 10,968,561                |
| Infrastructure                              | <u>26,644,712</u>            |                       |                    | <u>26,644,712</u>         |
| Total capital assets being depreciated      | <u>102,027,937</u>           | <u>605,308</u>        | <u>(193,552)</u>   | <u>102,439,693</u>        |
| Less accumulated depreciation for:          |                              |                       |                    |                           |
| Buildings and improvements                  | (13,125,239)                 | (1,730,833)           | 21,258             | (14,834,814)              |
| Vehicles and equipment                      | (6,777,765)                  | (549,927)             | 137,486            | (7,190,206)               |
| Infrastructure                              | <u>(11,700,959)</u>          | <u>(606,314)</u>      |                    | <u>(12,307,273)</u>       |
| Total accumulated depreciation              | <u>(31,603,963)</u>          | <u>(2,887,074)</u>    | <u>158,744</u>     | <u>(34,332,293)</u>       |
| Total capital assets being depreciated, net | <u>70,423,974</u>            | <u>(2,281,766)</u>    | <u>(34,808)</u>    | <u>68,107,400</u>         |
| Governmental Activities Capital Assets, Net | <u>\$ 77,387,039</u>         | <u>\$ (2,161,308)</u> | <u>\$ (45,308)</u> | <u>\$ 75,180,423</u>      |

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

|  |                     |
|--|---------------------|
| Governmental activities:                             |                     |
| General government                                   | \$ 48,717           |
| Public safety  | 65,428              |
| Public works and environment                         | 774,751             |
| Recreation and social services                       | 64,617              |
| Education  | <u>1,933,561</u>    |
| Total Depreciation Expense - Governmental Activities | <u>\$ 2,887,074</u> |

### Construction Commitments

The Town has active construction projects as of June 30, 2010. The projects include Kelley Lane School, Wells Road School and Bridge Renovations. At year end the Town's commitments with contractors are as follows:

|                    | <u>Appropriation</u> | <u>Expenditures<br/>and<br/>Encumbrances</u> | <u>Unexpended<br/>Balance</u> |
|--------------------|----------------------|--|-------------------------------|
| Kelley Lane School | \$ 12,120,140        | \$ 12,070,814                                | \$ 49,326                     |
| Wells Road School  | 12,307,080           | 12,241,389                                   | 65,691                        |
| Bridge Program     | 1,107,000            | 1,074,317                                    | 32,683                        |

The commitments are being financed through General Fund appropriations, State and Federal grants, and the issuance of general obligation bonds.

### 6. INTERFUND RECEIVABLE AND PAYABLE BALANCES

During the course of operations, transactions are processed through a fund on behalf of another fund. Additionally, revenues received in one fund are transferred to another fund. A summary of interfund balances as of June 30, 2010 is presented below:

| <u>Receivable Fund</u>      | <u>Payable Fund</u>         | <u>Amount</u>       |
|-----------------------------|-----------------------------|---------------------|
| General Fund                | Nonmajor Governmental Funds | \$ 229,981          |
| Capital Projects Fund       | General Fund                | 1,487,512           |
| Nonmajor Governmental Funds | General Fund                | 3,447,143           |
| Internal Service Fund       | General Fund                | <u>2,316,111</u>    |
| Total                       |                             | <u>\$ 7,480,747</u> |

Interfund receivables and payables represent temporary balances arising from reimbursement type transactions.

Interfund transfers:

|                                | <u>Transfers In</u> |                             |                                  |                     |
|--------------------------------|---------------------|-----------------------------|----------------------------------|---------------------|
|                                | <u>General</u>      | <u>Capital<br/>Projects</u> | <u>Nonmajor<br/>Governmental</u> | <u>Total</u>        |
| Transfers out:                 |                     |                             |                                  |                     |
| General Fund                   | \$                  | \$ 765,000                  | \$ 333,793                       | \$ 1,098,793        |
| Nonmajor Governmental<br>Funds | <u>10,037</u>       | <u>305,000</u>              |                                  | <u>315,037</u>      |
| Total Transfers Out            | <u>\$ 10,037</u>    | <u>\$ 1,070,000</u>         | <u>\$ 333,793</u>                | <u>\$ 1,413,830</u> |

Transfers are used to move unrestricted General Fund revenues to finance various capital projects in accordance with budgetary authorizations, as well as to transfer amounts provided as subsidies or matching funds for various grant programs.

## 7. LONG-TERM DEBT

### Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2010 was as follows:

|  | <u>Beginning<br/>Balance</u> | <u>Additions</u>    | <u>Reductions</u>   | <u>Ending<br/>Balance</u> | <u>Due Within<br/>One Year</u> |
|--|------------------------------|---------------------|---------------------|---------------------------|--------------------------------|
| Governmental Activities:                               |                              |                     |                     |                           |                                |
| Bonds payable:   |                              |                     |                     |                           |                                |
| General obligation bonds                               | \$ 30,197,500                | \$ -                | \$ 2,967,500        | \$ 27,230,000             | \$ 2,827,500                   |
| Plus deferred amounts:                                 |                              |                     |                     |                           |                                |
| Issuance premium on<br>general obligation bonds        | 317,997                      |                     | 14,455              | 303,542                   | 14,455                         |
| Less deferred amounts:                                 |                              |                     |                     |                           |                                |
| For issuance discounts<br>on refunding                 | (449,075)                    |                     | (66,426)            | (382,649)                 |                                |
| Total bonds payable                                    | 30,066,422                   | -                   | 2,915,529           | 27,150,893                | 2,841,955                      |
| Capital leases   | 1,675,259                    | 664,430             | 524,355             | 1,815,334                 | 599,953                        |
| Claims and judgments                                   | 318,826                      | 3,518,829           | 3,582,230           | 255,425                   | 255,425                        |
| Compensated absences                                   | 1,025,693                    | 556,370             | 581,740             | 1,000,323                 | 561,154                        |
| Net OPEB obligation                                    | 476,000                      | 92,701              |                     | 568,701                   |                                |
| Landfill post closure                                  | 84,400                       |                     | 13,000              | 71,400                    | 13,000                         |
| Net pension obligation                                 | 91,583                       |                     | 755                 | 90,828                    |                                |
| Total Governmental Activities<br>Long-Term Liabilities | <u>\$ 33,738,183</u>         | <u>\$ 4,832,330</u> | <u>\$ 7,617,609</u> | <u>\$ 30,952,904</u>      | <u>\$ 4,271,487</u>            |

General Obligation Bonds

The Town issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the Town. General obligation bonds currently outstanding, their purpose and interest rate are as follows:

| Description  | Principal Amount     |
|--|----------------------|
| \$1,050,000 - Sewer improvement bonds issued March 1, 1984 and maturing March 1, 2012; interest at 5%  | \$ 75,000            |
| \$6,000,000 - School improvement bonds issued June 15, 1991 and maturing June 15, 2011; interest from 5.9% to 7.9%                                 | 300,000              |
| \$3,500,000 - School improvement bonds issued April 2, 1992 and maturing April 1, 2011; interest from 6.0% to 6.7%                                 | 175,000              |
| \$9,090,000 - General, school improvement and refunding bonds issued December 15, 1998 and maturing December 15, 2019; interest from 3.75% to 4.1% | 1,730,000            |
| \$9,750,000 - General obligation refunding bonds issued March 24, 2005 and maturing on February 1, 2020; interest rate 3.9%                        | 9,650,000            |
| \$10,000,000 - General obligation bonds issued February 15, 2006 and maturing on February 15, 2026; interest rate from 3.8% to 5.0%                | 8,700,000            |
| \$7,800,000 - General obligation bonds issued August 15, 2006 and maturing August 15, 2020; interest rate from 4.0% to 5.0%                        | <u>6,600,000</u>     |
| Total Bond Indebtedness  | <u>\$ 27,230,000</u> |

The following is a schedule of future debt service requirements as of June 30, 2010:

| Fiscal Year Ending June 30, | Principal            | Interest            | Total                |
|-----------------------------|----------------------|---------------------|----------------------|
| 2011                        | \$ 2,827,500         | \$ 1,198,710        | \$ 4,026,210         |
| 2012                        | 2,357,500            | 1,072,913           | 3,430,413            |
| 2013                        | 2,325,000            | 970,410             | 3,295,410            |
| 2014                        | 2,335,000            | 867,317             | 3,202,317            |
| 2015                        | 2,335,000            | 776,880             | 3,111,880            |
| 2016-2020                   | 11,205,000           | 2,345,100           | 13,550,100           |
| 2021-2025                   | 3,305,000            | 555,250             | 3,860,250            |
| 2026                        | <u>540,000</u>       | <u>27,000</u>       | <u>567,000</u>       |
| Total                       | <u>\$ 27,230,000</u> | <u>\$ 7,813,580</u> | <u>\$ 35,043,580</u> |

The Town's indebtedness does not exceed the legal debt limitations as required by the Connecticut General Statutes as reflected in the following schedule:

| Category        | Debt Limit    | Net Indebtedness | Balance       |
|-----------------|---------------|------------------|---------------|
| General purpose | \$ 69,125,969 | \$ 4,452,000     | \$ 64,673,969 |
| Schools         | 138,251,939   | 23,932,722       | 114,319,217   |
| Sewers          | 115,209,949   | 75,000           | 115,134,949   |
| Urban renewal   | 99,848,622    |                  | 99,848,622    |
| Pension deficit | 92,167,959    |                  | 92,167,959    |

The definition of indebtedness includes bonds outstanding in addition to the amount of bonds authorized and unissued against which debt is issued and outstanding. School building grants receivable for bond principal of \$259,555 are reflected in the computation of net indebtedness.

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation (\$215,058,571).

## 8. LEASES

### Capital Leases

The Town leases various vehicles, equipment and technology under capital lease arrangements. These leases vary in duration through January 10, 2014 and interest rates from 3.25% to 5.65%.

The Town has entered into capital lease agreements for the purchase of several vehicles and technology equipment.

|                               | <u>Amount</u>           |
|-------------------------------|-------------------------|
| Assets:                       |                         |
| Vehicles and equipment        | \$ 3,818,725            |
| Less accumulated depreciation | <u>(1,452,241)</u>      |
| <br>Total                     | <br><u>\$ 2,366,484</u> |

A summary of future minimum lease payments required by the lease agreements together with the present value of the net minimum lease payments as of June 30, 2010 is as follows:

| <u>Year Ending June 30,</u>       | <u>Amount</u>           |
|-----------------------------------|-------------------------|
| 2011                              | \$ 650,130              |
| 2012                              | 527,068                 |
| 2013                              | 374,231                 |
| 2014                              | 230,405                 |
| 2015                              | <u>140,680</u>          |
| Total                             | 1,922,514               |
| Less amount representing interest | <u>(107,180)</u>        |
| <br>Total                         | <br><u>\$ 1,815,334</u> |

## 9. LANDFILL POSTCLOSURE CARE COSTS

The Granby landfill stopped accepting solid waste, except for brush, in 1988. The landfill has been capped and final closing procedures are in the process of being completed as required by the U.S. Department of Environmental Protection adopted regulations, 40 CFR, Part 258 (“Subtitle”).

An authorization was established in the Solid Waste Sanitation Fund for landfill closing costs based on estimates made by the Town Engineer. This fund incurred \$13,000 in expenditures associated with the closing of the landfill for the year June 30, 2010.

The landfill closure obligation of \$71,400 reported in the statement of net assets represents an estimate made by the Town Engineer of the postclosure monitoring costs to be incurred by the Town over the next 20 years.

## 10. FUND BALANCE RESERVED

The following is a summary of fund balances reserved as of June 30, 2010:

|                              |    |         |
|------------------------------|----|---------|
| Reserved for encumbrances:   |    |         |
| General Fund                 | \$ | 346,741 |
| Capital Projects             |    | 350,751 |
| Reserved for inventory:      |    |         |
| Nonmajor Governmental Funds: |    |         |
| Special Revenue Funds:       |    |         |
| Cafeteria Fund               |    | 1,784   |
| Reserved for trust funds:    |    |         |
| Nonmajor Governmental Funds: |    |         |
| Permanent Funds:             |    |         |
| Universal Cemetery           |    | 12,894  |
| Cossitt Library              |    | 4,223   |
| Reserved for debt service:   |    |         |
| Nonmajor Governmental Funds: |    |         |
| Debt Service Fund            |    | 773,638 |

## 11. FUND BALANCE DESIGNATED

The following is a summary of fund balances designations as of June 30, 2010:

|  |    |           |
|--|----|-----------|
| Designated for subsequent year's expenditures: |    |           |
| General Fund                                   | \$ | 1,655,000 |
| Designated for specific purposes:              |    |           |
| Nonmajor Governmental Funds:                   |    |           |
| Special Revenue Funds:                         |    |           |
| Capital Nonrecurring Expenditures              |    | 180,535   |
| Open Space                                     |    | 8,711     |
| Police Grants                                  |    | 537       |
| Board of Education Severance                   |    | 125,046   |
| COPS Secure Our Schools                        |    | 12,849    |

## 12. RISK MANAGEMENT

The Town is exposed to various risks of loss including torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town generally obtains commercial insurance for these risks, but has chosen to retain the risks for employee insurance coverage. There has been no significant reduction in insurance coverage from the prior year for the categories risk insured commercially. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

The Town retains the risk associated with employee health insurance (medical and dental claims plus prescription drugs) up to a maximum of \$100,000 per individual claim with an aggregate stop loss estimated at \$3,100,000. As of June 30, 2010, the Town has established a liability of \$255,425 to cover health insurance claims incurred but unreported. This claim liability is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability claim be reported if information prior to the issuance of the financial statements indicates it is probable a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

Changes in the claims liability were:

|           | <u>Liability<br/>July 1,</u> |    | <u>Current Year<br/>Claims and<br/>Changes in Estimates</u> |    | <u>Claim<br/>Payments</u> |    | <u>Liability<br/>June 30,</u> |
|-----------|------------------------------|----|---|----|---------------------------|----|-------------------------------|
| 2008-2009 | \$ 305,460                   | \$ | 3,801,065   | \$ | 3,787,699                 | \$ | 318,826                       |
| 2009-2010 | 318,826                      |    | 3,518,829   |    | 3,582,230                 |    | 255,425                       |

### 13. CONTINGENT LIABILITIES

The Town of Granby is a defendant in a number of lawsuits. It is the opinion of management that such pending litigation will not be finally determined so as to result in a judgment or judgments against the Town which would materially affect its financial position.

### 14. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS

#### A. Plan Descriptions

The Town of Granby is the administrator of a single-employer Public Employee Retirement System (PERS) established and administered by the Town to provide pension benefits for its employees. The PERS is considered to be a part of the Town of Granby's financial reporting entity and is included in the Town's financial reports as a Pension Trust Fund. The Plan does not issue a separate stand-alone financial report.

The Town provides retirement benefits through a single employer, contributory, defined benefit plan. All employees of the Town hired prior to age 25 may elect to participate on their date of hire. Bargaining unit employees hired on or after October 1, 2000 may elect to participate after one year of continuous service. Under the plan, for regular certified officers of the police department, the retirement benefit is calculated at 2.5% of the average of the annual salaries, including overtime of the 5 calendar years with the highest average multiplied by up to 20 years of service plus 1.5% of the average of the annual salaries, including overtime, of the 5 calendar years with the highest average multiplied by in excess of 20 years maximum 10 years of service. For nonunion members other than regular certified officers of the police department, the retirement benefit is calculated at 2% of the average of the annual salaries of the last 5 years immediately prior to retirement multiplied by years of service. Effective June 1, 2000 for Bargaining unit members the retirement benefit is calculated at 2% of the average of the annual salaries of any 5 years period producing the highest average prior to retirement multiplied by years of service. Participants are 100% vested after 5 years of service. If an employee leaves covered employment before 5 years of service, accumulated employee contributions and related investment earnings are refunded. Benefits and contributions are established by Town ordinance and may be amended. The major features of the plan are as follows:

**Normal Retirement Age:** Age 62 with 35 years of continuous service (effective July 1, 1994, age 62 and 25 years for a certified police officer), rule of 80 (age plus years of service) or age 65 regardless of service.

**Credited Service:** All service from date of participation in the plan until Normal Retirement Date, including all full months of Continuous Service.

**Early Retirement:** May be elected with the consent of the Board of Selectmen or Education upon completion of at least 15 years of Continuous Service and age 55.

**Late Retirement:** With consent of Boards of Selectmen/Education. Benefit accrues until actual Retirement Date.

Disability Retirement: Available on total and permanent disability after 15 years of continuous service and age 50. Benefit is the same as for early retirement.

Death: Before retirement, refund of Participant's contributions plus interest. After retirement, refund of excess, if any, of Participant's accumulated contributions as of his or her retirement date over total of benefits paid.

At July 1, 2008 PERS membership consisted of:

|  |                   |
|--|-------------------|
| Retirees and beneficiaries currently receiving benefits              | 27                |
| Terminated employees entitled to benefits but not yet receiving them | 11                |
| Current employees:   |                   |
| Vested   | 52                |
| Nonvested  | <u>10</u>         |
| Total  | <u><u>100</u></u> |

## **B. Summary of Significant Accounting Policies and Plan Asset Matters**

Basis of Accounting: The PERS 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.

Method Used to Value Investments: Investments are reported at fair value. Investment income is recognized as earned. Gains and losses on sales and exchange of investments are recognized on the transaction date. There are no investments in any organization, other than U.S. Government notes and bonds, that represent 5% or more of net assets available for benefits.

## **C. Funding Status and Progress**

Certified police officers are required to contribute 6.0% of their salary, including overtime, educational incentive pay and longevity pay to the PERS. All other members contribute 5.0% of their gross salary, including overtime and any other form of additional compensation. The Town is required to contribute the remaining amounts necessary to finance coverage. The Town's annual required contribution for June 30, 2010 was \$275,958 or 7.6% of covered payroll. Benefits and employee contributions may be amended by the Board of Selectmen through ordinance.

#### D. Annual Pension Cost and Net Pension Obligations

The Town's annual pension cost and net pension obligation to the Town's Retirement System for the current year were as follows:

|   |                  |
|---|------------------|
| Annual required contribution                | \$ 275,958       |
| Interest on net pension obligation          | 7,327            |
| Adjustment to annual required contribution  | <u>(8,082)</u>   |
| Annual pension cost                         | 275,203          |
| Contributions made                          | <u>275,958</u>   |
| Increase in net pension obligation          | (755)            |
| Net pension obligation at beginning of year | <u>91,583</u>    |
| Net Pension Obligation at End of Year       | <u>\$ 90,828</u> |

The following is a summary of certain significant actuarial assumptions and other PERS information:

|                               |                     |
|-------------------------------|---------------------|
| Actuarial valuation date      | July 1, 2008        |
| Actuarial cost method         | Entry age normal    |
| Amortization method           | Level Dollar        |
| Remaining amortization period | 20 years declining  |
| Asset valuation method        | Adjusted Fair Value |
| Actuarial assumptions:        |                     |
| Investment rate of return*    | 8.0% per annum      |
| Projected salary increases    | 4.0% per annum      |

\*Includes inflation at a rate of 2.5%.

#### E. Trend Information

| <u>Fiscal<br/>Year<br/>Ended</u> | <u>Annual<br/>Pension<br/>Cost<br/>(APC)</u> | <u>Actual<br/>Contribution</u> | <u>Percentage<br/>of APC<br/>Contributed</u> | <u>Net<br/>Pension<br/>Obligation<br/>(Asset)</u> |
|----------------------------------|--|--------------------------------|--|---|
| 6/30/08                          | \$ 298,601                                   | \$ 299,515                     | 100.3%                                       | \$ 91,994   |
| 6/30/09                          | 290,855                                      | 291,266                        | 100.1  | 91,583  |
| 6/30/10                          | 275,203                                      | 275,958                        | 100.3  | 90,828  |

## F. Pension Plan Required Supplementary Information

### Schedule of Funding Progress

| <u>Actuarial Valuation Date</u> | <u>Actuarial Value of Assets (a)</u> | <u>Actuarial Accrued Liability(AAL) (b)</u> | <u>Excess of Assets Over AAL (a-b)</u> | <u>Funded Ratio (a/b)</u> | <u>Covered Payroll (c)</u> | <u>Excess as a % of Covered Payroll ((a-b)/c)</u> |
|---------------------------------|--------------------------------------|---|--|---------------------------|----------------------------|---|
| 7/1/02                          | \$ 6,342,632                         | \$ 7,338,622                                | \$ (995,990)                           | 86.4%                     | \$ 3,142,265               | (31.7)%   |
| 7/1/04                          | 7,602,992                            | 9,239,604                                   | (1,636,612)                            | 82.3                      | 3,316,245                  | (49.4)  |
| 7/1/05                          | 8,236,615                            | 9,918,890                                   | (1,682,275)                            | 83.0                      | 3,232,478                  | (52.0)  |
| 7/1/06                          | 8,236,615                            | 9,918,890                                   | (1,682,275)                            | 83.0                      | 3,232,478                  | (52.0)  |
| 7/1/07                          | 10,100,140                           | 12,094,823                                  | (1,994,683)                            | 83.5                      | 3,680,749                  | (54.2)  |
| 7/1/08                          | 11,082,294                           | 12,948,590                                  | (1,866,296)                            | 85.6                      | 3,619,257                  | (51.6)  |

### Schedule of Employer Contributions

|         | <u>Annual Required Contribution</u> | <u>Percentage Contributed</u> |
|---------|-------------------------------------|-------------------------------|
| 6/30/05 | \$ 286,552                          | 100%                          |
| 6/30/06 | 285,404                             | 100%                          |
| 6/30/07 | 307,277                             | 100%                          |
| 6/30/08 | 299,515                             | 100%                          |
| 6/30/09 | 291,266                             | 100%                          |
| 6/30/10 | 275,958                             | 100%                          |

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation is presented in Section D above.

## G. Teachers' Retirement

All Town of Granby Board of Education certified employees participate in the State of Connecticut Teachers' Retirement System under Section 10.183 of the General Statutes of the State of Connecticut. A teacher is eligible to receive a normal retirement benefit if he or she has: 1) attained age 60 and has accumulated 20 years of credited service in the public schools of Connecticut, or 2) attained any age and has accumulated 35 years of credited service, at least 25 years of which are service in the public schools of Connecticut.

The Board of Education withholds 7.25% of all teachers' annual salaries and transmits the funds to the State Teachers' Retirement Board. Teacher payroll subject to retirement amounted to \$12,709,683 or 75.1% of the total Board of Education payroll of \$16,927,570. The retirement system for teachers is funded by the State based upon the recommendation of the Teachers' Retirement Board. Such contribution includes amortization of actuarially computed unfunded liability. The Town does not have any liability for teacher pensions. For the year ended June 30, 2010, the Town has recorded, in the General Fund, intergovernmental revenue and education expenditures in the amount of \$1,966,118 as payments made by the State of Connecticut on behalf of the Town.

The State of Connecticut Teacher Retirement System is considered to be a part of the State of Connecticut financial reporting entity and is included in the State's financial reports as a pension trust fund. Those reports may be obtained by writing to the State of Connecticut, Office of the State Comptroller, 55 Elm Street, Hartford, Connecticut 06106.

**15. OTHER POSTEMPLOYMENT BENEFITS - RETIREE HEALTH CARE PLAN**

**A. Plan Description**

The Town and Board of Education provide postretirement health care benefits, in accordance with various labor and personnel contracts, to employees meeting specific service and age requirements. The postretirement health care benefits program is considered to be part of the Town's financial reporting entity and is included in the Town's financial report as the Other Post Employment Benefits Trust Fund. The postretirement health care plan is a single-employer defined benefit plan administered by the Town of Granby. The Town does not issue stand-alone financial statements for this program.

At July 1, 2009, plan membership consisted of the following:

|                     |                   |
|---------------------|-------------------|
| Active plan members | 284               |
| Retired members     | <u>90</u>         |
| Total Participants  | <u><u>374</u></u> |

**B. Funding Policy**

The Town's funding and payment of postemployment benefits for the year ended June 30, 2010 are accounted for in the Other Post Employment Benefits Trust Fund. The contribution requirements of plan members and the Town are also negotiated with the various unions representing the employees.

### C. Annual OPEB Cost and Net OPEB Obligations

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

|  | <b>Retiree<br/>Healthcare<br/>Plan</b> |
|--|--|
| Annual required contribution (ARC)         | \$ 688,000                             |
| Interest on net OPEB obligation            | 35,700                                 |
| Adjustment to annual required contribution | (26,999)                               |
| Annual OPEB cost                           | 696,701                                |
| Contributions made                         | 604,000                                |
| Increase in net OPEB obligation            | 92,701                                 |
| Net OPEB obligation, beginning of year     | 476,000                                |
| Net OPEB Obligation, End of Year           | \$ 568,701                             |

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as accrual results are compared with past expectations and new estimates are made about the future.

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation are presented below. Data is only presented for two fiscal years due to the fiscal year ended June 30, 2010 being the second year of transition.

| <b>Fiscal<br/>Year<br/>Ended</b> | <b>Annual<br/>OPEB<br/>Cost (AOC)</b> | <b>Actual<br/>Contribution</b> | <b>Percentage<br/>of AOC<br/>Contributed</b> | <b>Net<br/>OPEB<br/>Obligation</b> |
|----------------------------------|---------------------------------------|--------------------------------|--|------------------------------------|
| 6/30/2009                        | \$ 973,000                            | \$ 497,000                     | 51.08%                                       | \$ 476,000                         |
| 6/30/2010                        | 696,701                               | 604,000                        | 86.69  | 568,701                            |

### Schedule of Funding Progress

| <b>Actuarial<br/>Valuation<br/>Date</b> | <b>Actuarial<br/>Value of<br/>Assets<br/>(a)</b> | <b>Actuarial<br/>Accrued<br/>Liability(AAL)<br/>(b)</b> | <b>Funded<br/>(Unfunded)<br/>AAL<br/>(UAAL)<br/>(a-b)</b> | <b>Percentage<br/>Funded<br/>(a/b)</b> | <b>Covered<br/>Payroll<br/>(c)</b> | <b>UAAL<br/>as a % of<br/>Covered<br/>Payroll<br/>((a-b)/c)</b> |
|---|--|---|---|--|------------------------------------|---|
| 7/1/07                                  | \$ -   | \$ 1,963,000  | \$ (1,963,000)  | 0.0%                                   | N/A                                | N/A   |
| 7/1/09                                  | -  | 6,323,000   | (6,323,000)   | 0.0                                    | N/A                                | N/A   |

### Schedule of Employer Contributions

| <u>Year<br/>Ended<br/>June 30,</u> |    | <u>Annual<br/>Required<br/>Contribution</u> | <u>Percentage<br/>Contributed</u> |
|------------------------------------|----|---|-----------------------------------|
| 2009                               | \$ | 973,000                                     | 51.08%                            |
| 2010                               |    | 688,000                                     | 87.79                             |

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

In the July 1, 2009 actuarial valuation, the projected unit credit actuarial cost method was used. The annual required contribution (ARC) reflects a 30-year, level amortization of the unfunded actuarial accrued liability (AAL). The actuarial assumptions include a 7.5% interest rate and annual payroll growth rate of 4.6%. The annual healthcare cost trend rate is 9% initially with an ultimate rate of 5%.

**Required Supplementary  
Information**

## TOWN OF GRANBY, CONNECTICUT

**GENERAL FUND**  
**SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**

**FOR THE YEAR ENDED JUNE 30, 2010**

|   | <u>Budgeted Amounts</u> |                   | <u>Actual</u>     | <u>Variance<br/>Positive<br/>(Negative)</u> |
|---|-------------------------|-------------------|-------------------|---|
|   | <u>Original</u>         | <u>Final</u>      |                   |   |
| Property taxes:                                 |                         |                   |                   |   |
| Current year taxes                              | \$ 29,693,285           | \$ 29,693,285     | \$ 30,053,175     | \$ 359,890                                  |
| Prior year's taxes                              | 200,000                 | 200,000           | 257,398           | 57,398                                      |
| Supplemental motor vehicle                      | 270,000                 | 270,000           | 212,357           | (57,643)                                    |
| Total   | <u>30,163,285</u>       | <u>30,163,285</u> | <u>30,522,930</u> | <u>359,645</u>                              |
| Interest and lien fees                          | <u>115,000</u>          | <u>115,000</u>    | <u>143,681</u>    | <u>28,681</u>                               |
| Total property taxes                            | <u>30,278,285</u>       | <u>30,278,285</u> | <u>30,666,611</u> | <u>388,326</u>                              |
| Intergovernmental revenues:                     |                         |                   |                   |   |
| School transportation                           | 131,754                 | 131,754           | 74,529            | (57,225)                                    |
| Reimbursement of local tax disability exemption | 680                     | 680               | 954               | 274   |
| Manufacturing machines and equipment            | 68,000                  | 68,000            | 66,138            | (1,862)                                     |
| Elderly tax relief                              | 51,000                  | 51,000            | 59,529            | 8,529                                       |
| Education Equalization Grant                    | 5,394,276               | 5,394,276         | 4,587,219         | (807,057)                                   |
| ARRA Stabilization Grant                        |                         |                   | 769,574           | 769,574                                     |
| School Building Grant - interest and principal  | 447,933                 | 447,933           | 446,316           | (1,617)                                     |
| Excess grant - Special Education                | 362,058                 | 362,058           | 153,404           | (208,654)                                   |
| State owned property                            | 18,637                  | 18,637            | 18,669            | 32  |
| Veterans Exempt Grant                           | 3,000                   | 3,000             | 3,123             | 123   |
| Telephone Grant                                 | 35,000                  | 35,000            | 35,164            | 164   |
| Boat Grant                                      | 2,000                   | 2,000             | 1,084             | (916)                                       |
| Tuition other towns                             | 690,798                 | 690,798           | 801,368           | 110,570                                     |
| Pequot Indian Fund                              | 37,689                  | 37,689            | 26,526            | (11,163)                                    |
| Payment GHSC                                    | 6,000                   | 6,000             | 10,689            | 4,689                                       |
| Other   | 40,000                  | 40,000            | 138,399           | 98,399                                      |
| Total intergovernmental revenues                | <u>7,288,825</u>        | <u>7,288,825</u>  | <u>7,192,685</u>  | <u>(96,140)</u>                             |
| Investment income                               | <u>225,000</u>          | <u>225,000</u>    | <u>188,955</u>    | <u>(36,045)</u>                             |
| Local revenues:                                 |                         |                   |                   |   |
| Town Clerk fees                                 | 170,000                 | 170,000           | 217,863           | 47,863                                      |
| Planning and Zoning                             | 7,000                   | 7,000             | 9,730             | 2,730                                       |
| Zoning Board of Appeals                         | 1,000                   | 1,000             | 975               | (25)  |
| Building permits and licenses                   | 120,000                 | 120,000           | 124,107           | 4,107                                       |
| Inland wetlands                                 | 3,000                   | 3,000             | 824               | (2,176)                                     |
| Sale of maps and ordinances                     | 100                     | 100               |                   | (100)                                       |
| Driveway permits                                | 300                     | 300               | 90                | (210)                                       |
| Total local revenues                            | <u>301,400</u>          | <u>301,400</u>    | <u>353,589</u>    | <u>52,189</u>                               |

(Continued on next page)

## TOWN OF GRANBY, CONNECTICUT

**GENERAL FUND**  
**SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)**

**FOR THE YEAR ENDED JUNE 30, 2010**

|                                      | <u>Budgeted Amounts</u> |                      | <u>Actual</u>  | <u>Variance<br/>Positive<br/>(Negative)</u> |
|--------------------------------------|-------------------------|----------------------|----------------|---|
|                                      | <u>Original</u>         | <u>Final</u>         |                |   |
| Other revenues:                      |                         |                      |                |   |
| Snow plowing and grading             | \$ 4,000                | \$ 4,000             | \$ 3,917       | \$ (83)                                     |
| Photocopying                         | 1,500                   | 1,500                | 1,578          | 78  |
| Rents                                | 83,900                  | 83,900               | 79,501         | (4,399)                                     |
| Contracted building inspection       | 10,100                  | 10,100               | 10,100         | -   |
| Police dispatch services             | 26,790                  | 26,790               | 26,790         | -   |
| Police photos and records            | 1,000                   | 1,000                | 548            | (452)                                       |
| Library operations                   | 26,700                  | 26,700               | 26,172         | (528)                                       |
| Miscellaneous                        | 20,000                  | 20,000               | 65,888         | 45,888                                      |
| Returned checks fee                  | 350                     | 350                  | 395            | 45  |
| Bulky waste                          | 46,000                  | 46,000               | 58,454         | 12,454                                      |
| Pay for participation                | 32,500                  | 32,500               | 59,200         | 26,700                                      |
| Prior year unliquidated encumbrances |                         |                      | 80,020         | 80,020                                      |
| Total other revenues                 | <u>252,840</u>          | <u>252,840</u>       | <u>412,563</u> | <u>159,723</u>                              |
| Other financing sources:             |                         |                      |                |   |
| Transfers from other funds:          |                         |                      |                |   |
| Economic Development                 | 10,000                  | 10,000               | 10,000         | -   |
| Cossitt Library                      | 100                     | 100                  | 37             | (63)  |
| Total other financing sources        | <u>10,100</u>           | <u>10,100</u>        | <u>10,037</u>  | <u>(63)</u>                                 |
| Total                                | <u>\$ 38,356,450</u>    | <u>\$ 38,356,450</u> | 38,824,440     | <u>\$ 467,990</u>                           |

Budgetary revenues are different than GAAP revenues because:

State of Connecticut on-behalf contributions to the Connecticut State Teachers'

Retirement System for Town teachers are not budgeted

1,966,118

Cancellation of prior year encumbrances are recognized as budgetary revenue

(80,020)

Total Revenues and Other Financing Sources as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds - Exhibit IV

\$ 40,710,538

## TOWN OF GRANBY, CONNECTICUT

**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**

**FOR THE YEAR ENDED JUNE 30, 2010**

|                                       | <u>Budgeted Amounts</u> |                  | <u>Actual</u>    | <u>Variance<br/>Positive<br/>(Negative)</u> |
|---------------------------------------|-------------------------|------------------|------------------|---|
|                                       | <u>Original</u>         | <u>Final</u>     |                  |   |
| General government:                   |                         |                  |                  |   |
| General administration                | \$ 342,768              | \$ 342,768       | \$ 338,167       | \$ 4,601                                    |
| Legal fees                            | 19,000                  | 19,000           | 18,218           | 782   |
| Fringe benefits                       | 1,541,142               | 1,541,142        | 1,505,580        | 35,562                                      |
| Town Clerk operations                 | 130,998                 | 130,998          | 125,414          | 5,584                                       |
| Probate                               | 1,150                   | 1,150            | 1,150            | -   |
| Contingency                           | 16,000                  | 16,000           | 12,590           | 3,410                                       |
| Election services                     | 31,318                  | 31,318           | 21,089           | 10,229                                      |
| Boards and commissions                | 48,893                  | 48,893           | 45,651           | 3,242                                       |
| Revenue collections                   | 107,449                 | 107,449          | 105,759          | 1,690                                       |
| Property assessments                  | 172,521                 | 172,521          | 168,292          | 4,229                                       |
| Fiscal management                     | 275,379                 | 275,379          | 271,161          | 4,218                                       |
| Insurance                             | 306,247                 | 306,247          | 305,120          | 1,127                                       |
| Economic development                  | 10,000                  | 10,000           | 6,423            | 3,577                                       |
| Total general government              | <u>3,002,865</u>        | <u>3,002,865</u> | <u>2,924,614</u> | <u>78,251</u>                               |
| Public safety:                        |                         |                  |                  |   |
| Building inspection                   | 132,635                 | 132,635          | 126,096          | 6,539                                       |
| Fire prevention                       | 256,777                 | 256,777          | 249,524          | 7,253                                       |
| Emergency management                  | 800                     | 800              | 407              | 393   |
| Health services                       | 110,506                 | 110,506          | 110,504          | 2   |
| Police department administration      | 284,191                 | 284,191          | 241,304          | 42,887                                      |
| Police operations and services        | 1,073,500               | 1,073,500        | 1,040,171        | 33,329                                      |
| Communications and dispatching        | 291,274                 | 291,274          | 274,128          | 17,146                                      |
| Total public safety                   | <u>2,149,683</u>        | <u>2,149,683</u> | <u>2,042,134</u> | <u>107,549</u>                              |
| Public works and environment:         |                         |                  |                  |   |
| Public Works administration           | 158,044                 | 158,044          | 155,500          | 2,544                                       |
| General maintenance                   | 822,201                 | 822,201          | 812,762          | 9,439                                       |
| Solid waste and recycling             | 889,275                 | 889,275          | 875,361          | 13,914                                      |
| Equipment maintenance                 | 328,276                 | 328,276          | 302,170          | 26,106                                      |
| Street lights and signals             | 21,000                  | 21,000           | 19,537           | 1,463                                       |
| Planning and engineering services     | 51,000                  | 51,000           | 28,161           | 22,839                                      |
| Building maintenance and Town grounds | 546,515                 | 546,515          | 493,268          | 53,247                                      |
| Total public works                    | <u>2,816,311</u>        | <u>2,816,311</u> | <u>2,686,759</u> | <u>129,552</u>                              |
| Recreation and social services:       |                         |                  |                  |   |
| Library                               | 472,119                 | 472,119          | 457,911          | 14,208                                      |
| Social services                       | 89,515                  | 89,515           | 86,422           | 3,093                                       |

(Continued on next page)

## TOWN OF GRANBY, CONNECTICUT

**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)**

**FOR THE YEAR ENDED JUNE 30, 2010**

|   | <u>Budgeted Amounts</u> |                      | <u>Actual</u>     | <u>Variance</u>                      |
|---|-------------------------|----------------------|-------------------|--------------------------------------|
|   | <u>Original</u>         | <u>Final</u>         |                   | <u>Positive</u><br><u>(Negative)</u> |
| Recreation and social services (cont.): |                         |                      |                   |                                      |
| Recreation administration               | \$ 77,949               | \$ 77,949            | \$ 75,747         | \$ 2,202                             |
| Community support                       | 2,600                   | 2,600                | 2,360             | 240                                  |
| Senior citizen activities               | 79,083                  | 79,083               | 76,987            | 2,096                                |
| Total recreation and social services    | <u>721,266</u>          | <u>721,266</u>       | <u>699,427</u>    | <u>21,839</u>                        |
| Debt service                            | <u>4,312,936</u>        | <u>4,312,936</u>     | <u>4,302,934</u>  | <u>10,002</u>                        |
| Education                               | <u>26,667,594</u>       | <u>26,637,594</u>    | <u>26,299,416</u> | <u>338,178</u>                       |
| Total budgeted expenditures             | <u>39,670,655</u>       | <u>39,640,655</u>    | <u>38,955,284</u> | <u>685,371</u>                       |
| Other financing uses:                   |                         |                      |                   |                                      |
| Transfers out:                          |                         |                      |                   |                                      |
| Capital Equipment                       | 765,000                 | 765,000              | 765,000           | -                                    |
| Open space                              |                         | 55,000               | 55,000            | -                                    |
| Cossit improvement                      |                         | 140,000              | 140,000           | -                                    |
| Senior activity                         | 20,000                  | 46,998               | 46,998            | -                                    |
| Board of Education severance            |                         | 30,000               | 30,000            | -                                    |
| Emergency management                    | 5,000                   | 5,000                | 5,000             | -                                    |
| Dog fund                                | 5,000                   | 5,000                | 5,000             | -                                    |
| Youth services                          | 46,795                  | 46,795               | 46,795            | -                                    |
| Tri-Town cable                          | 5,000                   | 5,000                | 5,000             | -                                    |
| Total other financing uses              | <u>846,795</u>          | <u>1,098,793</u>     | <u>1,098,793</u>  | <u>-</u>                             |
| Total Budgeted Operations               | <u>\$ 40,517,450</u>    | <u>\$ 40,739,448</u> | 40,054,077        | <u>\$ 685,371</u>                    |

Budgetary expenditures are different than GAAP expenditures because:

|  |                |
|--|----------------|
| State of Connecticut on-behalf payments to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted  | 1,966,118      |
| Encumbrances for purchases and commitments ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year received for financial reporting purposes | (346,741)      |
| Encumbrances for purchases and commitments ordered in the previous year, that were received and liquidated in the current year, are reported for financial statement reporting purposes            | <u>287,572</u> |

Total Expenditures and Other Financing Uses as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds - Exhibit IV

\$ 41,961,026

**Combining and Individual  
Fund Statements and Schedules**

**General Fund**

## **GENERAL FUND**

The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund budget is legally adopted at the Annual Town Meeting. The General Fund utilizes the modified accrual basis of accounting.

**TOWN OF GRANBY, CONNECTICUT**  
**GENERAL FUND**  
**COMPARATIVE BALANCE SHEET**

**JUNE 30, 2010 AND 2009**

|  | <u>2010</u>          | <u>2009</u>          |
|--|----------------------|----------------------|
| <b>ASSETS</b>                            |                      |                      |
| Cash and cash equivalents                | \$ 6,353,305         | \$ 4,150,571         |
| Investments                              | 5,917,623            | 8,942,205            |
| Property taxes receivable, net           | 366,520              | 369,606              |
| Interest receivable                      | 70,708               | 66,514               |
| Intergovernmental receivables            | 259,555              | 669,025              |
| Other receivables                        | 214,162              |                      |
| Due from other funds                     | <u>229,981</u>       | <u>147,511</u>       |
| Total Assets                             | <u>\$ 13,411,854</u> | <u>\$ 14,345,432</u> |
| <b>LIABILITIES AND FUND BALANCE</b>      |                      |                      |
| Liabilities:                             |                      |                      |
| Accounts payable and accrued liabilities | \$ 1,065,447         | \$ 178,029           |
| Due to other funds                       | 7,250,766            | 7,311,640            |
| Deferred revenues                        | 625,357              | 1,067,206            |
| Advanced collections                     | <u>34,276</u>        | <u>102,061</u>       |
| Total liabilities                        | <u>8,975,846</u>     | <u>8,658,936</u>     |
| Fund equity:                             |                      |                      |
| Fund balance:                            |                      |                      |
| Reserved for encumbrances                | 346,741              | 367,592              |
| Unreserved:                              |                      |                      |
| Designated for subsequent year's budget  | 1,655,000            | 2,161,000            |
| Undesignated                             | <u>2,434,267</u>     | <u>3,157,904</u>     |
| Total fund balance                       | <u>4,436,008</u>     | <u>5,686,496</u>     |
| Total Liabilities and Fund Balance       | <u>\$ 13,411,854</u> | <u>\$ 14,345,432</u> |

## TOWN OF GRANBY, CONNECTICUT

GENERAL FUND  
REPORT OF TAX COLLECTOR

FOR THE YEAR ENDED JUNE 30, 2010

| Grand List | Current Levy  | Uncollected Taxes July 1, 2009 | Lawful Corrections |            | Transfers To Suspense | Adjusted Taxes Collectible | Collections                                    | Uncollected Taxes June 30, 2010 |  |
|------------|---------------|--------------------------------|--------------------|------------|-----------------------|----------------------------|--|---------------------------------|--|
|            |               |                                | Additions          | Deductions |                       |                            |  |                                 |  |
| 2008       | \$ 30,889,640 | \$                             | \$ 69,475          | \$ 451,715 | \$ -                  | \$ 30,507,400              | \$ 30,232,680                                  | \$ 274,720                      |  |
| 2007       |               | 301,634                        | 5,713              | 1,714      | 4,036                 | 301,597                    | 187,262  | 114,335                         |  |
| 2006       |               | 91,106                         | 330                | 369        | 8,939                 | 82,128                     | 60,668   | 21,460                          |  |
| 2005       |               | 21,681                         |                    |            | 5,868                 | 15,813                     | 12,600   | 3,213                           |  |
| 2004       |               | 1,986                          |                    |            | 927                   | 1,059                      | 361  | 698                             |  |
| 2003       |               | 1,041                          |                    |            | 213                   | 828                        | 468  | 360                             |  |
| 2002       |               | 475                            |                    |            |                       | 475                        | 424  | 51                              |  |
| 2001       |               | 34                             |                    |            |                       | 34                         |  | 34                              |  |
| 2000       |               | 33                             |                    |            |                       | 33                         |  | 33                              |  |
| 1999       |               | 31                             |                    |            |                       | 31                         |  | 31                              |  |
| 1998       |               | 30                             |                    |            |                       | 30                         |  | 30                              |  |
| 1997       |               | 35                             |                    |            |                       | 35                         |  | 35                              |  |
| Total      | \$ 30,889,640 | \$ 418,086                     | \$ 75,518          | \$ 453,798 | \$ 19,983             | \$ 30,909,463              | 30,494,463                                     | \$ 415,000                      |  |
|            |               |                                |                    |            |                       |                            | Interest, liens and fees collections           | 136,229                         |  |
|            |               |                                |                    |            |                       |                            | Suspense collections                           | 2,432                           |  |
|            |               |                                |                    |            |                       |                            | Total collections                              | 30,633,124                      |  |
|            |               |                                |                    |            |                       |                            | Property taxes receivable considered available |                                 |  |
|            |               |                                |                    |            |                       |                            | June 30, 2009                                  | (37,939)                        |  |
|            |               |                                |                    |            |                       |                            | June 30, 2010                                  | 71,426                          |  |
|            |               |                                |                    |            |                       |                            | Total Property Tax Revenue                     | \$ 30,666,611                   |  |

**Nonmajor  
Governmental Funds**

**NONMAJOR GOVERNMENTAL FUNDS**

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are restricted to expenditures for specified purposes. The Special Revenue Funds utilize the modified accrual basis of accounting.

| <b>Fund</b>                             | <b>Funding Source</b>                                  | <b>Function</b>  |
|---|--|--|
| Capital Nonrecurring Expenditures       | Various funding sources                                | Set asides for economic development and major capital projects |
| Dog                                     | License fees and State grants                          | Animal population control                                      |
| Town Aid Road                           | State and Federal grant                                | Construction and maintenance of roads                          |
| Senior Activity                         | User fees grants and donations                         | Fund various senior activities                                 |
| LOCIP                                   | State grant  | Capital Improvement Fund                                       |
| Solid Waste Sanitation                  | Licenses, fees and investment income                   | Operation of Town's solid waste disposal program               |
| Sidewalk and Beautification Improvement | Donations and investment income                        | Improve sidewalks and other Town property                      |
| Local Assistance                        | Donations  | Provide support for low income individuals                     |
| Open Space                              | Sale of land and investment income                     | Preserve undeveloped land                                      |
| Police Community Education              | Donations  | Public safety education  |
| Public Schools                          | Various funding sources                                | Various educational support programs                           |
| Revaluation                             | Investment income and transfers                        | Fund property revaluation                                      |
| Small Cities Block Grant                | Federal grant  | Rehabilitation of private residential structures               |
| Police Forfeited Property               | Assets seized by police in drug enforcement activities | Police enforcement   |
| Youth Services Grant                    | State grant  | Youth and community activities                                 |
| Cafeteria                               | Federal, State and local                               | School lunch programs  |
| Ambulance Association                   | Fees   | Administer salaries and benefits for ambulance employees       |
| Federal and State Educational Grants    | State and Federal grants                               | Education programs   |
| Sewer Utility                           | User fees  | Operation of sewer system                                      |
| Communications                          | Fees from cell phone companies                         | Maintenance of cell towers                                     |
| Police Grants                           | State and Federal grants                               | Various police support programs                                |
| Education Quality and Diversity         | State and Federal grants                               | Educational support programs                                   |
| Board of Education Severance            | Transfers  | Account for severance payments to retired board employees      |
| Contractor Payment                      | Licenses, fees and charges                             | Account for police and engineering contract fees               |
| Granby Public Library                   | State grants and contributions                         | Support of Town library  |
| Parks and Recreation                    | Licenses, fees and charges                             | Administration of recreational services                        |
| Playground Improvements                 | Donations  | Improve Town playgrounds                                       |
| Dog Park                                | Donations  | Construct and maintain Town dog parks                          |
| Historic Documents                      | State grant  | Preservation of Town's records                                 |
| Trail Link                              | State and Federal grants                               | Construct recreational trails                                  |
| COPS Secure Our Schools                 | State and Federal grants                               | School security  |
| Cossitt Improvement                     | Various funding sources                                | Library repairs  |
| Senior Center Initiative                | Private grants   | Services for Seniors and Youths                                |
| Tri-Town Cable Television               | Other governments and transfers from General Fund      | Create a Cable TV committee and channel                        |
| Agricultural                            | Various funding sources                                | Promote local agriculture activity                             |
| Emergency Management                    | Local, State and Federal grants                        | Manage and coordinate large scale emergency operations         |

Debt Service Fund is used to account for the accumulation of resources for debt payments.

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government's programs.

| <b>Fund</b>        | <b>Funding Source</b> | <b>Function</b>            |
|--------------------|-----------------------|----------------------------|
| Universal Cemetery | Investment income     | Maintain Town's cemeteries |
| Cossitt Library    | Investment income     | Maintain Cossitt Library   |

**TOWN OF GRANBY, CONNECTICUT  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET**

**JUNE 30, 2010**

Special Revenue Funds

|  | <u>Capital<br/>Nonrecurring<br/>Expenditures</u> | <u>Dog</u>       | <u>Town Aid<br/>Road</u> | <u>Senior<br/>Activity</u> | <u>LOCIP</u>      | <u>Solid Waste<br/>Sanitation</u> | <u>Sidewalk<br/>and<br/>Beautification<br/>Improvement</u> | <u>Local<br/>Assistance</u> |
|--|--|------------------|--------------------------|----------------------------|-------------------|-----------------------------------|--|-----------------------------|
| <b>ASSETS</b>                              |  |                  |                          |                            |                   |                                   |  |                             |
| Cash and cash equivalents                  | \$   | \$               | \$                       | \$                         | \$                | \$                                | \$   | \$                          |
| Due from other governments                 |  |                  |                          |                            | 177,217           |                                   |  |                             |
| Due from other funds                       | 180,535  | 20,997           | 136,006                  | 120,903                    |                   | 524,803                           | 92,166   | 2,989                       |
| Inventories                                |  |                  |                          |                            |                   |                                   |  |                             |
| <b>Total Assets</b>                        | <b>\$ 180,535</b>                                | <b>\$ 20,997</b> | <b>\$ 136,006</b>        | <b>\$ 120,903</b>          | <b>\$ 177,217</b> | <b>\$ 524,803</b>                 | <b>\$ 92,166</b>   | <b>\$ 2,989</b>             |
| <b>LIABILITIES AND FUND BALANCES</b>       |  |                  |                          |                            |                   |                                   |  |                             |
| <b>Liabilities:</b>                        |  |                  |                          |                            |                   |                                   |  |                             |
| Accounts payable and accrued liabilities   | \$   | \$ 6,887         | \$                       | \$                         | \$                | \$                                | \$   | \$                          |
| Due to other funds                         |  |                  |                          |                            | 177,217           |                                   |  |                             |
| Deferred revenue                           |  |                  |                          |                            |                   |                                   |  |                             |
| <b>Total liabilities</b>                   | <b>-</b>   | <b>6,887</b>     | <b>-</b>                 | <b>-</b>                   | <b>177,217</b>    | <b>-</b>                          | <b>-</b>   | <b>-</b>                    |
| <b>Fund Balances:</b>                      |  |                  |                          |                            |                   |                                   |  |                             |
| <b>Reserved:</b>                           |  |                  |                          |                            |                   |                                   |  |                             |
| Inventory                                  |  |                  |                          |                            |                   |                                   |  |                             |
| Trust funds                                |  |                  |                          |                            |                   |                                   |  |                             |
| Debt service                               |  |                  |                          |                            |                   |                                   |  |                             |
| <b>Unreserved:</b>                         |  |                  |                          |                            |                   |                                   |  |                             |
| Designated                                 | 180,535  |                  |                          |                            |                   |                                   |  |                             |
| Undesignated                               |  | 14,110           | 136,006                  | 120,903                    |                   | 524,803                           | 92,166   | 2,989                       |
| <b>Total fund balance</b>                  | <b>180,535</b>                                   | <b>14,110</b>    | <b>136,006</b>           | <b>120,903</b>             | <b>-</b>          | <b>524,803</b>                    | <b>92,166</b>  | <b>2,989</b>                |
| <b>Total Liabilities and Fund Balances</b> | <b>\$ 180,535</b>                                | <b>\$ 20,997</b> | <b>\$ 136,006</b>        | <b>\$ 120,903</b>          | <b>\$ 177,217</b> | <b>\$ 524,803</b>                 | <b>\$ 92,166</b>   | <b>\$ 2,989</b>             |

(Continued on next page)

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

**JUNE 30, 2010**

Special Revenue Funds

|  | <u>Open<br/>Space</u> | <u>Police<br/>Community<br/>Education</u> | <u>Public<br/>Schools</u> | <u>Revaluation</u> | <u>Small<br/>Cities<br/>Block<br/>Grant</u> | <u>Police<br/>Forfeited<br/>Property</u> | <u>Youth<br/>Services<br/>Grant</u> | <u>Cafeteria</u> |
|--|-----------------------|---|---------------------------|--------------------|---|--|-------------------------------------|------------------|
| <b>ASSETS</b>                              |                       |   |                           |                    |   |  |                                     |                  |
| Cash and cash equivalents                  | \$                    | \$  | \$ 9,949                  | \$                 | \$ 5,811                                    | \$                                       | \$                                  | \$ 58,437        |
| Due from other governments                 |                       |   |                           |                    |   |  |                                     | 12,173           |
| Due from other funds                       | 8,711                 | 22,749                                    |                           | 5,146              |   | 6,011                                    | 82,747                              |                  |
| Inventories                                |                       |   |                           |                    |   |  |                                     | 1,784            |
| <b>Total Assets</b>                        | <b>\$ 8,711</b>       | <b>\$ 22,749</b>                          | <b>\$ 9,949</b>           | <b>\$ 5,146</b>    | <b>\$ 5,811</b>                             | <b>\$ 6,011</b>                          | <b>\$ 82,747</b>                    | <b>\$ 72,394</b> |
| <b>LIABILITIES AND FUND BALANCES</b>       |                       |   |                           |                    |   |  |                                     |                  |
| <b>Liabilities:</b>                        |                       |   |                           |                    |   |  |                                     |                  |
| Accounts payable and accrued liabilities   | \$                    | \$  | \$                        | \$                 | \$  | \$                                       | \$                                  | \$ 30,075        |
| Due to other funds                         |                       |   |                           |                    |   |  |                                     |                  |
| Deferred revenue                           |                       |   |                           |                    | 5,811                                       |  |                                     |                  |
| <b>Total liabilities</b>                   | <b>-</b>              | <b>-</b>                                  | <b>-</b>                  | <b>-</b>           | <b>5,811</b>                                | <b>-</b>                                 | <b>-</b>                            | <b>30,075</b>    |
| <b>Fund Balances:</b>                      |                       |   |                           |                    |   |  |                                     |                  |
| <b>Reserved:</b>                           |                       |   |                           |                    |   |  |                                     |                  |
| Inventory                                  |                       |   |                           |                    |   |  |                                     | 1,784            |
| Trust funds                                |                       |   |                           |                    |   |  |                                     |                  |
| Debt service                               |                       |   |                           |                    |   |  |                                     |                  |
| <b>Unreserved:</b>                         |                       |   |                           |                    |   |  |                                     |                  |
| Designated                                 | 8,711                 |   |                           |                    |   |  |                                     |                  |
| Undesignated                               |                       | 22,749                                    | 9,949                     | 5,146              |   | 6,011                                    | 82,747                              | 40,535           |
| <b>Total fund balance</b>                  | <b>8,711</b>          | <b>22,749</b>                             | <b>9,949</b>              | <b>5,146</b>       | <b>-</b>                                    | <b>6,011</b>                             | <b>82,747</b>                       | <b>42,319</b>    |
| <b>Total Liabilities and Fund Balances</b> | <b>\$ 8,711</b>       | <b>\$ 22,749</b>                          | <b>\$ 9,949</b>           | <b>\$ 5,146</b>    | <b>\$ 5,811</b>                             | <b>\$ 6,011</b>                          | <b>\$ 82,747</b>                    | <b>\$ 72,394</b> |

(Continued on next page)

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

**JUNE 30, 2010**

Special Revenue Funds

|  | <u>Ambulance<br/>Association</u> | <u>Federal<br/>and State<br/>Educational<br/>Grants</u> | <u>Sewer<br/>Utility</u> | <u>Communications</u> | <u>Police<br/>Grants</u> | <u>Education<br/>Quality and<br/>Diversity</u> | <u>Board of<br/>Education<br/>Severance</u> | <u>Contractor<br/>Payment</u> |
|--|----------------------------------|---|--------------------------|-----------------------|--------------------------|--|---|-------------------------------|
| <b>ASSETS</b>                              |                                  |   |                          |                       |                          |  |   |                               |
| Cash and cash equivalents                  | \$                               | \$ 377,234  | \$                       | \$                    | \$                       | \$   | \$  | \$                            |
| Due from other governments                 |                                  |   |                          |                       | 7,508                    |  |   |                               |
| Due from other funds                       |                                  |   | 289,575                  | 85,990                |                          | 362,274  | 125,046                                     | 31,749                        |
| Inventories                                |                                  |   |                          |                       |                          |  |   |                               |
| <b>Total Assets</b>                        | <u>\$ -</u>                      | <u>\$ 377,234</u>                                       | <u>\$ 289,575</u>        | <u>\$ 85,990</u>      | <u>\$ 7,508</u>          | <u>\$ 362,274</u>                              | <u>\$ 125,046</u>                           | <u>\$ 31,749</u>              |
| <b>LIABILITIES AND FUND BALANCES</b>       |                                  |   |                          |                       |                          |  |   |                               |
| Liabilities:                               |                                  |   |                          |                       |                          |  |   |                               |
| Accounts payable and accrued liabilities   | \$                               | \$ 115,398  | \$                       | \$                    | \$                       | \$   | \$  | \$                            |
| Due to other funds                         |                                  | 530   |                          |                       | 6,971                    |  |   |                               |
| Deferred revenue                           |                                  | 125,255   |                          |                       |                          |  |   |                               |
| <b>Total liabilities</b>                   |                                  | <u>530</u>  | <u>-</u>                 | <u>-</u>              | <u>6,971</u>             | <u>-</u>                                       | <u>-</u>                                    | <u>-</u>                      |
| Fund Balances:                             |                                  |   |                          |                       |                          |  |   |                               |
| Reserved:                                  |                                  |   |                          |                       |                          |  |   |                               |
| Inventory                                  |                                  |   |                          |                       |                          |  |   |                               |
| Trust funds                                |                                  |   |                          |                       |                          |  |   |                               |
| Debt service                               |                                  |   |                          |                       |                          |  |   |                               |
| Unreserved:                                |                                  |   |                          |                       |                          |  |   |                               |
| Designated                                 |                                  |   |                          |                       | 537                      |  | 125,046                                     |                               |
| Undesignated                               | (530)                            | 95,095  | 289,575                  | 85,990                |                          | 362,274  |   | 31,749                        |
| <b>Total fund balance</b>                  | <u>(530)</u>                     | <u>95,095</u>   | <u>289,575</u>           | <u>85,990</u>         | <u>537</u>               | <u>362,274</u>                                 | <u>125,046</u>                              | <u>31,749</u>                 |
| <b>Total Liabilities and Fund Balances</b> | <u>\$ -</u>                      | <u>\$ 377,234</u>                                       | <u>\$ 289,575</u>        | <u>\$ 85,990</u>      | <u>\$ 7,508</u>          | <u>\$ 362,274</u>                              | <u>\$ 125,046</u>                           | <u>\$ 31,749</u>              |

(Continued on next page)

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

**JUNE 30, 2010**

Special Revenue Funds

|  | <u>Granby<br/>Public<br/>Library</u> | <u>Parks<br/>and<br/>Recreation</u> | <u>Playground<br/>Improvements</u> | <u>Dog<br/>Park</u> | <u>Historic<br/>Documents</u> | <u>Trail<br/>Link</u> | <u>COPS<br/>Secure<br/>Our Schools</u> | <u>Cossitt<br/>Improvement</u> |
|--|--------------------------------------|-------------------------------------|------------------------------------|---------------------|-------------------------------|-----------------------|--|--------------------------------|
| <b>ASSETS</b>                              |                                      |                                     |                                    |                     |                               |                       |  |                                |
| Cash and cash equivalents                  | \$                                   | \$                                  | \$                                 | \$                  | \$                            | \$                    | \$                                     | \$                             |
| Due from other governments                 |                                      |                                     |                                    |                     |                               |                       |  |                                |
| Due from other funds                       | 5,606                                | 133,010                             | 406                                | 6,844               | 14,104                        | 248,438               | 12,849                                 | 131,779                        |
| Inventories                                |                                      |                                     |                                    |                     |                               |                       |  |                                |
| <b>Total Assets</b>                        | <u>\$ 5,606</u>                      | <u>\$ 133,010</u>                   | <u>\$ 406</u>                      | <u>\$ 6,844</u>     | <u>\$ 14,104</u>              | <u>\$ 248,438</u>     | <u>\$ 12,849</u>                       | <u>\$ 131,779</u>              |
| <b>LIABILITIES AND FUND BALANCES</b>       |                                      |                                     |                                    |                     |                               |                       |  |                                |
| Liabilities:                               |                                      |                                     |                                    |                     |                               |                       |  |                                |
| Accounts payable and accrued liabilities   | \$                                   | \$                                  | \$                                 | \$                  | \$                            | \$                    | \$                                     | \$                             |
| Due to other funds                         |                                      |                                     |                                    |                     |                               |                       |  |                                |
| Deferred revenue                           |                                      |                                     |                                    |                     |                               |                       |  |                                |
| Total liabilities                          | <u>-</u>                             | <u>-</u>                            | <u>-</u>                           | <u>-</u>            | <u>-</u>                      | <u>-</u>              | <u>-</u>                               | <u>-</u>                       |
| Fund Balances:                             |                                      |                                     |                                    |                     |                               |                       |  |                                |
| Reserved:                                  |                                      |                                     |                                    |                     |                               |                       |  |                                |
| Inventory                                  |                                      |                                     |                                    |                     |                               |                       |  |                                |
| Trust funds                                |                                      |                                     |                                    |                     |                               |                       |  |                                |
| Debt service                               |                                      |                                     |                                    |                     |                               |                       |  |                                |
| Unreserved:                                |                                      |                                     |                                    |                     |                               |                       |  |                                |
| Designated                                 |                                      |                                     |                                    |                     |                               |                       | 12,849                                 |                                |
| Undesignated                               | 5,606                                | 133,010                             | 406                                | 6,844               | 14,104                        | 248,438               |  | 131,779                        |
| Total fund balance                         | <u>5,606</u>                         | <u>133,010</u>                      | <u>406</u>                         | <u>6,844</u>        | <u>14,104</u>                 | <u>248,438</u>        | <u>12,849</u>                          | <u>131,779</u>                 |
| <b>Total Liabilities and Fund Balances</b> | <u>\$ 5,606</u>                      | <u>\$ 133,010</u>                   | <u>\$ 406</u>                      | <u>\$ 6,844</u>     | <u>\$ 14,104</u>              | <u>\$ 248,438</u>     | <u>\$ 12,849</u>                       | <u>\$ 131,779</u>              |

(Continued on next page)

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

**JUNE 30, 2010**

Special Revenue Funds

|  | <u>Senior<br/>Center<br/>Initiative</u> | <u>Tri-Town<br/>Cable<br/>Television</u> | <u>Agricultural</u> | <u>Emergency<br/>Management</u> | <u>Total</u> |
|--|---|--|---------------------|---------------------------------|--------------|
| <b>ASSETS</b>                            |   |  |                     |                                 |              |
| Cash and cash equivalents                |   |  |                     |                                 | \$ 451,431   |
| Due from other governments               |   |  |                     |                                 | 196,898      |
| Due from other funds                     |   | 135                                      | 4,820               |                                 | 2,656,388    |
| Inventories                              |   |  |                     |                                 | 1,784        |
| Total Assets                             | \$ -                                    | 135                                      | 4,820               | -                               | \$ 3,306,501 |
| <b>LIABILITIES AND FUND BALANCES</b>     |   |  |                     |                                 |              |
| Liabilities:                             |   |  |                     |                                 |              |
| Accounts payable and accrued liabilities |   |  |                     |                                 | \$ 152,360   |
| Due to other funds                       |   |  |                     | 3,777                           | 229,981      |
| Deferred revenue                         |   |  |                     |                                 | 131,066      |
| Total liabilities                        | -                                       | -  | -                   | 3,777                           | 513,407      |
| Fund Balances:                           |   |  |                     |                                 |              |
| Reserved:                                |   |  |                     |                                 |              |
| Inventory                                |   |  |                     |                                 | 1,784        |
| Trust funds                              |   |  |                     |                                 | -            |
| Debt service                             |   |  |                     |                                 | -            |
| Unreserved:                              |   |  |                     |                                 |              |
| Designated                               |   |  |                     |                                 | 327,678      |
| Undesignated                             | -                                       | 135                                      | 4,820               | (3,777)                         | 2,463,632    |
| Total fund balance                       | -                                       | 135                                      | 4,820               | (3,777)                         | 2,793,094    |
| Total Liabilities and Fund Balances      | \$ -                                    | 135                                      | 4,820               | -                               | \$ 3,306,501 |

(Continued on next page)

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

**JUNE 30, 2010**

|  | Permanent Funds   |                       |                    |                  | Total<br>Nonmajor<br>Governmental<br>Funds |
|--|-------------------|-----------------------|--------------------|------------------|--|
|  | Debt<br>Service   | Universal<br>Cemetery | Cossitt<br>Library | Total            |  |
| <b>ASSETS</b>                              |                   |                       |                    |                  |  |
| Cash and cash equivalents                  | \$                | \$                    | \$                 | \$ -             | \$ 451,431                                 |
| Due from other governments                 |                   |                       |                    | -                | 196,898                                    |
| Due from other funds                       | 773,638           | 12,894                | 4,223              | 17,117           | 3,447,143                                  |
| Inventories                                |                   |                       |                    | -                | 1,784                                      |
| <b>Total Assets</b>                        | <b>\$ 773,638</b> | <b>\$ 12,894</b>      | <b>\$ 4,223</b>    | <b>\$ 17,117</b> | <b>\$ 4,097,256</b>                        |
| <b>LIABILITIES AND FUND BALANCES</b>       |                   |                       |                    |                  |  |
| <b>Liabilities:</b>                        |                   |                       |                    |                  |  |
| Accounts payable and accrued liabilities   | \$                | \$                    | \$                 | \$ -             | \$ 152,360                                 |
| Due to other funds                         |                   |                       |                    | -                | 229,981                                    |
| Deferred revenue                           |                   |                       |                    | -                | 131,066                                    |
| <b>Total liabilities</b>                   | <b>-</b>          | <b>-</b>              | <b>-</b>           | <b>-</b>         | <b>513,407</b>                             |
| <b>Fund Balances:</b>                      |                   |                       |                    |                  |  |
| <b>Reserved:</b>                           |                   |                       |                    |                  |  |
| Inventory                                  |                   |                       |                    | -                | 1,784                                      |
| Trust funds                                |                   | 12,894                | 4,223              | 17,117           | 17,117                                     |
| Debt service                               | 773,638           |                       |                    | -                | 773,638                                    |
| <b>Unreserved:</b>                         |                   |                       |                    |                  |  |
| Designated                                 |                   |                       |                    | -                | 327,678                                    |
| Undesignated                               |                   |                       |                    | -                | 2,463,632                                  |
| <b>Total fund balance</b>                  | <b>773,638</b>    | <b>12,894</b>         | <b>4,223</b>       | <b>17,117</b>    | <b>3,583,849</b>                           |
| <b>Total Liabilities and Fund Balances</b> | <b>\$ 773,638</b> | <b>\$ 12,894</b>      | <b>\$ 4,223</b>    | <b>\$ 17,117</b> | <b>\$ 4,097,256</b>                        |

**TOWN OF GRANBY, CONNECTICUT**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED JUNE 30, 2010**

|   |    | <u>Special Revenue Funds</u>                     |                      |                          |                            |                 |                                   |  |                             |
|---|----|--|----------------------|--------------------------|----------------------------|-----------------|-----------------------------------|--|-----------------------------|
|   |    | <u>Capital<br/>Nonrecurring<br/>Expenditures</u> | <u>Dog</u>           | <u>Town Aid<br/>Road</u> | <u>Senior<br/>Activity</u> | <u>LOCIP</u>    | <u>Solid Waste<br/>Sanitation</u> | <u>Sidewalk<br/>and<br/>Beautification<br/>Improvement</u> | <u>Local<br/>Assistance</u> |
| Revenues:   |    |  |                      |                          |                            |                 |                                   |  |                             |
| Intergovernmental                                 | \$ |  | \$                   | \$ 134,158               | \$                         | \$ 85,000       | \$                                | \$   | \$                          |
| Investment income                                 |    | 1,588  |                      |                          |                            | 4,447           | 800                               |  |                             |
| Contributions                                     |    |  |                      |                          | 7,473                      |                 |                                   |  | 33,898                      |
| Licenses, fees and charges for goods and services |    |  | 8,254                |                          | 66,784                     | 52,360          |                                   |  |                             |
| Other   |    |  |                      |                          |                            |                 |                                   |  |                             |
| Total revenues                                    |    | <u>1,588</u>                                     | <u>8,254</u>         | <u>134,158</u>           | <u>74,257</u>              | <u>85,000</u>   | <u>56,807</u>                     | <u>800</u>   | <u>33,898</u>               |
| Expenditures:                                     |    |  |                      |                          |                            |                 |                                   |  |                             |
| Current:  |    |  |                      |                          |                            |                 |                                   |  |                             |
| General government                                |    |  |                      |                          |                            |                 |                                   |  |                             |
| Public safety                                     |    |  | 12,616               |                          |                            |                 |                                   |  |                             |
| Public works and environment                      |    |  |                      |                          |                            | 40,895          |                                   |  |                             |
| Recreation and social services                    |    |  |                      |                          | 156,652                    |                 |                                   |  | 42,207                      |
| Education   |    |  |                      |                          |                            |                 |                                   |  |                             |
| Total expenditures                                |    | <u>-</u>   | <u>12,616</u>        | <u>-</u>                 | <u>156,652</u>             | <u>-</u>        | <u>40,895</u>                     | <u>-</u>   | <u>42,207</u>               |
| Excess (deficiency) of revenues over expenditures |    | <u>1,588</u>                                     | <u>(4,362)</u>       | <u>134,158</u>           | <u>(82,395)</u>            | <u>85,000</u>   | <u>15,912</u>                     | <u>800</u>   | <u>(8,309)</u>              |
| Other financing sources (uses):                   |    |  |                      |                          |                            |                 |                                   |  |                             |
| Transfers in                                      |    |  | 5,000                |                          | 46,998                     |                 |                                   |  |                             |
| Transfers out                                     |    | (10,000)   |                      | (135,000)                |                            | (85,000)        |                                   |  |                             |
| Total other financing sources (uses)              |    | <u>(10,000)</u>                                  | <u>5,000</u>         | <u>(135,000)</u>         | <u>46,998</u>              | <u>(85,000)</u> | <u>-</u>                          | <u>-</u>   | <u>-</u>                    |
| Net change in fund balance                        |    | (8,412)  | 638                  | (842)                    | (35,397)                   | -               | 15,912                            | 800  | (8,309)                     |
| Fund Balance, Beginning of Year                   |    | <u>188,947</u>                                   | <u>13,472</u>        | <u>136,848</u>           | <u>156,300</u>             | <u>-</u>        | <u>508,891</u>                    | <u>91,366</u>  | <u>11,298</u>               |
| Fund Balance, End of Year                         | \$ | <u><u>180,535</u></u>                            | <u><u>14,110</u></u> | <u><u>136,006</u></u>    | <u><u>120,903</u></u>      | <u><u>-</u></u> | <u><u>524,803</u></u>             | <u><u>92,166</u></u>                                       | <u><u>2,989</u></u>         |

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**TOWN OF GRANBY, CONNECTICUT**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2010**

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|   | <u>Special Revenue Funds</u> |   |                           |                    |   |  |                                     |                  |
|---|------------------------------|---|---------------------------|--------------------|---|--|-------------------------------------|------------------|
|   | <u>Open<br/>Space</u>        | <u>Police<br/>Community<br/>Education</u> | <u>Public<br/>Schools</u> | <u>Revaluation</u> | <u>Small<br/>Cities<br/>Block<br/>Grant</u> | <u>Police<br/>Forfeited<br/>Property</u> | <u>Youth<br/>Services<br/>Grant</u> | <u>Cafeteria</u> |
| Revenues:   |                              |   |                           |                    |   |  |                                     |                  |
| Intergovernmental                                 | \$                           | \$  | \$                        | \$                 | \$  | \$                                       | \$ 22,649                           | \$ 102,450       |
| Investment income                                 | 666                          |   |                           | 44                 | 9   | 52                                       |                                     |                  |
| Contributions                                     |                              | 225                                       |                           |                    |   |  | 12,264                              |                  |
| Licenses, fees and charges for goods and services |                              |   | 948,527                   |                    |   |  | 4,535                               | 401,012          |
| Other   | 850                          |   |                           |                    | 48,245                                      |  |                                     | 3,513            |
| Total revenues                                    | <u>1,516</u>                 | <u>225</u>                                | <u>948,527</u>            | <u>44</u>          | <u>48,254</u>                               | <u>52</u>                                | <u>39,448</u>                       | <u>506,975</u>   |
| Expenditures:                                     |                              |   |                           |                    |   |  |                                     |                  |
| Current:  |                              |   |                           |                    |   |  |                                     |                  |
| General government                                |                              |   |                           |                    | 48,254                                      |  |                                     |                  |
| Public safety                                     |                              | 1,106                                     |                           |                    |   |  |                                     |                  |
| Public works and environment                      | 198,044                      |   |                           |                    |   |  |                                     |                  |
| Recreation and social services                    |                              |   |                           |                    |   |  | 73,220                              |                  |
| Education   |                              |   | 1,307,957                 |                    |   |  |                                     | 496,772          |
| Total expenditures                                | <u>198,044</u>               | <u>1,106</u>                              | <u>1,307,957</u>          | <u>-</u>           | <u>48,254</u>                               | <u>-</u>                                 | <u>73,220</u>                       | <u>496,772</u>   |
| Excess (deficiency) of revenues over expenditures | <u>(196,528)</u>             | <u>(881)</u>                              | <u>(359,430)</u>          | <u>44</u>          | <u>-</u>                                    | <u>52</u>                                | <u>(33,772)</u>                     | <u>10,203</u>    |
| Other financing sources (uses):                   |                              |   |                           |                    |   |  |                                     |                  |
| Transfers in                                      | 55,000                       |   |                           |                    |   |  | 46,795                              |                  |
| Transfers out                                     |                              |   |                           |                    |   |  |                                     |                  |
| Total other financing sources (uses)              | <u>55,000</u>                | <u>-</u>                                  | <u>-</u>                  | <u>-</u>           | <u>-</u>                                    | <u>-</u>                                 | <u>46,795</u>                       | <u>-</u>         |
| Net change in fund balance                        | (141,528)                    | (881)                                     | (359,430)                 | 44                 | -   | 52                                       | 13,023                              | 10,203           |
| Fund Balance, Beginning of Year                   | <u>150,239</u>               | <u>23,630</u>                             | <u>369,379</u>            | <u>5,102</u>       | <u>-</u>                                    | <u>5,959</u>                             | <u>69,724</u>                       | <u>32,116</u>    |
| Fund Balance, End of Year                         | <u>\$ 8,711</u>              | <u>\$ 22,749</u>                          | <u>\$ 9,949</u>           | <u>\$ 5,146</u>    | <u>\$ -</u>                                 | <u>\$ 6,011</u>                          | <u>\$ 82,747</u>                    | <u>\$ 42,319</u> |

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**TOWN OF GRANBY, CONNECTICUT**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES (CONTINUED)**

**FOR THE YEAR ENDED JUNE 30, 2010**

|   | <b>Special Revenue Funds</b>     |   |                          |                       |                          |  |   |                               |
|---|----------------------------------|---|--------------------------|-----------------------|--------------------------|--|---|-------------------------------|
|   | <b>Ambulance<br/>Association</b> | <b>Federal<br/>and State<br/>Educational<br/>Grants</b> | <b>Sewer<br/>Utility</b> | <b>Communications</b> | <b>Police<br/>Grants</b> | <b>Education<br/>Quality and<br/>Diversity</b> | <b>Board of<br/>Education<br/>Severance</b> | <b>Contractor<br/>Payment</b> |
| Revenues:   |                                  |   |                          |                       |                          |  |   |                               |
| Intergovernmental                                 | \$                               | \$ 1,922,646  | \$                       | \$ 44,832             | \$ 30,000                | \$ 294,206                                     | \$  | \$                            |
| Investment income                                 |                                  |   |                          | 993                   |                          |  |   |                               |
| Contributions                                     |                                  |   |                          |                       |                          |  |   |                               |
| Licenses, fees and charges for goods and services | 309,000                          |   | 124,493                  | 48,368                |                          | 31,425   |   | 44,289                        |
| Other   |                                  | 75,000  | 719                      |                       |                          |  |   |                               |
| Total revenues                                    | <u>309,000</u>                   | <u>1,997,646</u>  | <u>125,212</u>           | <u>94,193</u>         | <u>30,000</u>            | <u>325,631</u>                                 | <u>-</u>                                    | <u>44,289</u>                 |
| Expenditures:                                     |                                  |   |                          |                       |                          |  |   |                               |
| Current:  |                                  |   |                          |                       |                          |  |   |                               |
| General government                                |                                  |   |                          | 2,495                 |                          |  |   |                               |
| Public safety                                     | 310,974                          |   |                          |                       | 30,000                   |  |   |                               |
| Public works and environment                      |                                  |   | 89,463                   |                       |                          |  |   | 36,844                        |
| Recreation and social services                    |                                  |   |                          |                       |                          |  |   |                               |
| Education   |                                  | 1,930,551   |                          |                       |                          | 259,965  |   |                               |
| Total expenditures                                | <u>310,974</u>                   | <u>1,930,551</u>  | <u>89,463</u>            | <u>2,495</u>          | <u>30,000</u>            | <u>259,965</u>                                 | <u>-</u>                                    | <u>36,844</u>                 |
| Excess (deficiency) of revenues over expenditures | <u>(1,974)</u>                   | <u>67,095</u>   | <u>35,749</u>            | <u>91,698</u>         | <u>-</u>                 | <u>65,666</u>                                  | <u>-</u>                                    | <u>7,445</u>                  |
| Other financing sources (uses):                   |                                  |   |                          |                       |                          |  |   |                               |
| Transfers in                                      |                                  |   |                          |                       |                          |  | 30,000                                      |                               |
| Transfers out                                     |                                  |   |                          | (85,000)              |                          |  |   |                               |
| Total other financing sources (uses)              | <u>-</u>                         | <u>-</u>  | <u>-</u>                 | <u>(85,000)</u>       | <u>-</u>                 | <u>-</u>                                       | <u>30,000</u>                               | <u>-</u>                      |
| Net change in fund balance                        | (1,974)                          | 67,095  | 35,749                   | 6,698                 | -                        | 65,666   | 30,000                                      | 7,445                         |
| Fund Balance, Beginning of Year                   | <u>1,444</u>                     | <u>28,000</u>   | <u>253,826</u>           | <u>79,292</u>         | <u>537</u>               | <u>296,608</u>                                 | <u>95,046</u>                               | <u>24,304</u>                 |
| Fund Balance, End of Year                         | <u>\$ (530)</u>                  | <u>\$ 95,095</u>  | <u>\$ 289,575</u>        | <u>\$ 85,990</u>      | <u>\$ 537</u>            | <u>\$ 362,274</u>                              | <u>\$ 125,046</u>                           | <u>\$ 31,749</u>              |

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**TOWN OF GRANBY, CONNECTICUT**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2010**

|   |    | <u>Special Revenue Funds</u>         |                                     |                                    |                     |                               |                       |  |                                |
|---|----|--------------------------------------|-------------------------------------|------------------------------------|---------------------|-------------------------------|-----------------------|--|--------------------------------|
|   |    | <u>Granby<br/>Public<br/>Library</u> | <u>Parks<br/>and<br/>Recreation</u> | <u>Playground<br/>Improvements</u> | <u>Dog<br/>Park</u> | <u>Historic<br/>Documents</u> | <u>Trail<br/>Link</u> | <u>COPS<br/>Secure<br/>Our Schools</u> | <u>Cossitt<br/>Improvement</u> |
| Revenues:   |    |                                      |                                     |                                    |                     |                               |                       |  |                                |
| Intergovernmental                                 | \$ |                                      |                                     |                                    |                     | \$ 5,000                      |                       |  | \$                             |
| Investment income                                 |    |                                      |                                     |                                    |                     |                               |                       |  |                                |
| Contributions                                     |    | 1,529                                |                                     |                                    | 6,684               |                               |                       |  |                                |
| Licenses, fees and charges for goods and services |    |                                      | 299,323                             |                                    |                     |                               |                       |  |                                |
| Other   |    | 180                                  |                                     |                                    |                     | 2,197                         |                       |  |                                |
| Total revenues                                    |    | <u>1,709</u>                         | <u>299,323</u>                      | <u>-</u>                           | <u>6,684</u>        | <u>7,197</u>                  | <u>-</u>              | <u>-</u>                               | <u>-</u>                       |
| Expenditures:                                     |    |                                      |                                     |                                    |                     |                               |                       |  |                                |
| Current:  |    |                                      |                                     |                                    |                     |                               |                       |  |                                |
| General government                                |    | 903                                  |                                     |                                    |                     | 6,668                         |                       |  |                                |
| Public safety                                     |    |                                      |                                     |                                    |                     |                               |                       |  |                                |
| Public works and environment                      |    |                                      |                                     |                                    |                     |                               |                       |  | 12,176                         |
| Recreation and social services                    |    |                                      | 311,356                             |                                    | 6,356               |                               | 1,476                 |  |                                |
| Education   |    |                                      |                                     |                                    |                     |                               |                       |  |                                |
| Total expenditures                                |    | <u>903</u>                           | <u>311,356</u>                      | <u>-</u>                           | <u>6,356</u>        | <u>6,668</u>                  | <u>1,476</u>          | <u>-</u>                               | <u>12,176</u>                  |
| Excess (deficiency) of revenues over expenditures |    | <u>806</u>                           | <u>(12,033)</u>                     | <u>-</u>                           | <u>328</u>          | <u>529</u>                    | <u>(1,476)</u>        | <u>-</u>                               | <u>(12,176)</u>                |
| Other financing sources (uses):                   |    |                                      |                                     |                                    |                     |                               |                       |  |                                |
| Transfers in                                      |    |                                      |                                     |                                    |                     |                               |                       |  | 140,000                        |
| Transfers out                                     |    |                                      |                                     |                                    |                     |                               |                       |  |                                |
| Total other financing sources (uses)              |    | <u>-</u>                             | <u>-</u>                            | <u>-</u>                           | <u>-</u>            | <u>-</u>                      | <u>-</u>              | <u>-</u>                               | <u>140,000</u>                 |
| Net change in fund balance                        |    | 806                                  | (12,033)                            | -                                  | 328                 | 529                           | (1,476)               | -                                      | 127,824                        |
| Fund Balance, Beginning of Year                   |    | <u>4,800</u>                         | <u>145,043</u>                      | <u>406</u>                         | <u>6,516</u>        | <u>13,575</u>                 | <u>249,914</u>        | <u>12,849</u>                          | <u>3,955</u>                   |
| Fund Balance, End of Year                         | \$ | <u><u>5,606</u></u>                  | <u><u>133,010</u></u>               | <u><u>406</u></u>                  | <u><u>6,844</u></u> | <u><u>14,104</u></u>          | <u><u>248,438</u></u> | <u><u>12,849</u></u>                   | <u><u>131,779</u></u>          |

(Continued on next page)

**TOWN OF GRANBY, CONNECTICUT**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES (CONTINUED)**

**FOR THE YEAR ENDED JUNE 30, 2010**

| <u>Special Revenue Funds</u>                      |                                     |  |                     |                                 |                     |
|---|-------------------------------------|--|---------------------|---------------------------------|---------------------|
|   | <u>Senior Center<br/>Initiative</u> | <u>Tri-Town<br/>Cable<br/>Television</u> | <u>Agricultural</u> | <u>Emergency<br/>Management</u> | <u>Total</u>        |
| Revenues:   |                                     |  |                     |                                 |                     |
| Intergovernmental                                 | \$                                  | 52,169                                   |                     | 6,345                           | \$ 2,699,455        |
| Investment income                                 |                                     |  |                     |                                 | 8,599               |
| Contributions                                     |                                     |  |                     |                                 | 62,073              |
| Licenses, fees and charges for goods and services |                                     | 5,000                                    | 4,820               |                                 | 2,348,190           |
| Other   |                                     |  |                     |                                 | 130,704             |
| Total revenues                                    | <u>-</u>                            | <u>57,169</u>                            | <u>4,820</u>        | <u>6,345</u>                    | <u>5,249,021</u>    |
| Expenditures:                                     |                                     |  |                     |                                 |                     |
| Current:  |                                     |  |                     |                                 |                     |
| General government                                |                                     | 63,532                                   |                     |                                 | 121,852             |
| Public safety                                     |                                     |  |                     | 15,122                          | 369,818             |
| Public works and environment                      |                                     |  |                     |                                 | 377,422             |
| Recreation and social services                    | 22,857                              |  |                     |                                 | 614,124             |
| Education   |                                     |  |                     |                                 | 3,995,245           |
| Total expenditures                                | <u>22,857</u>                       | <u>63,532</u>                            | <u>-</u>            | <u>15,122</u>                   | <u>5,478,461</u>    |
| Excess (deficiency) of revenues over expenditures | <u>(22,857)</u>                     | <u>(6,363)</u>                           | <u>4,820</u>        | <u>(8,777)</u>                  | <u>(229,440)</u>    |
| Other financing sources (uses):                   |                                     |  |                     |                                 |                     |
| Transfers in                                      |                                     | 5,000                                    |                     | 5,000                           | 333,793             |
| Transfers out                                     |                                     |  |                     |                                 | (315,000)           |
| Total other financing sources (uses)              | <u>-</u>                            | <u>5,000</u>                             | <u>-</u>            | <u>5,000</u>                    | <u>18,793</u>       |
| Net change in fund balance                        | (22,857)                            | (1,363)                                  | 4,820               | (3,777)                         | (210,647)           |
| Fund Balance, Beginning of Year                   | <u>22,857</u>                       | <u>1,498</u>                             | <u>-</u>            | <u>-</u>                        | <u>3,003,741</u>    |
| Fund Balance, End of Year                         | <u>\$ -</u>                         | <u>135</u>                               | <u>4,820</u>        | <u>(3,777)</u>                  | <u>\$ 2,793,094</u> |

(Continued on next page)

## TOWN OF GRANBY, CONNECTICUT

**NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES (CONTINUED)**

**FOR THE YEAR ENDED JUNE 30, 2010**

|   | Permanent Funds |                       |                    |           | Total<br>Nonmajor<br>Governmental<br>Funds |
|---|-----------------|-----------------------|--------------------|-----------|--|
|   | Debt<br>Service | Universal<br>Cemetery | Cossitt<br>Library | Total     |  |
| Revenues:   |                 |                       |                    |           |  |
| Intergovernmental                                 | \$              | \$                    | \$                 | \$        | \$   |
| Investment income                                 | 8,385           | 112                   | 37                 | 149       | 2,699,455                                  |
| Contributions                                     |                 |                       |                    | -         | 17,133                                     |
| Licenses, fees and charges for goods and services |                 |                       |                    | -         | 62,073                                     |
| Other   | 3,645           |                       |                    | -         | 2,348,190                                  |
| Total revenues                                    | 12,030          | 112                   | 37                 | 149       | 5,261,200                                  |
| Expenditures:                                     |                 |                       |                    |           |  |
| Current:  |                 |                       |                    |           |  |
| General government                                |                 |                       |                    | -         | 121,852                                    |
| Public safety                                     |                 |                       |                    | -         | 369,818                                    |
| Public works and environment                      | 366,040         |                       |                    | -         | 743,462                                    |
| Recreation and social services                    |                 |                       |                    | -         | 614,124                                    |
| Education   |                 |                       |                    | -         | 3,995,245                                  |
| Total expenditures                                | 366,040         | -                     | -                  | -         | 5,844,501                                  |
| Excess (deficiency) of revenues over expenditures | (354,010)       | 112                   | 37                 | 149       | (583,301)                                  |
| Other financing sources (uses):                   |                 |                       |                    |           |  |
| Transfers in                                      |                 |                       |                    | -         | 333,793                                    |
| Transfers out                                     |                 |                       | (37)               | (37)      | (315,037)                                  |
| Total other financing sources (uses)              | -               | -                     | (37)               | (37)      | 18,756                                     |
| Net change in fund balance                        | (354,010)       | 112                   | -                  | 112       | (564,545)                                  |
| Fund Balance, Beginning of Year                   | 1,127,648       | 12,782                | 4,223              | 17,005    | 4,148,394                                  |
| Fund Balance, End of Year                         | \$ 773,638      | \$ 12,894             | \$ 4,223           | \$ 17,117 | \$ 3,583,849                               |

## **Fiduciary Funds**

## **AGENCY FUNDS**

Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Agency Funds are as follows:

Student Activity Fund - to account for the collection and payment of expenses for education extra-curricular activities at the high school, middle schools and grammar schools.

Contractor Security Fund - to account for all bonds collected from contractors - these bonds will be returned to payee upon successful completion of related construction projects.

## TOWN OF GRANBY, CONNECTICUT

## AGENCY FUNDS

## COMBINING BALANCE SHEET

JUNE 30, 2010

|                                  | <u>High<br/>School<br/>Activity</u> | <u>Middle<br/>School<br/>Activity</u> | <u>Kelly<br/>Lane<br/>School<br/>Activity</u> | <u>Kearns<br/>School<br/>Activity</u> | <u>Wells<br/>Roads<br/>School<br/>Activity</u> | <u>Contract<br/>Security</u> | <u>Total</u>      |
|----------------------------------|-------------------------------------|---------------------------------------|---|---------------------------------------|--|------------------------------|-------------------|
| <b>ASSETS</b>                    |                                     |                                       |   |                                       |  |                              |                   |
| ⌘ Cash and cash equivalents      | \$ 139,651                          | \$ 45,007                             | \$ 8,642                                      | \$ 16,359                             | \$ 10,064                                      | \$                           | \$ 219,723        |
| Accounts receivable              |                                     |                                       |   |                                       |  | 53,618                       | 53,618            |
| Total                            | <u>\$ 139,651</u>                   | <u>\$ 45,007</u>                      | <u>\$ 8,642</u>                               | <u>\$ 16,359</u>                      | <u>\$ 10,064</u>                               | <u>\$ 53,618</u>             | <u>\$ 273,341</u> |
| <b>LIABILITIES</b>               |                                     |                                       |   |                                       |  |                              |                   |
| Due to student groups and others | \$ 139,651                          | \$ 45,007                             | \$ 8,642                                      | \$ 16,359                             | \$ 10,064                                      | \$                           | \$ 219,723        |
| Due to contractors               |                                     |                                       |   |                                       |  | 53,618                       | 53,618            |
| Total                            | <u>\$ 139,651</u>                   | <u>\$ 45,007</u>                      | <u>\$ 8,642</u>                               | <u>\$ 16,359</u>                      | <u>\$ 10,064</u>                               | <u>\$ 53,618</u>             | <u>\$ 273,341</u> |

## TOWN OF GRANBY, CONNECTICUT

## AGENCY FUNDS

COMBINING STATEMENT OF CHANGES  
IN ASSETS AND LIABILITIES

FOR THE YEAR ENDED JUNE 30, 2010

|  | <u>Balance</u><br><u>July 1, 2009</u> | <u>Additions</u>  | <u>Deductions</u> | <u>Balance</u><br><u>June 30, 2010</u> |
|--|---------------------------------------|-------------------|-------------------|--|
| <b>High School Activity Fund</b>       |                                       |                   |                   |  |
| Assets:                                |                                       |                   |                   |  |
| Cash and cash equivalents              | \$ <u>129,734</u>                     | \$ <u>426,647</u> | \$ <u>416,730</u> | \$ <u>139,651</u>                      |
| Liabilities:                           |                                       |                   |                   |  |
| Due to student groups and others       | \$ <u>129,734</u>                     | \$ <u>426,647</u> | \$ <u>416,730</u> | \$ <u>139,651</u>                      |
| <b>Middle School Activity Fund</b>     |                                       |                   |                   |  |
| Assets:                                |                                       |                   |                   |  |
| Cash and cash equivalents              | \$ <u>49,146</u>                      | \$ <u>310,492</u> | \$ <u>314,631</u> | \$ <u>45,007</u>                       |
| Liabilities:                           |                                       |                   |                   |  |
| Due to student groups and others       | \$ <u>49,146</u>                      | \$ <u>310,492</u> | \$ <u>314,631</u> | \$ <u>45,007</u>                       |
| <b>Kelly Lane School Activity Fund</b> |                                       |                   |                   |  |
| Assets:                                |                                       |                   |                   |  |
| Cash and cash equivalents              | \$ <u>18,846</u>                      | \$ <u>70,819</u>  | \$ <u>81,023</u>  | \$ <u>8,642</u>                        |
| Liabilities:                           |                                       |                   |                   |  |
| Due to student groups and others       | \$ <u>18,846</u>                      | \$ <u>70,819</u>  | \$ <u>81,023</u>  | \$ <u>8,642</u>                        |
| <b>Kearns School Activity Fund</b>     |                                       |                   |                   |  |
| Assets:                                |                                       |                   |                   |  |
| Cash and cash equivalents              | \$ <u>15,946</u>                      | \$ <u>31,754</u>  | \$ <u>31,341</u>  | \$ <u>16,359</u>                       |
| Liabilities:                           |                                       |                   |                   |  |
| Due to student groups and others       | \$ <u>15,946</u>                      | \$ <u>31,754</u>  | \$ <u>31,341</u>  | \$ <u>16,359</u>                       |

(Continued on next page)

## TOWN OF GRANBY, CONNECTICUT

## AGENCY FUNDS

COMBINING STATEMENT OF CHANGES  
IN ASSETS AND LIABILITIES (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2010

|  | <u>Balance</u><br><u>July 1, 2009</u> | <u>Additions</u> | <u>Deductions</u> | <u>Balance</u><br><u>June 30, 2010</u> |
|--|---------------------------------------|------------------|-------------------|--|
| <b>Wells Road School Activity Fund</b> |                                       |                  |                   |  |
| Assets:                                |                                       |                  |                   |  |
| Cash and cash equivalents              | \$ 11,060                             | \$ 53,382        | 54,378            | \$ 10,064                              |
| Liabilities:                           |                                       |                  |                   |  |
| Due to student groups and others       | \$ 11,060                             | \$ 53,382        | \$ 54,378         | \$ 10,064                              |
| <b>Contract Security</b>               |                                       |                  |                   |  |
| Assets:                                |                                       |                  |                   |  |
| Accounts receivable                    | \$ 68,492                             | \$ 16,000        | \$ 30,874         | \$ 53,618                              |
| Liabilities:                           |                                       |                  |                   |  |
| Due to contractors                     | \$ 68,492                             | \$ 16,000        | \$ 30,874         | \$ 53,618                              |
| <b>Total All Funds</b>                 |                                       |                  |                   |  |
| Assets:                                |                                       |                  |                   |  |
| Cash and cash equivalents              | \$ 224,732                            | \$ 893,094       | \$ 898,103        | \$ 219,723                             |
| Accounts receivable                    | 68,492                                | 16,000           | 30,874            | 53,618                                 |
| Total                                  | \$ 293,224                            | \$ 909,094       | \$ 928,977        | \$ 273,341                             |
| Liabilities:                           |                                       |                  |                   |  |
| Due to student groups and others       | \$ 224,732                            | \$ 893,094       | \$ 898,103        | \$ 219,723                             |
| Due to contractors                     | 68,492                                | 16,000           | 30,874            | 53,618                                 |
| Total                                  | \$ 293,224                            | \$ 909,094       | \$ 928,977        | \$ 273,341                             |

# **Statistical Section**

## Statistical Section Information

The objectives of statistical section information are to provide financial statement users with additional historical perspective, context and detail to assist in using the information in the financial statements, notes to financial statements and required supplementary information to understand and assess economic condition.

Statistical section information is presented in the following categories:

- *Financial trends information* is intended to assist users in understanding and assessing how financial position has changed over time.
- *Revenue capacity information* is intended to assist users in understanding and assessing the factors affecting the ability to generate *own-source revenues* (property taxes, charges for services, etc.).
- *Debt capacity information* is intended to assist users in understanding and assessing debt burden and the ability to issue additional debt.
- *Demographic and economic information* is intended 1) to assist users in understanding the socioeconomic environment and 2) to provide information that facilitates comparisons of financial statement information over time and among governments.
- *Operating information* is intended to provide contextual information about operations and resources to assist readers in using financial statement information to understand and assess economic condition.

The accompanying tables are presented in the above order. Refer to the Table of Contents for applicable page number locations.

Sources: Unless otherwise noted, the information in the tables is derived from the comprehensive annual financial reports for the relevant year.

## TOWN OF GRANBY, CONNECTICUT

## NET ASSETS BY COMPONENT

## LAST EIGHT FISCAL YEARS

(In Thousands)

|   | FISCAL YEAR      |                  |                  |                  |                  |                  |                  |                  |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
|   | <u>2010</u>      | <u>2009</u>      | <u>2008</u>      | <u>2007</u>      | <u>2006</u>      | <u>2005</u>      | <u>2004</u>      | <u>2003</u>      |
| Governmental Activities:                        |                  |                  |                  |                  |                  |                  |                  |                  |
| Invested in capital assets, net of related debt | \$ 46,214        | \$ 45,963        | \$ 43,701        | \$ 42,948        | \$ 31,341        | \$ 22,643        | \$ 20,615        | \$ 17,047        |
| Restricted                                      | 791              | 1,145            | 1,325            | 1,273            | 1,219            | 1,141            | 1,102            | 1,051            |
| Unrestricted                                    | <u>9,320</u>     | <u>10,519</u>    | <u>11,176</u>    | <u>10,886</u>    | <u>7,080</u>     | <u>9,160</u>     | <u>6,926</u>     | <u>8,512</u>     |
| Total Governmental Activities Net Assets        | <u>\$ 56,325</u> | <u>\$ 57,627</u> | <u>\$ 56,202</u> | <u>\$ 55,107</u> | <u>\$ 39,640</u> | <u>\$ 32,944</u> | <u>\$ 28,643</u> | <u>\$ 26,610</u> |

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## NOTES:

- (1) Schedule prepared on the accrual basis of accounting
- (2) The Town began to report accrual information when it implemented GASB Statement No. 34 in fiscal year 2003

## TOWN OF GRANBY, CONNECTICUT

## CHANGES IN NET ASSETS

## LAST EIGHT FISCAL YEARS

(In Thousands)

|  | FISCAL YEAR       |                 |                 |                 |                 |                 |                 |                 |
|--|-------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
|  | 2010              | 2009            | 2008            | 2007            | 2006            | 2005            | 2004            | 2003            |
| Expenses:  |                   |                 |                 |                 |                 |                 |                 |                 |
| General government   | \$ 2,995          | \$ 3,180        | \$ 3,394        | \$ 2,535        | \$ 2,595        | \$ 2,196        | \$ 2,618        | \$ 2,308        |
| Public safety  | 2,461             | 2,626           | 2,498           | 2,186           | 2,050           | 2,010           | 1,966           | 1,910           |
| Public works and environment                                 | 4,386             | 4,578           | 3,994           | 4,061           | 3,472           | 2,950           | 2,547           | 2,498           |
| Recreation and social services                               | 1,280             | 1,307           | 1,368           | 1,217           | 1,130           | 1,189           | 1,142           | 1,260           |
| Education  | 34,408            | 31,206          | 37,638          | 27,188          | 27,270          | 24,345          | 22,410          | 21,539          |
| Interest on long-term debt                                   | 1,405             | 1,543           | 1,662           | 1,739           | 1,512           | 1,102           | 1,254           | 1,309           |
| Total governmental activities expenses                       | <u>46,935</u>     | <u>44,440</u>   | <u>50,554</u>   | <u>38,926</u>   | <u>38,029</u>   | <u>33,792</u>   | <u>31,937</u>   | <u>30,824</u>   |
| Program Revenues:  |                   |                 |                 |                 |                 |                 |                 |                 |
| Governmental activities:                                     |                   |                 |                 |                 |                 |                 |                 |                 |
| Charges for services:  |                   |                 |                 |                 |                 |                 |                 |                 |
| General Government   | 553               | 533             | 493             | 604             | 704             | 716             | 710             | 588             |
| Education  | 2,257             | 2,304           | 2,252           | 1,579           | 1,633           | 1,116           | 757             | 823             |
| Other  | 1,079             | 1,009           | 1,241           | 1,033           | 955             | 851             | 970             | 852             |
| Operating grants and contributions                           | 10,306            | 9,160           | 15,983          | 7,224           | 7,242           | 5,955           | 5,978           | 5,816           |
| Capital grants and contributions                             | 146               | 420             | 74              | 179             | 6,051           | 3,639           | 1,210           | 1,458           |
| Total governmental activities program revenues               | <u>14,341</u>     | <u>13,426</u>   | <u>20,043</u>   | <u>10,619</u>   | <u>16,585</u>   | <u>12,277</u>   | <u>9,625</u>    | <u>9,537</u>    |
| Net (expense) revenue:                                       |                   |                 |                 |                 |                 |                 |                 |                 |
| Governmental activities                                      | <u>(32,594)</u>   | <u>(31,014)</u> | <u>(30,511)</u> | <u>(28,307)</u> | <u>(21,444)</u> | <u>(21,515)</u> | <u>(22,312)</u> | <u>(21,287)</u> |
| General revenues and other changes in net assets:            |                   |                 |                 |                 |                 |                 |                 |                 |
| Governmental activities:                                     |                   |                 |                 |                 |                 |                 |                 |                 |
| Property taxes   | 30,634            | 30,643          | 30,208          | 28,665          | 26,964          | 25,036          | 23,440          | 21,877          |
| Grants and contributions not restricted to specific purposes | 360               | 872             | 437             | 890             | 279             | 225             | 264             | 304             |
| Unrestricted investment earnings                             | 230               | 522             | 804             | 940             | 562             | 329             | 125             | 193             |
| Other general revenues                                       | 67                | 403             | 157             | 184             | 335             | 226             | 134             | 201             |
| Total governmental activities                                | <u>31,291</u>     | <u>32,440</u>   | <u>31,606</u>   | <u>30,679</u>   | <u>28,140</u>   | <u>25,816</u>   | <u>23,963</u>   | <u>22,575</u>   |
| Changes in net assets:                                       |                   |                 |                 |                 |                 |                 |                 |                 |
| Governmental activities                                      | <u>\$ (1,303)</u> | <u>\$ 1,426</u> | <u>\$ 1,095</u> | <u>\$ 2,372</u> | <u>\$ 6,696</u> | <u>\$ 4,301</u> | <u>\$ 1,651</u> | <u>\$ 1,288</u> |

## Notes:

- (1) Schedule prepared on the accrual basis of accounting
- (2) The Town began to report accrual information when it implemented GASB Statement No. 34 in fiscal year 2003

**TOWN OF GRANBY, CONNECTICUT**  
**FUND BALANCES, GOVERNMENTAL FUNDS**  
**LAST EIGHT FISCAL YEARS**  
(In Thousands)

|                                    | FISCAL YEAR     |                 |                 |                 |                 |                   |                 |                 |
|------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-------------------|-----------------|-----------------|
|                                    | 2010            | 2009            | 2008            | 2007            | 2006            | 2005              | 2004            | 2003            |
| General Fund                       |                 |                 |                 |                 |                 |                   |                 |                 |
| Reserved                           | \$ 347          | \$ 368          | \$ 314          | \$ 184          | \$ 147          | \$ 346            | \$ 362          | \$ 461          |
| Unreserved                         | <u>4,089</u>    | <u>5,319</u>    | <u>5,380</u>    | <u>5,225</u>    | <u>3,957</u>    | <u>3,421</u>      | <u>3,005</u>    | <u>3,125</u>    |
| Total General Fund                 | <u>\$ 4,436</u> | <u>\$ 5,687</u> | <u>\$ 5,694</u> | <u>\$ 5,409</u> | <u>\$ 4,104</u> | <u>\$ 3,767</u>   | <u>\$ 3,367</u> | <u>\$ 3,586</u> |
| All other governmental funds:      |                 |                 |                 |                 |                 |                   |                 |                 |
| Reserved                           | \$ 1,143        | \$ 1,148        | \$ 1,340        | \$ 1,734        | \$ 4,463        | \$ 6,093          | \$ 2,320        | \$ 1,292        |
| Unreserved, reported in:           |                 |                 |                 |                 |                 |                   |                 |                 |
| Special revenue funds              | 2,791           | 3,000           | 3,129           | 2,816           | 2,376           | 2,445             | 1,939           | 2,143           |
| Capital projects funds             | <u>970</u>      | <u>1,430</u>    | <u>1,366</u>    | <u>1,188</u>    | <u>(5,088)</u>  | <u>(10,810)</u>   | <u>(2,680)</u>  | <u>(241)</u>    |
| Total All Other Governmental Funds | <u>\$ 4,904</u> | <u>\$ 5,578</u> | <u>\$ 5,835</u> | <u>\$ 5,738</u> | <u>\$ 1,751</u> | <u>\$ (2,272)</u> | <u>\$ 1,579</u> | <u>\$ 3,194</u> |

NOTE: Schedule prepared on the modified accrual basis of accounting

**TOWN OF GRANBY, CONNECTICUT**  
**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS**  
**LAST EIGHT FISCAL YEARS**

|   | FISCAL YEAR       |                 |               |                 |                 |                   |                   |                 |
|---|-------------------|-----------------|---------------|-----------------|-----------------|-------------------|-------------------|-----------------|
|   | 2010              | 2009            | 2008          | 2007            | 2006            | 2005              | 2004              | 2003            |
| Revenues:   |                   |                 |               |                 |                 |                   |                   |                 |
| Property taxes  | \$ 30,667         | \$ 30,603       | \$ 30,076     | \$ 28,704       | \$ 26,933       | \$ 25,148         | \$ 23,464         | \$ 21,882       |
| Intergovernmental                                       | 11,937            | 11,458          | 17,400        | 9,265           | 14,374          | 10,588            | 7,138             | 7,946           |
| Licenses, fees and charges for services                 | 2,702             | 2,754           | 2,895         | 2,398           | 2,282           | 2,127             | 2,291             | 1,969           |
| Investments income                                      | 212               | 488             | 732           | 863             | 513             | 302               | 112               | 188             |
| Other   | 539               | 913             | 696           | 461             | 521             | 341               | 285               | 532             |
| Total revenues  | <u>46,057</u>     | <u>46,216</u>   | <u>51,799</u> | <u>41,691</u>   | <u>44,623</u>   | <u>38,506</u>     | <u>33,290</u>     | <u>32,517</u>   |
| Expenditures:   |                   |                 |               |                 |                 |                   |                   |                 |
| General government                                      | 3,040             | 2,969           | 2,936         | 2,675           | 2,447           | 2,142             | 2,454             | 2,231           |
| Public safety   | 2,397             | 2,588           | 2,401         | 2,134           | 1,962           | 1,930             | 1,885             | 1,803           |
| Public works and environment                            | 3,447             | 3,649           | 3,037         | 3,069           | 2,809           | 2,650             | 2,299             | 2,378           |
| Recreation and social services                          | 1,211             | 1,262           | 1,302         | 1,140           | 1,067           | 1,125             | 1,086             | 1,214           |
| Education   | 32,309            | 30,127          | 36,458        | 26,905          | 25,514          | 22,915            | 21,834            | 20,681          |
| Capital outlay  | 1,940             | 2,116           | 2,094         | 6,264           | 14,107          | 8,649             | 3,049             | 1,904           |
| Debt service:   |                   |                 |               |                 |                 |                   |                   |                 |
| Principal   | 2,968             | 2,713           | 2,083         | 1,703           | 1,698           | 1,693             | 1,713             | 1,713           |
| Interest  | 1,335             | 1,467           | 1,761         | 1,342           | 1,216           | 1,229             | 1,233             | 1,332           |
| Total expenditures                                      | <u>48,647</u>     | <u>46,891</u>   | <u>52,072</u> | <u>45,232</u>   | <u>50,820</u>   | <u>42,333</u>     | <u>35,553</u>     | <u>33,256</u>   |
| Excess of Revenue Over (Under) Expenditures             | <u>(2,590)</u>    | <u>(675)</u>    | <u>(273)</u>  | <u>(3,541)</u>  | <u>(6,197)</u>  | <u>(3,827)</u>    | <u>(2,263)</u>    | <u>(739)</u>    |
| Other Financing Sources (Uses):                         |                   |                 |               |                 |                 |                   |                   |                 |
| Transfers in  | 1,414             | 1,696           | 1,475         | 2,349           | 3,570           | 3,076             | 2,816             | 3,459           |
| Transfers out   | (1,414)           | (1,696)         | (1,475)       | (2,349)         | (3,570)         | (3,076)           | (2,816)           | (3,459)         |
| Premium on bond   |                   |                 |               | 347             |                 |                   |                   |                 |
| Proceeds from capital leases                            | 664               | 411             | 654           | 686             | 558             | 322               | 429               | 309             |
| Proceeds from sale of bonds                             |                   |                 |               | 7,800           | 10,000          |                   |                   |                 |
| Proceeds from refunding bonds                           |                   |                 |               |                 |                 | 9,750             |                   |                 |
| Payment to refunded bond escrow agent                   |                   |                 |               |                 |                 | (9,696)           |                   |                 |
| Total other financing sources (uses)                    | <u>664</u>        | <u>411</u>      | <u>654</u>    | <u>8,833</u>    | <u>10,558</u>   | <u>376</u>        | <u>429</u>        | <u>309</u>      |
| Net Change in Fund Balances                             | <u>\$ (1,926)</u> | <u>\$ (264)</u> | <u>\$ 381</u> | <u>\$ 5,292</u> | <u>\$ 4,361</u> | <u>\$ (3,451)</u> | <u>\$ (1,834)</u> | <u>\$ (430)</u> |
| Debt Service as a Percentage of Noncapital Expenditures | <u>8.98%</u>      | <u>9.24%</u>    | <u>7.52%</u>  | <u>7.81%</u>    | <u>7.90%</u>    | <u>8.70%</u>      | <u>9.10%</u>      | <u>9.70%</u>    |

NOTE: Schedule prepared on the modified accrual basis of accounting

TOWN OF GRANBY, CONNECTICUT

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS

| Fiscal Year | Real Property  |               |              | Personal Property | Motor Vehicle | Total Taxable Assessed Value | Total Direct Tax Rate | Taxable Estimated Actual Taxable Value | Assessed Value As a Percentage of Actual Taxable Value |
|-------------|----------------|---------------|--------------|-------------------|---------------|------------------------------|-----------------------|--|--|
|             | Residential    | Commercial    | Industrial   |                   |               |                              |                       |  |  |
| 2010        | \$ 893,744,090 | \$ 50,839,760 | \$ 6,204,730 | \$ 17,304,720     | \$ 74,359,520 | \$ 1,042,452,820             | 29.46                 | \$ 1,489,218,314                       | 70   |
| 2009        | 892,786,680    | 50,296,370    | 6,050,380    | 17,366,340        | 79,545,660    | 1,046,045,430                | 29.35                 | 1,494,350,614                          | 70   |
| 2008        | 698,583,640    | 37,285,550    | 5,581,730    | 16,625,490        | 78,991,050    | 837,067,460                  | 35.97                 | 1,195,810,657                          | 70   |
| 2007        | 692,650,170    | 32,430,720    | 3,550,050    | 16,120,880        | 78,045,330    | 822,797,150                  | 34.67                 | 1,175,424,500                          | 70   |
| 2006        | 673,217,360    | 35,889,080    | 3,550,050    | 15,084,710        | 72,510,150    | 800,251,350                  | 33.41                 | 1,143,216,214                          | 70   |
| 2005        | 658,402,170    | 34,732,810    | 3,042,690    | 14,027,760        | 68,055,610    | 778,261,040                  | 31.97                 | 1,111,801,486                          | 70   |
| 2004        | 641,660,560    | 33,908,560    | 1,824,060    | 12,881,770        | 69,968,610    | 760,243,560                  | 30.60                 | 1,086,062,229                          | 70   |
| 2003        | 474,958,390    | 28,197,820    | 1,747,410    | 11,701,910        | 66,935,010    | 583,540,540                  | 37.06                 | 833,629,343                            | 70   |
| 2002        | 463,361,000    | 25,771,300    | 1,747,410    | 11,294,710        | 64,133,770    | 566,308,190                  | 35.74                 | 809,011,700                            | 70   |
| 2001        | 446,774,160    | 25,479,400    | 1,747,410    | 10,301,540        | 61,158,970    | 545,461,480                  | 34.46                 | 779,230,686                            | 70   |

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Source: Town of Granby Office of Tax Assessor

**TOWN OF GRANBY**  
**PROPERTY TAX RATES**  
**LAST TEN FISCAL YEARS**

| Town Direct Rates                         |   |  |                                  |                                  |
|---|---|--|----------------------------------|----------------------------------|
| <b>Fiscal Year<br/>Ended June<br/>30,</b> | <b>General Town<br/>Government<br/>Rate</b> | <b>Board of<br/>Education<br/>Rate</b> | <b>Debt<br/>Service<br/>Rate</b> | <b>Total<br/>Direct<br/>Rate</b> |
| 2010                                      | 6.94  | 19.39                                  | 3.13                             | 29.46                            |
| 2009                                      | (a) 7.06                                    | 19.22                                  | 3.07                             | 29.35                            |
| 2008                                      | 8.68  | 23.66                                  | 3.63                             | 35.97                            |
| 2007                                      | 8.56  | 23.17                                  | 2.94                             | 34.67                            |
| 2006                                      | 8.48  | 22.03                                  | 2.90                             | 33.41                            |
| 2005                                      | 8.47  | 20.67                                  | 2.83                             | 31.97                            |
| 2004                                      | (a) 8.14                                    | 19.59                                  | 2.90                             | 30.63                            |
| 2003                                      | 9.92  | 23.37                                  | 3.77                             | 37.06                            |
| 2002                                      | 9.54  | 22.93                                  | 3.27                             | 35.74                            |
| 2001                                      | 10.41                                       | 21.35                                  | 2.70                             | 34.46                            |

(a) - Revaluation year

Source: Town of Granby Finance Department

TABLE 7

## TOWN OF GRANBY, CONNECTICUT

## PRINCIPAL PROPERTY TAX PAYERS

2008 AND 1999

| Taxpayer                     | October 1, 2008        |      |   | Taxpayer                    | October 1, 1999        |      |   |
|------------------------------|------------------------|------|---|-----------------------------|------------------------|------|---|
|                              | Taxable Assessed Value | Rank | Percentage of Total Town Taxable Assessed Value |                             | Taxable Assessed Value | Rank | Percentage of Total Town Taxable Assessed Value |
| Connecticut Light & Power    | \$ 6,207,050           | 1    | 0.60  | Baygrape Associates         | \$ 3,368,820           | 2    | 0.62  |
| Granby Developers            | 5,090,470              | 2    | 0.49  | Gersten, Charles D. Trustee |                        |      |   |
| Baygrape Associates          | 3,674,660              | 3    | 0.35  | Halmar, Inc.                | 2,719,300              | 3    | 0.50  |
| Granby Holdings LLC          | 3,407,950              | 4    | 0.33  | Granby Holdings, LLC        | 2,551,850              | 4    | 0.47  |
| Arrow Concrete Products      | 2,208,330              | 8    | 0.21  | Connecticut Light and Power | 3,547,940              | 1    | 0.65  |
| Halmar Inc                   | 2,986,200              | 5    | 0.29  | Conn Valley Land Dev.       | 1,103,590              | 8    | 0.20  |
| Pierce Enterprises, LLC      | 2,680,860              | 6    | 0.26  | Riverbend Associates, Inc.  | 1,403,930              | 5    | 0.26  |
| Guarco, Michael, David, etc. | 1,378,630              | 10   | 0.13  | Granby Center Assoc         | 1,389,640              | 6    | 0.25  |
| Granby Center Associates     | 2,332,330              | 7    | 0.22  | Garrity Bros. of Simsbury   | 1,080,310              | 9    | 0.20  |
| Riverbend Associates, Inc.   | 2,058,200              | 9    | 0.20  | Guarco, Michael B.          | 1,359,560              | 7    | 0.25  |
|                              |                        |      |   | Cider Mill Heights, LLC     | 1,063,400              | 10   | 0.19  |
| Total                        | \$ <u>32,024,680</u>   |      | <u>3.08</u>                                     |                             | \$ <u>19,588,340</u>   |      | <u>3.59</u>                                     |

Source: Town of Granby, Office of Tax Assessor

TABLE 8

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

| <u>Fiscal<br/>Year Ended<br/>June 30,</u> | <u>Tax Rate<br/>In Mills</u> | <u>Taxes Levied<br/>For The<br/>Fiscal Year</u> | <u>Collected Within The<br/>Fiscal Year of Levy</u> |                               | <u>Collections<br/>In Subsequent<br/>Years</u> | <u>Total Collections to Date</u> |                               |
|---|------------------------------|---|---|-------------------------------|--|----------------------------------|-------------------------------|
|   |                              |   | <u>Amount</u>                                       | <u>Percentage<br/>of Levy</u> |  | <u>Amount</u>                    | <u>Percentage<br/>of Levy</u> |
| 2010                                      | 29.46                        | \$ 30,889,640                                   | \$ 30,242,388                                       | 97.90                         | \$ N/A   | \$ 30,242,388                    | 97.90                         |
| 2009                                      | 29.35                        | 30,978,015                                      | 30,222,246  | 97.56                         | N/A  | 30,222,246                       | 97.56                         |
| 2008                                      | 35.97                        | 30,371,951                                      | 29,759,749  | 97.98                         | 241,393  | 30,001,142                       | 98.78                         |
| 2007                                      | 34.67                        | 28,856,288                                      | 28,340,088  | 98.21                         | 189,004  | 28,529,092                       | 98.87                         |
| 2006                                      | 33.41                        | 27,083,704                                      | 26,609,098  | 98.25                         | 205,764  | 26,814,862                       | 99.01                         |
| 2005                                      | 31.97                        | 25,178,903                                      | 24,714,282  | 98.15                         | 216,354  | 24,930,636                       | 99.01                         |
| 2004                                      | 30.60                        | 23,525,883                                      | 23,112,573  | 98.24                         | 211,855  | 23,324,428                       | 99.14                         |
| 2003                                      | 37.06                        | 21,996,982                                      | 21,551,982  | 97.98                         | 244,758  | 21,796,740                       | 99.09                         |
| 2002                                      | 35.74                        | 20,546,761                                      | 20,118,778  | 97.92                         | 176,265  | 20,295,043                       | 98.77                         |
| 2001                                      | 34.46                        | 19,104,390                                      | 18,682,393  | 97.79                         | 206,344  | 18,888,737                       | 98.87                         |

**TOWN OF GRANBY, CONNECTICUT**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**

**LAST TEN FISCAL YEARS**  
**(In Thousands)**

| <b>Fiscal<br/>Year</b> | <b>General<br/>Obligation<br/>Bonds</b> | <b>Capital<br/>Leases</b> | <b>Ratio of<br/>Debt to Taxable<br/>Assessed Value</b> | <b>Debt<br/>Per<br/>Capita</b> | <b>Percentage<br/>of Debt<br/>to Personal<br/>Income</b> |
|------------------------|---|---------------------------|--|--------------------------------|--|
| 2010                   | \$ 27,230                               | \$ 1,815                  | 2.79%  | \$ 2,427                       | 4.61%  |
| 2009                   | 30,198                                  | 1,675                     | 3.05%  | 2,692                          | 5.11%  |
| 2008                   | 32,910                                  | 1,696                     | 4.13%  | 2,962                          | 5.63%  |
| 2007                   | 34,993                                  | 1,540                     | 4.25%  | 3,085                          | 5.86%  |
| 2006                   | 26,895                                  | 1,217                     | 3.51%  | 2,380                          | 4.52%  |
| 2005                   | 20,592                                  | 996                       | 2.77%  | 1,857                          | 3.53%  |
| 2004                   | 21,580                                  | 1,014                     | 2.97%  | 1,964                          | 3.73%  |
| 2003                   | 23,293                                  | 980                       | 4.16%  | 2,143                          | 4.07%  |
| 2002                   | 25,005                                  | 1,001                     | 4.59%  | 2,338                          | 4.44%  |
| 2001                   | 26,088                                  | 959                       | 4.96%  | 2,433                          | 4.62%  |

Note: Details regarding the Town's outstanding debt can be found in the notes to the financial statements

## TOWN OF GRANBY, CONNECTICUT

## STATEMENT OF DEBT LIMITATION

JUNE 30, 2010

|   |                        |                       |                       |                      |    |                        |
|---|------------------------|-----------------------|-----------------------|----------------------|----|------------------------|
| Total tax collections (including interest and lien fees) for year ended June 30, 2010 |                        |                       |                       |                      | \$ | 30,663,124             |
| Reimbursements for revenue loss for the year ended June 30, 2010:                     |                        |                       |                       |                      |    |                        |
| Tax relief for the elderly  |                        |                       |                       |                      |    | <u>59,529</u>          |
| Base  |                        |                       |                       |                      | \$ | <u>30,722,653</u>      |
|   | <b>General Purpose</b> | <b>Schools</b>        | <b>Sewers</b>         | <b>Urban Renewal</b> |    | <b>Pension Deficit</b> |
| Debt Limitation   |                        |                       |                       |                      |    |                        |
| 2-1/4 times base  | \$ 69,125,969          | \$                    | \$                    | \$                   | \$ |                        |
| 4-1/2 times base  |                        | 138,251,939           |                       |                      |    |                        |
| 3-3/4 times base  |                        |                       | 115,209,949           |                      |    |                        |
| 3-1/4 times base  |                        |                       |                       | 99,848,622           |    |                        |
| 3 times base  |                        |                       |                       |                      |    | 92,167,959             |
| Total debt limitation   | <u>69,125,969</u>      | <u>138,251,939</u>    | <u>115,209,949</u>    | <u>99,848,622</u>    |    | <u>92,167,959</u>      |
| Indebtedness:   |                        |                       |                       |                      |    |                        |
| Bonds and notes payable   | 4,452,000              | 22,703,000            | 75,000                |                      |    |                        |
| Bonds authorized and unissued   |                        | 1,489,277             |                       |                      |    |                        |
| School building grants receivable   |                        | (259,555)             |                       |                      |    |                        |
| Net indebtedness  | <u>4,452,000</u>       | <u>23,932,722</u>     | <u>75,000</u>         | <u>-</u>             |    | <u>-</u>               |
| Debt Limitation in Excess of Outstanding and Authorized Debt                          | <u>\$ 64,673,969</u>   | <u>\$ 114,319,217</u> | <u>\$ 115,134,949</u> | <u>\$ 99,848,622</u> |    | <u>\$ 92,167,959</u>   |

Note: In no case shall total indebtedness exceed \$215,058,571 or seven times annual receipts from taxation

**TOWN OF GRANBY, CONNECTICUT**  
**LEGAL DEBT MARGIN INFORMATION**

**LAST TEN FISCAL YEARS**  
**(In Thousands)**

|   | <b>FISCAL YEAR</b> |                   |                   |                   |                   |                   |                   |                   |                   |                   |
|---|--------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|   | <u>2010</u>        | <u>2009</u>       | <u>2008</u>       | <u>2007</u>       | <u>2006</u>       | <u>2005</u>       | <u>2004</u>       | <u>2003</u>       | <u>2002</u>       | <u>2001</u>       |
| Debt limitation   | \$ 215,058         | \$ 214,997        | \$ 210,877        | \$ 201,266        | \$ 189,279        | \$ 176,243        | \$ 165,012        | \$ 153,227        | \$ 143,542        | \$ 133,635        |
| Total net debt applicable to limit                                      | <u>28,460</u>      | <u>31,018</u>     | <u>33,305</u>     | <u>36,482</u>     | <u>35,147</u>     | <u>46,356</u>     | <u>19,779</u>     | <u>19,962</u>     | <u>21,206</u>     | <u>21,829</u>     |
| Legal Debt Margin   | <u>\$ 186,598</u>  | <u>\$ 183,979</u> | <u>\$ 177,572</u> | <u>\$ 164,784</u> | <u>\$ 154,132</u> | <u>\$ 129,887</u> | <u>\$ 145,233</u> | <u>\$ 133,265</u> | <u>\$ 122,336</u> | <u>\$ 111,806</u> |
| Total Net Debt Applicable to the Limit<br>as a Percentage of Debt Limit | <u>13.23%</u>      | <u>14.43%</u>     | <u>15.79%</u>     | <u>18.22%</u>     | <u>18.57%</u>     | <u>26.30%</u>     | <u>11.99%</u>     | <u>13.03%</u>     | <u>14.77%</u>     | <u>16.33%</u>     |

Source: Comprehensive annual financial report - Schedule of Debt Limitation

Note: See Table 9 for calculation of current year debt limitation

**TOWN OF GRANBY, CONNECTICUT**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**

**LAST TEN CALENDAR YEARS**

| <b>Calendar Year</b> | <b>Population(1)</b> | <b>Per Capita Income(5)</b> | <b>Median Age(2)</b> | <b>School Enrollment(3)</b> | <b>Unemployment Rate(4)</b> | <b>Total Personal Income(2)</b> |
|----------------------|----------------------|-----------------------------|----------------------|-----------------------------|-----------------------------|---------------------------------|
| 2010                 | 11,220               | \$ 45,519                   | 42                   | 2,275                       | 5.90%                       | \$ 52,648                       |
| 2009                 | 11,219               | 33,863                      | 42                   | 2,324                       | 5.80%                       | 52,648                          |
| 2008                 | 11,112               | 33,863                      | 42                   | 2,202                       | 3.70%                       | 52,648                          |
| 2007                 | 11,344               | 33,863                      | 39.6                 | 2,280                       | 3.30%                       | 52,648                          |
| 2006                 | 11,300               | 33,863                      | 39.6                 | 2,270                       | 2.40%                       | 52,648                          |
| 2005                 | 11,088               | 33,863                      | 39.6                 | 2,222                       | 3.70%                       | 52,648                          |
| 2004                 | 10,989               | 33,863                      | 39.6                 | 2,198                       | 3.60%                       | 52,648                          |
| 2003                 | 10,869               | 33,863                      | 39.6                 | 2,155                       | 4.00%                       | 52,648                          |
| 2002                 | 10,696               | 33,863                      | 39.6                 | 2,094                       | 3.30%                       | 52,648                          |
| 2001                 | 10,721               | 33,863                      | 39.6                 | 2,032                       | 1.90%                       | 52,648                          |

(1) Source: Connecticut Department of Health and Census

(2) Source: Census - Based upon most recent info from 2000 census

(3) Source: Annual Budget

(4) Source: Connecticut Department Labor

(5) Source: Comparative Guide to American Suburbs 2009-10

## TOWN OF GRANBY, CONNECTICUT

## PRINCIPAL EMPLOYERS

2009 AND 2000

| <u>Employer</u>           | <u>Nature of Business</u>               | <u>2010</u>      |             |  | <u>2000</u>      |             |  |
|---------------------------|---|------------------|-------------|--|------------------|-------------|--|
|                           |   | <u>Employees</u> | <u>Rank</u> | <u>Percentage<br/>of Total Town<br/>Employment</u> | <u>Employees</u> | <u>Rank</u> | <u>Percentage<br/>of Total Town<br/>Employment</u> |
| Town of Granby            | Local Municipal Government              | 467              | 1           | 20.7   | 348              | 1           | 17.3   |
| YMCA                      | Recreation and Social Services          | 284              | 2           | 12.6   |                  |             |  |
| Imperial Nursery          | Company Headquarters/Nursery Production | 275              | 3           | 12.2   | 337              | 2           | 16.7   |
| Meadow Brook Nursing Home | Medical Services                        | 131              | 4           | 5.8  | 120              | 3           | 5.9  |
| High Meadow - Seasonal    | Entertainment                           |                  |             |  | 112              | 4           | 5.6  |
| Stop and Shop             | Supermarket                             | 130              | 5           | 5.7  |                  |             |  |
| Geissler's Supermarket    | Retail Sales                            | 97               | 6           | 4.3  | 86               | 5           | 4.3  |
| Salmon Brook Vet Hospital | Veterinary Hospital                     | 68               | 7           | 3.0  | 54               | 7           | 2.7  |
| Stateline Oil             | Service/fabrication                     | 50               | 8           | 2.2  | 72               | 6           | 3.6  |
| TJ Maxx                   | Retail                                  | 49               | 9           | 2.2  |                  |             |  |
| CVS                       | Retail                                  | 40               | 10          | 1.7  | 35               | 8           | 1.7  |
| Arrow Concrete            | Industrial                              | N/A              |             |  | 32               | 9           | 1.5  |
| Old Mill Pond Village     | Retail                                  |                  |             |  | 25               | 10          | 1.2  |
| Total                     |   | <u>1,591</u>     |             | <u>70.4</u>  | <u>1,221</u>     |             | <u>60.5</u>  |

Source: Town of Granby, Community Development Office/Assessor  
 Employees are full and part-time. Total Town employment is based on full-time.

## TOWN OF GRANBY, CONNECTICUT

## FULL-TIME EQUIVALENT TOWN GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM

## LAST TEN FISCAL YEARS

| <b>FULL-TIME EQUIVALENT TOWN GOVERNMENT EMPLOYEES AS OF JUNE 30,</b> |              |              |              |              |              |              |              |              |              |              |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>Function/Program</b>  | <b>2010</b>  | <b>2009</b>  | <b>2008</b>  | <b>2007</b>  | <b>2006</b>  | <b>2005</b>  | <b>2004</b>  | <b>2003</b>  | <b>2002</b>  | <b>2001</b>  |
| General government   | 11           | 11           | 11           | 11           | 11           | 11           | 11           | 11           | 11           | 11           |
| Police   | 22           | 22           | 22           | 22           | 22           | 22           | 22           | 22           | 22           | 20           |
| Fire   | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            |
| Refuse collection  | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 1            | 1            |
| Other public works   | 17           | 17           | 17           | 17           | 16.5         | 16           | 16           | 16           | 15           | 15           |
| Parks and recreation   | 2            | 2            | 2            | 2            | 2            | 2            | 2            | 2            | 2            | 2            |
| Library  | 4            | 4            | 4            | 4            | 4            | 4            | 4            | 4            | 4            | 4            |
| Education  | <u>321.4</u> | <u>319.1</u> | <u>320.8</u> | <u>317.9</u> | <u>311.1</u> | <u>311.2</u> | <u>302.2</u> | <u>296.3</u> | <u>280.7</u> | <u>266.1</u> |
| Total  | <u>377.4</u> | <u>375.1</u> | <u>376.8</u> | <u>373.9</u> | <u>366.6</u> | <u>366.2</u> | <u>357.2</u> | <u>351.3</u> | <u>335.7</u> | <u>319.1</u> |

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

| Function/Program   | FISCAL YEAR |         |         |         |         |         |         |         |         |         |
|--|-------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
|  | 2010        | 2009    | 2008    | 2007    | 2006    | 2005    | 2004    | 2003    | 2002    | 2001    |
| General government:                                      |             |         |         |         |         |         |         |         |         |         |
| Building permits issued                                  | 744         | 751     | 700     | 739     | 899     | 934     | 613     | 776     | 855     | 837     |
| Building inspections conducted                           | 1,200       | 1,690   | 1,560   | 1,300   | 1,400   | 1,100   | 1,138   | 1,200   | 1,038   | 1,143   |
| Police:  |             |         |         |         |         |         |         |         |         |         |
| Physical arrests   | 183         | 169     | 163     | 143     | 206     | 302     | 255     | 250     | 223     | 293     |
| Parking violations                                       | 11          | 6       | 0       | 0       | 0       | 0       | 0       | 2       | 3       | 2       |
| Traffic violations                                       | 2,105       | 1,868   | 1,039   | 1,793   | 705     | 705     | 822     | 894     | 1,126   | 1,184   |
| Fire:  |             |         |         |         |         |         |         |         |         |         |
| Emergency responses                                      | 215         | 241     | 226     | 214     | 188     | 186     | 188     | 194     | 221     | 210     |
| Fires extinguished                                       | 17          | 35      | 41      | 10      | 7       | 12      | 20      | 18      | 28      | 19      |
| Inspections  | 70          | 55      | 56      | 42      | 38      | 36      | 28      | 28      | 26      | 22      |
| Refuse collection:                                       |             |         |         |         |         |         |         |         |         |         |
| Refuse collected (tons per day)                          | 12.71       | 13      | 14.9    | 16.6    | 17.57   | 17.18   | 16.74   | 16.3    | 15.61   | 15.46   |
| Recyclables collected (tons per day)                     | 6           | 3.8     | 3.2     | 3       | 4.1     | 4.3     | 3.89    | 4.06    | 4.11    | 4.11    |
| Other public works:                                      |             |         |         |         |         |         |         |         |         |         |
| Street resurfacing (miles)                               | 2.68        | 3.25    | 3.3     | 3.4     | 3.4     | 3.42    | 3.31    | 6.98    | 4.35    | 7.68    |
| Potholes repaired  | 150         | 150     | 150     | 200     | 215     | 200     | 225     | 200     | 185     | 200     |
| Parks and recreation:                                    |             |         |         |         |         |         |         |         |         |         |
| Athletic field permits issued                            | N/A         | N/A     | N/A     | N/A     | N/A     | N/A     | N/A     | N/A     | N/A     | N/A     |
| Community center admissions                              | N/A         | N/A     | N/A     | N/A     | N/A     | N/A     | N/A     | N/A     | N/A     | N/A     |
| Library:   |             |         |         |         |         |         |         |         |         |         |
| Volumes in collection                                    | 75,199      | 75,125  | 72,411  | 70,429  | 70,785  | 72,238  | 69,021  | 66,871  | 64,782  | 60,262  |
| Total volumes borrowed                                   | 165,780     | 170,124 | 165,171 | 158,039 | 161,809 | 160,362 | 161,147 | 160,716 | 140,303 | 138,232 |
| Water:   |             |         |         |         |         |         |         |         |         |         |
| New connections  | N/A         | N/A     | N/A     | N/A     | N/A     | N/A     | N/A     | N/A     | N/A     | N/A     |
| Water main breaks  | N/A         | N/A     | N/A     | N/A     | N/A     | N/A     | N/A     | N/A     | N/A     | N/A     |
| Average daily consumption<br>(thousands of gallons)      | N/A         | N/A     | N/A     | N/A     | N/A     | N/A     | N/A     | N/A     | N/A     | N/A     |
| Peak daily consumption<br>(thousands of gallons)         | N/A         | N/A     | N/A     | N/A     | N/A     | N/A     | N/A     | N/A     | N/A     | N/A     |
| Wastewater:  |             |         |         |         |         |         |         |         |         |         |
| Average daily sewage treatment<br>(thousands of gallons) | 120,000     | 110,000 | 188,000 | 160,000 | 128,000 | 125,000 | 136,000 | 126,000 | 125,000 | 124,000 |
| Transit:   |             |         |         |         |         |         |         |         |         |         |
| Total route miles  | N/A         | N/A     | N/A     | N/A     | N/A     | N/A     | N/A     | N/A     | N/A     | N/A     |
| Passengers   | N/A         | N/A     | N/A     | N/A     | N/A     | N/A     | N/A     | N/A     | N/A     | N/A     |

Source: Annual Reports, Budgets and Department records

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

| Function/Program                          | FISCAL YEAR |           |           |           |           |           |           |           |           |           |
|---|-------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
|   | 2010        | 2009      | 2008      | 2007      | 2006      | 2005      | 2004      | 2003      | 2002      | 2001      |
| Police:                                   |             |           |           |           |           |           |           |           |           |           |
| Stations                                  | 1           | 1         | 1         | 1         | 1         | 1         | 1         | 1         | 1         | 1         |
| Zone offices                              | 0           | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         |
| Patrol units                              | 9           | 9         | 9         | 9         | 9         | 9         | 10        | 10        | 10        | 8         |
| Fire stations                             | 3           | 3         | 3         | 3         | 3         | 3         | 3         | 3         | 3         | 3         |
| Refuse collection:                        |             |           |           |           |           |           |           |           |           |           |
| Collection trucks                         | N/A         | N/A       | N/A       | N/A       | N/A       | N/A       | N/A       | N/A       | N/A       | N/A       |
| Other public works:                       |             |           |           |           |           |           |           |           |           |           |
| Streets (miles)                           | 95.70       | 95.70     | 95.11     | 94.25     | 94.25     | 93.97     | 92.34     | 91.40     | 90.55     | 89.34     |
| Highways (miles)                          | N/A         | N/A       | N/A       | N/A       | N/A       | N/A       | N/A       | N/A       | N/A       | N/A       |
| Streetlights                              | 151         | 151       | 151       | 151       | 151       | 151       | 151       | 151       | 151       | 151       |
| Traffic signals                           | 6           | 6         | 6         | 6         | 6         | 6         | 5         | 5         | 5         | 5         |
| Parks and recreation:                     |             |           |           |           |           |           |           |           |           |           |
| Acreage                                   | 161.8       | 161.8     | 161.8     | 161.8     | 161.8     | 161.8     | 161.8     | 117.3     | 117.3     | 117.3     |
| Playgrounds                               | 2           | 2         | 2         | 2         | 2         | 2         | 2         | 1         | 1         | 1         |
| Baseball/softball diamonds                | 6           | 6         | 6         | 6         | 6         | 6         | 5         | 5         | 5         | 5         |
| Soccer/football fields                    | 10          | 10        | 10        | 10        | 10        | 10        | 7         | 7         | 7         | 7         |
| Community centers                         | 1           | 1         | 1         | 1         | 1         | 1         | 1         | 1         | 1         | 1         |
| Water:                                    |             |           |           |           |           |           |           |           |           |           |
| Water mains (miles)                       | N/A         | N/A       | N/A       | N/A       | N/A       | N/A       | N/A       | N/A       | N/A       | N/A       |
| Fire hydrants                             | N/A         | N/A       | N/A       | N/A       | N/A       | N/A       | N/A       | N/A       | N/A       | N/A       |
| Storage capacity (thousands of gallons)   | N/A         | N/A       | N/A       | N/A       | N/A       | N/A       | N/A       | N/A       | N/A       | N/A       |
| Wastewater:                               |             |           |           |           |           |           |           |           |           |           |
| Sanitary sewers (miles)                   | 5.31        | 4.77      | 4.77      | 4.77      | 4.77      | 4.77      | 4.77      | 4.77      | 4.77      | 4.77      |
| Storm sewers (miles)                      | 11.4        | 11.4      | 11.4      | 11.4      | 11.4      | 11.3      | 11.3      | 11.3      | 11.2      | 11.2      |
| Treatment capacity (thousands of gallons) | 1,400,000   | 1,400,000 | 1,400,000 | 1,400,000 | 1,400,000 | 1,400,000 | 1,400,000 | 1,400,000 | 1,400,000 | 1,400,000 |
| Transit - mini-buses                      | N/A         | N/A       | N/A       | N/A       | N/A       | N/A       | N/A       | N/A       | N/A       | N/A       |

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Source: Annual Reports, Budgets and Department records