

**Comprehensive  
Annual Financial Report**

of the

**Town of Granby  
Connecticut**

Fiscal Year Ended June 30, 2006

**TOWN OF GRANBY, CONNECTICUT**

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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 Neumann            | Elected                    | 2 years     |
| Selectman                  | Ronald F. Desrosiers    | Elected                    | 2 years     |
| Selectman                  | Frank D. Judice, Jr.    | Elected                    | 2 years     |
| Selectman                  | Sally S. King           | Elected                    | 2 years     |
| Town Manager               | William F. Smith, Jr.   | Appointed                  | Indefinite  |
| Town Clerk                 | Carol J. Smith          | Appointed                  | Indefinite  |
| Collector of Revenue       | Lauren C. Stuck         | Appointed                  | Indefinite  |
| Assessor                   | Susan J. Altieri        | Appointed                  | Indefinite  |
| Treasurer                  | Roger A. Hensdorf       | Appointed                  | 2 years     |
| Finance Officer            | Barbarajean 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  | Gwen E. Van Dorp, Ed.D. | Appointed                  | 3 years     |
| Town Attorney              | Donald R. Holtman       | Appointed                  | 2 years     |





**TOWN OF GRANBY**  
*Incorporated 1786*

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

WILLIAM F. SMITH, JR.  
TOWN MANAGER

November 10, 2006

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, 2006. The appointed auditors from Scully & Wolf, LLP, have issued an unqualified opinion on Granby's financial statements for the Fiscal Year 2005-06. 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 are reported in a manner to present fairly the financial position and results of operations of the Town. All disclosures necessary to enable the reader to gain an understanding of the Town's financial activities have been included.

The CAFR is presented in three sections: Introductory, Financial, and Statistical. This report follows the format for annual financial reports that the Governmental Accounting Standards Board (GASB) suggests and that of the Government Finance Officers Association (GFOA), who promotes its Certificate of Achievement for Excellence in Financial Reporting program. The Introductory Section includes this transmittal letter, the Town's organizational chart, and a list of principal town officials. The Financial Section includes Management Discussion and Analysis (MD&A), basic financial statements, required supplementary information, and the combining and individual fund statements and schedules, as well as the auditors' report. The Statistical Section includes selected financial and demographic information, generally presented on a multi-year basis.

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 2006, is estimated at 11,300. The Town, originally part of the Town of Simsbury, was incorporated in 1786.

The Town functions under the Selectmen-Manager, Town Meeting, and Charter form of government, 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. The 2005 estimated number of Granby housing units was 3,990, up by 1,219 from 2,691 in 1980. Granby's housing base is made up primarily of single-family homes. Last year the median sales price of a single family home in Granby was \$307,000. Of the 29 Capitol Region Towns, only seven towns had median sales that exceeded this value. In fact, the median sales price within the

29 towns was almost \$50,000 less than that of Granby. The Town's residential component comprises about 94% of its tax base. In Granby there are six condominium developments containing 353 units as of 2006. The median sales price of a condominium increased by over 22% from 2005 to 2006. This increase was primarily due to the Hunt Glen development. This adult community of 69 units sold out in three years. Hunt Glen is located in a new mixed-use area of the Town and shares its entrance with a new Stop and Shop Supermarket development. The Town of Granby was instrumental in laying the foundation for this development through creative zoning and its rapid reconstruction of an existing road intersection. In addition to Hunt Glen and Stop and Shop, this area has seen the construction of a new TJ Maxx. As often happens, this activity was the catalyst for additional new retail and service development; most recently the 12,000 square foot Horses and Hounds retail store. Recognizing the changes that were occurring within this area, the Town has adopted a new transitional zoning district within the immediate area. A new YMCA complex is located in the area and its membership goals were exceeded in the first year of operation. 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. The above is but one recent example of how the Town of Granby responds to and supports positive growth.

In addition to the above, located just north of the Stop and 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 a new 20,000 square foot medical office complex. In addition to the previously existing medical offices, the Center has 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, cell phone store, specialty stores, hardware and carpeting stores, video rental, package store, and more. The latest addition to the Center is a new Cumberland Farms store constructed in a traditional design and including a gas station. 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 Center's nighttime music offerings were recently praised in a Hartford Advocate newspaper article. The Town has supported its Center businesses with flexible zoning regulations, through business linkage initiatives and most recently through the installation of traditional street lighting. The lighting was placed along Bank Street. There are four banks located within Granby 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 which recently expanded its main operations building to 50,000 square feet; State Line Oil and the newly constructed 9,000 square foot State Line Propane. An additional 6,000 square feet was recently constructed for Grass Helper Lawn Care and Rhino Linings, USA, and a 3,200 square foot building was constructed in the area for Maximum Tree Service, Inc. Another 12,000 square foot building is approved for the area but construction has yet to begin. Overall this area should see additional industrial construction to meet the demand of local contractors.

While Granby is known as a highly desirable residential community, it has a vibrant commercial base. Local government in Granby has earned a solid reputation for working effectively to foster 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 3.83% of the total assessed value on the October 1, 2004 Grand List. The Town's last revaluation was effective on the October 1, 2002 Grand List. A state mandated revaluation "update" is scheduled for the Town's October 1, 2007 Grand List. The Town's 2004 Grand List saw an increase of 2.79%. The Town's property tax collection rate for the year ended on June 30, 2006 was \$505,941 above the budgeted amount. This represents a 101.9% tax collection rate. For Fiscal Year 2006, building permit activity totaled \$223,885. A review of key economic indicators shows that per capita income of Granby's residents is 17.7% above the statewide average of \$33,863 but its household income of \$91,573 exceeds the statewide average by \$31,812 and only 3.1% of families fall below poverty levels. The Town's 2006 average unemployment rate of 3.3% compared favorably to the statewide average of 4.4%.

#### 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.

The Board of Finance may transfer appropriations from one classification to another within the same department, 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 \$500 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 Simsbury Bank. Short term interest rates fluctuated throughout the year increasing significantly during the year as a result of actions by the Federal Reserve. STIF, where the largest portion of the Town's idle cash is invested, yielded 3.39% on July 1<sup>st</sup> and by year-end (June 30, 2006) investment income increased to 5.12%.

#### 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. In addition, there is an aggregate stop loss policy that would cover claims exceeding 125% of total estimated claims for the year. 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, and its 125% aggregate stop loss level. 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 2005, 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 expects to meet a July 1, 2007 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). In addition, the Town will 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 Scully & Wolf, LLP, certified public accountants, to conduct the 2005-06 Town's audit. The independent auditors' report is included in this document.

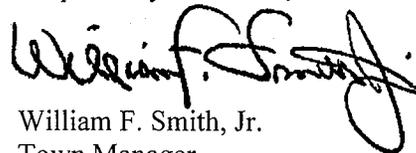
##### Certificate of Achievement

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 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

# Financial Section



*Scully & Wolf, LLP / Certified Public Accountants / Glastonbury, Connecticut 06033*

## 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, 2006, 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 examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes 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.

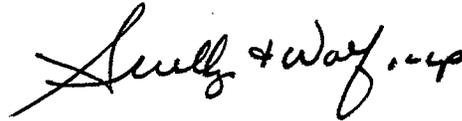
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Granby, as of June 30, 2006, and the respective changes in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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 10, 2006 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, and 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 and budgetary comparison information on pages 3 through 14 and 44 through 47 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.

November 10, 2006

A handwritten signature in black ink, appearing to read "Sully & Wafar". The signature is written in a cursive, flowing style.

**TOWN OF GRANBY, CONNECTICUT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2006**

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, education, interest on long-term debt, and recreation and social services.
  - 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 thirty-six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and the capital projects fund, both of which are considered to be major funds. Data from the other thirty-four governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the thirty-four 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, 2006. 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 \$39,640,438 (net assets). Of this amount, \$7,080,035 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net assets increased by \$6,696,175. The net increase was due to almost \$13.1 million in capital outlays for the school renovation projects and almost \$685 thousand for new vehicles and equipment. The addition of \$10,557,800 of new bonds (\$10,000,000) and capital leases (\$557,800) less scheduled repayments of \$1,977,619 served to lower the overall net asset increase.
- As of the close of the current fiscal year, the Town's governmental funds reported a combined ending fund balance of \$5,855,437, an increase of \$4,360,882 in comparison with the prior year. *Unreserved fund balances* amounted to a collective \$1,245,307 which still reflects a temporary imbalance of expenditures over revenues in the capital projects account of \$5,087,678.
- At the end of the 2006 fiscal year, unreserved fund balance for the general fund was \$3,957,495, or 11.61% of total general fund expenditures of \$34,099,735.
- The Town of Granby's bonded debt increased by a net \$8,302,500 (4.03%) during the current fiscal year to \$28,895,000.

## 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 \$39,640,438 at the close of the most recent fiscal year.

By far the largest portion of the Town's net assets, \$31,341,248 (79.06%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), 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<br/>2006</b> | <b>Governmental<br/>Activities<br/>2005</b> |
|---|---|---|
| Current and Other Assets.....                   | \$10,389,363                                | \$16,010,087                                |
| Capital Assets .....                            | <u>61,453,339</u>                           | <u>49,724,003</u>                           |
| Total Assets .....                              | <u>71,842,702</u>                           | <u>65,734,090</u>                           |
| Long-Term Debt Outstanding.....                 | 28,201,325                                  | 22,042,758                                  |
| Other Liabilities .....                         | <u>4,000,939</u>                            | <u>10,747,069</u>                           |
| Total Liabilities.....                          | <u>32,202,264</u>                           | <u>32,789,827</u>                           |
| Net Assets:                                     |   |   |
| Invested in Capital Assets, net<br>of debt..... | 31,341,248                                  | 22,642,784                                  |
| Restricted .....                                | 1,219,155                                   | 1,141,557                                   |
| Unrestricted.....                               | <u>7,080,035</u>                            | <u>9,159,922</u>                            |
| Total Net Assets.....                           | <u>\$39,640,438</u>                         | <u>\$32,944,263</u>                         |

A portion of the Town's net assets, \$1,219,155 (3.08%), represents resources that are subject to external restrictions on how they may be used. \$1,193,896 is set aside for debt service and \$25,259 is restricted for expendable trust purposes. The remaining balance of *unrestricted net assets*, \$7,080,035, 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 increased by \$6,696,175 during the current fiscal year. The Town brought in total general revenues of \$28,139,874 which exceeded its net program expenditures of \$21,443,699 by the amount of the net asset increase. Gross expenses of \$38,029,805 were offset by \$3,292,079 in charges for services, \$6,051,648 in capital grants and contributions, and \$7,242,379 in operating grants and contributions. Of the net program expenditures, \$12,864,902 was accounted for by the Board of Education. Net public works and environment expenditures accounted for \$2,874,264, general government, \$1,849,300, public safety, \$1,771,409, interest on long-term debt, \$1,379,382, and recreation and social services, \$704,392. The majority of the Town's total revenues of \$44,725,980 came in the form of \$26,964,317 of local property tax collections, \$13,573,121 as

operating, capital, or unrestricted grants, and \$896,463 of unrestricted investment earnings and miscellaneous income.

**Governmental activities.** Governmental activities increased the Town’s net assets by \$6,696,175, accounting for 100% of the total growth in our net assets. Key elements of this increase are as follows:

**Table 2. Changes in Net Assets**

|  | <b>Governmental<br/>Activities<br/>2006</b> | <b>Governmental<br/>Activities<br/>2005</b> |
|--|---|---|
| Revenues:                                  |   |   |
| Program Revenues:                          |   |   |
| Charges for Services.....                  | \$ 3,292,079                                | \$ 2,683,210                                |
| Operating Grants and Contributions         | 7,242,379                                   | 5,954,856                                   |
| Capital Grants and Contributions....       | 6,051,648                                   | 3,638,803                                   |
| General Revenues:                          |   |   |
| Property Taxes .....                       | 26,964,317                                  | 25,035,707                                  |
| Grants and Contributions not<br>Restricted | 279,094                                     | 225,564                                     |
| to Specific Purpose.....                   |   |   |
| Unrestricted Investment Earnings ...       | 561,355                                     | 328,701                                     |
| Other General revenues .....               | <u>335,108</u>                              | <u>226,093</u>                              |
| Total Revenues .....                       | <u>44,725,980</u>                           | <u>38,092,934</u>                           |
| Program Expenses:                          |   |   |
| General Government .....                   | 2,594,930                                   | 2,195,708                                   |
| Public Safety .....                        | 2,049,851                                   | 2,010,012                                   |
| Public works and environment.....          | 3,471,987                                   | 2,949,836                                   |
| Recreation and Social Services .....       | 1,130,356                                   | 1,189,469                                   |
| Education .....                            | 27,270,476                                  | 24,344,532                                  |
| Interest on Long-Term Debt .....           | <u>1,512,205</u>                            | <u>1,102,035</u>                            |
| Total Program Expenses .....               | <u>38,029,805</u>                           | <u>33,791,592</u>                           |
| Increase in Net Assets.....                | <u>\$ 6,696,175</u>                         | <u>\$ 4,301,342</u>                         |

Total revenues from the prior year increased \$6,633,046 (17.41%) largely as a result of increases in real estate, personal property, and motor vehicle taxes coupled with an influx of State school building construction grants applicable to expenditures at the Kearns, Wells Road, and Kelly Lane Schools. Expenditures rose \$4,238,213 (12.54%) due to increased costs of education (\$2,925,944), winter overtime and fuel costs (\$522,151), and higher debt service and lease expense (\$410,170 - some of which is attributable to one-time transaction costs associated with the issuance of bonds).

Revenues

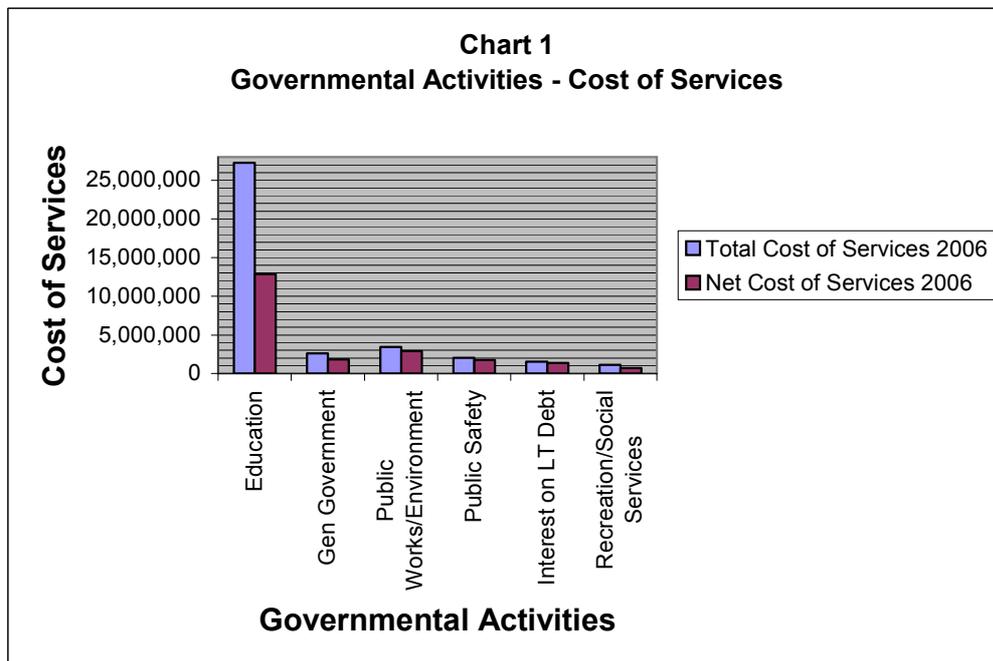
- Property taxes collected increased by \$1,928,610 (7.70%) over the prior year.
- Capital grants increased \$2,412,845, over sixty-six percent, due to State of Connecticut school building progress payment grants for the ongoing school renovations.
- Rising interest rates and an unexpended capital funding balance contributed to a \$233 thousand (70.78%) rise in unrestricted investment revenues.

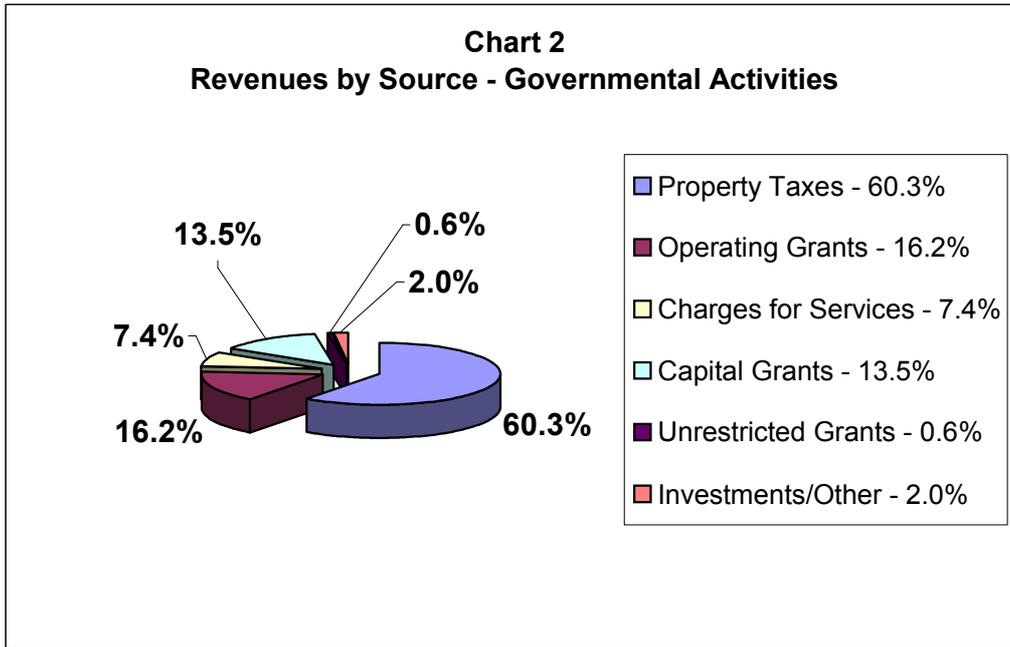
Expenditures (gross)

- Education costs rose \$2.926 million (12.02%) over the prior year due mainly to employee salary and benefit improvements embedded in collective bargaining agreements and the increased costs of fuel and electricity.
- General government expenditures rose \$339 thousand (15.45%) from FY 2005 due primarily to increases in fringe benefits and collection bargaining requirements.
- Public works and environment rose \$522 thousand (17.70%) as a result of scheduled collective bargaining increases, higher fuel and electricity costs, and the effects of severe winter weather overtime.

Chart 1 following presents the costs of each of the Town’s six largest 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 of \$4,238,213 (12.54%) closely parallel inflation and growth in the Town's population. Greater expenditures reflect no new general government programs and are largely the result of implementation of contractual collective bargaining agreements.

**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 \$5,855,437, an increase of \$4,360,882 in comparison with the prior year. Unreserved fund balance, which is available for spending at the government's discretion, amounts to \$1,245,307. While the general fund and other governmental funds post positive fund balances (\$4,104,770 and \$3,597,107, respectively), the capital projects fund reflects a negative fund balance of \$1,846,440 (improved from a negative \$5,858,962 the prior fiscal year) caused by capital expenditures having been made before the long-term funding was put in place. This deficit will disappear once the timing of cash flows in and out corrects itself. Reserved fund balance in the amount of \$4,610,130 is not available for new spending because it has already been committed 1) to liquidate contracts and purchase orders of the prior period \$147,275; 2) to pay debt service of \$1,193,896; 3) to reserve \$27,721 for inventory and trust funds; and 4) to reserve \$3,241,238 for future capital project expenditures.

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 \$3,957,495 while total fund balance reached \$4,104,770. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 11.61% of total general fund expenditures of \$34,099,735 while total fund balance represents 12.04% of that same amount.

The fund balance of the Town's general fund increased by \$337,947 during the current fiscal year as a result of larger than expected local tax collections (\$506 thousand), more intergovernmental grants than budgeted (\$181 thousand), better returns on the Town's investments (\$237 thousand), and Town Clerk fees (\$200 thousand). In addition, all Town departments spent less than their budget with the effect of "saving" \$209 thousand. A substantial portion of these favorable budgetary operations, \$1,869,276, was transferred to other funds at the end of the year, primarily capital project accounts (\$1,718,516) to fund continuing capital improvements throughout the Town.

**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 \$1,179,474, up \$38,464 from FY 2005, all of which is unrestricted. The total increase in net assets for the fund arose due to health insurance claims and administrative costs (\$3,407,263) coming in less than revenues collected and earned (\$3,445,727).

### **General Fund Budgetary Highlights**

The difference between the original expenditure budget (\$33,908,806) and the final amended budget (\$34,590,392) amounted to a net increase of \$681,586. The revenue budget remained unchanged at \$33,701,806. The significant actions, approved by the Board of Finance, are noted below.

- \$567,000 additional transfer to capital projects fund;
- \$62,000 funding to Cossitt Library for storm damage;
- \$38,938 increase for equipment maintenance and \$54,978 supplemental dollars for building maintenance and town grounds in Public Works and Environment;
- \$50,086 further funding for the Board of Education;
- \$71,104 removed from police operations but \$22,120 added to police communications and dispatching.

All of the increased appropriations were to be paid from available fund balance and reductions in other budget line items as indicated. During the year, actual revenues exceeded budgeted revenues by \$1,216,522 and actual expenditures were \$209,030 less than budget. As a result, no drawdown of general fund balance was required. For additional information, please see Exhibits 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 \$13,028,545.

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

- \$12,359,949 of new construction in progress was added, as noted below:
  - \$10,710 High School Renovations
  - \$1,044 Municipal Complex
  - \$51,188 bridge repairs
  - \$105,222 repairs to Town bridges
  - \$4,710,858 Wells Road School
  - \$7,579,149 Kelley Lane School

- The Town and the Board of Education acquired \$684,796 of new vehicles and equipment comprising, in part, various lease payments for a snow plow, backhoe, and a mower. The Board of Education obtained two 77 passenger buses for \$120 thousand and a new wheelchair bus for \$50 thousand. The Board also either purchased or leased \$484 thousand worth of equipment and furnishings. At the same time, Granby disposed of \$66,200 worth of old or unserviceable equipment and vehicles.

**Table 3. Capital Assets at Year-end (Net of Depreciation)**

|  | <b>Governmental Activities</b> |                     |
|--|--------------------------------|---------------------|
|  | <b>2006</b>                    | <b>2005</b>         |
| Land (not depreciated) .....                 | \$ 5,294,510                   | \$ 5,244,510        |
| Construction in Progress (not depreciated) . | 21,582,510                     | 9,222,561           |
| Buildings and Improvements.....              | 30,992,336                     | 31,930,195          |
| Vehicles and Equipment .....                 | 2,510,324                      | 2,224,284           |
| Infrastructure .....                         | <u>1,073,659</u>               | <u>1,102,453</u>    |
| Totals .....                                 | <u>\$61,453,339</u>            | <u>\$49,724,003</u> |

Additional information on the Town of Granby’s capital assets can be found in Note 6 of this report.

**Long-term debt.** At the end of the current fiscal year, the Town of Granby had \$28,895,000 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**

| <b>Bonds</b> |                    |               |                       |                         |                             |
|--------------|--------------------|---------------|-----------------------|-------------------------|-----------------------------|
| <b>Date</b>  | <b>Purpose</b>     | <b>Rate %</b> | <b>Original Issue</b> | <b>Debt Outstanding</b> | <b>Fiscal Year Maturity</b> |
| 3/1/84       | Sewer              | 5.00          | \$ 1,050,000          | \$ 225,000              | 2012                        |
| 6/15/91      | School             | 7.90-5.90     | 6,000,000             | 1,500,000               | 2011                        |
| 4/1/92       | School             | 6.70-6.00     | 3,500,000             | 950,000                 | 2011                        |
| 12/15/98     | Public Improvement | 3.75-4.70     | 4,282,000             |                         | 2019                        |
|              |                    |               |                       | 1,841,000               |                             |
| 12/15/98     | School             | 3.75-4.70     | 4,808,000             | 2,079,000               | 2019                        |
| 2/1/00       | School             | 5.25-7.00     | 11,560,000            | 2,550,000               | 2020                        |
| 3/24/05      | Public Improvement | 3.90          | 9,750,000             | 9,750,000               | 2019                        |
| 2/15/06      | Public Improvement | 3.75-5.00     | 2,100,000             | 2,100,000               | 2026                        |
| 2/15/06      | School             | 3.75-5.00     | 7,900,000             | 7,900,000               | 2026                        |
|              |                    |               | <u>\$50,950,000</u>   | <u>\$28,895,000</u>     |                             |

The Town of Granby’s bonded debt increased by \$8,302,500 (4.03%). During FY 2006, we took advantage of continually low interest rates and bonded \$10,000,000 for the Frank M. Kearns School, school property acquisition, Wells Road and Kelly Lane Schools, and various public improvements. Kelly Lane School has been substantially completed and the school re-opened in September of 2006.

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, 2006, the Town expects to receive \$1,953,254 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 7 times its tax collections plus interest and lien fees. For June 30, 2006, the maximum amount of borrowing permitted under the formula would be \$189,279,307. In computing the statutory debt limit, \$27,371,000 of school debt authorized but unissued is included, but it is reduced by anticipated school construction progress payment grants in the amount of \$21,118,812. With net borrowings of \$35,147,128, the Town's outstanding general obligation debt is \$154,132,179 below the maximum debt limitation (See Note 8 – Long-Term Debt of this report).

Standard & Poor's Corporation (S&P), one of the three nationally recognized municipal credit rating agencies, rates our outstanding bonded debt "AA". This is a two-rating upgrade from Moody's Investors Service, Inc.'s previous rating of "A1".

Additional information on the Town of Granby's long-term debt can be found in Note 8 of this document.

### **Economic Factors and Next Year's Budget**

- The unemployment rate for the Town of Granby was 3.3% as of June 30, 2006, which is a decrease from a rate of 4.2% a year ago. This compares favorably to the state's average unemployment rate of 4.4% and the national average rate of 4.8%.
- Inflationary trends in the region compare favorably to the national indices.
- The FY 2007 budget was approved on the first vote at a Town Meeting held April 24, 2006.

The FY 2006 – 07 budget incorporates several goals and objectives:

- ✓ Continue to increase the effectiveness and efficiency of Town services through technology and best practice methods;
- ✓ Maintain the present level of Town employment by continuously evaluating services and examining alternative methods of service delivery;
- ✓ Make debt service payments from the Town's capital reserve set aside fund with the idea of maintaining a sufficient fund balance to meet unexpected needs and to maintain flexibility in funding ongoing programs in the event of economic shifts;
- ✓ Make cash payments for capital expenditures as appropriate or phase in or combine the impact of smaller capital projects and use equipment lease purchases to avoid major tax increases;
- ✓ Provide long range operating and capital forecasts to meet "statement of commitments" and to better predict the mill rate impact of large capital needs;
- ✓ Charge reasonable user fees to fund certain essential, and some non-essential but desirable, programs, projects, or non-mandatory services.

Overall, for FY 2006 – 07 Granby's Board of Selectmen budget rose \$284,601 (2.46%) and the Board of Education budget rose \$1,501,200 (6.71%) to a total of \$35,694,607. The local real estate, personal property, and motor vehicle tax levy grew \$1,729,582 (5.10%) to help meet the new budget demands. To meet the levy, the mill rate grew from 33.41 to 34.67 (3.77%). Expected use of fund balance to offset further tax increases amounted to \$970,000, up from \$207,000 as budgeted in the prior year.

General government expenditures of \$7,881,914 (before capital expenditures and debt service) are 22.08% of the total budget while the Board of Education's \$23,859,930 share amounted to 66.84% of the budget. The remainder of the budget is devoted to capital improvements (\$920,000 – 2.58%) and debt service (\$3,027,763 – 8.48%). Debt service, almost all of which is education related, rose by \$84,960 reflecting the expected effect of the new bond issue.

The Board of Education realized its increases in the areas of salaries and benefits (\$1,067,439), utilities (\$325,741), and transportation (\$116,611). Of the Board increases, the salary and benefit impact was driven by existing contractual agreements, new building maintenance requirements, and the addition of new staff.

All of these factors were considered in preparing the Town of Granby's budget for the 2007 fiscal year.

During the current fiscal year, unreserved fund balance in the general fund increased to \$3,957,495. The Town has appropriated \$970,000 of this amount for spending in the 2007 fiscal year budget.

**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 Finance Officer, Town of Granby Town Hall, 15 North Granby Road, Granby, CT 06035-2125.

# Basic Financial Statements

TOWN OF GRANBY, CONNECTICUTSTATEMENT OF NET ASSETS  
JUNE 30, 2006

|              |   | GOVERNMENTAL<br>ACTIVITIES |
|--------------|---|----------------------------|
| ASSETS:      |   |                            |
|              | Cash and cash equivalents .....                       | \$ 6,439,122               |
|              | Receivables, net .....                                | 3,947,779                  |
|              | Inventory .....                                       | 2,462                      |
|              | Capital assets, not being depreciated .....           | 26,877,020                 |
|              | Capital assets, being depreciated .....               | <u>34,576,319</u>          |
|              | Total assets .....                                    | <u>71,842,702</u>          |
| LIABILITIES: |   |                            |
|              | Accounts and other payables .....                     | 601,420                    |
|              | Due to Fiduciary Funds .....                          | 361,806                    |
|              | Unearned revenue .....                                | 274,635                    |
| 15           | Noncurrent liabilities:                               |                            |
|              | Due within one year .....                             | 2,763,078                  |
|              | Due in more than one year .....                       | <u>28,201,325</u>          |
|              | Total liabilities .....                               | <u>32,202,264</u>          |
| NET ASSETS:  |   |                            |
|              | Invested in capital assets, net of related debt ..... | 31,341,248                 |
|              | Restricted for:                                       |                            |
|              | Debt service .....                                    | 1,193,896                  |
|              | Trust purposes:                                       |                            |
|              | Expendable .....                                      | 25,259                     |
|              | Unrestricted .....                                    | <u>7,080,035</u>           |
|              | Total net assets .....                                | <u>\$39,640,438</u>        |

The accompanying notes are an integral part of these financial statements.

TOWN OF GRANBY, CONNECTICUT  
 STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED JUNE 30, 2006

| FUNCTIONS/PROGRAMS   | EXPENSES            | CHARGES FOR<br>SERVICES | PROGRAM REVENUES.....<br>OPERATING<br>GRANTS AND<br>CONTRIBUTIONS | CAPITAL<br>GRANTS AND<br>CONTRIBUTIONS | NET (EXPENSE)<br>REVENUE AND<br>CHANGES IN<br>NET ASSETS..<br>GOVERNMENTAL<br>ACTIVITIES |
|--|---------------------|-------------------------|---|--|--|
| Governmental activities:   |                     |                         |   |  |  |
| General government.....  | \$ 2,594,930        | \$ 704,310              | \$ 41,270   |  | \$ (1,849,350)   |
| Public safety.....   | 2,049,851           | 270,183                 | 8,259   |  | (1,771,409)  |
| Public works and environment.....                                  | 3,471,987           | 302,378                 | 295,345   |  | (2,874,264)  |
| Recreation and social services.....                                | 1,130,356           | 382,403                 | 43,561  |  | (704,392)  |
| Education.....   | 27,270,476          | 1,632,805               | 6,721,121   | \$6,051,648                            | (12,864,902)   |
| Interest on long-term debt.....                                    | 1,512,205           |                         | 132,823   |  | (1,379,382)  |
| Total .....  | <u>\$38,029,805</u> | <u>\$3,292,079</u>      | <u>\$7,242,379</u>  | <u>\$6,051,648</u>                     | <u>(21,443,699)</u>  |
| General revenues:  |                     |                         |   |  |  |
| Property taxes .....   |                     |                         |   |  | 26,964,317   |
| Grants and contributions not restricted to specific programs ..... |                     |                         |   |  | 279,094  |
| Unrestricted investment earnings .....                             |                     |                         |   |  | 561,355  |
| Miscellaneous .....  |                     |                         |   |  | 335,108  |
| Total general revenues .....                                       |                     |                         |   |  | <u>28,139,874</u>  |
| Change in net assets .....   |                     |                         |   |  | 6,696,175  |
| Net assets, July 1, 2005 .....                                     |                     |                         |   |  | <u>32,944,263</u>  |
| Net assets, June 30, 2006 .....                                    |                     |                         |   |  | <u>\$ 39,640,438</u>   |

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The accompanying notes are an integral part of these financial statements.

TOWN OF GRANBY, CONNECTICUT

GOVERNMENTAL FUNDS

BALANCE SHEET  
JUNE 30, 2006

|  | GENERAL             | CAPITAL<br>PROJECTS | OTHER<br>GOVERNMENTAL<br>FUNDS | TOTAL<br>GOVERNMENTAL<br>FUNDS |
|--|---------------------|---------------------|--------------------------------|--------------------------------|
| <u>A S S E T S</u>   |                     |                     |                                |                                |
| Cash and cash equivalents .....  | \$ 5,987,431        |                     | \$ 280,863                     | \$ 6,268,294                   |
| Receivables (net) .....  | 2,274,039           | \$1,652,621         | 21,119                         | 3,947,779                      |
| Due from other funds .....   | 5,891,891           | 2,362,974           | 3,547,916                      | 11,802,781                     |
| Inventories .....  |                     |                     | 2,462                          | 2,462                          |
| TOTAL .....  | <u>\$14,153,361</u> | <u>\$4,015,595</u>  | <u>\$3,852,360</u>             | <u>\$22,021,316</u>            |
| <u>L I A B I L I T I E S<br/>A N D<br/>F U N D B A L A N C E S</u>   |                     |                     |                                |                                |
| Liabilities:   |                     |                     |                                |                                |
| Accounts payable and accrued liabilities .....   | \$ 163,481          |                     | \$ 13,096                      | \$ 176,577                     |
| Due to other funds .....   | 7,605,457           | \$ 5,862,035        | 29,856                         | 13,497,348                     |
| Deferred revenue .....   | 2,279,653           |                     | 212,301                        | 2,491,954                      |
| 17 Total liabilities .....   | <u>10,048,591</u>   | <u>5,862,035</u>    | <u>255,253</u>                 | <u>16,165,879</u>              |
| Fund balances (deficit):   |                     |                     |                                |                                |
| Reserved .....   | 147,275             | 3,241,238           | 1,221,617                      | 4,610,130                      |
| Unreserved, reported in:   |                     |                     |                                |                                |
| General Fund .....   | 3,957,495           |                     |                                | 3,957,495                      |
| Special Revenue Funds .....  |                     |                     | 2,375,490                      | 2,375,490                      |
| Capital Project Funds .....  |                     | (5,087,678)         |                                | (5,087,678)                    |
| Total fund balances (deficit) .....  | <u>4,104,770</u>    | <u>(1,846,440)</u>  | <u>3,597,107</u>               | <u>5,855,437</u>               |
| TOTAL .....  | <u>\$14,153,361</u> | <u>\$ 4,015,595</u> | <u>\$3,852,360</u>             |                                |
| Amounts reported for governmental activities in the statement of net assets are different because:   |                     |                     |                                |                                |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds .....   |                     |                     |                                | 61,453,339                     |
| Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds .....  |                     |                     |                                | 2,217,319                      |
| 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 fund are included in governmental activities in the statement of net assets ..... |                     |                     |                                | 1,179,474                      |
| Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds .....  |                     |                     |                                | <u>(31,065,131)</u>            |
| Net assets of governmental activities .....  |                     |                     |                                | <u>\$ 39,640,438</u>           |

The accompanying notes are an integral part of these financial statements.

TOWN OF GRANBY, CONNECTICUT

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2006

|   | GENERAL             | CAPITAL<br>PROJECTS  | OTHER<br>GOVERNMENTAL<br>FUNDS | TOTAL<br>GOVERNMENTAL<br>FUNDS |
|---|---------------------|----------------------|--------------------------------|--------------------------------|
| <b>Revenues:</b>  |                     |                      |                                |                                |
| Property taxes .....  | \$26,932,665        |                      |                                | \$26,932,665                   |
| Intergovernmental .....   | 7,174,090           | \$ 6,051,648         | \$ 1,148,462                   | 14,374,200                     |
| Licenses, fees and charges for services .....   | 582,618             |                      | 1,699,276                      | 2,281,894                      |
| Investment income .....   | 372,230             | 8,900                | 131,955                        | 513,085                        |
| Other revenues .....  | 279,189             | 850                  | 241,056                        | 521,095                        |
| <b>Total revenues .....</b>   | <b>35,340,792</b>   | <b>6,061,398</b>     | <b>3,220,749</b>               | <b>44,622,939</b>              |
| <b>Expenditures:</b>  |                     |                      |                                |                                |
| <b>Current:</b>   |                     |                      |                                |                                |
| General government .....  | 2,384,597           |                      | 62,607                         | 2,447,204                      |
| Public safety .....   | 1,777,475           |                      | 183,881                        | 1,961,356                      |
| Public works and environment .....  | 2,567,655           |                      | 241,708                        | 2,809,363                      |
| Recreation and social services .....  | 598,109             |                      | 469,031                        | 1,067,140                      |
| Education .....   | 23,874,807          |                      | 1,639,219                      | 25,514,026                     |
| Capital outlay .....  |                     | 14,106,456           |                                | 14,106,456                     |
| Debt service .....  | 2,897,092           | 17,220               |                                | 2,914,312                      |
| <b>Total expenditures .....</b>   | <b>34,099,735</b>   | <b>14,123,676</b>    | <b>2,596,446</b>               | <b>50,819,857</b>              |
| <b>Excess (deficiency) of revenues over expenditures .....</b>  | <b>1,241,057</b>    | <b>(8,062,278)</b>   | <b>624,303</b>                 | <b>(6,196,918)</b>             |
| <b>Other financing sources (uses):</b>  |                     |                      |                                |                                |
| Transfers in .....  | 966,166             | 1,517,000            | 1,087,276                      | 3,570,442                      |
| Transfers out .....   | (1,869,276)         |                      | (1,701,166)                    | (3,570,442)                    |
| Proceeds from the sale of bonds .....   |                     | 10,000,000           |                                | 10,000,000                     |
| Proceeds from capital leases .....  |                     | 557,800              |                                | 557,800                        |
| <b>Total other financing sources (uses) .....</b>   | <b>(903,110)</b>    | <b>12,074,800</b>    | <b>(613,890)</b>               | <b>10,557,800</b>              |
| <b>Net change in fund balances .....</b>  | <b>337,947</b>      | <b>4,012,522</b>     | <b>10,413</b>                  | <b>4,360,882</b>               |
| <b>Fund balance (deficit), July 1, 2005 .....</b>   | <b>3,766,823</b>    | <b>(5,858,962)</b>   | <b>3,586,694</b>               |                                |
| <b>Fund balance (deficit), June 30, 2006 .....</b>  | <b>\$ 4,104,770</b> | <b>\$(1,846,440)</b> | <b>\$ 3,597,107</b>            |                                |
| <b>Amounts reported for governmental activities in the statement of activities (Exhibit II) are different because:</b>  |                     |                      |                                |                                |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense in the current period .....   |                     |                      |                                | 11,767,767                     |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds .....   |                     |                      |                                | (401,506)                      |
| Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount by which proceeds exceeded repayments ..... |                     |                      |                                | (8,580,181)                    |
| Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds .....  |                     |                      |                                | (489,251)                      |
| Internal service funds are used by management to charge the costs of risk management to individual funds. The net revenue (expense) of the internal service fund is reported with governmental activities (Exhibit VI) .....  |                     |                      |                                | 38,464                         |
| <b>Change in net assets of governmental activities (Exhibit II) .....</b>   |                     |                      |                                | <b>\$ 6,696,175</b>            |

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The accompanying notes are an integral part of these financial statements.

TOWN OF GRANBY, CONNECTICUTPROPRIETARY FUNDSSTATEMENT OF NET ASSETS  
JUNE 30, 2006

|              |                                   | GOVERNMENTAL<br>.ACTIVITIES.<br>INTERNAL<br>SERVICE FUND |
|--------------|-----------------------------------|--|
| ASSETS:      |                                   |  |
|              | Cash and cash equivalents .....   | \$ 170,828   |
|              | Due from other funds .....        | <u>1,332,761</u>   |
|              | Total assets .....                | <u>1,503,589</u>   |
| LIABILITIES: |                                   |  |
|              | Accounts and other payables ..... | 7,147  |
|              | Risk management claims .....      | <u>316,968</u>   |
|              | Total liabilities .....           | <u>324,115</u>   |
| NET ASSETS:  |                                   |  |
|              | Unrestricted .....                | <u><u>\$1,179,474</u></u>                                |

The accompanying notes are an integral part of these financial statements.

TOWN OF GRANBY, CONNECTICUTPROPRIETARY FUNDSSTATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2006

|  | GOVERNMENTAL<br>ACTIVITIES<br>INTERNAL<br>SERVICE FUND |
|--|--|
| Operating revenues:                      |  |
| Contributions .....                      | \$2,660,245  |
| Employee contributions .....             | 736,721  |
| Other .....                              | 491  |
| Total operating revenues .....           | <u>3,397,457</u>                                       |
| Operating expenses:                      |  |
| Health insurance claims .....            | 2,996,067  |
| Administrative and management fees ..... | 411,196  |
| Total operating expenses .....           | <u>3,407,263</u>                                       |
| Operating income (loss) .....            | (9,806)  |
| Nonoperating revenue:                    |  |
| Revenues from use of money .....         | 48,270   |
| Change in net assets .....               | 38,464   |
| Total net assets, July 1, 2005 .....     | <u>1,141,010</u>                                       |
| Total net assets, June 30, 2006 .....    | <u>\$1,179,474</u>                                     |

The accompanying notes are an integral part of these financial statements.

TOWN OF GRANBY, CONNECTICUT

PROPRIETARY FUNDS

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2006

|  |   | GOVERNMENTAL<br>.ACTIVITIES.<br>INTERNAL<br>SERVICE FUND |
|--|---|--|
| <hr/>  |   |  |
| Cash flows from (to) operating activities:   |   |  |
|  | Cash received from charges for services and contributions ..... | \$ 3,297,736   |
|  | Cash paid for claims, premiums and fees .....                   | <u>(3,302,725)</u>                                       |
|  | Net cash provided (used) by operating activities.....           | (4,989)  |
| Cash flows from investing activities:  |   |  |
|  | Income on investments .....                                     | <u>48,270</u>  |
| 21   | Net increase in cash and cash equivalents.....                  | 43,281   |
|  | Cash and cash equivalents, July 1, 2005.....                    | <u>127,547</u>   |
|  | Cash and cash equivalents, June 30, 2006.....                   | <u>\$ 170,828</u>  |
| <br>RECONCILIATION OF OPERATING INCOME (LOSS) TO<br>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES     |   |  |
|  | Operating income (loss).....                                    | \$ <u>(9,806)</u>  |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by<br>operating activities: |   |  |
| Change in assets and liabilities:  |   |  |
|  | (Increase) decrease in due from other funds .....               | (99,721)   |
|  | Increase (decrease) in accounts payable .....                   | 3,287  |
|  | Increase (decrease) in risk management claims .....             | <u>101,251</u>   |
|  | Total adjustments .....   | <u>4,817</u>   |
|  | Net cash provided (used) by operating activities.....           | <u>\$ (4,989)</u>  |

The accompanying notes are an integral part of these financial statements.

TOWN OF GRANBY, CONNECTICUTFIDUCIARY FUNDSSTATEMENT OF FIDUCIARY NET ASSETS  
JUNE 30, 2006

|  | PENSION<br>TRUST<br>FUND | AGENCY<br>FUNDS   |
|--|--------------------------|-------------------|
| ASSETS:                                  |                          |                   |
| Cash and cash equivalents .....          | \$ 17,146                | \$280,323         |
| Investments - Mutual Funds .....         | 8,993,030                |                   |
| Due from other funds .....               |                          | 361,806           |
| Accounts receivable .....                | <u>11,032</u>            | <u>          </u> |
| Total assets .....                       | 9,021,208                | <u>\$642,129</u>  |
| LIABILITIES:                             |                          |                   |
| 2 Due to employees and others .....      | <u>          </u>        | <u>\$642,129</u>  |
| NET ASSETS:                              |                          |                   |
| Held in trust for pension benefits ..... | <u>\$9,021,208</u>       |                   |

The accompanying notes are an integral part of these financial statements.

TOWN OF GRANBY, CONNECTICUTFIDUCIARY FUNDSSTATEMENT OF CHANGES IN PLAN NET ASSETS  
PENSION TRUST FUND  
FOR THE YEAR ENDED JUNE 30, 2006

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|  |                           |
|--|---------------------------|
| Additions:   |                           |
| Contributions:   |                           |
| Employer .....   | \$ 285,404                |
| Employee .....   | <u>172,525</u>            |
| Total contribution.....  | 457,929                   |
| Investment income:   |                           |
| Net appreciation in fair value of investments.....               | \$734,656                 |
| Interest and dividends.....                                      | <u>259</u>                |
| Total investment income.....                                     | <u>734,915</u>            |
| Total.....   | 1,192,844                 |
| Deductions:  |                           |
| Benefits.....  | 219,462                   |
| Administration.....  | <u>66,712</u>             |
| Total.....   | <u>286,174</u>            |
| Net increase .....   | 906,670                   |
| Net assets held in trust for pension benefits, July 1, 2005..... | <u>8,114,538</u>          |
| Net assets held in trust for pension benefits, June 30, 2006.... | <u><u>\$9,021,208</u></u> |

The accompanying notes are an integral part  
of these financial statements.

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**TOWN OF GRANBY, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2006**

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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 changes in net assets) 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.

The various funds included in the financial statements are described below:

### **Governmental Funds**

Governmental Funds are those through which most governmental functions typically are financed.

*General Fund* - the primary operating fund of the Town. This fund is used to account for all financial transactions and resources except those required to be accounted for in another fund. Revenues are derived primarily from property taxes, state and federal grants, licenses, permits, charges for service, and interest income.

*Special Revenue Funds* - account for revenue derived from specific sources (other than major capital projects) that are restricted by legal and regulatory provisions to finance specific activities.

*Debt Service Fund* - used to account for the accumulation of resources for, and the payment of, general long-term principal, interest and related costs.

*Capital Project Funds* - account for all financial resources used for the acquisition or construction of major capital facilities not being financed by proprietary funds.

*Permanent Funds* - used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the Town's programs.

### **Proprietary Funds**

Proprietary funds are used to account for activities that are similar to those often found in the private sector. These funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. The following is the Town's proprietary fund:

*Internal Service Funds* - account for the financing of goods or services provided by one department to other departments or agencies of the Town on a cost-reimbursement basis. The Self Funded Health Insurance Fund is the Town's only internal service fund.

### **Fiduciary Funds**

Fiduciary Funds are used to account for assets held by the Town in a trustee capacity or as an agent for individuals, private organizations, and other governments. Fiduciary funds are not included in the government-wide statements. The fiduciary funds are as follows:

*Pension Trust Fund* - accounts for the Public Employee Retirement System.

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

### ***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.

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 has elected not to follow subsequent private-sector guidance.

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 4.

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 non-current 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 percent 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 sixty 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, 2006 is stated net of allowance for estimated uncollectible amounts of \$35,000.

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. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

**A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Assets**

The governmental fund balance sheet includes a reconciliation between fund balance - total governmental funds and net assets governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds”. The details of this \$31,065,131 difference are as follows:

|   |                         |
|---|-------------------------|
| Bonds payable .....   | \$28,895,000            |
| Less: Deferred charge on refunding (to be amortized as interest expenses).....  | (648,353)               |
| Accrued interest payable .....  | 417,696                 |
| Capital leases payable .....  | 1,217,091               |
| Compensated absences .....  | 968,368                 |
| Landfill closure .....  | 123,400                 |
| Net pension obligation .....  | <u>91,929</u>           |
| <br>Net adjustment to reduce fund balance - total governmental funds to arrive at net<br>assets - governmental activities ..... | <br><u>\$31,065,131</u> |

**B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities**

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances - total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense”. The details of this \$11,767,767 difference are as follows:

|   |                         |
|---|-------------------------|
| Capital outlay .....  | \$13,094,745            |
| Depreciation expense .....  | <u>(1,326,978)</u>      |
| <br>Net adjustment to increase net changes in fund balances - total governmental<br>funds to arrive at changes in net assets of governmental activities ..... | <br><u>\$11,767,767</u> |

Another element of that reconciliation states that “the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs,

premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities”. The details of this \$(8,580,181) difference are as follows:

|   |                             |
|---|-----------------------------|
| Debt issued or incurred:  |                             |
| Issuance of bonds.....  | \$(10,000,000)              |
| Capital lease proceeds .....  | (557,800)                   |
| Principal repayments:   |                             |
| General obligation debt .....   | 1,697,500                   |
| Capital leases.....   | 336,766                     |
| Amortization of deferred amount on refunding bonds .....  | <u>(56,647)</u>             |
|   |                             |
| Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities..... | <u><u>\$(8,580,181)</u></u> |

Another element of that reconciliation states that “some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds”. The details of this \$(489,251) difference are as follows:

|   |                           |
|---|---------------------------|
| Compensated absences .....  | \$(253,043)               |
| Accrued interest.....   | (210,607)                 |
| Net pension obligation.....   | (170)                     |
| Landfill closure.....   | 13,000                    |
| Loss on disposal of fixed assets.....   | <u>(38,431)</u>           |
|   |                           |
| Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities..... | <u><u>\$(489,251)</u></u> |

### **3. 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 2006, the original General Fund operating budget was increased by \$681,586.

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 which 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 which 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 which 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**

The following funds had fund or net asset deficits as of June 30, 2006:

|                             |             |
|-----------------------------|-------------|
| Capital Projects Fund ..... | \$1,846,440 |
| Special Revenue Funds:      |             |
| Trail Link Fund .....       | \$3,914     |

These deficits will be reduced or eliminated through permanent financing, the receipt of grant funds or future transfers from the General Fund.

**4. 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 does 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.

**A. Cash and Cash Equivalents**

The following is a summary of cash and cash equivalents at June 30, 2006:

|   |                           |
|---|---------------------------|
| Deposits:   |                           |
| Demand accounts .....   | \$6,038,492               |
| Petty cash .....  | 1,225                     |
| Cash equivalents:   |                           |
| State Short-Term Investment Fund (STIF) .....                             | 229,056                   |
| Financial Investors Trust .....   | 37,705                    |
| Cadre Securities .....  | 331,158                   |
| MBIA, Inc. – Cooperative Liquid Assets Securities System<br>(CLASS) ..... | 81,809                    |
| UBS Fiduciary Trust Company .....   | <u>17,146</u>             |
| <b>TOTAL CASH AND CASH EQUIVALENTS .....</b>                              | <b><u>\$6,736,591</u></b> |

**Deposits**

At June 30, 2006 the carrying amount of the Town deposits was \$6,038,492 and the bank balance was \$7,664,683.

*Custodial Credit Risk* – Custodial credit risk is the risk that in the event of a bank failure, the Town’s deposits may not be returned to it. The Town does not have a deposit policy for custodial credit risk. Of the June 30, 2006 bank balance, \$400,000 was covered by Federal Depository Insurance. 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. A minimum of \$766,468, based on June 30, 2006 deposits, was collateralized (collateral held by the pledging bank’s trust department is not in the Town’s name). The balance of deposits of \$6,498,215 was uninsured and uncollateralized.

**Cash Equivalents**

Cash equivalents are short-term, highly liquid investments that are both readily convertible to known amounts of cash and purchased within 90 days of maturity. At June 30, 2006 the Town’s cash equivalents amounted to \$696,874. 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.

|   | <u>Standard<br/>and Poor’s</u> | <u>Moody’s<br/>Investor Service</u> | <u>Fitch<br/>Ratings</u> |
|---|--------------------------------|-------------------------------------|--------------------------|
| State Short-Term Investment Fund (STIF) .....                             | AAAm                           |                                     |                          |
| Financial Investors Trust .....   | AAAm                           |                                     |                          |
| Cadre Securities .....  | AAAm                           |                                     |                          |
| MBIA, Inc. - Cooperative Liquid Assets Securities<br>System (CLASS) ..... | AA                             | Aaa                                 | AAA                      |
| UBS Fiduciary Trust Company* .....  |                                |                                     |                          |

\*not rated

**B. Investments**

Investments as of June 30, 2006 in all funds are as follows:

| <u>Investment Type</u>                | <u>Fair Value</u>  |
|---------------------------------------|--------------------|
| Pooled open-end mutual fund accounts: |                    |
| UBS Fiduciary Trust Company .....     | <u>\$8,993,030</u> |

*Interest Rate Risk* – The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

*Credit Risk – Investments* - As indicated above, State Statutes limit the investment options of cities and towns. The Town has no investment policy that would further limit its investment choices.

*Concentration of Credit Risk* –The Town’s investment policy does not allow for an investment in any one issuer that is in excess of five percent 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. At June 30, 2006, 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.

**5. 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>Capital Projects</u> | <u>Nonmajor and Other Funds</u> | <u>Total</u>       |
|---|--------------------|-------------------------|---------------------------------|--------------------|
| Receivables:                            |                    |                         |                                 |                    |
| Interest.....                           | \$ 57,482          |                         |                                 | \$ 57,482          |
| Taxes .....                             | 298,303            |                         |                                 | 298,303            |
| Intergovernmental .....                 | 1,953,254          | \$1,652,621             | \$21,119                        | 3,626,994          |
| Other.....                              |                    |                         | 11,032                          | 11,032             |
|   |                    |                         |                                 |                    |
| Gross receivables .....                 | 2,309,039          | 1,652,621               | 32,151                          | 3,993,811          |
| Less: allowance for uncollectibles..... | (35,000)           |                         |                                 | (35,000)           |
|   |                    |                         |                                 |                    |
| Net total receivables.....              | <u>\$2,274,039</u> | <u>\$1,652,621</u>      | <u>\$32,151</u>                 | <u>\$3,958,811</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).... | \$ 264,065         |                   |
| Advanced tax collections .....                                    |                    | \$ 62,334         |
| Grant drawdowns prior to meeting all eligibility requirements..   |                    | 212,301           |
| Intergovernmental receivables .....                               | <u>1,953,254</u>   | <u>          </u> |
| Total deferred/unearned revenue for governmental funds.....       | <u>\$2,217,319</u> | <u>\$274,635</u>  |

## 6. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2006 was as follows:

|   | <u>Beginning<br/>Balance</u> | <u>Increases</u>    | <u>Decreases</u>  | <u>Ending<br/>Balance</u> |
|---|------------------------------|---------------------|-------------------|---------------------------|
| <b>Governmental activities:</b>               |                              |                     |                   |                           |
| Capital assets, not being depreciated:        |                              |                     |                   |                           |
| Land .....                                    | \$ 5,244,510                 | \$ 50,000           |                   | \$ 5,294,510              |
| Construction in progress .....                | <u>9,222,561</u>             | <u>12,359,949</u>   |                   | <u>21,582,510</u>         |
| Total capital assets, not being depreciated.. | <u>14,467,071</u>            | <u>12,409,949</u>   |                   | <u>26,877,020</u>         |
| Capital assets, being depreciated:            |                              |                     |                   |                           |
| Buildings and improvements.....               | 40,785,640                   |                     |                   | 40,785,640                |
| Vehicles and equipment .....                  | 7,829,598                    | 684,796             | \$(66,200)        | 8,448,194                 |
| Infrastructure.....                           | <u>1,131,247</u>             |                     |                   | <u>1,131,247</u>          |
| Total capital assets being depreciated .....  | <u>49,746,485</u>            | <u>684,796</u>      | <u>(66,200)</u>   | <u>50,365,081</u>         |
| Less accumulated depreciation for:            |                              |                     |                   |                           |
| Buildings and improvements.....               | (8,855,445)                  | (937,859)           |                   | (9,793,304)               |
| Vehicles and equipment .....                  | (5,605,314)                  | (360,325)           | 27,769            | (5,937,870)               |
| Infrastructure.....                           | <u>(28,794)</u>              | <u>(28,794)</u>     |                   | <u>(57,588)</u>           |
| Total accumulated depreciation .....          | <u>(14,489,553)</u>          | <u>(1,326,978)</u>  | <u>27,769</u>     | <u>(15,788,762)</u>       |
| Total capital assets, being depreciated, net. | <u>35,256,932</u>            | <u>(642,182)</u>    | <u>(38,431)</u>   | <u>34,576,319</u>         |
| Governmental activities capital assets, net.. | <u>\$ 49,724,003</u>         | <u>\$11,767,767</u> | <u>\$(38,431)</u> | <u>\$ 61,453,339</u>      |

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

**Governmental activities:**

|                                     |                |
|-------------------------------------|----------------|
| General government.....             | \$ 48,051      |
| Public safety.....                  | 71,001         |
| Public works and environment .....  | 163,119        |
| Recreation and social services..... | 57,254         |
| Education .....                     | <u>987,553</u> |

Total depreciation expense - governmental activities ..... \$1,326,978

The Town has not implemented the retroactive reporting requirements related to infrastructure assets. In accordance with GASB Statement No. 34 the Town has until June 30, 2007 to report previously acquired infrastructure assets.

**Construction Commitments**

The Town has active construction projects as of June 30, 2006. The projects include the Municipal Complex, High School renovations, Kearns classroom addition, Elementary School projects, and repairs to Canton Road. At year end the Town’s commitments with contractors are as follows:

| <u>Project</u>                 | <u>Appropriations</u> | <u>Expenditures and Encumbrances</u> | <u>Uncommitted Balance June 30, 2006</u> |
|--------------------------------|-----------------------|--------------------------------------|--|
| High School renovations.....   | \$23,100,000          | \$22,606,135                         | \$493,865                                |
| Kearns classroom addition..... | \$1,645,000           | \$1,644,489                          | \$511                                    |
| Kelley Lane School .....       | \$12,120,140          | \$11,063,999                         | \$1,056,141                              |
| Wells Road School .....        | \$12,307,080          | \$12,097,350                         | \$209,730                                |

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

**7. 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, 2006 is presented below:

| <u>Receivable</u>                | <u>Payable Fund</u>              | <u>Amount</u>       |
|----------------------------------|----------------------------------|---------------------|
| General Fund.....                | Capital Projects Fund.....       | \$ 5,862,035        |
| General Fund.....                | Nonmajor Governmental Funds..... | 29,856              |
| Internal Service Fund.....       | General Fund.....                | 1,332,761           |
| Capital Projects Fund.....       | General Fund.....                | 2,362,974           |
| Nonmajor Governmental Funds..... | General Fund.....                | 3,547,916           |
| Agency Fund.....                 | General Fund.....                | <u>361,806</u>      |
| TOTAL.....                       |                                  | <u>\$13,497,348</u> |

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

Interfund transfers:

|                                 | .....Transfer In.....   |                                      |                                  |                    |
|---------------------------------|-------------------------|--------------------------------------|----------------------------------|--------------------|
|                                 | <b>General<br/>Fund</b> | <b>Capital<br/>Projects<br/>Fund</b> | <b>Nonmajor<br/>Governmental</b> | <b>Total</b>       |
| Transfer out:                   |                         |                                      |                                  |                    |
| Nonmajor Governmental Fund .... | \$966,166               | \$ 735,000                           |                                  | \$1,701,166        |
| General Fund .....              |                         | 782,000                              | \$1,087,276                      | 1,869,276          |
| Total transfers out.....        | <u>\$966,166</u>        | <u>\$1,517,000</u>                   | <u>\$1,087,276</u>               | <u>\$3,570,442</u> |

Transfers are for regular recurring operational transfers.

## 8. LONG-TERM DEBT

### Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2006, was as follows:

|  | <b>Beginning<br/>Balance</b> | <b>Additions</b>    | <b>Reductions</b>  | <b>Ending<br/>Balance</b> | <b>Due Within<br/>One Year</b> |
|--|------------------------------|---------------------|--------------------|---------------------------|--------------------------------|
| <b>Governmental activities:</b>                      |                              |                     |                    |                           |                                |
| Bonds payable:                                       |                              |                     |                    |                           |                                |
| General obligation bonds.                            | \$20,592,500                 | \$10,000,000        | \$1,697,500        | \$28,895,000              | \$1,702,500                    |
| Less deferred amounts:                               |                              |                     |                    |                           |                                |
| For issuance discounts<br>on refunding .....         | (705,000)                    |                     | (56,647)           | (648,353)                 |                                |
| Total bonds payable.....                             | 19,887,500                   | 10,000,000          | 1,640,853          | 28,246,647                | 1,702,500                      |
| Capital leases .....                                 | 996,057                      | 557,800             | 336,766            | 1,217,091                 | 362,630                        |
| Claims and judgments.....                            | 215,717                      | 2,996,067           | 2,894,816          | 316,968                   | 316,968                        |
| Compensated absences .....                           | 715,325                      | 253,043             |                    | 968,368                   | 367,980                        |
| Landfill post closure .....                          | 136,400                      |                     | 13,000             | 123,400                   | 13,000                         |
| Net pension obligation.....                          | 91,759                       | 170                 |                    | 91,929                    |                                |
| Governmental activity<br>long-term liabilities ..... | <u>\$22,042,758</u>          | <u>\$13,807,080</u> | <u>\$4,885,435</u> | <u>\$30,964,403</u>       | <u>\$2,763,078</u>             |

A schedule of bonds at June 30, 2006 is presented below:

| <u>Description</u>  | <u>Principal<br/>Amount</u> |
|---|-----------------------------|
| \$1,050,000 – Sewer improvement bonds issued March 1, 1984 and maturing March 1, 2012; interest at 5% .....   | \$ 225,000                  |
| \$6,000,000 – School improvement bonds issued June 15, 1991 and maturing June 15, 2011; interest from 5.9% to 7.9% .....                                  | 1,500,000                   |
| \$3,500,000 – School improvement bonds issued April 2, 1992 and maturing April 1, 2011; interest from 6.0% to 6.7% .....                                  | 950,000                     |
| \$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% ..... | 3,920,000                   |
| \$11,560,000 – School improvement bonds issued February 1, 2000 and maturing February 1, 2020; interest from 5.25% to 7.0% .....                          | 2,550,000                   |
| \$9,750,000 – General obligation refunding bonds issued March 24, 2005 and maturing on February 1, 2020; interest rate 3.9% .....                         | 9,750,000                   |
| \$10,000,000 – General obligation bonds issued February 15, 2006 and maturing on February 15, 2026; interest rate from 3.8% to 5.0% .....                 | <u>10,000,000</u>           |
| <br>TOTAL .....   | <br><u>\$28,895,000</u>     |

The following is a schedule of future debt service requirements as of June 30, 2006:

| <u>Year Ending<br/>June 30,</u> | <u>Principal</u>        | <u>Interest</u>         | <u>Total</u>            |
|---------------------------------|-------------------------|-------------------------|-------------------------|
| 2007 .....                      | \$ 1,702,500            | \$ 1,315,260            | \$ 3,017,760            |
| 2008 .....                      | 2,082,500               | 1,225,373               | 3,307,873               |
| 2009 .....                      | 2,112,500               | 1,120,973               | 3,233,473               |
| 2010 .....                      | 2,367,500               | 1,014,683               | 3,382,183               |
| 2011 .....                      | 2,227,500               | 901,960                 | 3,129,460               |
| 2012-2016 .....                 | 8,692,500               | 3,273,367               | 11,965,867              |
| 2017-2021 .....                 | 7,010,000               | 1,470,630               | 8,480,630               |
| 2022-2026 .....                 | <u>2,700,000</u>        | <u>405,000</u>          | <u>3,105,000</u>        |
| <br>TOTAL .....                 | <br><u>\$28,895,000</u> | <br><u>\$10,727,246</u> | <br><u>\$39,622,246</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:

| <u>Category</u>       | <u>Debt Limit</u> | <u>Net<br/>Indebtedness</u> | <u>Balance</u> |
|-----------------------|-------------------|-----------------------------|----------------|
| General purpose ..... | \$60,839,777      | \$5,661,000                 | \$55,178,777   |
| Schools .....         | \$121,679,555     | \$29,261,128                | \$92,418,427   |
| Sewers .....          | \$101,399,629     | \$225,000                   | \$101,174,629  |
| Urban renewal .....   | \$87,879,678      |                             | \$87,879,678   |
| Pension deficit ..... | \$81,119,703      |                             | \$81,119,703   |

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 \$21,118,872 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 (\$189,279,307).

In prior years, the Town defeased the various General Obligation Bonds by creating a separate irrevocable trust. New debt has been issued and the proceeds have been used to purchase U.S. government securities that were placed in the trust. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and therefore are no longer counted in computing Town's debt for statutory debt limit purposes. As of June 30, 2006, the amount of defeased debt outstanding amounted to \$10,025,000.

**9. LEASES AND BOND ANTICIPATION NOTES**

**Operating Leases**

The Town leases various vehicles, equipment and technology under capital lease arrangements. These leases vary in duration through January 2, 2008, and interest rates from 2.60% to 5.65%.

**Capital Leases**

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, 2006 is as follows:

| <b><u>Year Ending June 30,</u></b>     | <b><u>Amount</u></b>          |
|--|-------------------------------|
| 2007.....                              | \$ 399,868                    |
| 2008.....                              | 353,332                       |
| 2009.....                              | 237,541                       |
| 2010.....                              | 193,662                       |
| 2011.....                              | <u>123,224</u>                |
| <br>Total.....                         | <br>1,307,627                 |
| Less amount representing interest..... | <u>(90,536)</u>               |
| <br>TOTAL.....                         | <br><u><u>\$1,217,091</u></u> |

**Bond Anticipation Notes**

|                                       |                            |
|---------------------------------------|----------------------------|
| Notes payable, July 1, 2005.....      | \$ 9,945,000               |
| Notes issued.....                     | - 0 -                      |
| Notes retired.....                    | <u>(9,945,000)</u>         |
| <br>Notes payable, June 30, 2006..... | <br><u><u>\$ - 0 -</u></u> |

**10. 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, 2006.

The landfill closure obligation of \$123,400 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 twenty years.

**11. 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, 2006, the Town has established a liability of \$316,968 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 claims 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:

|           | <b>Liability<br/><u>July 1,</u></b> | <b>Current Year<br/>Claims and<br/>Changes in<br/><u>Estimates</u></b> | <b>Claim<br/><u>Payments</u></b> | <b>Liability<br/><u>June 30,</u></b> |
|-----------|-------------------------------------|--|----------------------------------|--------------------------------------|
| 2004-2005 | \$185,823                           | \$2,801,983  | \$2,772,089                      | \$215,717                            |
| 2005-2006 | \$215,717                           | \$2,996,067  | \$2,894,816                      | \$316,968                            |

**12. 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 judgement or judgements against the Town which would materially affect its financial position.

**13. 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 percent 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 percent 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 non-union members other than regular certified officers of the police department, the retirement benefit is calculated at 2.0 percent 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 percent 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 percent 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) 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, 2005 PERS membership consisted of:

|   |           |
|---|-----------|
| Retirees and beneficiaries currently receiving benefits.....              | 22        |
| Terminated employees entitled to benefits but not yet receiving them..... | 9         |
| Current employees:  |           |
| Vested .....  | 57        |
| Nonvested .....   | <u>9</u>  |
| TOTAL .....   | <u>97</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, 2006 was \$285,404 or 8.8% 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 .....                    | \$285,404        |
| Interest on net pension obligation .....              | 7,341            |
| Adjustment to annual required contribution .....      | <u>(7,171)</u>   |
| Annual pension cost .....                             | 285,574          |
| Contributions made .....                              | <u>285,404</u>   |
| Increase in net pension obligation.....               | 170              |
| Net pension obligation (asset) beginning of year..... | <u>91,759</u>    |
| Net pension obligation (asset) end of year.....       | <u>\$ 91,929</u> |

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

|                                    |                     |
|------------------------------------|---------------------|
| Actuarial valuation date .....     | July 1, 2005        |
| 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**

| <b>Fiscal Year Ended</b> | <b>Annual Pension Cost (APC)</b> | <b>Actual Contribution</b> | <b>Percentage of APC Contributed</b> | <b>Net Pension Obligation (Asset)</b> |
|--------------------------|----------------------------------|----------------------------|--------------------------------------|---------------------------------------|
| 6/30/04                  | \$295,669                        | \$146,426                  | 49.5%                                | \$90,841                              |
| 6/30/05                  | \$287,470                        | \$286,552                  | 99.7%                                | \$91,759                              |
| 6/30/06                  | \$285,574                        | \$285,404                  | 99.9%                                | \$91,929                              |

**F. Pension Plan Required Supplementary Information**

**Schedule of Funding Progress**

| <b>Actuarial Valuation Date</b> | <b>Actuarial Value of Assets (a)</b> | <b>Actuarial Accrued Liability (AAL) (b)</b> | <b>Excess of Assets Over AAL (a-b)</b> | <b>Funded Ratio (a/b)</b> | <b>Covered Payroll (c)</b> | <b>Excess as a % of Covered Payroll ((a-b)/c)</b> |
|---------------------------------|--------------------------------------|--|--|---------------------------|----------------------------|---|
| 7/1/02                          | \$6,342,632                          | \$7,338,622                                  | \$(995,990)                            | 86.4%                     | \$3,142,265                | (31.7)%   |
| 7/1/03                          | \$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)%   |

**Schedule of Employer Contributions**

|         | <b>Annual Required Contribution</b> | <b>Percentage Contributed</b> |
|---------|-------------------------------------|-------------------------------|
| 6/30/01 | \$191,953                           | 59%                           |
| 6/30/02 | \$191,953                           | 78%                           |
| 6/30/03 | \$294,232                           | 50%                           |
| 6/30/04 | \$294,232                           | 50%                           |
| 6/30/05 | \$286,552                           | 100%                          |
| 6/30/06 | \$285,404                           |                               |

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 sixty and has accumulated twenty years of credited service in the public schools of Connecticut, or (2) attained any age and has accumulated thirty-five years of credited service, at least twenty-five 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. 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, 2006, the Town has recorded, in the General Fund, intergovernmental revenue and education expenditures in the amount of \$1,409,307 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.

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Required Supplementary  
Information

TOWN OF GRANBY, CONNECTICUTGENERAL FUNDSCHEDULE OF REVENUES AND OTHER FINANCING SOURCES BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE YEAR ENDED JUNE 30, 2006

|  | .....BUDGETED AMOUNTS..... |              |              | VARIANCE<br>FAVORABLE<br>(UNFAVORABLE) |
|--|----------------------------|--------------|--------------|--|
|  | ORIGINAL                   | FINAL        | ACTUAL       |  |
| <u>PROPERTY TAXES</u>                                    |                            |              |              |  |
| Current year taxes .....                                 | \$25,856,724               | \$25,856,724 | \$26,253,217 | \$ 396,493                             |
| Prior year's taxes .....                                 | 185,000                    | 185,000      | 224,051      | 39,051                                 |
| Supplemental motor vehicle .....                         | 285,000                    | 285,000      | 327,994      | 42,994                                 |
| Total .....  | 26,326,724                 | 26,326,724   | 26,805,262   | 478,538                                |
| Interest and lien fees .....                             | 100,000                    | 100,000      | 127,403      | 27,403                                 |
| Total property taxes .....                               | 26,426,724                 | 26,426,724   | 26,932,665   | 505,941                                |
| <u>INTERGOVERNMENTAL REVENUES</u>                        |                            |              |              |  |
| 44 School transportation .....                           | 112,712                    | 112,712      | 105,233      | (7,479)                                |
| 44 Reimbursement of local tax disability exemption ..... | 600                        | 600          | 969          | 369                                    |
| Manufacturing machines and equipment .....               | 40,000                     | 40,000       | 37,576       | (2,424)                                |
| Elderly tax relief .....                                 | 60,000                     | 60,000       | 72,005       | 12,005                                 |
| Education Equalization Grant .....                       | 4,096,680                  | 4,096,680    | 4,183,745    | 87,065                                 |
| School Building Grant - interest and principal .....     | 568,300                    | 568,300      | 565,981      | (2,319)                                |
| Education Services for the Blind .....                   |                            |              | 16,000       | 16,000                                 |
| Excess grant - Special Education .....                   | 127,913                    | 127,913      | 177,999      | 50,086                                 |
| State owned property .....                               | 16,014                     | 16,014       | 17,196       | 1,182                                  |
| Veterans Exempt Grant .....                              | 3,000                      | 3,000        | 4,814        | 1,814                                  |
| Telephone Grant .....                                    | 61,000                     | 61,000       | 45,631       | (15,369)                               |
| Boat Grant .....   | 2,115                      | 2,115        | 2,115        |  |
| Tuition other towns .....                                | 429,421                    | 429,421      | 412,866      | (16,555)                               |
| COPS Fast Grant .....                                    | 5,000                      | 5,000        | 6,669        | 1,669                                  |
| Pequot Indian Fund .....                                 | 42,562                     | 42,562       | 45,663       | 3,101                                  |
| Tax abatement .....                                      | 8,900                      | 8,900        | 9,222        | 322                                    |
| Other .....  | 10,000                     | 10,000       | 61,099       | 51,099                                 |
| Total intergovernmental revenues .....                   | 5,584,217                  | 5,584,217    | 5,764,783    | 180,566                                |
| Investment income .....                                  | 135,000                    | 135,000      | 372,230      | 237,230                                |
| <u>LOCAL REVENUES</u>                                    |                            |              |              |  |
| Town Clerk fees .....                                    | 170,000                    | 170,000      | 341,362      | 171,362                                |
| Planning and Zoning .....                                | 10,000                     | 10,000       | 15,841       | 5,841                                  |
| Zoning Board of Appeals .....                            | 1,000                      | 1,000        | 770          | (230)                                  |
| Building permits and licenses .....                      | 200,000                    | 200,000      | 223,885      | 23,885                                 |

(Continued) - 1.

TOWN OF GRANBY, CONNECTICUT  
 GENERAL FUND  
 SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES  
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS), ETC.

|   | .....BUDGETED AMOUNTS..... |                     |                     | VARIANCE                   |
|---|----------------------------|---------------------|---------------------|----------------------------|
|   | ORIGINAL                   | FINAL               | ACTUAL              | FAVORABLE<br>(UNFAVORABLE) |
| Inland wetlands .....   | \$ 550                     | \$ 550              | \$ 506              | \$ (44)                    |
| Sale of maps and ordinances .....   | 200                        | 200                 | 114                 | (86)                       |
| Driveway permits .....  | 500                        | 500                 | 140                 | (360)                      |
| Total local revenues .....  | 382,250                    | 382,250             | 582,618             | 200,368                    |
| <u>OTHER REVENUES</u>   |                            |                     |                     |                            |
| Snow plowing and grading .....  | 2,700                      | 2,700               | 3,362               | 662                        |
| Photocopying .....  | 1,500                      | 1,500               | 1,938               | 438                        |
| Rents .....   | 63,900                     | 63,900              | 56,705              | (7,195)                    |
| Contracted building inspection .....  | 9,600                      | 9,600               | 7,200               | (2,400)                    |
| Police dispatch services .....  | 23,805                     | 23,805              | 23,035              | (770)                      |
| Police photos and records .....   | 1,000                      | 1,000               | 1,330               | 330                        |
| Library operations .....  | 18,700                     | 18,700              | 22,136              | 3,436                      |
| Miscellaneous .....   | 20,000                     | 20,000              | 85,602              | 65,602                     |
| Returned checks fee .....   | 350                        | 350                 | 478                 | 128                        |
| Bulky waste .....   | 45,000                     | 45,000              | 63,359              | 18,359                     |
| Pay for participation .....   | 21,000                     | 21,000              | 14,044              | (6,956)                    |
| Prior year unliquidated encumbrances .....  |                            |                     | 20,677              | 20,677                     |
| Total other revenues .....  | 207,555                    | 207,555             | 299,866             | 92,311                     |
| <u>OTHER FINANCING SOURCES</u>  |                            |                     |                     |                            |
| Transfers from other funds:   |                            |                     |                     |                            |
| Cossitt Library .....   | 60                         | 60                  | 166                 | 106                        |
| Capital Nonrecurring expenditures .....   | 966,000                    | 966,000             | 966,000             |                            |
| Total other financing sources .....   | 966,060                    | 966,060             | 966,166             | 106                        |
| TOTAL .....   | <u>\$33,701,806</u>        | <u>\$33,701,806</u> | 34,918,328          | <u>\$1,216,522</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 .....                            |                            |                     | 1,409,307           |                            |
| Cancellation of prior year encumbrances are recognized as budgetary revenue .....   |                            |                     | (20,677)            |                            |
| Total revenues and other financing sources as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds - Exhibit IV ..... |                            |                     | <u>\$36,306,958</u> |                            |

TOWN OF GRANBY, CONNECTICUTGENERAL FUND

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES  
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 FOR THE YEAR ENDED JUNE 30, 2006

|   | .....BUDGETED AMOUNTS..... |                  |                  | VARIANCE<br>FAVORABLE<br>(UNFAVORABLE) |
|---|----------------------------|------------------|------------------|--|
|   | ORIGINAL                   | FINAL            | ACTUAL           |  |
| <u>GENERAL GOVERNMENT</u>                   |                            |                  |                  |  |
| General administration .....                | \$ 304,793                 | \$ 306,738       | \$ 306,509       | \$ 229                                 |
| Legal fees .....                            | 19,000                     | 19,000           | 16,648           | 2,352                                  |
| Fringe benefits .....                       | 1,163,627                  | 1,163,627        | 1,143,962        | 19,665                                 |
| Town Clerk operations .....                 | 126,992                    | 126,992          | 126,170          | 822                                    |
| Probate .....                               | 950                        | 950              | 949              | 1                                      |
| Contingency .....                           | 76,000                     | 21,000           | 19,086           | 1,914                                  |
| Election services .....                     | 23,616                     | 23,616           | 23,413           | 203                                    |
| Boards and commissions .....                | 42,395                     | 42,395           | 41,498           | 897                                    |
| Revenue collections .....                   | 92,275                     | 92,275           | 91,105           | 1,170                                  |
| Property assessments .....                  | 146,167                    | 146,167          | 144,778          | 1,389                                  |
| Fiscal management .....                     | 236,596                    | 238,541          | 236,247          | 2,294                                  |
| Insurance .....                             | 234,038                    | 234,038          | 224,954          | 9,084                                  |
| Total general government .....              | <u>2,466,449</u>           | <u>2,415,339</u> | <u>2,375,319</u> | <u>40,020</u>                          |
| <u>PUBLIC SAFETY</u>                        |                            |                  |                  |  |
| Building inspection .....                   | 125,163                    | 125,163          | 122,428          | 2,735                                  |
| Fire prevention .....                       | 225,963                    | 225,963          | 218,584          | 7,379                                  |
| Civil preparedness .....                    | 800                        | 800              | 455              | 345                                    |
| Health services .....                       | 102,000                    | 102,000          | 101,967          | 33                                     |
| Police Department administration .....      | 255,375                    | 255,375          | 252,917          | 2,458                                  |
| Communications and dispatching .....        | 244,806                    | 266,926          | 266,633          | 293                                    |
| Police operations .....                     | 910,392                    | 839,288          | 814,491          | 24,797                                 |
| Total public safety .....                   | <u>1,864,499</u>           | <u>1,815,515</u> | <u>1,777,475</u> | <u>38,040</u>                          |
| <u>PUBLIC WORKS AND ENVIRONMENT</u>         |                            |                  |                  |  |
| Public Works administration .....           | 139,815                    | 139,815          | 139,034          | 781                                    |
| General maintenance .....                   | 622,458                    | 628,636          | 627,154          | 1,482                                  |
| Solid waste and recycling .....             | 870,201                    | 870,201          | 868,365          | 1,836                                  |
| Equipment maintenance .....                 | 252,308                    | 291,246          | 286,635          | 4,611                                  |
| Street lights and signals .....             | 20,757                     | 20,757           | 19,723           | 1,034                                  |
| Planning and engineering services .....     | 31,010                     | 31,010           | 30,874           | 136                                    |
| Building maintenance and Town grounds ..... | 526,067                    | 581,045          | 576,784          | 4,261                                  |
| Total public works .....                    | <u>2,462,616</u>           | <u>2,562,710</u> | <u>2,548,569</u> | <u>14,141</u>                          |

TOWN OF GRANBY, CONNECTICUT  
 GENERAL FUND  
 SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES  
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

|  | .....BUDGETED AMOUNTS..... |                     |                     | VARIANCE<br>FAVORABLE<br>(UNFAVORABLE) |
|--|----------------------------|---------------------|---------------------|--|
|  | ORIGINAL                   | FINAL               | ACTUAL              |  |
| <u>RECREATION AND SOCIAL SERVICES</u>  |                            |                     |                     |  |
| Library .....  | \$ 393,860                 | \$ 393,860          | \$ 388,797          | \$ 5,063                               |
| Social services .....  | 80,083                     | 80,083              | 78,094              | 1,989                                  |
| Recreation administration .....  | 76,900                     | 76,900              | 76,326              | 574                                    |
| Senior citizen activities .....  | 47,490                     | 47,490              | 46,221              | 1,269                                  |
| Community support services .....   | 2,600                      | 2,600               | 2,337               | 263                                    |
| Economic development .....   | 5,000                      | 5,000               | 5,000               |  |
| Total recreation and social services .....   | <u>605,933</u>             | <u>605,933</u>      | <u>596,775</u>      | <u>9,158</u>                           |
| Debt service .....   | <u>2,942,803</u>           | <u>2,942,803</u>    | <u>2,897,092</u>    | <u>45,711</u>                          |
| Education .....  | <u>22,328,730</u>          | <u>22,378,816</u>   | <u>22,316,856</u>   | <u>61,960</u>                          |
| Total budgeted expenditures .....  | <u>32,671,030</u>          | <u>32,721,116</u>   | <u>32,512,086</u>   | <u>209,030</u>                         |
| <u>OTHER FINANCING USES</u>  |                            |                     |                     |  |
| Transfers out:   |                            |                     |                     |  |
| Capital Projects Fund .....  | 215,000                    | 782,000             | 782,000             |  |
| Capital Nonrecurring Expenditure Fund .....  | 936,516                    | 936,516             | 936,516             |  |
| Dog Fund .....   | 9,000                      | 9,000               | 9,000               |  |
| Senior Activity Fund .....   | 13,000                     | 13,000              | 13,000              |  |
| Youth Service Grant Fund .....   | 34,260                     | 34,260              | 34,260              |  |
| Police Grants .....  |                            | 2,500               | 2,500               |  |
| Cossitt Library .....  |                            | 62,000              | 62,000              |  |
| Board of Education Severance Fund .....  | 30,000                     | 30,000              | 30,000              |  |
| Total other financing uses .....   | <u>1,237,776</u>           | <u>1,869,276</u>    | <u>1,869,276</u>    |  |
| Total budgeted expenditures and other financing uses .....   | <u>\$33,908,806</u>        | <u>\$34,590,392</u> | <u>34,381,362</u>   | <u>\$209,030</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 .....   |                            |                     | 1,409,307           |  |
| 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 .    |                            |                     | (147,275)           |  |
| 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>325,617</u>      |  |
| Total expenditures and other financing sources as reported on the statement of revenues, expenditures, |                            |                     |                     |  |
| and changes in fund balances - governmental funds - Exhibit IV .....                                   |                            |                     | <u>\$35,969,011</u> |  |

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# 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, CONNECTICUTGENERAL FUNDCOMPARATIVE BALANCE SHEET  
JUNE 30, 2006 AND 2005

|  | 2006                | 2005                |
|--|---------------------|---------------------|
| <u>A S S E T S</u>   |                     |                     |
| Cash and cash equivalents .....                              | \$ 5,987,431        | \$12,930,162        |
| Property taxes receivable, net .....                         | 263,303             | 286,520             |
| Due from other funds .....                                   | 5,891,891           | 1,138,157           |
| Interest receivable .....                                    | 57,482              | 78,196              |
| Accounts and other receivables .....                         |                     | 520                 |
| Intergovernmental receivable .....                           | <u>1,953,254</u>    | <u>2,386,412</u>    |
| TOTAL .....  | <u>\$14,153,361</u> | <u>\$16,819,967</u> |
| L I A B I L I T I E S<br>A N D<br><u>F U N D E Q U I T Y</u> |                     |                     |
| Liabilities:   |                     |                     |
| Accounts payable and accrued expenses .....                  | \$ 163,481          | \$ 51,345           |
| Due to other funds .....                                     | 7,605,457           | 10,332,646          |
| Deferred revenue .....                                       | 2,217,319           | 2,618,825           |
| Advanced collections .....                                   | <u>62,334</u>       | <u>50,328</u>       |
| Total liabilities .....                                      | <u>10,048,591</u>   | <u>13,053,144</u>   |
| Fund equity:   |                     |                     |
| Fund balance:  |                     |                     |
| Reserved for encumbrances .....                              | 147,275             | 346,294             |
| Unreserved:  |                     |                     |
| Designated for subsequent year's budget .....                | 970,000             | 207,000             |
| Undesignated .....   | <u>2,987,495</u>    | <u>3,213,529</u>    |
| Total fund balance .....                                     | <u>4,104,770</u>    | <u>3,766,823</u>    |
| TOTAL .....  | <u>\$14,153,361</u> | <u>\$16,819,967</u> |

TOWN OF GRANBY, CONNECTICUT

GENERAL FUND

REPORT OF TAX COLLECTOR  
FOR THE YEAR ENDED JUNE 30, 2006

| GRAND LIST | UNCOLLECTED TAXES JULY 1, 2005 | CURRENT LEVY        | ...LAWFUL CORRECTIONS...<br>ADDITIONS | DEDUCTIONS       | TRANSFERS TO SUSPENSE | ADJUSTED TAXES COLLECTIBLE | COLLECTIONS  | UNCOLLECTED TAXES JUNE 30, 2006 |
|------------|--------------------------------|---------------------|---------------------------------------|------------------|-----------------------|----------------------------|--------------|---------------------------------|
| 2004       |                                | \$27,083,704        | \$148,477                             | \$399,176        |                       | \$26,833,005               | \$26,609,098 | \$223,907                       |
| 2003       | \$232,738                      |                     | 1,106                                 | 1,239            | \$ 4,972              | 227,633                    | 181,344      | 46,289                          |
| 2002       | 59,892                         |                     | 262                                   | 156              | 3,645                 | 56,353                     | 40,974       | 15,379                          |
| 2001       | 16,372                         |                     | 249                                   | 73               | 3,175                 | 13,373                     | 7,121        | 6,252                           |
| 2000       | 6,741                          |                     | 303                                   |                  | 4,698                 | 2,346                      | 415          | 1,931                           |
| 1999       | 1,145                          |                     |                                       |                  | 252                   | 893                        |              | 893                             |
| 1998       | 1,810                          |                     |                                       |                  | 496                   | 1,314                      |              | 1,314                           |
| 1997       | 1,399                          |                     |                                       |                  | 484                   | 915                        |              | 915                             |
| 1996       | 412                            |                     |                                       |                  |                       | 412                        |              | 412                             |
| 1991       | 1,011                          |                     |                                       |                  |                       | 1,011                      |              | 1,011                           |
| TOTAL      | <u>\$321,520</u>               | <u>\$27,083,704</u> | <u>\$150,397</u>                      | <u>\$400,644</u> | <u>\$17,722</u>       | <u>\$27,137,255</u>        | 26,838,952   | <u>\$298,303</u>                |

Interest and lien fees..... 127,589

Suspense collections..... 1,355

Total collections..... \$26,967,896

Nonmajor  
Governmental Funds

## NONMAJOR GOVERNMENTAL FUNDS

### Special Revenue 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.

| Fund                                    | Funding Source   | Function   |
|---|--|--|
| 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 towns 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                                      | 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                             | Maintenance of parks, 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                                  |
| Cossitt Improvement                     | Various funding sources                                | Library repairs  |

Debt Service Fund – 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.

| Fund               | Funding Source    | Function                   |
|--------------------|-------------------|----------------------------|
| 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, 2006

|   | .....SPECIAL REVENUE..... |                |                 |                 |                 |                  |                                      |                 |                  |  |
|---|---------------------------|----------------|-----------------|-----------------|-----------------|------------------|--------------------------------------|-----------------|------------------|--|
|   | CAPITAL                   |                | TOWN AID        | SENIOR          |                 | SOLID WASTE      | SIDEWALK                             | LOCAL           | OPEN             |  |
|   | NONRECURRING              | DOG            | ROAD            | ACTIVITY        | LOCIP           | SANITATION       | AND<br>BEAUTIFICATION<br>IMPROVEMENT | ASSISTANCE      | SPACE            |  |
|   | EXPENDITURES              |                |                 |                 |                 |                  |                                      |                 |                  |  |
| <u>A S S E T S</u>                          |                           |                |                 |                 |                 |                  |                                      |                 |                  |  |
| Cash and cash equivalents.....              |                           |                |                 |                 |                 |                  |                                      |                 |                  |  |
| Due from other governments.....             |                           |                |                 |                 |                 |                  |                                      |                 |                  |  |
| Due from other funds.....                   | \$227,078                 | \$3,332        | \$89,674        | \$62,615        |                 | \$557,614        | \$122,637                            | \$15,940        | \$454,284        |  |
| Inventory.....                              |                           |                |                 |                 |                 |                  |                                      |                 |                  |  |
| TOTAL.....                                  | <u>\$227,078</u>          | <u>\$3,332</u> | <u>\$89,674</u> | <u>\$62,615</u> | <u>\$ - 0 -</u> | <u>\$557,614</u> | <u>\$122,637</u>                     | <u>\$15,940</u> | <u>\$454,284</u> |  |
| <u>L I A B I L I T I E S</u>                |                           |                |                 |                 |                 |                  |                                      |                 |                  |  |
| <u>A N D</u>                                |                           |                |                 |                 |                 |                  |                                      |                 |                  |  |
| <u>F U N D B A L A N C E S</u>              |                           |                |                 |                 |                 |                  |                                      |                 |                  |  |
| Liabilities:                                |                           |                |                 |                 |                 |                  |                                      |                 |                  |  |
| Accounts payable and accrued liabilities... |                           |                |                 |                 |                 |                  |                                      |                 |                  |  |
| Due to other funds.....                     |                           |                |                 |                 |                 |                  |                                      |                 |                  |  |
| Deferred revenue.....                       |                           |                |                 |                 |                 |                  |                                      |                 |                  |  |
| Total liabilities .....                     |                           |                |                 |                 |                 |                  |                                      |                 |                  |  |
| Fund balances:                              |                           |                |                 |                 |                 |                  |                                      |                 |                  |  |
| Reserved:                                   |                           |                |                 |                 |                 |                  |                                      |                 |                  |  |
| Inventory.....                              |                           |                |                 |                 |                 |                  |                                      |                 |                  |  |
| Trust funds.....                            |                           |                |                 |                 |                 |                  |                                      |                 |                  |  |
| Debt service.....                           |                           |                |                 |                 |                 |                  |                                      |                 |                  |  |
| Unreserved:                                 |                           |                |                 |                 |                 |                  |                                      |                 |                  |  |
| Designated.....                             | \$ 26,163                 |                |                 |                 |                 |                  |                                      |                 |                  |  |
| Undesignated.....                           | 200,915                   | \$3,332        | \$89,674        | \$62,615        |                 | \$557,614        | \$122,637                            | \$15,940        | \$454,284        |  |
| Total fund balances .....                   | <u>227,078</u>            | <u>3,332</u>   | <u>89,674</u>   | <u>62,615</u>   |                 | <u>557,614</u>   | <u>122,637</u>                       | <u>15,940</u>   | <u>454,284</u>   |  |
| TOTAL.....                                  | <u>\$227,078</u>          | <u>\$3,332</u> | <u>\$89,674</u> | <u>\$62,615</u> | <u>\$ - 0 -</u> | <u>\$557,614</u> | <u>\$122,637</u>                     | <u>\$15,940</u> | <u>\$454,284</u> |  |

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TOWN OF GRANBY, CONNECTICUT

NONMAJOR GOVERNMENTAL FUNDS

COMBINING BALANCE SHEET (CONTINUED)  
JUNE 30, 2006

|  | .....SPECIAL REVENUE.....        |                   |             |                                   |                                 |                            |           |                          |   |
|--|----------------------------------|-------------------|-------------|-----------------------------------|---------------------------------|----------------------------|-----------|--------------------------|---|
|  | POLICE<br>COMMUNITY<br>EDUCATION | PUBLIC<br>SCHOOLS | REVALUATION | SMALL<br>CITIES<br>BLOCK<br>GRANT | POLICE<br>FORFEITED<br>PROPERTY | YOUTH<br>SERVICES<br>GRANT | CAFETERIA | AMBULANCE<br>ASSOCIATION | FEDERAL<br>AND STATE<br>EDUCATIONAL<br>GRANTS |
| <u>A S S E T S</u>   |                                  |                   |             |                                   |                                 |                            |           |                          |   |
| Cash and cash equivalents.....                                     |                                  | \$63,635          |             | \$142,522                         |                                 |                            | \$16,781  |                          | \$57,925                                      |
| Due from other governments.....                                    |                                  |                   |             |                                   |                                 |                            | 5,842     |                          | 15,277  |
| Due from other funds.....  | \$19,775                         |                   | \$2,877     |                                   | \$5,328                         | \$31,924                   |           | \$385                    |   |
| Inventory.....   |                                  |                   |             |                                   |                                 |                            | 2,462     |                          |   |
| TOTAL.....   | \$19,775                         | \$63,635          | \$2,877     | \$142,522                         | \$5,328                         | \$31,924                   | \$25,085  | \$385                    | \$73,202                                      |
| <u>L I A B I L I T I E S<br/>A N D<br/>F U N D B A L A N C E S</u> |                                  |                   |             |                                   |                                 |                            |           |                          |   |
| Liabilities:   |                                  |                   |             |                                   |                                 |                            |           |                          |   |
| Accounts payable and accrued liabilities...                        |                                  |                   |             |                                   |                                 |                            | \$13,096  |                          |   |
| Due to other funds.....  |                                  | \$22,519          |             |                                   |                                 |                            |           |                          | \$ 3,423                                      |
| Deferred revenue.....  |                                  |                   |             | \$142,522                         |                                 |                            |           |                          | 69,779  |
| Total liabilities .....  |                                  | 22,519            |             | 142,522                           |                                 |                            | 13,096    |                          | 73,202  |
| Fund balances:   |                                  |                   |             |                                   |                                 |                            |           |                          |   |
| Reserved:  |                                  |                   |             |                                   |                                 |                            |           |                          |   |
| Inventory.....   |                                  |                   |             |                                   |                                 |                            | 2,462     |                          |   |
| Trust funds.....   |                                  |                   |             |                                   |                                 |                            |           |                          |   |
| Debt service.....  |                                  |                   |             |                                   |                                 |                            |           |                          |   |
| Unreserved:  |                                  |                   |             |                                   |                                 |                            |           |                          |   |
| Designated.....  |                                  |                   |             |                                   |                                 |                            |           |                          |   |
| Undesignated.....  | \$19,775                         | 41,116            | \$2,877     |                                   | \$5,328                         | \$31,924                   | 9,527     | \$385                    |   |
| Total fund balances .....  | 19,775                           | 41,116            | 2,877       |                                   | 5,328                           | 31,924                     | 11,989    | 385                      |   |
| TOTAL.....   | \$19,775                         | \$63,635          | \$2,877     | \$142,522                         | \$5,328                         | \$31,924                   | \$25,085  | \$385                    | \$73,202                                      |

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TOWN OF GRANBY, CONNECTICUT

NONMAJOR GOVERNMENTAL FUNDS

COMBINING BALANCE SHEET (CONTINUED)  
JUNE 30, 2006

|  | .....SPECIAL REVENUE..... |                 |                  |                                       |                                    |                       |                             |
|--|---------------------------|-----------------|------------------|---------------------------------------|------------------------------------|-----------------------|-----------------------------|
|  | SEWER<br>UTILITY          | COMMUNICATIONS  | POLICE<br>GRANTS | EDUCATION<br>QUALITY AND<br>DIVERSITY | BOARD OF<br>EDUCATION<br>SEVERANCE | CONTRACTOR<br>PAYMENT | GRANBY<br>PUBLIC<br>LIBRARY |
| <u>A S S E T S</u>   |                           |                 |                  |                                       |                                    |                       |                             |
| Cash and cash equivalents.....   |                           |                 |                  |                                       |                                    |                       |                             |
| Due from other governments.....  |                           |                 |                  |                                       |                                    |                       |                             |
| Due from other funds.....  | \$241,739                 | \$13,346        | \$3,859          | \$152,506                             | \$88,000                           | \$17,344              | \$9,607                     |
| Inventory.....   |                           |                 |                  |                                       |                                    |                       |                             |
| TOTAL.....   | <u>\$241,739</u>          | <u>\$13,346</u> | <u>\$3,859</u>   | <u>\$152,506</u>                      | <u>\$88,000</u>                    | <u>\$17,344</u>       | <u>\$9,607</u>              |
| <u>L I A B I L I T I E S</u><br><u>A N D</u><br><u>F U N D B A L A N C E S</u> |                           |                 |                  |                                       |                                    |                       |                             |
| Liabilities:   |                           |                 |                  |                                       |                                    |                       |                             |
| Accounts payable and accrued liabilities...                                    |                           |                 |                  |                                       |                                    |                       |                             |
| Due to other funds.....  |                           |                 |                  |                                       |                                    |                       |                             |
| Deferred revenue.....  |                           |                 |                  |                                       |                                    |                       |                             |
| Total liabilities .....  |                           |                 |                  |                                       |                                    |                       |                             |
| Fund balances:   |                           |                 |                  |                                       |                                    |                       |                             |
| Reserved:  |                           |                 |                  |                                       |                                    |                       |                             |
| Inventory.....   |                           |                 |                  |                                       |                                    |                       |                             |
| Trust funds.....   |                           |                 |                  |                                       |                                    |                       | \$9,607                     |
| Debt service.....  |                           |                 |                  |                                       |                                    |                       |                             |
| Unreserved:  |                           |                 |                  |                                       |                                    |                       |                             |
| Designated.....  |                           |                 |                  |                                       |                                    |                       |                             |
| Undesignated.....  | \$241,739                 | \$13,346        | \$3,859          | \$152,506                             | \$88,000                           | \$17,344              |                             |
| Total fund balances .....  | <u>241,739</u>            | <u>13,346</u>   | <u>3,859</u>     | <u>152,506</u>                        | <u>88,000</u>                      | <u>17,344</u>         | <u>9,607</u>                |
| TOTAL.....   | <u>\$241,739</u>          | <u>\$13,346</u> | <u>\$3,859</u>   | <u>\$152,506</u>                      | <u>\$88,000</u>                    | <u>\$17,344</u>       | <u>\$9,607</u>              |

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TOWN OF GRANBY, CONNECTICUT

NONMAJOR GOVERNMENTAL FUNDS

COMBINING BALANCE SHEET (CONTINUED)  
JUNE 30, 2006

|  | .....SPECIAL REVENUE.....  |                            |                |                       |                 |                        |                    |
|--|----------------------------|----------------------------|----------------|-----------------------|-----------------|------------------------|--------------------|
|  | PARKS<br>AND<br>RECREATION | PLAYGROUND<br>IMPROVEMENTS | DOG<br>PARK    | HISTORIC<br>DOCUMENTS | TRAIL<br>LINK   | COSSITT<br>IMPROVEMENT | TOTAL              |
| <u>A S S E T S</u>   |                            |                            |                |                       |                 |                        |                    |
| Cash and cash equivalents.....   |                            |                            |                |                       |                 |                        | \$ 280,863         |
| Due from other governments.....  |                            |                            |                |                       |                 |                        | 21,119             |
| Due from other funds.....  | \$166,715                  | \$406                      | \$4,490        | \$4,779               |                 | \$42,114               | 2,338,368          |
| Inventory.....   |                            |                            |                |                       |                 |                        | 2,462              |
| TOTAL.....   | <u>\$166,715</u>           | <u>\$406</u>               | <u>\$4,490</u> | <u>\$4,779</u>        | <u>\$ - 0 -</u> | <u>\$42,114</u>        | <u>\$2,642,812</u> |
| <u>L I A B I L I T I E S</u><br><u>A N D</u><br><u>F U N D B A L A N C E S</u> |                            |                            |                |                       |                 |                        |                    |
| Liabilities:   |                            |                            |                |                       |                 |                        |                    |
| Accounts payable and accrued liabilities...                                    |                            |                            |                |                       |                 |                        | \$ 13,096          |
| Due to other funds.....  |                            |                            |                |                       | \$ 3,914        |                        | 29,856             |
| Deferred revenue.....  |                            |                            |                |                       |                 |                        | 212,301            |
| Total liabilities.....   |                            |                            |                |                       | <u>3,914</u>    |                        | <u>255,253</u>     |
| Fund balances:   |                            |                            |                |                       |                 |                        |                    |
| Reserved:  |                            |                            |                |                       |                 |                        |                    |
| Inventory.....   |                            |                            |                |                       |                 |                        | 2,462              |
| Trust funds.....   |                            |                            |                |                       |                 |                        | 9,607              |
| Debt service.....  |                            |                            |                |                       |                 |                        |                    |
| Unreserved:  |                            |                            |                |                       |                 |                        |                    |
| Designated.....  |                            |                            |                |                       |                 |                        | 26,163             |
| Undesignated.....  | \$166,715                  | \$406                      | \$4,490        | \$4,779               | (3,914)         | \$42,114               | 2,349,327          |
| Total fund balances.....   | <u>166,715</u>             | <u>406</u>                 | <u>4,490</u>   | <u>4,779</u>          | <u>(3,914)</u>  | <u>42,114</u>          | <u>2,387,559</u>   |
| TOTAL.....   | <u>\$166,715</u>           | <u>\$406</u>               | <u>\$4,490</u> | <u>\$4,779</u>        | <u>\$ - 0 -</u> | <u>\$42,114</u>        | <u>\$2,642,812</u> |

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TOWN OF GRANBY, CONNECTICUT

NONMAJOR GOVERNMENTAL FUNDS

COMBINING BALANCE SHEET (CONTINUED)  
JUNE 30, 2006

|  | .....PERMANENT FUND..... |                       |                    |                 | TOTAL<br>NONMAJOR<br>GOVERNMENTAL<br>FUNDS |
|--|--------------------------|-----------------------|--------------------|-----------------|--|
|  | DEBT<br>SERVICE          | UNIVERSAL<br>CEMETERY | COSSITT<br>LIBRARY | TOTAL           |  |
| <u>A S S E T S</u>   |                          |                       |                    |                 |  |
| Cash and cash equivalents.....                                     |                          |                       |                    |                 | \$ 280,863                                 |
| Due from other governments.....                                    |                          |                       |                    |                 | 21,119                                     |
| Due from other funds.....  | \$1,193,896              | \$11,429              | \$4,223            | \$15,652        | 3,547,916                                  |
| Inventory.....   |                          |                       |                    |                 | 2,462                                      |
| TOTAL.....   | <u>\$1,193,896</u>       | <u>\$11,429</u>       | <u>\$4,223</u>     | <u>\$15,652</u> | <u>\$3,852,360</u>                         |
| <u>L I A B I L I T I E S<br/>A N D<br/>F U N D B A L A N C E S</u> |                          |                       |                    |                 |  |
| Liabilities:   |                          |                       |                    |                 |  |
| Accounts payable and accrued liabilities...                        |                          |                       |                    |                 | \$ 13,096                                  |
| Due to other funds.....  |                          |                       |                    |                 | 29,856                                     |
| Deferred revenue.....  |                          |                       |                    |                 | 212,301                                    |
| Total liabilities.....   |                          |                       |                    |                 | <u>255,253</u>                             |
| Fund balances:   |                          |                       |                    |                 |  |
| Reserved:  |                          |                       |                    |                 |  |
| Inventory.....   |                          |                       |                    |                 | 2,462                                      |
| Trust funds.....   |                          | \$11,429              | \$4,223            | \$15,652        | 25,259                                     |
| Debt service.....  | \$1,193,896              |                       |                    |                 | 1,193,896                                  |
| Unreserved:  |                          |                       |                    |                 |  |
| Designated.....  |                          |                       |                    |                 | 26,163                                     |
| Undesignated.....  |                          |                       |                    |                 | 2,349,327                                  |
| Total fund balances.....   | <u>1,193,896</u>         | <u>11,429</u>         | <u>4,223</u>       | <u>15,652</u>   | <u>3,597,107</u>                           |
| TOTAL.....   | <u>\$1,193,896</u>       | <u>\$11,429</u>       | <u>\$4,223</u>     | <u>\$15,652</u> | <u>\$3,852,360</u>                         |

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TOWN OF GRANBY, CONNECTICUT

NONMAJOR GOVERNMENTAL FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2006

|                                 |   | .....SPECIAL REVENUE..... |          |            |          |            |             |                |            |           |           |
|---------------------------------|---|---------------------------|----------|------------|----------|------------|-------------|----------------|------------|-----------|-----------|
|                                 |   | CAPITAL                   |          | TOWN AID   | SENIOR   |            | SOLID WASTE | SIDEWALK       | LOCAL      | OPEN      |           |
|                                 |   | NONRECURRING              | DOG      | ROAD       | ACTIVITY | LOCIP      | SANITATION  | AND            | ASSISTANCE | SPACE     |           |
|                                 |   | EXPENDITURES              |          |            |          |            |             | BEAUTIFICATION |            |           |           |
|                                 |   |                           |          |            |          |            |             | IMPROVEMENT    |            |           |           |
| Revenues:                       |   |                           |          |            |          |            |             |                |            |           |           |
|                                 | Intergovernmental .....                                 |                           |          | \$ 120,388 | \$ 7,946 | \$ 150,000 |             |                |            |           |           |
|                                 | Investment income .....                                 | \$ 34,725                 |          |            |          |            | \$ 21,246   | \$ 5,600       |            | \$ 17,749 |           |
|                                 | Contributions .....                                     |                           |          |            | 3,874    |            |             |                | \$34,270   |           |           |
|                                 | Licenses, fees and charges for goods and services ..... |                           | \$ 5,943 |            | 39,700   |            | 59,279      |                |            |           | 6,200     |
|                                 | Other .....   |                           | 225      |            |          |            | 75          | 496            |            |           | 75,000    |
|                                 | Total revenues.....                                     | 34,725                    | 6,168    | 120,388    | 51,520   | 150,000    | 80,600      | 6,096          | 34,270     |           | 98,949    |
| Expenditures:                   |   |                           |          |            |          |            |             |                |            |           |           |
| Current:                        |   |                           |          |            |          |            |             |                |            |           |           |
|                                 | General government .....                                |                           |          |            |          |            |             |                |            |           |           |
|                                 | Public safety .....                                     |                           | 13,148   |            |          |            |             |                |            |           |           |
| 55                              | Public works and environment .....                      | 1,000                     |          |            |          |            | 31,126      | 38,077         |            |           | 50,000    |
|                                 | Recreation and social services .....                    |                           |          |            | 49,810   |            |             |                | 34,974     |           |           |
|                                 | Education .....   |                           |          |            |          |            |             |                |            |           |           |
|                                 | Total expenditures.....                                 | 1,000                     | 13,148   |            | 49,810   |            | 31,126      | 38,077         | 34,974     |           | 50,000    |
|                                 | Excess (deficiency) of revenues over expenditures ..... | 33,725                    | (6,980)  | 120,388    | 1,710    | 150,000    | 49,474      | (31,981)       | (704)      |           | 48,949    |
| Other financing sources (uses): |   |                           |          |            |          |            |             |                |            |           |           |
|                                 | Transfers in .....                                      | 936,516                   | 9,000    |            | 13,000   |            |             |                |            |           |           |
|                                 | Transfers out .....                                     | (966,000)                 |          | (150,000)  |          | (150,000)  |             |                |            |           |           |
|                                 | Total other financing sources (uses) .....              | (29,484)                  | 9,000    | (150,000)  | 13,000   | (150,000)  |             |                |            |           |           |
|                                 | Net change in fund balances .....                       | 4,241                     | 2,020    | (29,612)   | 14,710   |            | 49,474      | (31,981)       | (704)      |           | 48,949    |
|                                 | Fund balance (deficit), July 1, 2005 .....              | 222,837                   | 1,312    | 119,286    | 47,905   | - 0 -      | 508,140     | 154,618        | 16,644     |           | 405,335   |
|                                 | Fund balance (deficit), June 30, 2006 .....             | \$ 227,078                | \$ 3,332 | \$ 89,674  | \$62,615 | \$ - 0 -   | \$557,614   | \$122,637      | \$15,940   |           | \$454,284 |

TOWN OF GRANBY, CONNECTICUT

NONMAJOR GOVERNMENTAL FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2006

|  | .....SPECIAL REVENUE.....        |                   |             |                                   |                                 |                            |           |                          |   |
|--|----------------------------------|-------------------|-------------|-----------------------------------|---------------------------------|----------------------------|-----------|--------------------------|---|
|  | POLICE<br>COMMUNITY<br>EDUCATION | PUBLIC<br>SCHOOLS | REVALUATION | SMALL<br>CITIES<br>BLOCK<br>GRANT | POLICE<br>FORFEITED<br>PROPERTY | YOUTH<br>SERVICES<br>GRANT | CAFETERIA | AMBULANCE<br>ASSOCIATION | FEDERAL<br>AND STATE<br>EDUCATIONAL<br>GRANTS |
| Revenues:  |                                  |                   |             |                                   |                                 |                            |           |                          |   |
| Intergovernmental .....                                    |                                  |                   |             |                                   |                                 | \$ 19,641                  | \$ 44,414 |                          | \$653,651                                     |
| Investment income .....                                    |                                  |                   | \$ 111      |                                   | \$ 205                          |                            |           |                          |   |
| Contributions .....  | \$ 950                           |                   |             |                                   |                                 |                            |           |                          |   |
| Licenses, fees and charges for goods and<br>services ..... |                                  | \$502,378         |             |                                   |                                 | 14,941                     | 330,495   | \$151,000                |   |
| Other .....  |                                  |                   |             | \$36,148                          |                                 | 451                        | 8,000     |                          |   |
| Total revenues.....  | 950                              | 502,378           | 111         | 36,148                            | 205                             | 35,033                     | 382,909   | 151,000                  | 653,651                                       |
| Expenditures:  |                                  |                   |             |                                   |                                 |                            |           |                          |   |
| Current:   |                                  |                   |             |                                   |                                 |                            |           |                          |   |
| General government .....                                   |                                  |                   |             | 36,148                            |                                 |                            |           |                          |   |
| Public safety .....  |                                  |                   |             |                                   |                                 |                            |           | 158,051                  |   |
| Public works and environment .....                         |                                  |                   |             |                                   |                                 |                            |           |                          |   |
| Recreation and social services .....                       |                                  |                   |             |                                   |                                 | 64,166                     |           |                          |   |
| Education .....  |                                  | 519,612           |             |                                   |                                 |                            | 384,749   |                          | 653,651                                       |
| Total expenditures.....                                    |                                  | 519,612           |             | 36,148                            |                                 | 64,166                     | 384,749   | 158,051                  | 653,651                                       |
| Excess (deficiency) of revenues over<br>expenditures ..... | 950                              | (17,234)          | 111         |                                   | 205                             | (29,133)                   | (1,840)   | (7,051)                  |   |
| Other financing sources (uses):                            |                                  |                   |             |                                   |                                 |                            |           |                          |   |
| Transfers in .....   |                                  |                   |             |                                   |                                 | 34,260                     |           |                          |   |
| Transfers out .....  |                                  |                   |             |                                   |                                 |                            |           |                          |   |
| Total other financing sources (uses).                      |                                  |                   |             |                                   |                                 | 34,260                     |           |                          |   |
| Net change in fund balances .....                          | 950                              | (17,234)          | 111         |                                   | 205                             | 5,127                      | (1,840)   | (7,051)                  |   |
| Fund balance (deficit), July 1, 2005 .....                 | 18,825                           | 58,350            | 2,766       | - 0 -                             | 5,123                           | 26,797                     | 13,829    | 7,436                    | - 0 -   |
| Fund balance (deficit), June 30, 2006 .....                | \$19,775                         | \$ 41,116         | \$2,877     | \$ - 0 -                          | \$5,328                         | \$ 31,924                  | \$ 11,989 | \$ 385                   | \$ - 0 -                                      |

TOWN OF GRANBY, CONNECTICUT

NONMAJOR GOVERNMENTAL FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2006

|  | .....SPECIAL REVENUE..... |                |                  |                                       |                                    |                       |                             |
|--|---------------------------|----------------|------------------|---------------------------------------|------------------------------------|-----------------------|-----------------------------|
|  | SEWER<br>UTILITY          | COMMUNICATIONS | POLICE<br>GRANTS | EDUCATION<br>QUALITY AND<br>DIVERSITY | BOARD OF<br>EDUCATION<br>SEVERANCE | CONTRACTOR<br>PAYMENT | GRANBY<br>PUBLIC<br>LIBRARY |
| Revenues:  |                           |                |                  |                                       |                                    |                       |                             |
| Intergovernmental .....                                    |                           |                | \$ 640           | \$130,772                             |                                    |                       | \$14,010                    |
| Investment income .....                                    | \$ 1,363                  | \$ 4,947       |                  |                                       |                                    |                       |                             |
| Contributions .....  |                           |                |                  |                                       |                                    |                       | 9,910                       |
| Licenses, fees and charges for goods and<br>services ..... | 107,300                   | 81,675         |                  |                                       |                                    | \$32,740              |                             |
| Other .....  | 220                       |                |                  |                                       | \$58,000                           |                       |                             |
| Total revenues.....  | 108,883                   | 86,622         | 640              | 130,772                               | 58,000                             | 32,740                | 23,920                      |
| Expenditures:  |                           |                |                  |                                       |                                    |                       |                             |
| Current:   |                           |                |                  |                                       |                                    |                       |                             |
| General government .....                                   |                           |                |                  |                                       |                                    |                       | 17,965                      |
| Public safety .....  |                           |                |                  |                                       |                                    | 18,741                |                             |
| Public works and environment .....                         | 82,878                    |                |                  |                                       |                                    |                       |                             |
| Recreation and social services .....                       |                           |                |                  |                                       |                                    |                       |                             |
| Education .....  |                           |                |                  | 81,207                                |                                    |                       |                             |
| Total expenditures.....                                    | 82,878                    |                |                  | 81,207                                |                                    | 18,741                | 17,965                      |
| Excess (deficiency) of revenues over<br>expenditures ..... | 26,005                    | 86,622         | 640              | 49,565                                | 58,000                             | 13,999                | 5,955                       |
| Other financing sources (uses):                            |                           |                |                  |                                       |                                    |                       |                             |
| Transfers in .....   |                           |                | 2,500            |                                       | 30,000                             |                       |                             |
| Transfers out .....  |                           | (435,000)      |                  |                                       |                                    |                       |                             |
| Total other financing sources (uses).                      |                           | (435,000)      | 2,500            |                                       | 30,000                             |                       |                             |
| Net change in fund balances .....                          | 26,005                    | (348,378)      | 3,140            | 49,565                                | 88,000                             | 13,999                | 5,955                       |
| Fund balance (deficit), July 1, 2005 .....                 | 215,734                   | 361,724        | 719              | 102,941                               | - 0 -                              | 3,345                 | 3,652                       |
| Fund balance (deficit), June 30, 2006 .....                | \$241,739                 | \$ 13,346      | \$3,859          | \$152,506                             | \$88,000                           | \$17,344              | \$ 9,607                    |

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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, 2006

|  |  | .....SPECIAL REVENUE.....  |                            |             |                       |               |                        |              |
|--|--|----------------------------|----------------------------|-------------|-----------------------|---------------|------------------------|--------------|
|  |  | PARKS<br>AND<br>RECREATION | PLAYGROUND<br>IMPROVEMENTS | DOG<br>PARK | HISTORIC<br>DOCUMENTS | TRAIL<br>LINK | COSSITT<br>IMPROVEMENT | TOTAL        |
| Revenues:  |  |                            |                            |             |                       |               |                        |              |
|  | Intergovernmental .....                                    |                            |                            |             | \$7,000               |               |                        | \$ 1,148,462 |
|  | Investment income .....                                    |                            |                            |             |                       |               |                        | 85,946       |
|  | Contributions .....  |                            |                            | \$13,137    |                       |               |                        | 62,141       |
|  | Licenses, fees and charges for goods and<br>services ..... | \$339,126                  |                            |             | 2,999                 |               |                        | 1,673,776    |
|  | Other .....  |                            |                            |             |                       |               |                        | 178,615      |
|  | Total revenues.....  | 339,126                    |                            | 13,137      | 9,999                 |               |                        | 3,148,940    |
| Expenditures:  |  |                            |                            |             |                       |               |                        |              |
| Current:   |  |                            |                            |             |                       |               |                        |              |
|  | General government .....                                   |                            |                            |             | 8,494                 |               |                        | 62,607       |
|  | Public safety .....  |                            |                            | 12,682      |                       |               |                        | 183,881      |
|  | Public works and environment .....                         |                            |                            |             |                       |               | \$ 19,886              | 241,708      |
|  | Recreation and social services .....                       | 320,081                    |                            |             |                       |               |                        | 469,031      |
|  | Education .....  |                            |                            |             |                       |               |                        | 1,639,219    |
|  | Total expenditures.....                                    | 320,081                    |                            | 12,682      | 8,494                 |               | 19,886                 | 2,596,446    |
| Excess (deficiency) of revenues over<br>expenditures ..... |  |                            |                            | 455         | 1,505                 |               | (19,886)               | 552,494      |
| Other financing sources (uses):                            |  |                            |                            |             |                       |               |                        |              |
|  | Transfers in .....   |                            |                            |             |                       |               | 62,000                 | 1,087,276    |
|  | Transfers out .....  |                            |                            |             |                       |               |                        | (1,701,000)  |
|  | Total other financing sources (uses).                      |                            |                            |             |                       |               | 62,000                 | (613,724)    |
| Net change in fund balances .....                          |  | 19,045                     |                            | 455         | 1,505                 |               | 42,114                 | (61,230)     |
| Fund balance (deficit), July 1, 2005 .....                 |  | 147,670                    | \$406                      | 4,035       | 3,274                 | \$ (3,914)    | - 0 -                  | 2,448,789    |
| Fund balance (deficit), June 30, 2006 .....                |  | \$166,715                  | \$406                      | \$4,490     | \$4,779               | \$ (3,914)    | \$ 42,114              | \$ 2,387,559 |

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TOWN OF GRANBY, CONNECTICUT

NONMAJOR GOVERNMENTAL FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2006

|  |  | .....PERMANENT FUND..... |                       |                    |                 | TOTAL<br>NONMAJOR<br>GOVERNMENTAL<br>FUNDS |
|--|--|--------------------------|-----------------------|--------------------|-----------------|--|
|  |  | DEBT<br>SERVICE          | UNIVERSAL<br>CEMETERY | COSSITT<br>LIBRARY | TOTAL           |  |
| <b>Revenues:</b>                       |  |                          |                       |                    |                 |  |
|  | Intergovernmental .....  |                          |                       |                    |                 | \$ 1,148,462                               |
|  | Investment income .....  | \$ 45,404                | \$ 439                | \$ 166             | \$ 605          | 131,955                                    |
|  | Contributions .....  |                          |                       |                    |                 | 62,141                                     |
|  | Licenses, fees and charges for goods and<br>services .....         | 25,500                   |                       |                    |                 | 1,699,276                                  |
|  | Other .....  | 300                      |                       |                    |                 | 178,915                                    |
|  | <b>Total revenues.....</b>   | <b>71,204</b>            | <b>439</b>            | <b>166</b>         | <b>605</b>      | <b>3,220,749</b>                           |
| <b>Expenditures:</b>                   |  |                          |                       |                    |                 |  |
| <b>Current:</b>                        |  |                          |                       |                    |                 |  |
|  | General government .....   |                          |                       |                    |                 | 62,607                                     |
|  | Public safety .....  |                          |                       |                    |                 | 183,881                                    |
|  | Public works and environment .....                                 |                          |                       |                    |                 | 241,708                                    |
|  | Recreation and social services .....                               |                          |                       |                    |                 | 469,031                                    |
|  | Education .....  |                          |                       |                    |                 | 1,639,219                                  |
|  | <b>Total expenditures.....</b>                                     |                          |                       |                    |                 | <b>2,596,446</b>                           |
|  | <b>Excess (deficiency) of revenues over<br/>expenditures .....</b> | <b>71,204</b>            | <b>439</b>            | <b>166</b>         | <b>605</b>      | <b>624,303</b>                             |
| <b>Other financing sources (uses):</b> |  |                          |                       |                    |                 |  |
|  | Transfers in .....   |                          |                       |                    |                 | 1,087,276                                  |
|  | Transfers out .....  |                          |                       | (166)              | (166)           | (1,701,166)                                |
|  | <b>Total other financing sources (uses).....</b>                   |                          |                       | <b>(166)</b>       | <b>(166)</b>    | <b>(613,890)</b>                           |
|  | <b>Net change in fund balances .....</b>                           | <b>71,204</b>            | <b>439</b>            |                    | <b>439</b>      | <b>10,413</b>                              |
|  | <b>Fund balance (deficit), July 1, 2005 .....</b>                  | <b>1,122,692</b>         | <b>10,990</b>         | <b>4,223</b>       | <b>15,213</b>   | <b>3,586,694</b>                           |
|  | <b>Fund balance (deficit), June 30, 2006 .....</b>                 | <b>\$1,193,896</b>       | <b>\$11,429</b>       | <b>\$4,223</b>     | <b>\$15,652</b> | <b>\$ 3,597,107</b>                        |

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Agency 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, CONNECTICUTAGENCY FUNDSCOMBINING BALANCE SHEET  
JUNE 30, 2006

|  | HIGH<br>SCHOOL<br>ACTIVITY | MIDDLE<br>SCHOOL<br>ACTIVITY | KELLY<br>LANE<br>SCHOOL<br>ACTIVITY | KEARNS<br>SCHOOL<br>ACTIVITY | WELLS<br>ROAD<br>SCHOOL<br>ACTIVITY | CONTRACT<br>SECURITY | TOTAL            |
|--|----------------------------|------------------------------|-------------------------------------|------------------------------|-------------------------------------|----------------------|------------------|
| <b>ASSETS:</b>                         |                            |                              |                                     |                              |                                     |                      |                  |
| Cash and cash equivalents .....        | \$135,531                  | \$58,718                     | \$37,183                            | \$42,535                     | \$6,356                             |                      | \$280,323        |
| Due from other funds .....             |                            |                              |                                     |                              |                                     | \$361,806            | 361,806          |
| TOTAL .....                            | <u>\$135,531</u>           | <u>\$58,718</u>              | <u>\$37,183</u>                     | <u>\$42,535</u>              | <u>\$6,356</u>                      | <u>\$361,806</u>     | <u>\$642,129</u> |
| <b>LIABILITIES:</b>                    |                            |                              |                                     |                              |                                     |                      |                  |
| Due to student groups and others ..... | \$135,531                  | \$58,718                     | \$37,183                            | \$42,535                     | \$6,356                             |                      | \$280,323        |
| Due to contractors .....               |                            |                              |                                     |                              |                                     | \$361,806            | 361,806          |
| TOTAL .....                            | <u>\$135,531</u>           | <u>\$58,718</u>              | <u>\$37,183</u>                     | <u>\$42,535</u>              | <u>\$6,356</u>                      | <u>\$361,806</u>     | <u>\$642,129</u> |

TOWN OF GRANBY, CONNECTICUTAGENCY FUNDSCOMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
FOR THE YEAR ENDED JUNE 30, 2006

|  | BALANCE<br>JULY 1, 2005 | ADDITIONS | DEDUCTIONS | BALANCE<br>JUNE 30, 2006 |
|--|-------------------------|-----------|------------|--------------------------|
| <u>HIGH SCHOOL<br/>ACTIVITY FUND</u>       |                         |           |            |                          |
| Assets:                                    |                         |           |            |                          |
| Cash and cash equivalents                  | \$135,066               | \$460,457 | \$459,992  | \$135,531                |
| Liabilities:                               |                         |           |            |                          |
| Due to student groups<br>and others .....  | \$135,066               | \$460,457 | \$459,992  | \$135,531                |
| <u>MIDDLE SCHOOL<br/>ACTIVITY FUND</u>     |                         |           |            |                          |
| Assets:                                    |                         |           |            |                          |
| Cash and cash equivalents                  | \$55,297                | \$211,090 | \$207,669  | \$58,718                 |
| Liabilities:                               |                         |           |            |                          |
| Due to student groups<br>and others .....  | \$55,297                | \$211,090 | \$207,669  | \$58,718                 |
| <u>KELLY LANE SCHOOL<br/>ACTIVITY FUND</u> |                         |           |            |                          |
| Assets:                                    |                         |           |            |                          |
| Cash and cash equivalents                  | \$37,060                | \$57,360  | \$57,237   | \$37,183                 |
| Liabilities:                               |                         |           |            |                          |
| Due to student groups<br>and others .....  | \$37,060                | \$57,360  | \$57,237   | \$37,183                 |
| <u>KEARNS SCHOOL<br/>ACTIVITY FUND</u>     |                         |           |            |                          |
| Assets:                                    |                         |           |            |                          |
| Cash and cash equivalents                  | \$45,210                | \$34,963  | \$37,638   | \$42,535                 |
| Liabilities:                               |                         |           |            |                          |
| Due to student groups<br>and others .....  | \$45,210                | \$34,963  | \$37,638   | \$42,535                 |

(Continued) - 1.

TOWN OF GRANBY, CONNECTICUT  
 AGENCY FUNDS  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES, ETC.

|   | BALANCE<br>JULY 1, 2005 | ADDITIONS   | DEDUCTIONS | BALANCE<br>JUNE 30, 2006 |
|---|-------------------------|-------------|------------|--------------------------|
| <u>WELLS ROAD SCHOOL</u>                  |                         |             |            |                          |
| <u>ACTIVITY FUND</u>                      |                         |             |            |                          |
| Assets:                                   |                         |             |            |                          |
| Cash and cash equivalents                 | \$13,219                | \$50,337    | \$57,200   | \$6,356                  |
| Liabilities:                              |                         |             |            |                          |
| Due to student groups<br>and others ..... | \$13,219                | \$50,337    | \$57,200   | \$6,356                  |
| <u>CONTRACT SECURITY</u>                  |                         |             |            |                          |
| Assets:                                   |                         |             |            |                          |
| Due from other funds.....                 | \$344,506               | \$196,693   | \$179,393  | \$361,806                |
| Liabilities:                              |                         |             |            |                          |
| Due to contractors.....                   | \$344,506               | \$196,693   | \$179,393  | \$361,806                |
| <u>TOTAL ALL FUNDS</u>                    |                         |             |            |                          |
| Assets:                                   |                         |             |            |                          |
| Cash and cash equivalents                 | \$285,852               | \$ 814,207  | \$819,736  | \$280,323                |
| Due from other funds.....                 | 344,506                 | 196,693     | 179,393    | 361,806                  |
| TOTAL .....                               | \$630,358               | \$1,010,900 | \$999,129  | \$642,129                |
| Liabilities:                              |                         |             |            |                          |
| Due to student groups<br>and others ..... | \$285,852               | \$ 814,207  | \$819,736  | \$280,323                |
| Due to contractors.....                   | 344,506                 | 196,693     | 179,393    | 361,806                  |
| TOTAL .....                               | \$630,358               | \$1,010,900 | \$999,129  | \$642,129                |

(Concluded) - 2.

Capital Assets Used in the  
Operation of Governmental Funds

**CAPITAL ASSETS USED IN THE OPERATION  
OF GOVERNMENTAL FUNDS**

The following schedules present only the capital asset balances related to governmental funds. The assets are reported at historical cost or estimated historical cost.

The Town's capitalization policy requires the recording of capital assets with original cost of \$5,000 or more. Provision for depreciation is not included in the schedules.

TOWN OF GRANBY, CONNECTICUTCAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDSSCHEDULE BY SOURCE  
JUNE 30, 2006

## Governmental funds capital assets:

|                                 |                     |
|---------------------------------|---------------------|
| Land.....                       | \$ 5,294,510        |
| Buildings and improvements..... | 40,785,640          |
| Vehicles and equipment.....     | 8,448,194           |
| Infrastructure.....             | 1,131,247           |
| Construction in progress.....   | <u>21,582,510</u>   |
| TOTAL.....                      | <u>\$77,242,101</u> |

## Investments in governmental funds capital assets by source:

|  |                     |
|--|---------------------|
| Capitalized prior to July 1, 2004..... | \$51,988,269        |
| Capital leases.....                    | 1,635,665           |
| General Fund revenues.....             | 22,866,507          |
| Contributions.....                     | <u>751,660</u>      |
| TOTAL.....                             | <u>\$77,242,101</u> |

TOWN OF GRANBY, CONNECTICUTCAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDSSCHEDULE BY FUNCTION AND ACTIVITY  
JUNE 30, 2006

|                                | TOTAL               | LAND               | BUILDINGS<br>AND<br>IMPROVEMENTS | VEHICLES<br>AND<br>EQUIPMENT | INFRASTRUCTURE     | CONSTRUCTION<br>IN PROGRESS |
|--------------------------------|---------------------|--------------------|----------------------------------|------------------------------|--------------------|-----------------------------|
| General government.....        | \$ 5,768,498        | \$4,236,430        | \$ 1,340,569                     | \$ 150,589                   |                    | \$ 40,910                   |
| Public safety.....             | 1,989,493           | 22,500             | 1,536,620                        | 430,373                      |                    |                             |
| Public works and environment.. | 5,355,202           | 280,450            | 822,000                          | 1,802,732                    | \$1,131,247        | 1,318,773                   |
| Recreation and social services | 2,771,235           | 343,220            | 2,180,285                        | 247,730                      |                    |                             |
| Education.....                 | 61,357,673          | 411,910            | 34,906,166                       | 5,816,770                    |                    | 20,222,827                  |
| TOTAL .....                    | <u>\$77,242,101</u> | <u>\$5,294,510</u> | <u>\$40,785,640</u>              | <u>\$8,448,194</u>           | <u>\$1,131,247</u> | <u>\$21,582,510</u>         |

TOWN OF GRANBY, CONNECTICUTCAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDSSCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY  
FOR THE YEAR ENDED JUNE 30, 2006

|   | GOVERNMENTAL<br>FUNDS<br>CAPITAL ASSETS<br>JULY 1, 2005 |    | ADDITIONS           | DELETIONS       | GOVERNMENTAL<br>FUNDS<br>CAPITAL ASSETS<br>JUNE 30, 2006 |
|---|---|----|---------------------|-----------------|--|
| General government .....                | \$ 5,736,632  | \$ | 31,866              |                 | \$ 5,768,498   |
| Public safety .....                     | 1,991,527   |    | 50,198              | \$52,232        | 1,989,493  |
| Public works and<br>environment .....   | 5,191,339   |    | 177,831             | 13,968          | 5,355,202  |
| Recreation and social<br>services ..... | 2,721,235   |    | 50,000              |                 | 2,771,235  |
| Education .....                         | 48,572,823  |    | 12,784,850          |                 | 61,357,673   |
| TOTAL .....                             | <u>\$64,213,556</u>                                     |    | <u>\$13,094,745</u> | <u>\$66,200</u> | <u>\$77,242,101</u>                                      |

# 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, CONNECTICUTNET ASSETS BY COMPONENT  
LAST FOUR FISCAL YEARS

|  | .....FISCAL YEAR..... |                 |                 |                 |
|--|-----------------------|-----------------|-----------------|-----------------|
|  | 2006                  | 2005            | 2004            | 2003            |
| Governmental activities:                             |                       |                 |                 |                 |
| Invested in capital assets, net of related debt..... | \$31,341              | \$22,643        | \$20,615        | \$17,047        |
| Restricted.....                                      | 1,219                 | 1,141           | 1,102           | 1,051           |
| Unrestricted.....                                    | 7,080                 | 9,160           | 6,926           | 8,512           |
| Total governmental activities net assets.....        | <u>\$39,640</u>       | <u>\$32,944</u> | <u>\$28,643</u> | <u>\$26,610</u> |

## Notes:

- (1) Schedule prepared on the accrual basis of accounting.
- (2) The Town began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003.

TOWN OF GRANBY, CONNECTICUT

CHANGE IN NET ASSETS  
LAST FOUR FISCAL YEARS  
(thousands)

.....FISCAL YEAR.....  
2006                      2005                      2004                      2003

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|   | 2006            | 2005            | 2004            | 2003            |
|---|-----------------|-----------------|-----------------|-----------------|
| Expenses:   |                 |                 |                 |                 |
| Governmental activities:  |                 |                 |                 |                 |
| General government.....   | \$ 2,595        | \$ 2,196        | \$ 2,618        | \$ 2,308        |
| Public safety.....  | 2,050           | 2,010           | 1,966           | 1,910           |
| Public works and environment.....                                 | 3,472           | 2,950           | 2,547           | 2,498           |
| Recreation and social services.....                               | 1,130           | 1,189           | 1,142           | 1,260           |
| Education.....  | 27,270          | 24,345          | 22,410          | 21,539          |
| Interest on long-term debt.....                                   | 1,512           | 1,102           | 1,254           | 1,309           |
| Total governmental activities expenses.....                       | <u>38,029</u>   | <u>33,792</u>   | <u>31,937</u>   | <u>30,824</u>   |
| Program revenues:   |                 |                 |                 |                 |
| Governmental activities:  |                 |                 |                 |                 |
| Charges for services.....   | 3,292           | 2,683           | 2,437           | 2,263           |
| Operating grants and contributions.....                           | 7,242           | 5,955           | 5,978           | 5,816           |
| Capital grants and contributions.....                             | 6,051           | 3,639           | 1,210           | 1,458           |
| Total governmental activities program revenues.....               | <u>16,585</u>   | <u>12,277</u>   | <u>9,625</u>    | <u>9,537</u>    |
| Net (expense) revenue:  |                 |                 |                 |                 |
| Governmental activities.....                                      | <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.....   | 26,964          | 25,036          | 23,440          | 21,877          |
| Grants and contributions not restricted to specific purposes..... | 279             | 225             | 264             | 304             |
| Unrestricted investment earnings.....                             | 562             | 329             | 125             | 193             |
| Other general revenues.....                                       | 335             | 226             | 134             | 201             |
| Total governmental activities.....                                | <u>28,140</u>   | <u>25,816</u>   | <u>23,963</u>   | <u>22,575</u>   |
| Changes in net assets:  |                 |                 |                 |                 |
| Governmental activities.....                                      | <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 34 in fiscal year 2003.

TOWN OF GRANBY, CONNECTICUTFUND BALANCES, GOVERNMENTAL FUNDS  
LAST FOUR FISCAL YEARS

|   | .....FISCAL YEAR..... |                   |                 |                |
|---|-----------------------|-------------------|-----------------|----------------|
|   | 2006                  | 2005              | 2004            | 2003           |
| (thousands)                             |                       |                   |                 |                |
| General Fund:                           |                       |                   |                 |                |
| Reserved.....                           | \$ 147                | \$ 346            | \$ 362          | \$ 461         |
| Unreserved.....                         | 3,957                 | 3,421             | 3,005           | 3,125          |
| Total general fund.....                 | <u>\$4,104</u>        | <u>\$3,767</u>    | <u>\$3,367</u>  | <u>\$3,586</u> |
| All other governmental funds:           |                       |                   |                 |                |
| Reserved.....                           | \$ 4,463              | \$ 6,093          | \$ 2,320        | \$1,292        |
| Unreserved, reported in:                |                       |                   |                 |                |
| Special revenue funds.....              | 2,376                 | 2,445             | 1,939           | 2,143          |
| Capital projects funds.....             | (5,088)               | (10,810)          | (2,680)         | (241)          |
| Total all other governmental funds..... | <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 FOUR FISCAL YEARS

(thousands)

|  | .....FISCAL YEAR..... |                   |                   |                 |
|--|-----------------------|-------------------|-------------------|-----------------|
|  | 2006                  | 2005              | 2004              | 2003            |
| Revenues:  |                       |                   |                   |                 |
| Property taxes.....  | \$26,933              | \$25,148          | \$23,464          | \$21,882        |
| Intergovernmental.....                                       | 14,374                | 10,588            | 7,138             | 7,946           |
| Licenses, fees and charges for services.....                 | 2,282                 | 2,127             | 2,291             | 1,969           |
| Investment income.....                                       | 513                   | 302               | 112               | 188             |
| Other.....   | 521                   | 341               | 285               | 532             |
| Total revenues.....  | <u>44,623</u>         | <u>38,506</u>     | <u>33,290</u>     | <u>32,517</u>   |
| Expenditures:  |                       |                   |                   |                 |
| General government.....                                      | 2,447                 | 2,142             | 2,454             | 2,231           |
| Public safety.....   | 1,962                 | 1,930             | 1,885             | 1,803           |
| Public works and environment.....                            | 2,809                 | 2,650             | 2,299             | 2,378           |
| Recreation and Social Services.....                          | 1,067                 | 1,125             | 1,086             | 1,214           |
| Education.....   | 25,514                | 22,915            | 21,834            | 20,681          |
| Capital outlay.....  | 14,107                | 8,649             | 3,049             | 1,904           |
| Debt service.....  | <u>2,914</u>          | <u>2,922</u>      | <u>2,946</u>      | <u>3,045</u>    |
| Total expenditures.....                                      | <u>50,820</u>         | <u>42,333</u>     | <u>35,553</u>     | <u>33,256</u>   |
| Excess of revenue over (under) expenditures.....             | <u>(6,197)</u>        | <u>(3,827)</u>    | <u>(2,263)</u>    | <u>(739)</u>    |
| Other financing sources (uses):                              |                       |                   |                   |                 |
| Transfers in .....   | 3,570                 | 3,076             | 2,816             | 3,459           |
| Transfers out.....   | (3,570)               | (3,076)           | (2,816)           | (3,459)         |
| Proceeds from capital leases.....                            | 558                   | 322               | 429               | 309             |
| Proceeds from the sale of bonds.....                         | 10,000                |                   |                   |                 |
| Proceeds from refunding bonds.....                           |                       | 9,750             |                   |                 |
| Payment to refund bond escrow agent.....                     |                       | (9,696)           |                   |                 |
| Total other financing sources (uses).....                    | <u>10,558</u>         | <u>376</u>        | <u>429</u>        | <u>309</u>      |
| Net change in fund balances.....                             | <u>\$ 4,361</u>       | <u>\$ (3,451)</u> | <u>\$ (1,834)</u> | <u>\$ (430)</u> |
| Debt service as a percentage of noncapital expenditures..... | <u>7.9%</u>           | <u>8.7%</u>       | <u>9.1%</u>       | <u>9.7%</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  |                   |               |                              |                       |  |  |
| 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   |
| 2000        | 435,931,050             | 25,178,540   | 1,746,990   | 8,579,710         | 55,540,410    | 526,976,700                  | 33.53                 | 752,823,857                            | 70   |
| 1999        | 507,601,900             | 31,850,020   | 4,616,560   | 8,103,210         | 50,826,930    | 602,998,620                  | 27.81                 | 861,426,600                            | 70   |
| 1998        | 496,254,410             | 31,850,820   | 4,545,140   | 7,715,200         | 49,863,413    | 590,228,983                  | 26.90                 | 843,184,261                            | 70   |
| 1997        | 487,212,390             | 31,782,660   | 4,549,970   | 7,954,510         | 47,766,640    | 579,266,170                  | 26.02                 | 827,523,100                            | 70   |

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Source: Town of Granby Office of Tax Assessor

Notes:

- (1) 2004 Grand List thru 1995 Grand List Figures
- (2) 2004 = Revaluation & 2000 = Revaluation
- (3) \*See Tax Exempt Property

TOWN OF GRANBY, CONNECTICUT

PRINCIPAL PROPERTY TAXPAYERS  
2004 AND 1995

(thousands)

| .....OCTOBER 1, 2004..... |                        |      |   | .....OCTOBER 1, 1995.....   |                        |      |   |
|---------------------------|------------------------|------|---|-----------------------------|------------------------|------|---|
| TAXPAYER                  | TAXABLE ASSESSED VALUE | RANK | PERCENTAGE OF TOTAL TOWN TAXABLE ASSESSED VALUE | TAXPAYER                    | TAXABLE ASSESSED VALUE | RANK | PERCENTAGE OF TOTAL TOWN TAXABLE ASSESSED VALUE |
| Connecticut Light & Power | \$ 5,110,220           | 1    | 0.64%   | Halmar Inc                  | \$ 3,963,770           | 1    | 0.68%   |
| Granby Developers         | 4,690,000              | 2    | 0.59  | Conn Valley Land Dev        | 3,460,626              | 2    | 0.60  |
| Baygrape Associates       | 3,301,270              | 3    | 0.41  | Baygrape Associates         | 3,364,820              | 3    | 0.58  |
| Granby Holdings LLC       | 3,231,420              | 4    | 0.40  | Connecticut Light & Power   | 2,917,120              | 4    | 0.50  |
| Arrow Concrete Products   | 3,205,410              | 5    | 0.40  | Gersten, Charles D. Trustee | 2,518,960              | 5    | 0.44  |
| Riverbend Associates      | 2,563,330              | 6    | 0.32  | Garrity Bros. of Simsbury   | 1,664,930              | 6    | 0.29  |
| Salmon Brook Dev LLC      | 2,296,140              | 7    | 0.29  | Culbro Corp                 | 1,636,070              | 7    | 0.28  |
| Hunt Glen Granby LLC      | 2,287,640              | 8    | 0.28  | Granby Center Assoc         | 1,610,430              | 8    | 0.28  |
| Halmar Inc                | 2,080,540              | 9    | 0.26  | Barberino, John S           | 1,304,550              | 9    | 0.23  |
| Pierce Enterprises        | <u>1,928,530</u>       | 10   | <u>0.24</u>                                     | Fox Brook Assoc             | <u>1,301,310</u>       | 10   | <u>0.22</u>                                     |
| TOTAL                     | <u>\$30,694,500</u>    |      | <u>3.83%</u>                                    |                             | <u>\$23,742,586</u>    |      | <u>4.10%</u>                                    |

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Source: Town of Granby, Office of Tax Assessor

TOWN OF GRANBY, CONNECTICUT

PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS

(thousands)

| FISCAL<br>YEAR ENDED<br>JUNE 30, | TAX RATE<br>IN MILLS | TAXES LEVIED<br>FOR THE<br>FISCAL YEAR | COLLECTED WITHIN THE<br>...FISCAL YEAR OF THE LEVY... |                       | .TOTAL COLLECTIONS TO DATE. |                       |        |
|----------------------------------|----------------------|--|---|-----------------------|-----------------------------|-----------------------|--------|
|                                  |                      |  | AMOUNT  | PERCENTAGE<br>OF LEVY | AMOUNT                      | PERCENTAGE<br>OF LEVY |        |
| 2006                             | 33.41                | \$27,083,704                           | \$26,609,098  | 98.25%                | n/a                         | \$26,609,098          | 98.25% |
| 2005                             | 31.97                | 25,178,903                             | 24,714,282  | 98.15                 | \$181,344                   | 24,895,626            | 98.87  |
| 2004                             | 30.6                 | 23,525,883                             | 23,112,573  | 98.24                 | 201,804                     | 23,314,377            | 99.10  |
| 2003                             | 37.06                | 21,996,982                             | 21,551,982  | 97.98                 | 240,943                     | 21,792,925            | 99.07  |
| 2002                             | 35.74                | 20,546,761                             | 20,118,778  | 97.92                 | 175,271                     | 20,294,049            | 98.77  |
| 2001                             | 34.46                | 19,104,390                             | 18,682,393  | 97.79                 | 205,962                     | 18,888,355            | 98.87  |
| 2000                             | 33.53                | 17,986,571                             | 17,528,642  | 97.45                 | 184,841                     | 17,713,483            | 98.48  |
| 1999                             | 27.81                | 17,023,286                             | 16,629,138  | 97.68                 | 231,928                     | 16,861,066            | 99.05  |
| 1998                             | 26.9                 | 15,932,657                             | 15,578,345  | 97.78                 | 320,004                     | 15,898,349            | 99.78  |
| 1997                             | 26.02                | 15,234,695                             | 14,725,850  | 96.66                 | 376,171                     | 15,102,021            | 99.13  |

Source: Tax Collector's Report; Comprehensive Annual Financial Report

TOWN OF GRANBY, CONNECTICUT

RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS

(thousands, except per capita)

| FISCAL<br>YEAR | .....GOVERNMENTAL ACTIVITIES..... |                   | RATIO OF<br>DEBT TO TAXABLE<br>ASSESSED VALUE | DEBT<br>PER<br>CAPITA |
|----------------|-----------------------------------|-------------------|---|-----------------------|
|                | GENERAL<br>OBLIGATION<br>BONDS    | CAPITAL<br>LEASES |   |                       |
| 2006           | \$26,895                          | \$1,217           | 3.51%   | \$2,488               |
| 2005           | 20,592                            | 996               | 2.77%   | 1,947                 |
| 2004           | 21,580                            | 1,014             | 2.97%   | 2,056                 |
| 2003           | 23,293                            | 980               | 4.16%   | 2,233                 |
| 2002           | 25,005                            | 1,001             | 4.59%   | 2,431                 |
| 2001           | 26,088                            | 959               | 4.96%   | 2,523                 |
| 2000           | 26,650                            | 931               | 5.23%   | 2,663                 |
| 1999           | 15,778                            | 894               | 2.76%   | 1,731                 |
| 1998           | 10,495                            | 689               | 1.78%   | 1,165                 |
| 1997           | 11,548                            | 363               | 2.06%   | 1,267                 |

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

TOWN OF GRANBY, CONNECTICUTSTATEMENT OF DEBT LIMITATION  
JUNE 30, 2006

|  |                            |                      |                      |                          |                          |                     |
|--|----------------------------|----------------------|----------------------|--------------------------|--------------------------|---------------------|
| Total tax collections (including interest and lien fees) for year ended<br>June 30, 2006 ..... |                            |                      |                      |                          |                          | \$26,967,896        |
| Reimbursements for revenue loss for the year ended June 30, 2006:                              |                            |                      |                      |                          |                          |                     |
| Tax relief for the elderly .....   |                            |                      |                      |                          |                          | <u>72,005</u>       |
| BASE .....   |                            |                      |                      |                          |                          | <u>\$27,039,901</u> |
|  | <u>General<br/>Purpose</u> | <u>Schools</u>       | <u>Sewers</u>        | <u>Urban<br/>Renewal</u> | <u>Pension<br/>Bonds</u> |                     |
| Debt limitation:   |                            |                      |                      |                          |                          |                     |
| 2-1/4 times base ....  | \$60,839,777               |                      |                      |                          |                          |                     |
| 4-1/2 times base ....  |                            | \$121,679,555        |                      |                          |                          |                     |
| 3-3/4 times base ....  |                            |                      | \$101,399,629        |                          |                          |                     |
| 3-1/4 times base ....  |                            |                      |                      | \$87,879,678             |                          |                     |
| 3 times base .....   |                            |                      |                      |                          |                          | \$81,119,703        |
| Total debt limitation .  | <u>60,839,777</u>          | <u>121,679,555</u>   | <u>101,399,629</u>   | <u>87,879,678</u>        |                          | <u>81,119,703</u>   |
| Indebtedness:  |                            |                      |                      |                          |                          |                     |
| Bonds and notes payable .....  | 5,661,000                  | 23,009,000           | 225,000              |                          |                          |                     |
| Bonds authorized unissued .....  |                            | 27,371,000           |                      |                          |                          |                     |
| School building grants receivable .  |                            | (21,118,872)         |                      |                          |                          |                     |
| Total indebtedness ....  | <u>5,661,000</u>           | <u>29,261,128</u>    | <u>225,000</u>       |                          |                          |                     |
| Debt limitation in excess of out-standing and authorized debt .....                            | <u>\$55,178,777</u>        | <u>\$ 92,418,427</u> | <u>\$101,174,629</u> | <u>\$87,879,678</u>      |                          | <u>\$81,119,703</u> |

NOTE 1: In no case shall total indebtedness exceed seven times annual receipts from taxation (\$189,279,307).

TOWN OF GRANBY, CONNECTICUTLEGAL DEBT MARGIN INFORMATION  
LAST NINE FISCAL YEARS

(thousands)

|  | FISCAL YEAR..... |                  |                  |                  |                  |                  |                  |                  |                  |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
|  | 2006             | 2005             | 2004             | 2003             | 2002             | 2001             | 2000             | 1999             | 1998             |
| Debt limitation.....   | \$189,279        | \$176,243        | \$165,012        | \$153,227        | \$143,542        | \$133,635        | \$126,444        | \$121,242        | \$113,147        |
| Total net debt applicable to limit.....                                      | <u>35,147</u>    | <u>46,356</u>    | <u>19,779</u>    | <u>19,962</u>    | <u>21,206</u>    | <u>21,829</u>    | <u>22,169</u>    | <u>10,955</u>    | <u>5,186</u>     |
| Legal debt margin.....   | <u>\$154,132</u> | <u>\$129,887</u> | <u>\$145,233</u> | <u>\$133,265</u> | <u>\$122,336</u> | <u>\$111,806</u> | <u>\$104,275</u> | <u>\$110,287</u> | <u>\$107,961</u> |
| Total net debt applicable to the limit<br>as a percentage of debt limit..... | <u>18.57%</u>    | <u>26.30%</u>    | <u>11.99%</u>    | <u>13.03%</u>    | <u>14.77%</u>    | <u>16.33%</u>    | <u>17.53%</u>    | <u>9.04%</u>     | <u>4.58%</u>     |

Source: Comprehensive Annual Financial Report - Schedule of Debt Limitation

Note: See Table 12 for calculation of current year debt limitation.

TOWN OF GRANBY, CONNECTICUT  
 DEMOGRAPHIC AND ECONOMIC STATISTICS  
 LAST TEN CALENDAR YEARS

| CALENDAR<br>YEAR | POPULATION (1) | PER<br>CAPITA<br>INCOME (2) | MEDIAN<br>AGE (2) | SCHOOL<br>ENROLLMENT (3) | UNEMPLOYMENT<br>RATE (4) |
|------------------|----------------|-----------------------------|-------------------|--------------------------|--------------------------|
| 2006             | 11,300 (est)   | \$33,863                    | 39.6              | 2,270                    | 2.4%                     |
| 2005             | 11,088         | 33,863                      | 39.6              | 2,222                    | 3.7%                     |
| 2004             | 10,989         | 33,863                      | 39.6              | 2,198                    | 3.6%                     |
| 2003             | 10,869         | 33,863                      | 39.6              | 2,155                    | 4.0%                     |
| 2002             | 10,696         | 33,863                      | 39.6              | 2,094                    | 3.3%                     |
| 2001             | 10,721         | 33,863                      | 39.6              | 2,032                    | 1.9%                     |
| 2000             | 10,356         | 33,863                      | 39.6              | 1,918                    | 1.4%                     |
| 1999             | 9,629          | N/A                         | N/A               | 1,882                    | 1.9%                     |
| 1998             | 9,592          | N/A                         | N/A               | 1,863                    | 2.3%                     |
| 1997             | 9,399          | N/A                         | N/A               | 1,796                    | 3.6%                     |

(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 of Labor

Note: (Need to include during what period of time the above data was collected).

TOWN OF GRANBY, CONNECTICUTPRINCIPAL EMPLOYERS  
2006 AND 1997

| EMPLOYER                  | NATURE OF BUSINESS                      | .....2006..... |      |  | .....1997..... |      |  |
|---------------------------|---|----------------|------|--|----------------|------|--|
|                           |   | EMPLOYEES      | RANK | PERCENTAGE<br>OF TOTAL<br>TOWN<br>EMPLOYMENT | EMPLOYEES      | RANK | PERCENTAGE<br>OF TOTAL<br>TOWN<br>EMPLOYMENT |
| Town of Granby            | Local Municipal Government              | 441            | 1    | 19.3%  | 311            | 2    | 14.6%  |
| Imperial Nursery          | Company Headquarters/Nursery Production | 425            | 2    | 18.6   | 425            | 1    | 19.9   |
| Stop and Shop             | Supermarket                             | 145            | 3    | 6.3  | N/A            |      |  |
| Meadow Brook Nursing Home | Medical Services                        | 119            | 4    | 5.2  | 84             | 4    | 3.9  |
| Geissler's Supermarket    | Retail Sales                            | 105            | 5    | 4.6  | 79             | 6    | 3.7  |
| High Meadow - Seasonal    | Entertainment                           | 103            | 6    | 4.5  | 83             | 5    | 3.9  |
| Stateline Oil             | Service/fabrication                     | 96             | 7    | 4.2  | 94             | 3    | 4.4  |
| Salmon Brook Vet Hospital | Veterinary Hospital                     | 60             | 8    | 2.6  | 50             | 7    | 2.6  |
| CVS                       | Retail                                  | 40             | 9    | 1.8  | 30             | 8    | 1.4  |
| Arrow Concrete            | Industrial                              | 37             | 10   | 1.6  | 28             | 9    | 1.3  |
| Old Mill Pond Village     | Retail                                  |                |      |  | <u>25</u>      | 10   | <u>1.2</u>                                   |
| TOTAL                     |   | <u>1,571</u>   |      | <u>68.7%</u>                                 | <u>1,209</u>   |      | <u>56.6%</u>                                 |

Source: Town of Granby, Community Development Office/Assessor

TOWN OF GRANBY, CONNECTICUTFULL-TIME EQUIVALENT TOWN GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS

| FUNCTION/PROGRAM           | .....FULL-TIME EQUIVALENT TOWN GOVERNMENT EMPLOYEES AS OF JUNE 30,..... |              |              |              |              |               |              |              |              |              |
|----------------------------|---|--------------|--------------|--------------|--------------|---------------|--------------|--------------|--------------|--------------|
|                            | 2006  | 2005         | 2004         | 2003         | 2002         | 2001          | 2000         | 1999         | 1998         | 1997         |
| General government .....   | 11  | 11           | 11           | 11           | 11           | 11            | 11           | 11           | 11           | 11           |
| Police .....               | 22  | 22           | 22           | 22           | 22           | 20            | 20           | 20           | 19           | 19           |
| Fire .....                 | 0   | 0            | 0            | 0            | 0            | 0             | 0            | 0            | 0            | 0            |
| Refuse collection .....    | 0   | 0            | 0            | 0            | 1            | 1             | 1            | 1            | 1            | 1            |
| Other public works .....   | 16.5  | 16           | 16           | 16           | 15           | 15            | 15           | 15           | 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 .....            | 311.1   | 311.2        | 302.2        | 296.3        | 280.7        | 266.05        | 257.4        | 240.5        | 229.1        | 220.6        |
| TOTAL .....                | <u>366.6</u>  | <u>366.2</u> | <u>357.2</u> | <u>351.3</u> | <u>335.7</u> | <u>319.05</u> | <u>310.4</u> | <u>293.5</u> | <u>281.1</u> | <u>272.6</u> |

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

| FUNCTION/PROGRAM   | FISCAL YEAR..... |         |         |         |         |         |         |         |         |         |
|--|------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
|  | 2006             | 2005    | 2004    | 2003    | 2002    | 2001    | 2000    | 1999    | 1998    | 1997    |
| General government:                                      |                  |         |         |         |         |         |         |         |         |         |
| Building permits issued                                  | 899              | 934     | 613     | 776     | 855     | 837     | 972     | 814     | 852     | 717     |
| Building inspections conducted                           | 1400             | 1100    | 1138    | 1200    | 1038    | 1143    | 1574    | 1440    | 1400    | 1500    |
| Police:  |                  |         |         |         |         |         |         |         |         |         |
| Physical arrests   | 206              | 302     | 255     | 250     | 223     | 293     | 267     | 194     | 159     | 210     |
| Parking violations                                       | 0                | 0       | 0       | 2       | 3       | 2       | 7       | 2       | 0       | 1       |
| Traffic violations                                       | 705              | 705     | 822     | 894     | 1126    | 1184    | 1769    | 1024    | 349     | 390     |
| Fire:  |                  |         |         |         |         |         |         |         |         |         |
| Emergency responses                                      | 188              | 186     | 188     | 194     | 221     | 210     | 214     | 219     | 194     | 218     |
| Fires extinguished                                       | 7                | 12      | 20      | 18      | 28      | 19      | 32      | 15      | 31      | 26      |
| Inspections  | 38               | 36      | 28      | 28      | 26      | 22      | 20      | 22      | 24      | 24      |
| Refuse collection:                                       |                  |         |         |         |         |         |         |         |         |         |
| Refuse collected (tons per day)                          | 17.57            | 17.18   | 16.74   | 16.3    | 15.61   | 15.46   | 14.98   | 14.21   | 13.94   | 13.44   |
| Recyclables collected (tons per day)                     | 4.1              | 4.3     | 3.89    | 4.06    | 4.11    | 4.11    | 4.23    | 4       | 4.34    | 3.85    |
| Other public works:                                      |                  |         |         |         |         |         |         |         |         |         |
| Street resurfacing (miles)                               | 3.4              | 3.42    | 3.31    | 6.98    | 4.35    | 7.68    | 7.83    | 6.41    | 6.28    | 4.47    |
| Potholes repaired  | 215              | 200     | 225     | 200     | 185     | 200     | 190     | 200     | 190     | 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                                    | 70,785           | 72,238  | 69,021  | 66,871  | 64,782  | 60,262  | 60,760  | 60,116  | 64,700  | 63,406  |
| Total volumes borrowed                                   | 161,809          | 160,362 | 161,147 | 160,716 | 140,303 | 138,232 | 130,641 | 129,716 | 129,241 | 130,275 |
| 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) | 128,000          | 125,000 | 136,000 | 126,000 | 125,000 | 124,000 | 128,000 | 130,000 | 128,000 | 125,000 |
| 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, CONNECTICUTCAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS

| FUNCTION/PROGRAM                               | FISCAL YEAR |           |           |           |           |           |           |           |           |           |
|--|-------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
|  | 2006        | 2005      | 2004      | 2003      | 2002      | 2001      | 2000      | 1999      | 1998      | 1997      |
| 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         | 10        | 10        | 10        | 8         | 8         | 8         | 7         | 7         |
| 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).....                           | 94.25       | 93.97     | 92.34     | 91.4      | 90.55     | 89.34     | 88.68     | 87.34     | 87.34     | 87        |
| 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       | 149       | 146       | 143       |
| Traffic signals.....                           | 6           | 6         | 5         | 5         | 5         | 5         | 3         | 3         | 3         | 2         |
| Parks and recreation:                          |             |           |           |           |           |           |           |           |           |           |
| Acreage.....                                   | 161.8       | 161.8     | 161.8     | 117.3     | 117.3     | 117.3     | 117.3     | 117.3     | 117.3     | 117.3     |
| Playgrounds.....                               | 2           | 2         | 2         | 1         | 1         | 1         | 1         | 1         | 1         | 1         |
| Baseball/softball diamonds.....                | 6           | 6         | 5         | 5         | 5         | 5         | 5         | 5         | 5         | 5         |
| Soccer/football fields.....                    | 10          | 10        | 7         | 7         | 7         | 7         | 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).....                   | 4.77        | 4.77      | 4.77      | 4.77      | 4.77      | 4.77      | 4.77      | 4.77      | 4.77      | 4.77      |
| Storm sewers (miles).....                      | 11.4        | 11.3      | 11.3      | 11.3      | 11.2      | 11.2      | 11.2      | 11.2      | 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       |

Source: Annual Reports, Budgets, and Department records