

# **Town of Enfield Connecticut**



## **Comprehensive Annual Financial Report**

Fiscal Year Ended June 30, 2007

**COMPREHENSIVE  
ANNUAL FINANCIAL REPORT**

**of the**

**TOWN OF ENFIELD,  
CONNECTICUT**

**FOR THE YEAR ENDED**

**JUNE 30, 2007**

**PREPARED BY:**

**DEPARTMENT OF FINANCE**

**LYNN NENNI  
DIRECTOR OF FINANCE**

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

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# **Introductory Section**

**TOWN OF ENFIELD, CONNECTICUT**

PRINCIPAL OFFICIALS

JUNE 30, 2007

COUNCIL - MANAGER FORM OF GOVERNMENT

**TOWN COUNCIL**

Patrick L. Tallarita, Mayor  
Kenneth Hilinski, Deputy Mayor  
Patrick Joseph Crowley  
William J. Edgar, Jr.  
Scott R. Kaupin  
William F. Lee  
Cynthia Mangini  
Douglas C. Maxellon  
Ken Nelson, Jr.  
Brain H. Peruta  
William Ragno

Town Manager  
Assistant Town Manager  
Town Clerk  
Director of Economic Development/Community Development  
Director of Emergency Medical Services  
Director of Finance  
Director of Human Resources  
Director of Information Systems  
Director of Library  
Director of Planning  
Director of Public Safety  
Director of Public Works  
Director of Social Services  
Chief of Police  
Town Attorney

Matthew Coppler  
Daniel Vindigni  
Suzanne Olechnicki  
Raymond L. Warren  
Arthur Groux  
Lynn Nenni  
Willam Mahoney  
Charlene Bond  
Henry Dutcher  
Jose Giner  
Christopher W. Bromson  
Jose Giner  
Pam Brown  
Carl Sferrazza  
Christopher W. Bromson

**BOARD OF EDUCATION**

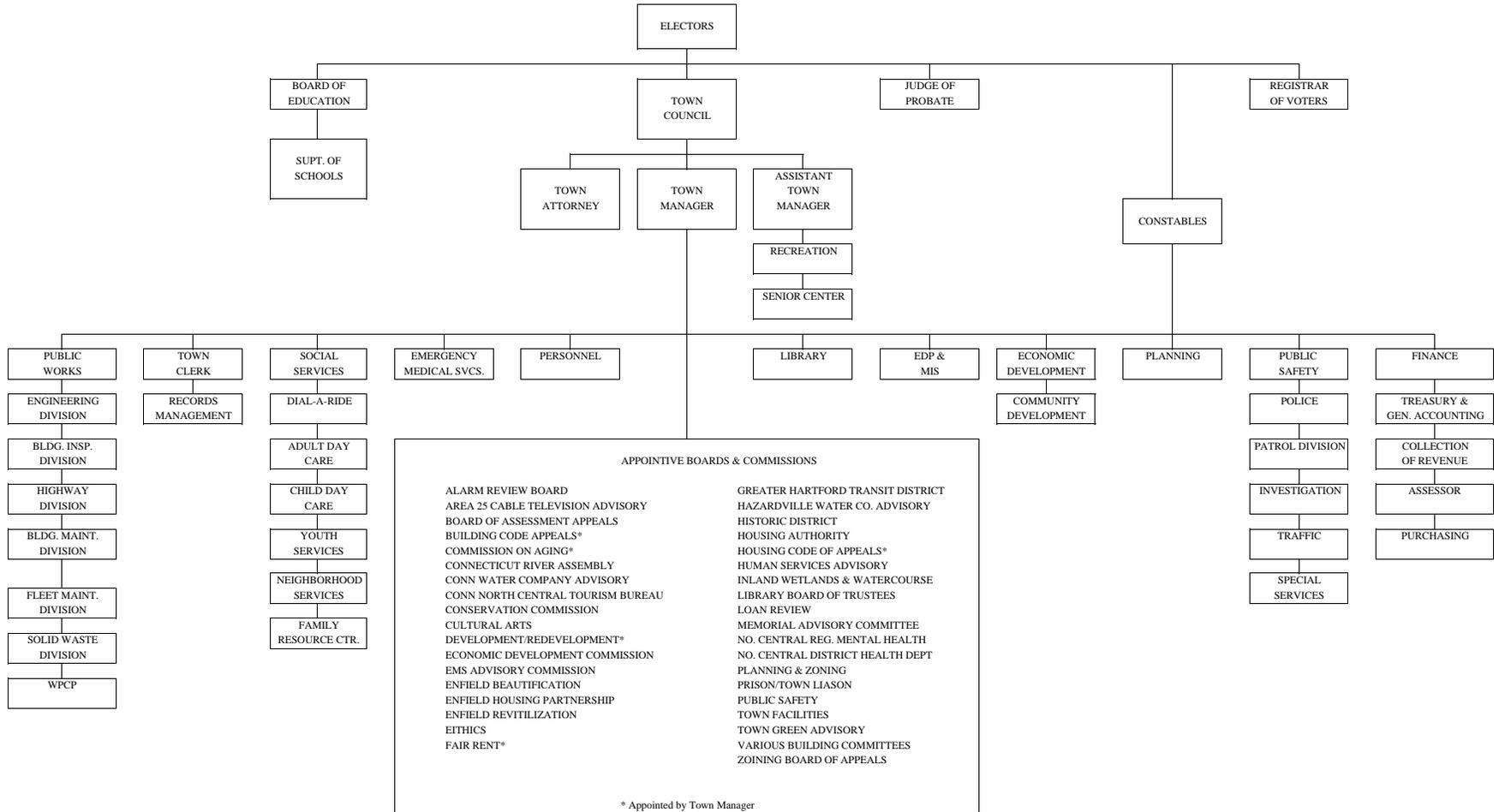
Sharon A. Racine, Chairman  
Albert B. Harrison, Vice-Chairman  
Donna Corbin Sobinski, Secretary  
Judith Apruzzese-Desroches  
Andre V. Greco  
Joyce P. Hall  
Chuck Johnson  
Susan A. Lavelli-Hozempa  
Sam McGill, Jr.

Superintendent of Schools

John Gallacher

TOWN OF ENFIELD, CONNECTICUT

ORGANIZATIONAL CHART  
JUNE 30, 2007



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# TOWN OF ENFIELD

February 27, 2008

Mr. Matthew Coppler  
Town Manager  
Town of Enfield  
Enfield, Connecticut 06082

Dear Mr. Coppler:

In accordance with Chapter V, Section 8 of the adopted charter for the Town of Enfield, I am submitting herewith the Comprehensive Annual Financial Report (CAFR) of the Town of Enfield for the fiscal year ended June 30, 2007.

State law requires that all local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the Town of Enfield for the fiscal year ended June 30, 2007.

This report consists of management's representations concerning the finances of the Town of Enfield. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the Town of Enfield has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the Town of Enfield's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Town of Enfield's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Town of Enfield's financial statements have been audited by Blum, Shapiro & Company, P.C., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town of Enfield for the fiscal year ended June 30, 2007 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the Town of Enfield's financial statements for the fiscal year ended June 30, 2007 are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

820 Enfield Street / Enfield, Connecticut 06082 / (860) 253-6300

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

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

### **Profile of the Town of Enfield**

The Town of Enfield is a suburb consisting of 33.8 square miles and located east of the Connecticut River along the Interstate 91 corridor, 18 miles north of Hartford, Connecticut, and 9 miles south of Springfield, Massachusetts, with a July 1, 2007 population of 45,567. Centrally located between Boston and New York City, and just a 15-minute drive from Bradley International Airport, Enfield is a short commute between major northeast economic markets.

Enfield’s location, transportation access, quality work force, land and business services have attracted many first-rate corporate citizens both large and small. The Town has a diversified commercial/industrial base of numerous manufacturing, research, engineering, distribution, service and retail facilities. These industries have enabled Enfield to enjoy an unemployment rate less than that of the State average in recent months.

The Town of Enfield operates under a council-manager form of government. Policy-making and legislative authority rest with a Town Council consisting of the mayor and ten other members. The Town Council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees and hiring the Town Manager and Town attorney. The Town Manager, among other things, is responsible for carrying out the policies and ordinances of the Town Council, overseeing the day-to-day operations of the town and appointing the various department heads.

The Town of Enfield provides a full range of services, including police protection; the construction and maintenance of highways, streets, sanitation and other infrastructure; and recreational activities and cultural events.

The annual budget serves as the foundation for the Town of Enfield’s financial planning and control. All agencies of the Town of Enfield are required to submit requests for appropriations to the Town Manager. The Town Manager uses these requests as the starting point for developing a proposed budget for presentation to the Town Council. The proposed budget is due to the Town Council no later than 75 days prior to the end of the fiscal year. The Town Council holds one or more public hearings on the budget not later than 60 days before the end of the fiscal year. Within 20 days of the final hearing, the Town Council adopts the budget by resolution.

## **Factors Affecting Financial Condition**

The information presented in the financial statements is best understood when it is considered from the broader perspective of the specific environment within which the Town of Enfield operates.

**Local Economy** - The Town of Enfield enjoys a favorable economic environment, which when coupled with a broad and diverse commercial and industrial base, points to continued economic stability. The Town of Enfield has several industries with headquarters or divisions located within its boundaries including greeting cards and insurance plus a wide variety of retail venues and a local college. Currently, a major hotel and restaurant are being erected in the Enfield Industrial Park.

**Long-Term Financial Planning** - Prepared as part of the annual budget process, a comprehensive six-year plan of capital improvement projects attempts to identify and provide a responsible funding/execution plan for public betterments to ensure a stable community infrastructure. This multi-million dollar plan is designed to support an operation, which has evolved from a fix-up mode to one able to anticipate short and long-term requirements. While many projects are funded with a single annual appropriation of .0002 of the current grand list (the Town charter annual limit per project), which computes to \$417,108 for fiscal year 2006-07, or less, larger more costly undertakings are funded over a multi-year period unless authorized by referendum to exceed such restriction.

Additionally, the Town of Enfield is in the process of completing recently approved bond projects for renovations to most of the Town's elementary schools, one of the high schools, town-wide roadwork and renovation of the athletic fields at Enfield and Fermi High Schools, all of which will benefit residents and visitors for years to come.

**Cash Management Policies and Practices** - Cash temporarily idle during the year was invested in certificates of deposit, obligations of the U.S. Treasury, commercial paper, corporate bonds and the State Treasurer's investment fund. The rates of interest earned on investments range from 2.8% to 5.2%. The highest yields were part of the pension plans due to the long-term character of some of its investment holdings. Investment income includes appreciation of the fair value of investments. Increases in fair value during the current year, however, do not necessarily represent trends that will continue; nor is it always possible to realize such amounts, especially in the case of temporary changes in the fair value of investments that the Town intends to hold to maturity.

**Risk Management** - The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Insurance coverage is purchased from the commercial insurance market with the exception of workers' compensation and heart and hypertension. To provide workers' compensation coverage, the Town participates in the Connecticut Interlocal Risk Management Agency (CIRMA), a risk sharing pool created by a Special Act of the Connecticut General Assembly. Coverage for heart and hypertension and post-employment benefits is funded by an annual appropriation for actual payments.

**Pension and Other Post-Employment Benefits** - The Town of Enfield offers two single employer defined benefit pension plans, one for non-police employees and one for police employees. Each year an independent actuary engaged by the pension plans calculates the amount of the annual contribution that the Town of Enfield must make to the pension plans to ensure that the plans will be able to fully meet their obligations to retired employees on a timely basis. As a matter of policy, the Town of Enfield fully funds each year's annual required contribution to the pension plan as determined by the actuary.

The Town of Enfield also provides post-retirement health care benefits for certain retirees and their dependents. As of the end of the current fiscal year, there were 84 retired employees receiving these benefits, which are financed on an annual basis. GAAP do not currently require governments to report a liability in the financial statements in connection with an employer's obligation to provide these benefits.

Additional information on the Town of Enfield's pension plans and post-employment benefits can be found in Notes 10 and 12 in the notes to the basic financial statements.

### **Awards and Acknowledgements**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town for its comprehensive annual financial report for the fiscal year ended June 30, 2006. This was the fifteenth consecutive year the Town has received this prestigious award, which is valid for a one-year period. In order to be awarded a certificate of achievement, the Town published an easily readable and efficiently organized comprehensive annual financial report. This report satisfies both generally accepted accounting principles and applicable legal requirements.

The Town believes its current comprehensive annual financial report continues to meet the program requirements, and will be submitting it to the GFOA to be considered for another certificate of achievement.

The preparation of this annual financial report could not have been accomplished without a major effort and commitment from all members of the finance department. I would also like to thank you and members of the Town Council for the continued interest and support in planning and conducting the financial affairs of the Town of Enfield in a responsible and progressive manner.

The Finance Department will continue pursuit of its goals: to promote the highest degree of public credibility and confidence in its operations; working to foster and maintain a local government environment which demonstrates fiscal accountability, efficiency, integrity, stability and relevant equity; and of course, the overall strive towards excellence.

Respectfully submitted,



A. Lynn Nenni  
Director of Finance

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

## Town of Enfield Connecticut

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2006

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



President

Executive Director

## **Financial Section**



## Independent Auditors' Report

To the Members of the Town Council  
Town of Enfield  
Enfield, 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 Enfield, Connecticut, as of and for the year ended June 30, 2007, 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's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Enfield, as of June 30, 2007, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Management's discussion and analysis on pages 3 through 10 and budgetary comparison information on pages 42 through 46 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 27, 2008 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report considering the results of our audit.

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

February 27, 2008

**TOWN OF ENFIELD, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2007**

This discussion and analysis of the Town of Enfield, Connecticut's (the Town) financial performance is provided by management to provide an overview of the Town's financial activities for the fiscal year ended June 30, 2007. Please read this MD&A in conjunction with the transmittal letter and the Town's financial statements, Exhibits I to IX. All amounts in this section are reported in thousands unless otherwise noted.

**Financial Highlights**

- Net assets of our governmental activities increased by \$7,648 or 3.64%.
- During the year, the Town had expenses that were \$7,648 less than the \$138,943 generated in tax and other revenues for governmental programs.
- Total cost of all of the Town's programs was \$131,295.
- The General Fund reported a fund balance this year of \$19,895.
- The resources available for appropriation were \$2,579 more than budgeted for the General Fund. Expenditures were kept within spending limits.

**Overview of the Financial Statements**

This annual report consists of a series of financial statements. The statement of net assets and the statement of activities (Exhibits I and II, respectively) provide information about the activities of the Town as a whole and present a longer-term view of the Town's finances. Fund financial statements are presented in Exhibits III to IX. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Town's operations in more detail than the government-wide statements by providing information about the Town's most significant funds. The remaining statements provide financial information about activities for which the Town acts solely as a trustee or agent for the benefit of those outside of the government.

**Government-Wide Financial Statements**

The analysis of the Town as a whole begins on Exhibits I and II. The statement of net assets and the statement of activities report information about the Town as a whole and about its activities for the current period. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Town's net assets and changes in them. The Town's net assets, the difference between assets and liabilities, is one way to measure the Town's financial health, or financial position. Over time, increases or decreases in the Town's net assets are one indicator of whether its financial health is improving or deteriorating. The reader needs to consider other nonfinancial factors, however, such as changes in the Town's property tax base and the condition of the Town's capital assets, to assess the overall health of the Town.

In the statement of net assets and the statement of activities, the Town reports its activities as follows:

- *Governmental Activities* - The Town's basic services are reported here, including general government, public safety, recreation, public works, health/social services, library, planning and development and education. Property taxes and intergovernmental revenues finance most of these activities.

### **Fund Financial Statements**

The fund financial statements begin with Exhibit III and provide detailed information about the most significant funds - not the Town as a whole. Some funds are required to be established by Charter. However, the town administration establishes many other funds to help control and manage financial activities for particular purposes like the General Government Grants Fund. The Town's funds are divided into two categories: governmental and fiduciary.

- **Governmental Funds** (*Exhibits III and IV*) - Most of the Town's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Town's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. The relationship (or differences) between governmental activities (reported in the statement of net assets and the statement of activities) and governmental funds is described in a reconciliation at the bottom of the fund financial statements.
- **Proprietary Funds** (*Exhibits V, VI and VII*) - When the Town charges customers for the services it provides, whether to outside customers or to other units of the Town, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the statement of net assets and the statement of activities. Internal service funds (the component of proprietary funds) are used to report activities that provide supplies and services for the Town's other programs and activities - such as the Town's Insurance Internal Service Fund.
- **Fiduciary Funds** (*Exhibits VIII and IX*) - The Town is the trustee, or fiduciary, for its employees' pension plans. It is also responsible for other assets that, because of a trust arrangement, can be used only for the trust beneficiaries. All of the Town's fiduciary activities are reported in separate statements of fiduciary net assets and changes in fiduciary net assets. These activities are excluded from the Town's other financial statements because the Town cannot use these assets to finance its operations. The Town is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

### **Government-Wide Financial Analysis**

Net assets from the previous year have been restated to reflect infrastructure reporting in accordance with GASB Statement No. 34. The 2006 columns reflect those restatements for comparison purposes. The Town's combined net assets increased from a year ago increasing from \$209,877 to \$217,525. The analysis below focuses on the net assets (Table 1) and changes in net assets (Table 2) of the Town's governmental activities.

**TABLE 1**  
**NET ASSETS**

	<b>Governmental Activities</b>	
	<u><b>2007</b></u>	<u><b>2006</b></u>
Current and other assets	\$ 52,088	\$ 47,671
Capital assets	<u>201,458</u>	<u>199,568</u>
Total assets	<u>253,546</u>	<u>247,239</u>
Long-term debt outstanding	29,831	32,586
Other liabilities	<u>6,190</u>	<u>4,776</u>
Total liabilities	<u>36,021</u>	<u>37,362</u>
Net assets:		
Invested in capital assets, net of debt	183,330	178,018
Restricted	62	60
Unrestricted	<u>34,133</u>	<u>31,799</u>
Total Net Assets	<u>\$ 217,525</u>	<u>\$ 209,877</u>

Net assets of the Town's governmental activities increased by 3.64%. Unrestricted net assets - the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements - changed from \$31,799 at June 30, 2006 to \$34,133 at the end of this year.

During this fiscal year, the Town collected a settlement with the State of Connecticut regarding FY 2006 sewer billing on the state prison in the amount of \$2,800. In addition, earning on investments increased \$847. Both of these factors contributed to the increase in unrestricted net assets.

**TABLE 2  
CHANGE IN NET ASSETS**

	<b>Governmental Activities</b>	
	<b>2007</b>	<b>2006</b>
Revenues:		
Program revenues:		
Charges for services	\$ 10,714	\$ 9,783
Operating grants and contributions	37,194	36,301
Capital grants and contributions	5,392	1,794
General revenues:		
Property taxes	76,232	73,141
Grants and contributions not restricted to specific purposes	5,727	4,670
Unrestricted investment earnings	2,975	2,128
Other general revenues	709	383
Total revenues	<u>138,943</u>	<u>128,200</u>
Program expenses:		
General government	5,680	5,238
Public safety	11,094	11,194
Recreation	521	438
Public works	20,209	18,511
Health/social services	8,255	7,706
Library	1,741	1,757
Planning and development	789	809
Intergovernmental and interagency	347	431
Education	81,709	79,465
Interest on long-term debt	950	1,062
Total program expenses	<u>131,295</u>	<u>126,611</u>
Increase in Net Assets	<u>\$ 7,648</u>	<u>\$ 1,589</u>

The Town's total revenues were \$138,943. The total cost of all programs and services was \$131,295. Our analysis below considers the operations of governmental activities.

### **Governmental Activities**

Table 3 presents the cost of each of the Town's five largest programs - police, fire, public works, education, and parks and recreation - 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.

**TABLE 3  
GOVERNMENTAL ACTIVITIES**

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
General government	\$ 5,680	\$ 5,238	\$ 4,272	\$ 3,639
Public safety	11,094	11,194	10,485	10,858
Public works	20,209	18,511	15,639	16,963
Education	81,709	79,465	41,246	41,567
Health/social services	8,255	7,706	3,104	2,201
All others	4,348	4,497	3,249	3,505
Totals	<u>\$ 131,295</u>	<u>\$ 126,611</u>	<u>\$ 77,995</u>	<u>\$ 78,733</u>

**Town Funds Financial Analysis**

**Governmental Funds**

As the Town completed the year, its governmental funds (as presented in the balance sheet - Exhibit III) reported a combined fund balance of \$29,543, which is an increase from last year's total of \$28,075. Approximately 58% of this total amount (\$17,141) constitutes unreserved fund balance, which is available for spending at the government's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed to liquidate contracts and purchase orders of the prior period (\$2,196) to pay commitments (\$9,568) to account for long-term receivable items (\$208) for endowments (\$346), and for inventory (\$84).

The deficit in the Water Pollution Control fund balance was reduced \$1,114 from the prior fiscal year, due primarily to the settlement with the state for sewer charges on the State Prison. Town officials would like this department to generate revenue sufficient to cover operations and are, therefore, considering whether or not to convert this fund to an enterprise fund.

The fund balance for Bonded Projects decreased \$2,356 to \$407. This is the result of the completion of several projects spanning multiple years including the elementary school building rehabilitation projects whose total cost was approximately \$30,000, the Roads 2000 project for road improvements, which cost approximately \$19,000, and the construction of a new Senior Center for \$4,300.

The General Fund is the operating fund of the Town. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$17,888. This was an increase of \$1,143 over the prior year and was due primarily to better than expected interest earnings and increases in intergovernmental revenue that were not anticipated at the time the budget was passed due to changes in the state's budget. Of this amount, \$6,943 was designated for debt service payments, capital fund projects and next year's budget, while total fund balance was \$19,895. 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 16% of total General Fund expenditures.

The Capital Nonrecurring fund balance increased by \$561, which was primarily due to General Fund transfers for ongoing planned projects and School Construction Grant reimbursements.

**General Fund Budgetary Highlights**

Differences between the original budget and the final amended budget were not significant this fiscal year. Additional appropriations were required to fund higher than expected utility and fuel costs as well as police overtime. The Town also continues to incur significant Heart and Hypertension payments, which also required an additional appropriation.

**Capital Asset and Debt Administration**

**Capital Assets**

At June 30, 2007, the Town had \$201,458 invested in a broad range of capital assets, including land, buildings, building improvements, machinery and equipment, vehicles and infrastructure (roads, sewer lines, sidewalks) - Table 4. This amount represents a net increase (including additions and deductions) of \$ 1,890 or 1%, over last year.

**TABLE 4  
CAPITAL ASSETS (Net of Depreciation)**

	<b>Governmental Activities</b>	
	<b>2007</b>	<b>2006</b>
Land	\$ 11,609	\$ 11,575
Buildings	20,663	21,239
Building improvements	38,892	9,003
Machinery and equipment	4,371	3,384
Vehicles	5,355	5,301
Infrastructure	105,355	84,364
Construction in progress	15,213	64,702
Totals	<u>\$ 201,458</u>	<u>\$ 199,568</u>

This year’s major additions included:

- The continuation of a variety road rehabilitation projects - “Roads 2005” in the amount of \$2,787.
- Fermi High School athletic field rehabilitation in the amount of \$1,516.

The Town’s fiscal year 2007-08 capital budget provides \$2,302 for major equipment purchases, road and walk improvements and building facility maintenance. More detailed information about the Town’s capital assets is presented in Note 6 to the financial statements.

## Long-Term Debt

At June 30, 2007, the Town had \$22,500 in bonds outstanding versus \$25,500 last year - a decrease of 12% - as shown in Table 5.

**TABLE 5  
OUTSTANDING DEBT**

	<b>Governmental Activities</b>	
	<b>2007</b>	<b>2006</b>
General obligation bonds - Town	\$ 9,208	\$ 10,840
General obligation bonds - School improvements	13,292	14,660
Total	<u>\$ 22,500</u>	<u>\$ 25,500</u>

The Town's total debt decreased by \$3,000 (12%) during the current fiscal year. No new debt was issued this year.

The Town maintains an "AA" rating from Standard Poor's and an "Aa3" rating from Moody's for general obligation debt.

State statutes limit the amount of general obligation debt a governmental entity may issue to 7 times total tax collections including interest and lien fees and the tax relief for elderly freeze grant. The current debt limitation for the Town is \$582,253, which is significantly in excess of the Town's outstanding general obligation debt.

Other obligations include accrued vacation pay and sick leave. More detailed information about the Town's long-term liabilities is presented in Note 8 to the financial statements.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The Town's elected and appointed officials considered many factors when setting the fiscal year 2008 budget tax rates. Overall economic conditions as well as the citizens' ability to sustain an increase in taxes continue to be primary concerns of town officials. Unemployment in the Town as of December 2007 was 4.9% versus 4.0% a year ago. The State's unemployment rate was 4.5% and the national rate was 4.8%.

These indicators were taken into account when adopting the General Fund budget for 2007-08. Amounts available for appropriation in the General Fund budget are \$115,586, an increase of 2.4% over the final 2006-07 budget of \$112,910. A decrease in the mill rate for fiscal year 2007-2008 from \$35.20 per thousand to \$23.88 per thousand was the result of a property revaluation which by state statute is required every five years.

The Town continues to consider ways to achieve operational efficiencies and will use revenue increases to finance services currently offered and to off-set the effect of inflation. Budgeted expenditures are expected to rise nearly 3.8% to \$115,586 from \$111,365 in 2008. If revenue and expenditure projections are realized, the Town will continue to maintain the general fund balance at a level consistent with fiscal year 2007.

### **Contacting the Town's Financial Management**

This financial report is designed to provide citizens, taxpayers, customers, investors and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Director, Lynn Nenni, Town of Enfield, 820 Enfield Street, Enfield, Connecticut, 06082.

# **Basic Financial Statements**

## TOWN OF ENFIELD, CONNECTICUT

## STATEMENT OF NET ASSETS

**JUNE 30, 2007**  
**(In Thousands)**

	<u><b>Governmental Activities</b></u>
Assets:	
Cash and cash equivalents	\$ 26,806
Investments	15,609
Receivables, net	9,444
Inventories	84
Deferred charges	26
Other current assets	119
Capital assets not being depreciated	26,822
Capital assets being depreciated, net	<u>174,636</u>
Total assets	<u>253,546</u>
Liabilities:	
Accounts and other payables	5,524
Unearned revenue	666
Noncurrent liabilities:	
Due within one year	4,765
Due in more than one year	<u>25,066</u>
Total liabilities	<u>36,021</u>
Net Assets:	
Invested in capital assets, net of related debt	183,330
Restricted for:	
Trust purposes:	
Nonexpendable	39
Expendable	23
Unrestricted	<u>34,133</u>
Total Net Assets	<u><u>\$ 217,525</u></u>

The accompanying notes are an integral part of the financial statements

## TOWN OF ENFIELD, CONNECTICUT

## STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2007

(In Thousands)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
General government	\$ 5,680	\$ 1,292	\$ 116	\$	\$ (4,272)
Public safety	11,094	321	137	151	(10,485)
Recreation	521	138			(383)
Public works	20,209	1,134	278	3,158	(15,639)
Health/social services	8,255	3,569	1,582		(3,104)
Library	1,741	24	15		(1,702)
Planning and development	789	167			(622)
Intergovernmental and interagency	347				(347)
Education	81,709	4,069	34,311	2,083	(41,246)
Interest on long-term debt	950		755		(195)
Total	<u>\$ 131,295</u>	<u>\$ 10,714</u>	<u>\$ 37,194</u>	<u>\$ 5,392</u>	<u>(77,995)</u>
General revenues:					
Property taxes					76,232
Grants and contributions not restricted to specific programs					5,727
Unrestricted investment earnings					2,975
Miscellaneous					709
Total general revenues					<u>85,643</u>
Change in net assets					7,648
Net Assets at Beginning of Year, as Restated					<u>209,877</u>
Net Assets at End of Year					<u>\$ 217,525</u>

The accompanying notes are an integral part of the financial statements

## TOWN OF ENFIELD, CONNECTICUT

## BALANCE SHEET - GOVERNMENTAL FUNDS

**JUNE 30, 2007**  
**(In Thousands)**

	<u>General</u>	<u>Water Pollution Control</u>	<u>Bonded Projects</u>	<u>Capital Nonrecurring</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>						
Cash and cash equivalents	\$ 7,684	\$ 587	\$ 4,859	\$ 7,503	\$ 3,513	\$ 24,146
Investments	1,280			6,261	438	7,979
Receivables, net	5,016	703	263	1,001	2,461	9,444
Due from other funds	14,351		672		287	15,310
Other	119				84	203
Total Assets	<u>\$ 28,450</u>	<u>\$ 1,290</u>	<u>\$ 5,794</u>	<u>\$ 14,765</u>	<u>\$ 6,783</u>	<u>\$ 57,082</u>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Accounts payable	\$ 2,971	\$ 250	\$ 622	\$ 1,007	\$ 397	\$ 5,247
Due to other funds	1,176	3,981	4,765	5,409	196	15,527
Deferred revenue	4,408	661			1,696	6,765
Total liabilities	<u>8,555</u>	<u>4,892</u>	<u>5,387</u>	<u>6,416</u>	<u>2,289</u>	<u>27,539</u>
Fund balances:						
Reserved for:						
Encumbrances	1,799	241			156	2,196
Inventory					84	84
Receivables	208					208
Commitments			7,216	2,352		9,568
Endowments					346	346
Unreserved, reported in:						
General Fund	17,888					17,888
Special Revenue Funds		(3,843)			3,885	42
Capital Projects Funds			(6,809)	5,997		(812)
Permanent Funds					23	23
Total fund balances	<u>19,895</u>	<u>(3,602)</u>	<u>407</u>	<u>8,349</u>	<u>4,494</u>	<u>29,543</u>
Total Liabilities and Fund Balances	<u>\$ 28,450</u>	<u>\$ 1,290</u>	<u>\$ 5,794</u>	<u>\$ 14,765</u>	<u>\$ 6,783</u>	
Amounts reported for governmental activities in the statement of net assets (Exhibit I) are different because:						
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.						201,458
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.						6,099
Internal service funds are used by management to charge 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.						10,475
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.						<u>(30,050)</u>
Net Assets of Governmental Activities (Exhibit I)						<u>\$ 217,525</u>

The accompanying notes are an integral part of the financial statements

## TOWN OF ENFIELD, CONNECTICUT

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

FOR THE YEAR ENDED JUNE 30, 2007

(In Thousands)

	<u>General</u>	<u>Water Pollution Control</u>	<u>Bonded Projects</u>	<u>Capital Nonrecurring</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:						
Property taxes	\$ 75,769	\$	\$	\$	\$	\$ 75,769
Intergovernmental	36,650	2,800		2,621	6,018	48,089
Charges for services	3,601	586			7,001	11,188
Contribution					199	199
Income from investments	1,328	76		740	157	2,301
Other income		10			22	32
Total revenues	<u>117,348</u>	<u>3,472</u>	<u>-</u>	<u>3,361</u>	<u>13,397</u>	<u>137,578</u>
Expenditures:						
Current:						
General government	4,070				150	4,220
Public safety	7,541				83	7,624
Recreation	421					421
Public works	9,633	3,329				12,962
Health/social services					7,015	7,015
Library	1,247				18	1,265
Planning and development	728					728
Intergovernmental and interagency	347					347
Education	72,357				7,927	80,284
Nondepartmental	8,894					8,894
Debt service	3,974					3,974
Capital outlay			3,739	4,637		8,376
Total expenditures	<u>109,212</u>	<u>3,329</u>	<u>3,739</u>	<u>4,637</u>	<u>15,193</u>	<u>136,110</u>
Excess (Deficiency) of Revenues over Expenditures	<u>8,136</u>	<u>143</u>	<u>(3,739)</u>	<u>(1,276)</u>	<u>(1,796)</u>	<u>1,468</u>
Other Financing Sources (Uses):						
Transfers in	67	971	1,400	3,287	2,523	8,248
Transfers out	(6,731)		(17)	(1,450)	(50)	(8,248)
Total other financing sources (uses)	<u>(6,664)</u>	<u>971</u>	<u>1,383</u>	<u>1,837</u>	<u>2,473</u>	<u>-</u>
Net Change in Fund Balances	1,472	1,114	(2,356)	561	677	1,468
Fund Balances at Beginning of Year	<u>18,423</u>	<u>(4,716)</u>	<u>2,763</u>	<u>7,788</u>	<u>3,817</u>	
Fund Balances at End of Year	<u>\$ 19,895</u>	<u>\$ (3,602)</u>	<u>\$ 407</u>	<u>\$ 8,349</u>	<u>\$ 4,494</u>	

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

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 outlays exceeded depreciation in the current period.	1,971
In the statement of activities, only the gain on the sale of capital assets is reported, whereas in the governmental funds, the proceeds from the sale increases financial resources. Thus the change in net assets differs from the change in fund balance by the cost of the assets sold.	(81)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.	684
Issuance of debt provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayments of bond principal is an expenditure in the statement of net assets. This is the amount by which repayments exceeded proceeds.	3,015
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.	(236)
Internal service funds are used by management to charge the costs of risk management to individuals funds. The net revenue (expense) of the internal service fund is reported with governmental activities (Exhibit VI).	827

Change in Net Assets of Governmental Activities (Exhibit II) \$ 7,648

The accompanying notes are an integral part of the financial statements

**TOWN OF ENFIELD, CONNECTICUT**  
**STATEMENT OF NET ASSETS - PROPRIETARY FUND**

**JUNE 30, 2007**  
**(In Thousands)**

		<b>Governmental Activities</b>
		<b>Internal Service Fund</b>
		<hr/>
Assets:		
Cash and cash equivalents	\$	2,660
Investments		7,630
Due from other funds		217
		<hr/>
Total assets		10,507
Liabilities:		
Accounts and other payables		32
		<hr/>
Net Assets:		
Unrestricted	\$	10,475
		<hr/> <hr/>

The accompanying notes are an integral part of the financial statements

**TOWN OF ENFIELD, CONNECTICUT**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES**  
**IN FUND NET ASSETS - PROPRIETARY FUNDS**

**FOR THE YEAR ENDED JUNE 30, 2007**  
(In Thousands)

	<u>Governmental</u> <u>Activities</u> <u>Internal Service</u> <u>Fund</u>
Operating Revenues:	
Charges for services	\$ 1,155
Operating Expenses:	
Employee benefits	<u>1,002</u>
Operating Income	153
Nonoperating Revenue:	
Income on investments	<u>674</u>
Change in Net Assets	827
Net Assets at Beginning of Year	<u>9,648</u>
Net Assets at End of Year	\$ <u><u>10,475</u></u>

The accompanying notes are an integral part of the financial statements

**TOWN OF ENFIELD, CONNECTICUT**  
**STATEMENT OF CASH FLOWS - PROPRIETARY FUND**  
**FOR THE YEAR ENDED JUNE 30, 2007**  
**(In Thousands)**

	<b>Governmental Activities</b> <hr/> <b>Internal Service Fund</b> <hr/>
Cash Flows from Operating Activities:	
Cash received from premiums - Town departments and agencies	\$ 1,155
Premium payments	(970)
Net cash provided by operating activities	185
Cash Flows from Noncapital Financing Activities:	
Payments to other funds	(205)
Cash Flows from Investing Activities:	
Income from investments	155
Net Increase in Cash and Cash Equivalents	135
Cash and Cash Equivalents at Beginning of Year	2,525
Cash and Cash Equivalents at End of Year	\$ 2,660
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating income	\$ 153
Adjustments to reconcile operating income to net cash provided by operating activities:	
Increase in accounts and other payables	32
Net Cash Provided by Operating Activities	\$ 185
Net Increase in Fair Value of Investments	\$ 519

The accompanying notes are an integral part of the financial statements

## TOWN OF ENFIELD, CONNECTICUT

## STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUNDS

JUNE 30, 2007

(In Thousands)

	<u>Pension Fund</u>	<u>Agency Funds</u>
Assets:		
Cash	\$	\$ 1,341
Investments		
Certificates of deposit		105
Fixed income funds	38,302	
Equity funds	36,248	
PRISA fund	4,139	
Other		<u>190</u>
Total assets	<u>78,689</u>	<u>\$ 1,636</u>
Liabilities:		
Accounts payable		<u>\$ 1,636</u>
Total liabilities	<u>-</u>	<u>\$ 1,636</u>
Net Assets:		
Held in Trust for Employees' Pension Benefits	<u>\$ 78,689</u>	

The accompanying notes are an integral part of the financial statements

## TOWN OF ENFIELD, CONNECTICUT

## STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS - FIDUCIARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2007

(In Thousands)

	<u>Pension Trust Fund</u>
Additions:	
Contributions:	
Employer	\$ 1,474
Plan members	1,251
Total contributions	<u>2,725</u>
Investment income:	
Net appreciation in fair value of investments	6,674
Interest and dividends	2,546
Net investment income	<u>9,220</u>
Total additions	<u>11,945</u>
Deductions:	
Benefits	2,871
Administration	118
Total deductions	<u>2,989</u>
Change in Net Assets	8,956
Net Assets at Beginning of Year	<u>69,733</u>
Net Assets at End of Year	<u>\$ 78,689</u>

The accompanying notes are an integral part of the financial statements

# TOWN OF ENFIELD, CONNECTICUT

## NOTES TO FINANCIAL STATEMENTS

(In Thousands)

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Town of Enfield, Connecticut (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 of Enfield, Connecticut, was settled in 1683. The Town operates under a Council-Manager form of government and provides the following services as authorized by its charter (last revised 1996): police, highways and streets, sanitation, social services, culture-recreation, education, public improvements, planning and zoning and general administrative services.

The accounting policies of the Town conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The following is a summary of the significant accounting policies.

#### B. Government-Wide and Fund Financial Statements

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

*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* are 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. The following is the Town's proprietary fund:

*Internal Service Funds* account for the financing of goods and services provided by one department to other departments or agencies of the Town on a cost-reimbursement basis.

### **Fiduciary Funds**

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

*Pension Trust Fund* accounts for the Enfield Employee Retirement System. The system includes a Town employee plan and a plan for police.

*Agency Funds* are custodial in nature (assets equal liabilities) and do not involve measurement of results of operation. The Town maintains several agency funds for performance bonds, Asnuntuck College, Cultural Arts Commission and other student activities.

## **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 and fiduciary fund financial statements, except for agency funds which have no measurement focus. 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 Water Pollution Control Fund accounts for collection of user charges in relation to the cost of water pollution control and the financing of sanitary sewer improvements or services deemed to benefit the properties against which special assessments are levied.

The Bonded Projects Fund accounts for the financial revenues to be used for major capital asset construction and/or purchases.

The Capital Nonrecurring Fund accounts for the accumulation of monies for future capital projects.

Additionally, the Town reports the following fund types:

Internal Service Funds:

The Self Insurance Fund accounts for the self-insured activities of the Town.

The Information Technology Fund accounts for the financial operations of the central information systems department.

The Pension Trust Funds account for the activities of the Enfield Employees Retirement System, which accumulates resources for pension benefit payments to qualified employees.

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 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 all taxes.

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 considers cash equivalents as cash on hand, demand deposits, money market accounts 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 noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding

between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

All trade, property tax, sewer use, sewer assessment and loan receivables are shown net of an allowance for uncollectibles. Allowance percentages range from 2% to 26% of outstanding receivable balances at June 30, 2007 and are calculated based upon prior collections.

Loan receivables consist of Community Development Block Grant loans. The Town provides low-interest loans for residential rehabilitation as well as loans to local businesses for facility improvements.

Property taxes are assessed on property as of October 1. Real estate and personal property taxes are due and payable in two installments on July 1 and the following January 1. Motor vehicle taxes are due and payable July 1, and motor vehicle supplemental taxes are due and payable January 1. Liens are effective on the assessment date and are continued by filing before the end of the fiscal year following the due date. An amount of \$844 has been established as an allowance for uncollectible taxes. At June 30, 2007, this represented 20.68% of all property tax receivables.

#### **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. Restricted Assets**

The Library Trust Funds are restricted to expenditure of the investment income only for the donor designated purpose.

#### **H. 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 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 for equipment, \$20,000 for improvements (and \$100,000 for infrastructure) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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

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

<u>Assets</u>	<u>Years</u>
Buildings	50 - 75
Buildings and improvements	20 - 75
Machinery and equipment	10 - 30
Vehicles	10 - 30
Infrastructure:	
Roads	40
Sidewalks	40
Bridges	70-80
Sewer lines	100

### **I. Compensated Absences**

Town employees are granted vacation leave based upon length of employment. In the event of termination, employees are compensated for accumulated vacation time.

The Board of Education has employment contracts, which provide for the accrual of sick pay based on length of service.

### **J. Long-Term Obligations**

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

### **K. 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 of 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 \$(30,050) difference are as follows:

Bonds payable	\$ (22,500)
Deferred charge for issuance costs (to be amortized over life of debt)	26
Accrued interest payable	(245)
Landfill closure	(315)
Capital lease obligations	(23)
Compensated absences	<u>(6,993)</u>
Net Adjustment to Reduce Fund Balance - Total Governmental Funds to Arrive at Net Assets of Governmental Activities	\$ <u><u>(30,050)</u></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 \$1,971 difference are as follows:

Capital outlay	\$ 6,340
Depreciation expense	<u>(4,369)</u>
Net Adjustment to Increase Net Changes in Fund Balances - Total Governmental Funds to Arrive at Changes in Net Assets of Governmental Activities	\$ <u><u>1,971</u></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 \$3,015 difference are as follows:

Principal repayments:	
Leases	\$ 15
General obligation debt	<u>3,000</u>
Net Adjustment to Increase Net Changes in Fund Balances - Total Governmental Funds to Arrive at Changes in Net Assets of Governmental Activities	\$ <u><u>3,015</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 \$(236) difference are as follows:

Compensated absences	\$ (280)
Net pension obligation	5
Accrued interest	27
Landfill closure	15
Amortization of issuance costs	<u>(3)</u>
Net Adjustment to Decrease Net Changes in Fund Balances - Total Governmental Funds to Arrive at Changes in Net Assets of Governmental Activities	<u>\$ (236)</u>

### 3. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

#### A. Budgetary Information

The Town adheres to the following procedures in establishing the budgetary data included in the General Fund and Water Pollution Control Plant Fund financial statements.

By Charter, the Town Manager submits proposed budgets for the General Fund and Water Pollution Control Plant Fund to the Town Council 75 days prior to fiscal year end. The operating budgets include proposed expenditures and the means of financing them.

- Prior to July 1, the budget is legally enacted through passage of a resolution.
- Management is authorized to transfer amounts without approval of the Town Council within departments. Transfers between departments (within functions) can only be made by the Town Council and only within the last three months of the fiscal year.
- The Department of Education is not a separate legal entity, but a separate function of the Town. Its Board is authorized under State law to make any transfers required within their budget at their discretion. Any additional appropriations must have Town Council approval and, if necessary, approval at a public hearing or referendum.
- Formal budgetary integration is employed as a management control device during the year.
- The budget is prepared on the modified accrual basis of accounting.
- The legal level of control (the level at which expenditures may not legally exceed appropriations) is at the department level for the General Fund and at the fund level for the Water Pollution Control Plant Fund.
- Budgeted amounts shown are as amended by the Town Council during the course of the year. There were additional appropriations totaling \$1,545 during the year.
- Generally, all appropriations lapse at year end, except those for the Capital Projects Fund. Appropriations for capital projects are continued until completion of applicable projects, even when projects extend more than one fiscal year.
- Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order, contract or other commitment is issued and, accordingly, encumbrances outstanding at year end are reported in budgetary reports (RSI-2 and RSI-3) as expenditures in the current year. Generally, all unencumbered appropriations lapse at year end, except those for the

Capital Projects Funds. Appropriations for capital projects are continued until completion of applicable projects, even when projects extend more than one fiscal year.

## **B. Deficit Fund Equity**

The following governmental funds had fund balance deficits at June 30, 2007.

- The Dog Fund had a deficit fund balance of \$44, which will be funded from future charges for services.
- The Water Pollution Control Fund had a fund balance deficit of \$3,602 which will be funded from future charges for services and General Fund appropriations.

## **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 funds 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, 2007:

Deposits:	
Demand accounts	\$ 2,290
Money markets	4,844
Other savings accounts	5,092
Total deposits	<u>12,226</u>
Cash equivalents:	
State Short-Term Investment Fund (STIF)	17,997
MBIA, Inc. - Cooperative Liquid Assets Securities System (CLASS)	2,103
Less: Certificates of deposit classified as investments	<u>(4,179)</u>
Total Cash and Cash Equivalents	\$ <u><u>28,147</u></u>

### Deposits

At June 30, 2007, the carrying amount of the Town deposits was \$12,226, including certificates of deposits of \$4,179 classified as investments, and the bank balance was \$13,539.

*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, 2007 bank balance, \$1,053 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 \$873, based on June 30, 2007 deposits, was collateralized (collateral held by the pledging bank's trust department is not in the Town's name). The balance of deposits of \$11,613 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, 2007, the Town's cash equivalents amounted to \$20,100. 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 and Poor's</u>	<u>Moody's Investor Service</u>	<u>Fitch Ratings</u>
State Short-Term Investment Fund (STIF)	AAAm		
MBIA, Inc. - Cooperative Liquid Assets Securities System (CLASS)	AA	Aaa	AAA

## B. Investments

Investments as of June 30, 2007 in all funds are as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
Interest-bearing investments:		
Certificates of deposit	\$ 4,179	.81
U.S. Government backed securities	1,766	3.74
Corporate bonds	325	.65
U.S. Treasury securities	128	2.13
Other investments:		
Common stock	3,988	
Mutual fund accounts	<u>84,017</u>	
 Total	 \$ <u><u>94,403</u></u>	
 Portfolio weighted average maturity for interest bearing Investments		 1.63

*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. The following table provides a summary of the Town's investments (excluding U.S. Government guaranteed obligations) as rated by a nationally recognized statistical rating organization.

	<u>Fair Value</u>	<u>Standard and Poor's</u>
Corporate Bonds	\$ 325	BB to A+
U.S. Government Backed Securities:		
Federal Farm Credit Banks Call Bond	258	AAA
Federal Home Loan Banks Bonds	907	AAA
Federal National Mortgage Association Notes	388	AAA
Federal Home Loan Mortgage Corporation Notes	213	AAA

*Concentration of Credit Risk* - The Town's investment policy does not specify limits on investing in any one issuer.

*Custodial Credit Risk* - Custodial credit risk for an investment is the risk that, in the event of the failure of the counterparty (the institution that pledges collateral or repurchase agreement securities to the Town or that sells investments to or buys them for the Town), the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town has no policy regarding custodial credit risk. At June 30, 2007, the Town had uninsured and unregistered securities held by the counterparty, or by its trust department or agent, that were not in the Town's name in the amount of \$6,207.

**5. RECEIVABLES**

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

	<u>General</u>	<u>Water Pollution Control</u>	<u>Bonded Projects</u>	<u>Capital Non- Recurring</u>	<u>Nonmajor and Other Funds</u>	<u>Total</u>
Receivables:						
Interest	\$ 1,457	\$ 242	\$	\$	\$	\$ 1,699
Taxes	4,080					4,080
Accounts	296				776	1,072
Special assessments		432				432
Intergovernmental	56	43	263	1,001	209	1,572
Housing loans					1,641	1,641
Gross receivables	<u>5,889</u>	<u>717</u>	<u>263</u>	<u>1,001</u>	<u>2,626</u>	<u>10,496</u>
Less allowance for uncollectibles	<u>(873)</u>	<u>(14)</u>			<u>(165)</u>	<u>(1,052)</u>
Net Receivables	<u>\$ 5,016</u>	<u>\$ 703</u>	<u>\$ 263</u>	<u>\$ 1,001</u>	<u>\$ 2,461</u>	<u>\$ 9,444</u>

Allowances for uncollectibles are as follows:

Property taxes	\$ 844
Accrued interest on property taxes	29
Assessments	9
Accrued interest on assessments	5
Emergency medical services receivable	<u>165</u>
Total	<u>\$ 1,052</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	\$ 4,126	\$
Special assessments not yet due	322	
Grant drawdowns prior to meeting all eligibility requirements		55
Advance tax collections		231
Other		41
Notes and loan receivable not yet due	1,651	
Deferred assessments		<u>339</u>
Total Deferred/Unearned Revenue for Governmental Funds	<u>\$ 6,099</u>	<u>\$ 666</u>

## 6. CAPITAL ASSETS

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 11,575	\$ 34	\$	\$ 11,609
Construction in progress	<u>64,702</u>	<u>4,528</u>	<u>(54,017)</u>	<u>15,213</u>
Total capital assets not being depreciated	<u>76,277</u>	<u>4,562</u>	<u>(54,017)</u>	<u>26,822</u>
Capital assets being depreciated:				
Buildings	36,662			36,662
Building improvements	9,789	30,441	(40)	40,190
Machinery and equipment	4,452	1,194	(7)	5,639
Vehicles	8,307	620	(136)	8,791
Infrastructure	<u>136,495</u>	<u>23,540</u>		<u>160,035</u>
Total capital assets being depreciated	<u>195,705</u>	<u>55,795</u>	<u>(183)</u>	<u>251,317</u>
Less accumulated depreciation for:				
Buildings	(15,423)	(576)		(15,999)
Building improvements	(786)	(514)	2	(1,298)
Machinery and equipment	(1,068)	(202)	2	(1,268)
Vehicles	(3,006)	(528)	98	(3,436)
Infrastructure	<u>(52,131)</u>	<u>(2,549)</u>		<u>(54,680)</u>
Total accumulated depreciation	<u>(72,414)</u>	<u>(4,369)</u>	<u>102</u>	<u>(76,681)</u>
Total capital assets being depreciated, net	<u>123,291</u>	<u>51,426</u>	<u>(81)</u>	<u>174,636</u>
Governmental Activities Capital Assets, Net	<u>\$ 199,568</u>	<u>\$ 55,988</u>	<u>\$ (54,098)</u>	<u>\$ 201,458</u>

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

Governmental activities:	
General administration	\$ 112
Public safety	230
Public works	3,283
Health/social services	31
Libraries	26
Recreation	31
Education	<u>656</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 4,369</u>

**Construction Commitments**

The Town has active construction projects as of June 30, 2007. The projects include schools and roads. At year end, the Town’s major commitments with contractors are as follows:

<u>Project</u>	<u>Spent-to-Date</u>	<u>Remaining Commitment</u>
Athletic Field Renovations	\$ 421	\$ 385
Roads 2000	21,143	96
Roads 2005	5,941	6,735
Total	\$ <u>27,505</u>	\$ <u>7,216</u>

The commitments are being financed through various bond issues.

**7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

A summary of interfund balances as of June 30, 2007 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Internal Service Fund	\$ 217
General Fund	Water Pollution Control	3,981
General Fund	Bonded Projects	4,765
General Fund	Capital Nonrecurring	5,409
General Fund	Nonmajor Governmental Funds	196
Nonmajor Governmental Funds	General Fund	287
Bonded Projects	General Fund	672
Total		\$ <u>15,527</u>

All interfund balances resulted from the time lag between the date payments occurred between funds for various activities.

A summary of interfund transfers as of June 30, 2007 is as follows:

	<u>Transfers Out</u>				
	<u>General Fund</u>	<u>Bonded Projects</u>	<u>Capital Nonrecurring</u>	<u>Nonmajor Governmental</u>	<u>Total</u>
Transfers in:					
General Fund	\$	\$ 17	\$	\$ 50	\$ 67
Water Pollution Control	971				971
Bonded Projects			1,400		1,400
Capital Nonrecurring	3,287				3,287
Nonmajor governmental	2,473		50		2,523
Total Transfers Out	\$ <u>6,731</u>	\$ <u>17</u>	\$ <u>1,450</u>	\$ <u>50</u>	\$ <u>8,248</u>

Transfers are used to account for the financing by the General Fund of various program and activities in other funds.

## 8. LONG-TERM DEBT

### Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2007 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds payable:					
General obligation					
bonds	\$ 25,500	\$	\$ 3,000	\$ 22,500	\$ 3,000
Net pension obligation	5		5	-	
Compensated absences	6,713	305	25	6,993	1,736
Landfill closure cost	330		15	315	15
Capital lease	38		15	23	14
	<u>32,586</u>	<u>305</u>	<u>3,060</u>	<u>29,831</u>	<u>4,765</u>
Governmental Activity					
Long-Term Liabilities	\$ <u>32,586</u>	\$ <u>305</u>	\$ <u>3,060</u>	\$ <u>29,831</u>	\$ <u>4,765</u>

Bonds payable at June 30, 2007 comprise the following:

<u>Bonds</u>	<u>Original Amount</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate %</u>	<u>Balance June 30, 2007</u>
General Purpose:					
Improvement bond	\$ 10,000	10/15/99	2009	4.1-6	\$ 3,000
Improvement bond	4,025	03/01/02	2016	3-5	2,588
Improvement bond	5,000	04/01/03	2018	2.5-4.5	3,620
Total					<u>9,208</u>
Schools:					
School bond	9,975	03/01/02	2016	3-5	6,412
School bond	9,500	04/01/03	2018	2.5-4.5	6,880
Total					<u>13,292</u>
Total Bonds					\$ <u>22,500</u>

Long-term liabilities are generally liquidated by the General Fund.

The following is a summary of bond maturities:

<u>Fiscal Year Ending</u>	<u>Principal</u>	<u>Interest</u>
2008	\$ 3,000	\$ 868
2009	2,950	756
2010	2,950	630
2011	1,950	537
2012	1,950	467
2013	1,950	393
2014	1,950	318
2015	1,950	239
2016	1,950	162
2017	950	77
2018	950	39
Total	<u>\$ 22,500</u>	<u>\$ 4,486</u>

### Legal Debt Limit

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

<u>Category</u>	<u>Debt Limit</u>	<u>Net Indebtedness</u>	<u>Balance</u>
General purpose	\$ 187,153	\$ 11,313	\$ 175,840
Schools	374,306	13,292	361,014
Sewers	311,921		311,921
Urban renewal	270,332		270,332
Pension deficit	249,537		249,537

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, \$582,253.

The indebtedness reflected above includes bonds outstanding in addition to the amount of bonds/notes issued by the fire districts located within the Town borders.

### Landfill Closure and Post-Closure Care Costs

State and Federal laws and regulations require landfill closures to meet certain standards. The Town landfill is closed. Monitoring costs for the next 21 years at \$15 per year total \$315. This amount is based on estimates, which are subject to change due to inflation, technology or applicable laws and regulations.

### Authorized/Unissued Bonds

As of June 30, 2007, the Town had no authorized unissued general obligation bonds.

**Capital Leases**

The Town has previously entered into a lease-purchase agreement with Citicorp Leasing, Inc., for the purchase of Emergency Medical Equipment. The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2007 were as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2008	\$ 17
2009	<u>7</u>
Total future minimum lease payments	24
Less amounts representing interest	<u>(1)</u>
Present Value of Future Minimum Lease Payments	\$ <u><u>23</u></u>

**9. FUND BALANCE DESIGNATIONS/RESTATEMENTS**

Fund balance designations in the General Fund at June 30, 2007 are as follows:

Designated for:	
Subsequent year's budget	\$ 2,000
Capital fund	1,943
Debt service	<u>3,000</u>
Total	\$ <u><u>6,943</u></u>

The following accounts have been restated due to the implementation of infrastructure reporting required under GASB Statement No. 34:

	<u>Net Assets</u>	<u>Capital Assets</u>
Original balance, July 1, 2006	\$ 126,039	\$ 115,730
Changes	<u>83,838</u>	<u>83,838</u>
Restated Balance, July 1, 2006	\$ <u><u>209,877</u></u>	\$ <u><u>199,568</u></u>

**10. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS**

**Pension Plans**

**A. Plan Description**

The Town of Enfield administers two single-employer, contributory defined benefit pension plans. The two plans, Town and Police, are included in the financial statements as pension trust funds. The plans do not issue stand alone financial statements. Plan contribution requirements and benefits are established by the Town Council through adoption of plan documents.

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

### **Basis of Accounting**

The pension trust fund's financial statements are prepared using the accrual basis of accounting. Contributions are recognized when due, and investment income is recognized when earned. Expenses (benefits, administration and refunds of contributions) are recognized when due, payable in accordance with the terms of the plan.

### **Valuation of Investments**

All funds are invested and administered through Prudential Financial, Inc., and are reported at fair value. There are no investments in any one organization that represents 5% or more of net assets available for benefits.

## **C. Classes of Employees Covered**

The membership of the Plan consisted of the following as of July 1, 2006:

	<u>Town</u>	<u>Police</u>
Retirees and beneficiaries currently receiving benefits	181	42
Terminated plan members entitled to benefits but not yet receiving them	59	5
Active plan members	475	91
Inactive with vested benefits	<u>25</u>	<u>          </u>
Total	<u>740</u>	<u>138</u>

## **D. Benefit Provisions**

### **Town Plan**

The Town of Enfield Pension Plan covers all employees working more than nineteen hours a week and for more than five (5) months per calendar year except teachers covered under the State of Connecticut Teachers' Retirement System and Police. The Town provides all retirement benefits through a single-employer, contributory defined benefit plan. All employees are 100% vested after five (5) years of continuous service. Employees who retire at normal retirement at age 65 receive a retirement benefit.

### **Police Plan**

The Town of Enfield Police Pension Plan covers all employees working more than thirty-five hours a week and for more than five (5) months per calendar year. The Town provides all retirement benefits through a single-employer, contributory defined benefit plan. All employees are 100% vested after ten (10) years of continuous service. Employees who retire at normal retirement age of the later of age 50 or 20 years of service receive a retirement benefit.

### **Contributions**

Town employees contribute 3.5% of earnings and Police employees contribute 7% of earnings. The Town is required to contribute the amounts necessary to finance the benefits for its employees. Administration costs are financed from investment earnings.

## E. Actuarial Assumptions

### Town Plan

The annual required contribution for the current year was determined as part of the July 1, 2006 actuarial valuation using the frozen entry age normal actuarial cost method. The actuarial assumptions included (a) 8% investment rate of return and (b) 5% projected salary increases. Both (a) and (b) included an inflation component of 3.5%. The assumptions do not include post-retirement benefit increases. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability was fully amortized as of June 30, 2004.

### Police Plan

The annual required contribution for the current year was determined as part of the July 1, 2006 actuarial valuation using the frozen entry age normal actuarial cost method. The actuarial assumptions included (a) 8% investment rate of return and (b) 5% projected salary increases. Both (a) and (b) included an inflation component of 3.5%. The assumptions do not include post-retirement benefit increases. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period as of July 1, 2003 was 15 years.

## F. Annual Pension Cost and Net Pension Obligation (Asset)

	<u>Town</u>	<u>Police</u>
Annual required contribution	\$ 1,134	\$ 555
Interest on net pension obligation	(1)	1
Adjustment to annual required contribution	<u>8</u>	<u>(5)</u>
Annual pension cost	1,141	551
Contributions made	<u>1,134</u>	<u>556</u>
Increase (decrease) in net pension obligation	7	(5)
Net Pension Obligation (Asset), Beginning of Year	<u>(7)</u>	<u>5</u>
Net Pension Obligation (Asset), End of Year	<u>\$ -</u>	<u>\$ -</u>

The required and actual contributions for the past three years were as follows:

### Town Plan

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Actual Contribution</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/05	\$ 1,287	\$ 1,106	85.90 %	\$ (218)
6/30/06	1,359	1,148	85.50	(7)
6/30/07	1,141	1,134	99.30	-

Police Plan

<b>Fiscal Year Ending</b>	<b>Annual Pension Cost (APC)</b>	<b>Actual Contribution</b>	<b>Percentage of APC Contributed</b>	<b>Net Pension Obligation</b>
6/30/05	\$ 166	\$ 285	171.69 %	\$ 143
6/30/06	177	315	178.04	5
6/30/07	551	556	100.91	-

**G. Pension Plan Required Supplementary Information**

Town Plan

*Schedule of Funding Progress*

<b>Actuarial Valuation Date July 1,</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability(AAL) Frozen Entry Age Normal (b)</b>	<b>Over (Under) Funded AAL (a-b)</b>	<b>Funded AAL Ratio (a/b)</b>	<b>Covered Payroll (c)</b>	<b>Over/Under Funded AAL as a % of Covered Payroll ((b-a)/c)</b>
2001	\$ 25,926	\$ 23,348	\$ 2,578	111.04	\$ 11,993	21.50
2002	27,331	25,634	1,697	106.62	13,600	12.48
2003	28,683	27,492	1,191	104.33	15,240	7.81
2004	30,602	29,802	800	102.68	16,279	4.91
2005	33,017	32,767	250	100.76	16,596	1.51
2006	33,849	35,262	587	96.44	17,795	3.30

*Schedule of Employer Contributions*

<b>Fiscal Year Ended</b>	<b>Annual Required Contribution</b>	<b>Percentage Contributed</b>
6/31/01	\$ 612	100%
6/30/02	643	100
6/30/03	809	100
6/30/04	1,016	100
6/30/05	1,106	100
6/30/06	1,148	100

Police Plan

*Schedule of Funding Progress*

<b>Actuarial Valuation Date July 1,</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability(AAL) Frozen Entry Age Normal (b)</b>	<b>Over (Under) Funded AAL (a-b)</b>	<b>Funded AAL Ratio (a/b)</b>	<b>Covered Payroll (c)</b>	<b>Over/Under Funded AAL as a % of Covered Payroll ((b-a)/c)</b>
2001	\$ 26,330	\$ 26,185	\$ 145	100.55	\$ 4,887	(2.96)
2002	27,706	27,046	660	102.44	5,021	(13.14)
2003	28,799	27,764	1,035	103.73	4,892	(21.15)
2004	30,190	29,529	661	102.24	4,849	(13.63)
2005	31,703	31,393	310	100.99	4,778	(6.49)
2006	33,573	34,814	(1,241)	96.44	5,520	22.47

*Schedule of Employer Contributions*

<b>Fiscal Year Ended</b>	<b>Annual Required Contribution</b>	<b>Percentage Contributed</b>
6/30/01	\$ 522	100%
6/30/02	423	100
6/30/03	359	100
6/30/04	339	100
6/30/05	285	100
6/30/06	315	100

**H. Separate Plan Financial Information**

<b>Schedule of Plan Net Assets</b>				
	<b>Employees' Pension Plan</b>	<b>Police Pension Plan</b>	<b>Total</b>	
Assets:				
Investments				
Fixed income funds	\$ 20,040	\$ 18,262	\$	38,302
Equity funds	19,036	17,212		36,248
PRISA fund	2,023	2,116		4,139
Total	<u>\$ 41,099</u>	<u>\$ 37,590</u>	<u>\$</u>	<u>78,689</u>
Net Assets:				
Net Assets Held in Trust for:				
Employees' Pension Benefits	<u>\$ 41,099</u>	<u>\$ 37,590</u>	<u>\$</u>	<u>78,689</u>

**Schedule of Changes in Plan Net Assets**

	<b>Employees' Pension Plan</b>	<b>Police Pension Plan</b>	<b>Total</b>
Additions:			
Contributions:			
Employer	\$ 1,134	\$ 340	\$ 1,474
Plan members	695	556	1,251
Total contributions	<u>1,829</u>	<u>896</u>	<u>2,725</u>
Investment income:			
Net appreciation in fair value of investments	3,413	3,261	6,674
Interest and dividends	1,390	1,156	2,546
Net investment income	<u>4,803</u>	<u>4,417</u>	<u>9,220</u>
Total additions	<u>6,632</u>	<u>5,313</u>	<u>11,945</u>
Deductions:			
Benefits	1,534	1,337	2,871
Administration	63	55	118
Total deductions	<u>1,597</u>	<u>1,392</u>	<u>2,989</u>
Net increase	5,035	3,921	8,956
Net Assets Held in Trust for Employees' Pension Benefits, Beginning of Year	<u>36,064</u>	<u>33,669</u>	<u>69,733</u>
Net Assets Held in Trust for Employees' Pension Benefits, End of Year	<u>\$ 41,099</u>	<u>\$ 37,590</u>	<u>\$ 78,689</u>

**I. Teachers' Retirement**

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

The Town withholds 7.25% of all teachers' annual salaries and transmits the funds to the State Teachers' Retirement Board. Teacher payroll subject to retirement amounted to \$36,861 or 83.5% of the total Education payroll of \$44,188.

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, 2007, the Town has recorded, in the General Fund, intergovernmental revenue and education expenditures in the amount of \$4,630 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.

## **11. RESTRICTED ASSETS**

The Library Trust Funds are restricted to expenditure of the investment income only for the donor-designated purposes. Currently, the expendable portion of net assets is \$23 and is reported as unreserved undesignated. The Library Board controls the expenditure of these funds. Investment income was \$3 in the current year.

## **12. OTHER POST-EMPLOYMENT BENEFITS**

The Town provides post-employment benefits to retirees. The benefit consists of medical insurance for all retirees age 65 and over. For the fiscal year 2007, the payments totaled \$164 for the 81 eligible retirees. The amount is funded on an annual basis by General Fund appropriations, which are approved under the authority of the Town Council.

The Town currently is a member in Connecticut Interlocal Risk Management Agency (CIRMA), a public entity risk pool established for the purpose of administering an interlocal risk management program pursuant to the provisions of Section 7-479a et. seq. of Connecticut General Statutes, for workers' compensation coverage. The Town pays an annual premium for its coverage. CIRMA is to be self-sustaining through members' premiums but reinsures in excess of \$750,000 (not rounded) for each insured occurrence.

## **13. RISK MANAGEMENT**

The Town is exposed to various risks of loss related to public officials' liability, police liability, theft or impairment of assets, errors and omissions, injury to employees and natural disasters. The Town purchases commercial insurance for all risks of loss except workers' compensation. Neither the Town nor its insurer has settled any claims, which exceeded insurance coverage in the last three years, and there have been no significant reductions in insurance from amounts held in prior years.

The Town utilizes a risk management fund (the Internal Service Fund) to account for and finance its uninsured risks of loss. The fund records premium expenditures for various insurance risks on behalf of the Town. All Town departments and agencies are charged premiums by the Internal Service Fund, which are included in department and agency expenditures to cover current premium expenditures and build reserves in anticipation of taking on additional risk in the future. There are currently no incurred but not reported liabilities.

## **14. COMMITMENTS AND LITIGATION**

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

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

**Required Supplementary  
Information**

## TOWN OF ENFIELD, CONNECTICUT

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

**FOR THE YEAR ENDED JUNE 30, 2007  
(In Thousands)**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>Favorable (Unfavorable)</u>
Property Taxes:				
Real estate	\$ 58,757	\$ 58,757	\$ 59,270	\$ 513
Motor vehicle	9,049	9,049	8,611	(438)
Personal property	5,593	5,593	5,575	(18)
Prior year levy	850	850	1,316	466
Penalties and interest	600	600	775	175
Lien fees	12	12	9	(3)
Suspense list collections	50	50	45	(5)
Telephone access line	185	185	168	(17)
Total property taxes	<u>75,096</u>	<u>75,096</u>	<u>75,769</u>	<u>673</u>
Intergovernmental:				
Hospital - PILOT	41	41	41	-
Department of housing - PILOT	160	160	130	(30)
Tax loss - state property	1,736	1,736	2,201	465
Tax loss - boat registration	10	10	10	-
Tax relief - elderly frozen	5	5	5	-
Tax relief - elderly circuit breaker	365	365	351	(14)
Tax relief - disability exemption	8	8	9	1
Mashantucket Pequot Indians	1,774	1,774	2,180	406
Civil preparedness	12	12	-	(12)
Tax relief - veterans additional	36	36	39	3
Manufacturers PILOT	560	560	657	97
Tax loss - bingo permits	1	1	1	-
Town Aid Road Grant	291	291	278	(13)
Education block grant	24,339	24,339	24,331	(8)
Excess cost grant	600	600	755	155
School transportation	936	936	773	(163)
Health services private schools	65	65	83	18
Miscellaneous state grants	12	50	73	23
FEMA grants			103	103
Total intergovernmental	<u>30,951</u>	<u>30,989</u>	<u>32,020</u>	<u>1,031</u>
Charges for Services:				
Recording legal documents	300	300	273	(27)
Conveyance tax	350	350	572	222
Vital statistics	15	15	16	1
Planning and zoning fees	55	55	56	1
Zoning board of appeal fees	3	3	111	108
Miscellaneous clerk fees	40	40	44	4
Photocopy charges	4	4	4	-
Fire district tax collection	210	210	232	22
Communication center	50	50	121	71
Accident reports	4	4	5	1
Police outside services	32	32	31	(1)
Blind program	24	24	21	(3)

(Continued on next page)

## TOWN OF ENFIELD, CONNECTICUT

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

**FOR THE YEAR ENDED JUNE 30, 2007  
(In Thousands)**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Charges for Services (continued):				
Environment recycling programs	\$ 18	\$ 18	\$ 31	\$ 13
Bulky waste fees	400	400	53	(347)
Park/recreation program fees	158	158	138	(20)
Medicaid school based health	170	170	193	23
School tuition - other towns	170	170	342	172
Other charges	5	5	7	2
Building and mechanical	375	375	354	(21)
Pistol permits	3	3	3	-
Vendor permits	1	1	1	-
Amusements	1	1	1	-
Dog licenses	5	5	5	-
Hunting and fishing	3	3	3	-
Marriage licenses	3	3	3	-
Sewer permits	3	3	1	(2)
Dump permits	60	60	216	156
Parking fines	10	10	19	9
Library fines	12	12	16	4
Alarm fines	10	10	27	17
Rental - Town owned property	15	15	11	(4)
Sale - equipment and property	110	110	563	453
Insurance claims and refunds	150	150	25	(125)
Contributions/donations	1	1	1	-
Vehicle insurance reimbursement	45	45	7	(38)
Miscellaneous	400	400	95	(305)
Total charges for services	<u>3,215</u>	<u>3,215</u>	<u>3,601</u>	<u>386</u>
Use of Money and Property:				
Interest on investments	<u>850</u>	<u>850</u>	<u>1,328</u>	<u>478</u>
Total revenues	<u>110,112</u>	<u>110,150</u>	<u>112,718</u>	<u>2,568</u>
Other financing sources:				
Transfers in	<u>53</u>	<u>56</u>	<u>67</u>	<u>11</u>
Total other financing sources	<u>53</u>	<u>56</u>	<u>67</u>	<u>11</u>
Total	<u>\$ 110,165</u>	<u>\$ 110,206</u>	112,785	<u>\$ 2,579</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

4,630

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

\$ 117,415

## TOWN OF ENFIELD, CONNECTICUT

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

**FOR THE YEAR ENDED JUNE 30, 2007  
(In Thousands)**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>Favorable (Unfavorable)</u>
General Government:				
Town Council	\$ 149	\$ 149	\$ 121	\$ 28
Town Manager	416	444	407	37
Data processing and MIS	1,216	1,216	1,216	-
Town attorney	320	322	315	7
Probate Court	14	14	12	2
Election/voter registration	100	100	97	3
Town Clerk	338	341	323	18
Records Manager	100	101	94	7
Personnel office	336	350	337	13
Finance administration	213	218	217	1
Treasury	311	311	306	5
Collection of revenues	201	201	185	16
Assessor	273	273	259	14
General services	95	108	102	6
Board of Assessment Appeals	6	9	9	-
Enfield Revitalization Committee	4	4	-	4
Ethics Commission	1	1	1	-
Fish and game program	5	5	5	-
Keep Enfield Beautiful	6	6	6	-
Historic District Commission	6	6	6	-
Cultural Arts Commission	12	12	12	-
Loan Review Committee	1	1	-	1
Economic Development Commission	1	1	-	1
Total general government	<u>4,124</u>	<u>4,193</u>	<u>4,030</u>	<u>163</u>
Public Safety:				
Protection of life and property	7,341	7,579	7,504	75
Emergency management	7	7	6	1
Total public safety	<u>7,348</u>	<u>7,586</u>	<u>7,510</u>	<u>76</u>
Recreation:				
Administration	262	262	229	33
Programs	166	166	124	42
Swim program	144	144	90	54
Total recreation	<u>572</u>	<u>572</u>	<u>443</u>	<u>129</u>
Public Works:				
Public works administration	355	360	347	13
Engineering	366	367	362	5
Building inspection	262	262	253	9
Maintenance/buildings and grounds	2,761	2,761	2,624	137
Highway and sanitation supervision	1,884	1,890	1,674	216
Equipment maintenance and repair	1,669	1,835	1,717	118
Refuse collection	2,931	2,931	2,854	77
Total public works	<u>10,228</u>	<u>10,406</u>	<u>9,831</u>	<u>575</u>
Library:				
Public library	<u>1,225</u>	<u>1,280</u>	<u>1,263</u>	<u>17</u>

(Continued on next page)

## TOWN OF ENFIELD, CONNECTICUT

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

**FOR THE YEAR ENDED JUNE 30, 2007  
(In Thousands)**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Planning and Development:				
Town planner	\$ 329	\$ 329	\$ 314	\$ 15
Planning and zoning policy	29	29	21	8
Zoning review	8	8	4	4
Conservation commission	3	3	-	3
Inland wetlands commission	12	12	11	1
Community development	258	260	245	15
Economic development	147	150	139	11
Total planning and development	<u>786</u>	<u>791</u>	<u>734</u>	<u>57</u>
Intergovernmental and interagency:				
Capital region council of governments	25	25	25	-
Capital region growth council	9	9	9	-
Enfield cemetery association	28	28	28	-
Enfield historical society	11	11	11	-
Connecticut conference of municipalities	33	33	31	2
National league of cities	4	4	3	1
Enfield veterans' council	33	33	33	-
District fire marshal fees	1	1	1	-
North central health district	162	162	162	-
Celebrations and special events	47	32	32	-
High school safe graduation	1	1	-	1
Greater Hartford Transit District	3	3	3	-
Housing education resource	7	7	7	-
Connecticut river assembly	1	1	1	-
Athletic hall of fame	1	1	1	-
Total intergovernmental and interagency	<u>366</u>	<u>351</u>	<u>347</u>	<u>4</u>
Board of Education	<u>67,898</u>	<u>67,898</u>	<u>67,898</u>	<u>-</u>
Nondepartmental:				
Insurance and bond charges	544	554	550	4
Employee benefits	6,768	7,083	6,901	182
Miscellaneous charges	<u>1,625</u>	<u>1,396</u>	<u>1,396</u>	<u>-</u>
Total nondepartmental	<u>8,937</u>	<u>9,033</u>	<u>8,847</u>	<u>186</u>
Debt service	<u>4,102</u>	<u>4,069</u>	<u>3,988</u>	<u>81</u>
Total expenditures	105,586	106,179	104,891	1,288
Other Financing Uses:				
Transfers out	<u>5,779</u>	<u>6,731</u>	<u>6,731</u>	<u>-</u>
Total	<u>\$ 111,365</u>	<u>\$ 112,910</u>	111,622	<u>\$ 1,288</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 4,630

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 (309)

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

\$ 115,943

## TOWN OF ENFIELD, CONNECTICUT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL

## WATER POLLUTION CONTROL FUND

FOR THE YEAR ENDED JUNE 30, 2007

(In Thousands)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 1,600	\$ 1,600	\$ 2,800	\$ 1,200
Charges for services	1,000	1,000	586	(414)
Income from investments	25	25	76	51
Other	75	75	144	69
Total revenues	<u>2,700</u>	<u>2,700</u>	<u>3,606</u>	<u>906</u>
Expenditures:				
Current:				
Public works	<u>3,921</u>	<u>3,921</u>	<u>3,202</u>	<u>719</u>
Excess (deficiency) of revenues over expenditures	<u>(1,221)</u>	<u>(1,221)</u>	<u>404</u>	<u>1,625</u>
Other financing sources:				
Transfers in	<u>971</u>	<u>971</u>	<u>971</u>	
Net Change in Fund Balance	<u><u>\$ (250)</u></u>	<u><u>\$ (250)</u></u>	<u>1,375</u>	<u><u>\$ 1,625</u></u>
Fund Balance at Beginning of Year			<u>(5,218)</u>	
Fund Balance at End of Year			<u><u>\$ (3,843)</u></u>	
<b><u>Reconciliation of GAAP Basis - Exhibit IV</u></b>	<b><u>Revenues</u></b>	<b><u>Expenditures</u></b>	<b><u>Fund Balance</u></b>	
Balance, budgetary basis at end of year	\$ 3,606	\$ 3,202	\$ (3,843)	
Encumbrances outstanding at beginning of year liquidated during the year		368		
Encumbrances outstanding at end of year, charged to budgetary expenditures		(241)	241	
Cancellation of encumbrances	<u>(134)</u>			
Balance, GAAP Basis at End of Year	<u><u>\$ 3,472</u></u>	<u><u>\$ 3,329</u></u>	<u><u>\$ (3,602)</u></u>	

**Combining and Individual  
Fund Statements and Schedules**

**General Fund**

## **GENERAL FUND**

The General Fund is the principal fund of the Town and is used to account for all activities of the Town, except those required to be accounted for in another fund. The general fund accounts for the normal recurring activities of the Town (i.e., general government, public safety, public works, health, social services, recreation, education, etc.). These activities are funded principally by property taxes, user fees and grants from other governmental units.

**TOWN OF ENFIELD, CONNECTICUT**  
**COMPARATIVE BALANCE SHEET**

**GENERAL FUND**

**JUNE 30, 2007 AND 2006**  
**(In Thousands)**

	<u>2007</u>	<u>2006</u>
<b>ASSETS</b>		
Cash	\$ 7,684	\$ 5,837
Investments	1,280	1,029
Receivables:		
Property taxes, net of allowance	3,236	2,799
Accounts	1,596	1,349
Notes	184	189
Due from other funds	14,351	14,064
Other	<u>119</u>	<u>11</u>
Total Assets	<u>\$ 28,450</u>	<u>\$ 25,278</u>
<b>LIABILITIES AND FUND BALANCES</b>		
Liabilities:		
Accounts payable	\$ 1,994	\$ 1,259
Accrued payroll	398	403
Legal contingencies	579	579
Due to other funds	1,176	698
Deferred revenue	<u>4,408</u>	<u>3,916</u>
Total liabilities	<u>8,555</u>	<u>6,855</u>
Fund Balance:		
Reserved for encumbrances	1,799	1,490
Reserved for long-term receivables	208	188
Unreserved:		
Designated for subsequent year's budget	2,000	1,200
Designated for Capital Fund	1,943	1,943
Designated for debt service	3,000	3,000
Undesignated	<u>10,945</u>	<u>10,602</u>
Total fund balance	<u>19,895</u>	<u>18,423</u>
Total Liabilities and Fund Balance	<u>\$ 28,450</u>	<u>\$ 25,278</u>

**TOWN OF ENFIELD, CONNECTICUT**  
**REPORT OF TAX COLLECTOR**  
**FOR THE YEAR ENDED JUNE 30, 2007**  
(In Thousands)

Grand List Year	Balance Uncollected July 1, 2006	Current Lev	Lawful Corrections		Transfers To Suspense	Balance To Be Collected	Collections			Balance Uncollected June 30, 2007
			Additions	Deductions			Taxes	Interest and Lien Fees	Total	
TOWN TAXES:										
2005	\$	\$ 75,841	\$ 275	\$ 480	\$	\$ 75,636	\$ 73,763	\$ 342	\$ 74,105	\$ 1,873
2004	1,770		4	185		1,589	707	205	912	882
2003	645			49		596	123	78	201	473
2002	189			19		170	77	62	139	93
2001	73		16	35		54	26	41	67	28
2000	72					72	18	23	41	54
1999	44			1		43	9	14	23	34
1998	29					29	2	4	6	27
1997	23					23		4	4	23
1996	19					19		4	4	19
1995	18					18		3	3	18
1994	18					18		2	2	18
1993	30					30		1	1	30
1992	12					12		1	1	12
1991	11					11			-	11
1990	11			11		-			-	-
Total	<u>2,964</u>	<u>75,841</u>	<u>295</u>	<u>780</u>	<u>-</u>	<u>78,320</u>	<u>74,725</u>	<u>784</u>	<u>75,509</u>	<u>3,595</u>
FIRE TAXES:										
2005		7,715	28	42		7,701	7,523		7,523	178
2004	152			5		147	69		69	78
2003	60		9			69	15		15	54
2002	90		12			102	7		7	95
2001	63		1			64	4		4	60
2000	6					6	1		1	5
1999	3					3				3
1998	2					2				2
1997	1					1				1
1996	1					1				1
1995	1					1				1
1994	1					1				1
1993	3					3				3
1992	1					1				1
1991	1					1				1
1990	1					1				1
Total	<u>386</u>	<u>7,715</u>	<u>50</u>	<u>47</u>	<u>-</u>	<u>8,104</u>	<u>7,619</u>	<u>-</u>	<u>7,619</u>	<u>485</u>
GRAND TOTAL	<u>\$ 3,350</u>	<u>\$ 83,556</u>	<u>\$ 345</u>	<u>\$ 827</u>	<u>\$ -</u>	<u>\$ 86,424</u>	<u>\$ 82,344</u>	<u>\$ 784</u>	83,128	<u>\$ 4,080</u>

Suspense Collections	46
60 day collection, June 30, 2006	(418)
60 day collection, June 30, 2007	538
Payments to Fire District	<u>(7,619)</u>
TOTAL	<u>\$ 75,675</u>

**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 legally restricted to expenditures for specific purposes. The Special Revenue Funds utilize the modified accrual basis of accounting. The nature and purpose of each Special Revenue Fund is as follows:

Fund	Funding Source	Function
Cafeteria	Sales and grants	School lunch program
General Government Grants		
Dog	License fees, fines and Town appropriation	Operation of animal control
School Miscellaneous	Fees and local funding	Rental of school facilities, drivers education, non-grant portion of adult education and retiree insurance co-pays
Open Space Acquisition	Local funding	
Emergency Medical Services	Fees for services	Emergency medical aid and transportation
Revaluation	Local funding	Funding of ten year revaluations
Community Development	Federal grants	Federal housing funds
Social Services	Local funding	Operation of Social Service divisions
Public Library	State funds and public gifts	Library support
Emergency Fuel Bank	Local funding and donations	Fuel to needy families
Drug Enforcement Education Grants	State grant	Drug enforcement activities
Town Memorial	Donations	Town Green and Memorial
Educational Grants	State and Federal grants	Special Education programs
Scholarship	Donations	Student scholarships

### Permanent Funds

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes as categorized by the fund title. The Library Trust Fund is the Town's only permanent fund. It accounts for the funds endowed to the Town to benefit the Town's Library services. (Phelps Fund, H.F. Fletcher Fund, J. Pickens Fund, C. P. Cope Fund, H.A. Mosley Fund and Wrona Fund).

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

**JUNE 30, 2007**  
**(In Thousands)**

	<u>Special Revenue</u>					
	<u>Cafeteria</u>	<u>General Government Grants</u>	<u>Dog</u>	<u>School Miscellaneous</u>	<u>Open Space Acquisition</u>	<u>Emergency Medical Services</u>
<b>ASSETS</b>						
Cash and cash equivalents	\$ 408	\$ 13	\$ 12	\$ 350	\$ 730	\$
Investments						
Receivables:						
Loans						
Accounts	9					584
Intergovernmental	115					
Due from other funds		109			14	
Other	84					
	<u>84</u>					
Total Assets	<u>\$ 616</u>	<u>\$ 122</u>	<u>\$ 12</u>	<u>\$ 350</u>	<u>\$ 744</u>	<u>\$ 584</u>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Accounts payable	\$ 17	\$	\$ 28	\$	\$	\$ 74
Due to other funds			28	40		129
Deferred revenue						
Total liabilities	<u>17</u>	<u>-</u>	<u>56</u>	<u>40</u>	<u>-</u>	<u>203</u>
Fund Balances:						
Reserved for inventory	84					
Reserved for encumbrances						6
Reserved for endowments						
Unreserved and undesignated	515	122	(44)	310	744	375
Total fund balances	<u>599</u>	<u>122</u>	<u>(44)</u>	<u>310</u>	<u>744</u>	<u>381</u>
Total Liabilities and Fund Balances	<u>\$ 616</u>	<u>\$ 122</u>	<u>\$ 12</u>	<u>\$ 350</u>	<u>\$ 744</u>	<u>\$ 584</u>

(Continued on next page)

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

**JUNE 30, 2007**  
**(In Thousands)**

	<b>Special Revenue</b>					
	<b>Revaluation</b>	<b>Community Development</b>	<b>Social Services</b>	<b>Public Library</b>	<b>Emergency Fuel Bank</b>	<b>Drug Enforcement Education Grants</b>
<b>ASSETS</b>						
Cash and cash equivalents	\$ 562	\$ 571	\$ 676	\$ 121	\$	\$
Investments		88		54		
Receivables:						
Loans		1,641				
Accounts		3	15			
Intergovernmental						
Due from other funds		75			5	21
Other						
Total Assets	<u>\$ 562</u>	<u>\$ 2,378</u>	<u>\$ 691</u>	<u>\$ 175</u>	<u>\$ 5</u>	<u>\$ 21</u>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Accounts payable	\$	\$ 31	\$ 198	\$	\$	\$
Due to other funds			8	2		
Deferred revenue		1,641				
Total liabilities	<u>-</u>	<u>1,672</u>	<u>206</u>	<u>2</u>	<u>-</u>	<u>-</u>
Fund Balances:						
Reserved for inventory						
Reserved for encumbrances			150			
Reserved for endowments						
Unreserved and undesignated	562	706	335	173	5	21
Total fund balances	<u>562</u>	<u>706</u>	<u>485</u>	<u>173</u>	<u>5</u>	<u>21</u>
Total Liabilities and Fund Balances	<u>\$ 562</u>	<u>\$ 2,378</u>	<u>\$ 691</u>	<u>\$ 175</u>	<u>\$ 5</u>	<u>\$ 21</u>

(Continued on next page)

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

**JUNE 30, 2007**  
**(In Thousands)**

	Special Revenue				Permanent Fund		Total Nonmajor Governmental Funds
	Town Memorial	Educational Grants	Scholarship	Total	Library Trust	Interfund Eliminations	
<b>ASSETS</b>							
Cash and cash equivalents	\$	\$ 10	\$ 1	\$ 3,454	\$ 59	\$	\$ 3,513
Investments			295	437	1		438
Receivables:							
Loans				1,641			1,641
Accounts				611			611
Intergovernmental		94		209			209
Due from other funds	61		11	296	2	(11)	287
Other				84			84
Total Assets	<u>\$ 61</u>	<u>\$ 104</u>	<u>\$ 307</u>	<u>\$ 6,732</u>	<u>\$ 62</u>	<u>\$ (11)</u>	<u>\$ 6,783</u>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Accounts payable	\$	\$ 49	\$	\$ 397	\$	\$	\$ 397
Due to other funds				207		(11)	196
Deferred revenue		55		1,696			1,696
Total liabilities	<u>-</u>	<u>104</u>	<u>-</u>	<u>2,300</u>	<u>-</u>	<u>(11)</u>	<u>2,289</u>
Fund Balances:							
Reserved for inventory				84			84
Reserved for encumbrances				156			156
Reserved for endowments			307	307	39		346
Unreserved and undesignated	61			3,885	23		3,908
Total fund balances	<u>61</u>	<u>-</u>	<u>307</u>	<u>4,432</u>	<u>62</u>	<u>-</u>	<u>4,494</u>
Total Liabilities and Fund Balances	<u>\$ 61</u>	<u>\$ 104</u>	<u>\$ 307</u>	<u>\$ 6,732</u>	<u>\$ 62</u>	<u>\$ (11)</u>	<u>\$ 6,783</u>

**TOWN OF ENFIELD, CONNECTICUT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2007**  
**(In Thousands)**

	<u>Special Revenue</u>					
	<u>Cafeteria</u>	<u>General Government Grants</u>	<u>Dog</u>	<u>School Miscellaneous</u>	<u>Open Space Acquisition</u>	<u>Emergency Medical Services</u>
Revenues:						
Intergovernmental	\$ 744	\$ 15	\$	\$	\$	\$
Charges for services	1,134	19	3	2,400		1,567
Contribution						97
Income from investments	12				35	
Other income		3	16			
Total revenues	<u>1,890</u>	<u>37</u>	<u>19</u>	<u>2,400</u>	<u>35</u>	<u>1,664</u>
Expenditures:						
Current:						
General government		2				
Public safety			39			
Health/social services						1,655
Library		1				
Education	1,759			2,432		
Total expenditures	<u>1,759</u>	<u>3</u>	<u>39</u>	<u>2,432</u>	<u>-</u>	<u>1,655</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>131</u>	<u>34</u>	<u>(20)</u>	<u>(32)</u>	<u>35</u>	<u>9</u>
Other Financing Sources (Uses):						
Transfers in			15		50	114
Transfers out						
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>15</u>	<u>-</u>	<u>50</u>	<u>114</u>
Net Change in Fund Balances	131	34	(5)	(32)	85	123
Fund Balances at Beginning of Year	<u>468</u>	<u>88</u>	<u>(39)</u>	<u>342</u>	<u>659</u>	<u>258</u>
Fund Balances at End of Year	<u>\$ 599</u>	<u>\$ 122</u>	<u>\$ (44)</u>	<u>\$ 310</u>	<u>\$ 744</u>	<u>\$ 381</u>

(Continued on next page)

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

	<b>Special Revenue</b>					
	<b>Revaluation</b>	<b>Community Development</b>	<b>Social Services</b>	<b>Public Library</b>	<b>Emergency Fuel Bank</b>	
Revenues:						
Intergovernmental	\$	\$ 156	\$ 1,298	\$ 12	\$	\$ 64
Charges for services		128	1,746	4		
Contribution			28	3		
Income from investments	31	12	35	14		
Other income				3		
Total revenues	<u>31</u>	<u>296</u>	<u>3,107</u>	<u>36</u>	<u>-</u>	<u>64</u>
Expenditures:						
Current:						
General government	148					
Public safety						44
Health/social services		450	4,873			
Library				17		
Education						
Total expenditures	<u>148</u>	<u>450</u>	<u>4,873</u>	<u>17</u>	<u>-</u>	<u>44</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(117)</u>	<u>(154)</u>	<u>(1,766)</u>	<u>19</u>	<u>-</u>	<u>20</u>
Other Financing Sources (Uses):						
Transfers in	100		2,244			
Transfers out	(3)	(47)				
Total other financing sources (uses)	<u>97</u>	<u>(47)</u>	<u>2,244</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(20)	(201)	478	19	-	20
Fund Balances at Beginning of Year	<u>582</u>	<u>907</u>	<u>7</u>	<u>154</u>	<u>5</u>	<u>1</u>
Fund Balances at End of Year	<u>\$ 562</u>	<u>\$ 706</u>	<u>\$ 485</u>	<u>\$ 173</u>	<u>\$ 5</u>	<u>\$ 21</u>

(Continued on next page)

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

**FOR THE YEAR ENDED JUNE 30, 2007**  
**(In Thousands)**

	<u>Special Revenue</u>			<u>Permanent Fund</u>	<u>Interfund Eliminations</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>Town Memorial</u>	<u>Educational Grants</u>	<u>Scholarship</u>	<u>Total</u>		
Revenues:						
Intergovernmental	\$	\$ 3,729	\$	\$ 6,018	\$	\$ 6,018
Charges for services				7,001		7,001
Contribution	71			199		199
Income from investments			15	154	3	157
Other income				22		22
Total revenues	<u>71</u>	<u>3,729</u>	<u>15</u>	<u>13,394</u>	<u>3</u>	<u>13,397</u>
Expenditures:						
Current:						
General government				150		150
Public safety				83		83
Health/social services	36			7,014	1	7,015
Library				18		18
Education		3,729	7	7,927		7,927
Total expenditures	<u>36</u>	<u>3,729</u>	<u>7</u>	<u>15,192</u>	<u>1</u>	<u>15,193</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>35</u>	<u>-</u>	<u>8</u>	<u>(1,798)</u>	<u>2</u>	<u>(1,796)</u>
Other Financing Sources (Uses):						
Transfers in				2,523		2,523
Transfers out				(50)		(50)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,473</u>	<u>-</u>	<u>2,473</u>
Net Change in Fund Balances	35	-	8	675	2	677
Fund Balances at Beginning of Year	<u>26</u>		<u>299</u>	<u>3,757</u>	<u>60</u>	<u>3,817</u>
Fund Balances at End of Year	<u>\$ 61</u>	<u>\$ -</u>	<u>\$ 307</u>	<u>\$ 4,432</u>	<u>\$ 62</u>	<u>\$ 4,494</u>

## TOWN OF ENFIELD, CONNECTICUT

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
SOCIAL SERVICES FUND**

**FOR THE YEAR ENDED JUNE 30, 2007**

**(In Thousands)**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>Favorable (Unfavorable)</u>
Revenues:				
Intergovernmental	\$ 1,058	\$ 1,261	\$ 1,298	\$ 37
Charges for goods and services	1,469	1,489	1,746	257
Contributions	28	30	28	(2)
Income from investments			35	35
Total revenues	<u>2,555</u>	<u>2,780</u>	<u>3,107</u>	<u>327</u>
Expenditures:				
Current:				
Health/social services	<u>4,917</u>	<u>4,933</u>	<u>4,922</u>	<u>11</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(2,362)</u>	<u>(2,153)</u>	<u>(1,815)</u>	<u>338</u>
Other Financing Sources (Uses):				
Transfers in	<u>2,245</u>	<u>2,245</u>	<u>2,244</u>	<u>(1)</u>
Net Change in Fund Balances	<u>\$ (117)</u>	<u>\$ 92</u>	429	<u>\$ 337</u>
Fund Balance at Beginning of Year			<u>(94)</u>	
Fund Balance at End of Year			<u>\$ 335</u>	

## TOWN OF ENFIELD, CONNECTICUT

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
EMERGENCY MEDICAL SERVICES FUND**

**FOR THE YEAR ENDED JUNE 30, 2007**

**(In Thousands)**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>Favorable (Unfavorable)</u>
Revenues:				
Charges for goods and services	\$ 1,771	\$ 1,771	\$ 1,567	\$ (204)
Contributions	<u>100</u>	<u>100</u>	<u>97</u>	<u>(3)</u>
Total revenues	<u>1,871</u>	<u>1,871</u>	<u>1,664</u>	<u>(207)</u>
Expenditures:				
Current:				
Health/social services	<u>1,985</u>	<u>1,985</u>	<u>1,654</u>	<u>331</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(114)</u>	<u>(114)</u>	<u>10</u>	<u>124</u>
Other Financing Sources:				
Transfers in	<u>114</u>	<u>114</u>	<u>114</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>124</u>	<u>\$ 124</u>
Fund Balances at Beginning of Year			<u>251</u>	
Fund Balances at End of Year			<u>\$ 375</u>	

## **Internal Service Funds**

## **INTERNAL SERVICE FUNDS**

Internal Service funds are used for the financing of goods and services provided by one department or agency to other departments or agencies of the Town, or to other governments, on a cost reimbursement basis.

The Self Insurance Fund accounts for the self-insured activities of the Town.

The Information Technology Fund accounts for the financial operation of the central information systems department.

## TOWN OF ENFIELD, CONNECTICUT

## INTERNAL SERVICE FUNDS

## COMBINING BALANCE SHEET

JUNE 30, 2007 WITH COMPARATIVE TOTALS FOR 2006

(In Thousands)

	<u>Information Technology Fund</u>	<u>Self Insurance Fund</u>	<u>Totals</u>	
			<u>2007</u>	<u>2006</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$	\$ 2,660	\$ 2,660	\$ 2,525
Investments		7,630	7,630	7,111
Due from other funds		<u>135</u>	<u>217</u>	<u>12</u>
Total Assets	\$	<u>\$ 10,372</u>	<u>\$ 10,507</u>	<u>\$ 9,648</u>
<b>LIABILITIES AND FUND EQUITY</b>				
Liabilities:				
Accounts payable and accrued liabilities	\$	\$ 32	\$ 32	\$
Fund equity:				
Net assets:				
Unrestricted		<u>135</u>	<u>10,340</u>	<u>10,475</u>
Total Liabilities and Fund Equity	\$	<u>\$ 10,372</u>	<u>\$ 10,507</u>	<u>\$ 9,648</u>

## TOWN OF ENFIELD, CONNECTICUT

## INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET ASSETSFOR THE YEAR ENDED JUNE 30, 2007  
WITH COMPARATIVE TOTALS FOR 2006  
(In Thousands)

	Information Technology Fund	Self Insurance Fund	Totals	
			2007	2006
Operating revenues:				
Charges for services	\$ 135	\$ 1,020	\$ 1,155	\$ 1,019
Operating expenses:				
Employee benefits		1,002	1,002	1,083
Operating income (loss)	135	18	153	(64)
Nonoperating revenues:				
Revenues from use of money		674	674	448
Income before transfers	135	692	827	384
Transfers out				(90)
Change in Net Assets	135	692	827	294
Total Net Assets at Beginning of Year	-	9,648	9,648	9,354
Total Net Assets at End of Year	\$ 135	\$ 10,340	\$ 10,475	\$ 9,648

**TOWN OF ENFIELD, CONNECTICUT**  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2007 WITH**  
**COMPARATIVE TOTALS FOR 2006**

	<u>Information Technology Fund</u>	<u>Self Insurance Fund</u>	<u>Totals</u>	
			<u>2007</u>	<u>2006</u>
Cash flow from operating activities:				
Cash received from charges for services and contributions	\$ 135	\$ 1,020	\$ 1,155	\$ 1,084
Cash paid for claims, premiums and fees		(970)	(970)	(1,100)
Net cash provided by (used in) operating activities	<u>135</u>	<u>50</u>	<u>185</u>	<u>(16)</u>
Cash flows from noncapital financing activities:				
Payments from (to) other funds	(135)	(70)	(205)	
Cash flows from investing activities:				
Income on investments		155	155	179
Net increase in cash and cash equivalents	-	135	135	163
Cash and cash equivalents at Beginning of Year		<u>2,525</u>	<u>2,525</u>	<u>2,362</u>
Cash and Cash Equivalents at End of Year	<u>\$ -</u>	<u>\$ 2,660</u>	<u>\$ 2,660</u>	<u>\$ 2,525</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:				
Operating income (loss)	\$ 135	\$ 18	\$ 153	\$ (64)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
(Increase) decrease in assets:				
Due from other funds				65
Increase (decrease) in liabilities:				
Accounts payable		32	32	(17)
Net Cash Provided by (Used in) Operating Activities	<u>\$ 135</u>	<u>\$ 50</u>	<u>\$ 185</u>	<u>\$ (16)</u>
Noncash investment activities:				
Net increase in fair value of investments	<u>\$ -</u>	<u>\$ 519</u>	<u>\$ 519</u>	<u>\$ 269</u>

## **Fiduciary Funds**

## **FIDUCIARY FUNDS**

### **Agency Funds**

Agency funds are custodial in nature and do not involve measurement of results of operations, but are merely clearing accounts. There is no fund equity. The Town has seven agency funds: The Student Activity Funds, Performance Bonds Fund, Employee Insurance - Board of Education Fund, Cultural Arts Commission Fund, Smyth Bus Contract Bond Fund, Asnuntuck Community College Fund, and National Purple Heart Museum Fund. The Student Activity Funds account for monies generated by student activities in the Enfield School System.

## TOWN OF ENFIELD, CONNECTICUT

COMBINING BALANCE SHEET  
AGENCY FUNDSJUNE 30, 2007  
(In Thousands)

	<u>Student Activity</u>	<u>Employee Insurance Board of Education</u>	<u>Performance Bonds</u>	<u>Cultural Arts Commission</u>	<u>Asnuntuck Community College</u>	<u>Smyth Bus Contract Bond</u>	<u>National Purple Heart Museum</u>	<u>Balance June 30, 2007</u>
<b>ASSETS</b>								
Cash	\$ 444	\$ 18	\$ 699	\$ 22	\$ 158	\$	\$	\$ 1,341
Investments	5					100		105
Other			178		8		4	190
Total Assets	<u>\$ 449</u>	<u>\$ 18</u>	<u>\$ 877</u>	<u>\$ 22</u>	<u>\$ 166</u>	<u>\$ 100</u>	<u>\$ 4</u>	<u>\$ 1,636</u>
<b>LIABILITIES</b>								
Accounts payable	<u>\$ 449</u>	<u>\$ 18</u>	<u>\$ 877</u>	<u>\$ 22</u>	<u>\$ 166</u>	<u>\$ 100</u>	<u>\$ 4</u>	<u>\$ 1,636</u>

## TOWN OF ENFIELD, CONNECTICUT

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUNDSFOR THE YEAR ENDED JUNE 30, 2007  
(In Thousands)

	<u>Balance</u> <u>July 1, 2006</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2007</u>
Assets:				
Cash and cash equivalents:				
Student activity funds	\$ 412	\$ 886	\$ 854	\$ 444
Employee insurance - Board of Education	17	31	30	18
Performance bonds	1,384	311	996	699
Cultural Arts Commission	23	6	7	22
Asnuntuck Community College	184	35	61	158
Total cash and cash equivalents	<u>2,020</u>	<u>1,269</u>	<u>1,948</u>	<u>1,341</u>
Investments:				
Student activity funds	5			5
Smyth Bus Contract Bond	100			100
Total investments	<u>105</u>			<u>105</u>
Other:				
Performance bonds	275		97	178
Asnuntuck Community College	6	32	30	8
National Purple Heart Museum	4			4
Total other	<u>285</u>	<u>32</u>	<u>127</u>	<u>190</u>
Total Assets	<u>\$ 2,410</u>	<u>\$ 1,301</u>	<u>\$ 2,075</u>	<u>\$ 1,636</u>
Liabilities:				
Accounts payable:				
Student activity funds	\$ 417	\$ 886	\$ 854	\$ 449
Employee insurance - Board of Education	17	31	30	18
Performance bonds	1,659	311	1,093	877
Cultural Arts Commission	23	6	7	22
Asnuntuck Community College	190	67	91	166
Smyth Bus Contract Bond	100			100
National Purple Heart Museum	4			4
Total Liabilities	<u>\$ 2,410</u>	<u>\$ 1,301</u>	<u>\$ 2,075</u>	<u>\$ 1,636</u>

**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 an initial, individual cost of more than \$5,000 for equipment and \$20,000 for improvements. Infrastructure assets are recorded based on a threshold of \$100,000. Provision for depreciation is not included in the schedules.

## TOWN OF ENFIELD, CONNECTICUT

## CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS

## COMPARATIVE SCHEDULE BY SOURCE

JUNE 30, 2007 AND 2006  
(In Thousands)

	<u>2007</u>	<u>2006</u>
Governmental Funds Capital Assets:		
Land	\$ 11,609	\$ 11,575
Buildings	36,662	36,662
Building improvements	40,190	9,789
Machinery and equipment	5,639	4,452
Vehicles	8,791	8,307
Infrastructure	160,035	136,495
Construction in progress	<u>15,213</u>	<u>64,702</u>
Total	<u>\$ 278,139</u>	<u>\$ 271,982</u>
Investments in Governmental Funds Capital Assets		
By Source:		
General fund	\$ 66,748	\$ 63,894
Special revenue	4,175	6,266
Capital projects	206,050	200,656
Donations	<u>1,166</u>	<u>1,166</u>
Total	<u>\$ 278,139</u>	<u>\$ 271,982</u>

## TOWN OF ENFIELD, CONNECTICUT

CAPITAL ASSET USED IN THE OPERATION OF GOVERNMENTAL FUNDS  
SCHEDULE BY FUNCTION AND ACTIVITYJUNE 30, 2007  
(In Thousands)

	Land	Buildings	Building Improvements	Vehicles	Machinery and Equipment	Infrastructure	Construction in Progress	Total
General Government:								
Town Council	\$ 6,347	\$ 3,380	\$ 968	\$	\$ 8	\$	\$	\$ 10,703
Town Manager		22		23	23			68
Data Processing and MIS					1,041			1,041
Town Attorney					5			5
Town Clerk					13			13
Records manager					5			5
Treasury					8			8
General services					15		68	83
Total general government	<u>6,347</u>	<u>3,402</u>	<u>968</u>	<u>23</u>	<u>1,118</u>	<u>-</u>	<u>68</u>	<u>11,926</u>
Public Safety:								
Protection of life and property	298	3,408	115	1,505	579			5,905
Civil preparedness				92				92
Total public safety	<u>298</u>	<u>3,408</u>	<u>115</u>	<u>1,597</u>	<u>579</u>	<u>-</u>	<u>-</u>	<u>5,997</u>
Recreation:								
Administration	784	686	680	113	145	5	719	3,132
Maintenance					42		50	92
Total recreation	<u>784</u>	<u>686</u>	<u>680</u>	<u>113</u>	<u>187</u>	<u>5</u>	<u>769</u>	<u>3,224</u>
Public Works:								
Public works administration	2,443	429	77	17	18			2,984
Engineering				31	36		751	818
Building inspection				21				21
Maintenance/buildings and grounds	83	949	521	402	525			2,480
Highway and sanitation supervision		350	223	2,366	206	76,356	1,621	81,122
Equipment maintenance and repair		17	28	196	167			408
Refuse collection		7	7	2,700	74		116	2,904
Water pollution	106	8,351	6,824	988	987	83,674	19	100,949
Total public works	<u>2,632</u>	<u>10,103</u>	<u>7,680</u>	<u>6,721</u>	<u>2,013</u>	<u>160,030</u>	<u>2,507</u>	<u>191,686</u>
Health/Social Services:								
Human services		104	6		46			156
Adult day care		557	10		6			573
Child day care		45	20		25			90
Senior Center	5	644	23		6		4,287	4,965
Youth services				19				19
Family Resource Center		145						145
Total health/social services	<u>5</u>	<u>1,495</u>	<u>59</u>	<u>19</u>	<u>83</u>	<u>-</u>	<u>4,287</u>	<u>5,948</u>
Public Library	<u>100</u>	<u>520</u>	<u>837</u>		<u>257</u>			<u>1,714</u>
Planning and Development:								
Community development							96	96
Board of Education	<u>1,443</u>	<u>17,048</u>	<u>29,851</u>	<u>318</u>	<u>1,402</u>		<u>7,486</u>	<u>57,548</u>
Total	<u>\$ 11,609</u>	<u>\$ 36,662</u>	<u>\$ 40,190</u>	<u>\$ 8,791</u>	<u>\$ 5,639</u>	<u>\$ 160,035</u>	<u>\$ 15,213</u>	<u>\$ 278,139</u>

## TOWN OF ENFIELD, CONNECTICUT

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS  
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY

FOR THE YEAR ENDED JUNE 30, 2007

(In Thousands)

	<u>Balance</u> <u>July 1, 2006</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2007</u>
General Government:				
Town Council	\$ 10,669	\$ 34	\$	\$ 10,703
Town Manager	50	18		68
Information technology	1,028	13		1,041
Town Attorney	5			5
Town Clerk	13			13
Records Manager	5			5
Treasury	8			8
General services	6	77		83
Total general government	<u>11,784</u>	<u>142</u>	<u>-</u>	<u>11,926</u>
Public Safety:				
Protection of life and property	5,858	119	72	5,905
Civil preparedness	92			92
Total public safety	<u>5,950</u>	<u>119</u>	<u>72</u>	<u>5,997</u>
Recreation:				
Administration	3,172		40	3,132
Maintenance	92			92
Total recreation	<u>3,264</u>	<u>-</u>	<u>40</u>	<u>3,224</u>
Public Works:				
Public works administration	2,984			2,984
Engineering	800	18		818
Building inspection	21			21
Maintenance/buildings and grounds	2,137	350	7	2,480
Highway and sanitation supervision	78,067	3,055		81,122
Equipment maintenance and repair	408			408
Refuse collection	2,633	271		2,904
Water pollution	100,685	281	17	100,949
Total public works	<u>187,735</u>	<u>3,975</u>	<u>24</u>	<u>191,686</u>
Health/Social Services:				
Human services	189		33	156
Adult day care	563	10		573
Child day care	90			90
Senior Center	4,905	23		4,928
Youth services	19	37		56
Family Resource Center	145			145
Total Health/Social Services	<u>5,911</u>	<u>70</u>	<u>33</u>	<u>5,948</u>
Public Library	<u>1,273</u>	<u>441</u>		<u>1,714</u>
Planning and Development:				
Community development	<u>110</u>		<u>14</u>	<u>96</u>
Board of Education	<u>55,955</u>	<u>1,593</u>	<u>-</u>	<u>57,548</u>
Total	<u>\$ 271,982</u>	<u>\$ 6,340</u>	<u>\$ 183</u>	<u>\$ 278,139</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 ENFIELD, CONNECTICUT

## NET ASSETS BY COMPONENT

## LAST FIVE FISCAL YEARS

(In Thousands)

	FISCAL YEAR				
	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Governmental activities:					
Invested in capital assets, net of related debt	\$ 183,330	\$ 94,180	\$ 84,843	\$ 75,912	\$ 72,664
Restricted	62	60	58	61	17,584
Unrestricted	<u>34,133</u>	<u>31,799</u>	<u>37,249</u>	<u>41,825</u>	<u>14,183</u>
Total Governmental Activities Net Assets	<u>\$ 217,525</u>	<u>\$ 126,039</u>	<u>\$ 122,150</u>	<u>\$ 117,798</u>	<u>\$ 104,431</u>

## Notes:

- (1) Schedule prepared on the accrual basis of accounting.
- (2) The Town began to report accrual information when it implemented GASB Statement No. 34 in fiscal year 2003.
- (3) The Town began to report retroactive infrastructure in accordance with GASB Statement No. 34 in fiscal year 2007.

## TOWN OF ENFIELD, CONNECTICUT

**CHANGES IN NET ASSETS  
LAST FIVE FISCAL YEARS  
(In Thousands)**

	FISCAL YEAR				
	2007	2006	2005	2004	2003
Expenses:					
Governmental activities:					
General government	\$ 5,680	\$ 5,238	\$ 4,885	\$ 5,066	\$ 4,875
Public safety	11,094	11,194	8,693	8,742	9,071
Recreation	521	438	881	1,124	1,194
Public works	20,209	18,511	16,961	12,152	13,776
Health/Social services	8,255	7,706	6,574	6,319	4,445
Library	1,741	1,757	1,712	1,709	1,449
Planning and development	789	809	750	679	585
Intergovernmental and Interagency	347	431	331	442	376
Education	81,709	79,465	71,802	72,542	69,544
Interest on long-term debt	950	1,062	1,191	1,302	1,371
Total governmental activities expenses	<u>131,295</u>	<u>126,611</u>	<u>113,780</u>	<u>110,077</u>	<u>106,686</u>
Program revenues:					
Governmental activities:					
Charges for services	10,714	9,783	8,323	6,790	6,257
Operating grants and contributions	37,194	36,301	32,722	31,580	31,391
Capital grants and contributions	5,392	1,794	800	11,055	8,145
Total governmental activities program revenues	<u>53,300</u>	<u>47,878</u>	<u>41,845</u>	<u>49,425</u>	<u>45,793</u>
Net (expense) revenue:					
Governmental activities	<u>(77,995)</u>	<u>(78,733)</u>	<u>(71,935)</u>	<u>(60,652)</u>	<u>(60,893)</u>
General revenues and other changes in net assets:					
Governmental activities:					
Property taxes	76,232	73,141	69,612	68,035	64,972
Grants and contributions not restricted to specific purposes	5,727	4,670	4,030	3,625	3,932
Unrestricted investment earnings	2,975	2,128	2,374	1,226	1,400
Miscellaneous	709	383	270	175	
Total governmental activities	<u>85,643</u>	<u>80,322</u>	<u>76,286</u>	<u>73,061</u>	<u>70,304</u>
Changes in Net Assets:					
Governmental Activities	<u>\$ 7,648</u>	<u>\$ 1,589</u>	<u>\$ 4,351</u>	<u>\$ 12,409</u>	<u>\$ 9,411</u>

## Notes:

- (1) Schedule prepared on the accrual basis of accounting.
- (2) The Town began to report accrual information when it implemented GASB Statement No. 34 in fiscal year 2003.
- (3) The Town began to report retroactive infrastructure in accordance with GASB Statement No. 34 in fiscal year 2007.

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

	<b>FISCAL YEAR</b>									
	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>	<b>2000</b>	<b>1999</b>	<b>1998</b>
General Fund:										
Reserved	\$ 2,007	\$ 1,678	\$ 1,986	\$ 2,709	\$ 4,670	\$ 3,835	\$ 1,891	\$ 2,066	\$ 1,398	\$ 1,242
Unreserved	<u>17,888</u>	<u>16,745</u>	<u>17,027</u>	<u>14,987</u>	<u>12,587</u>	<u>13,816</u>	<u>13,746</u>	<u>14,287</u>	<u>14,807</u>	<u>14,676</u>
Total General Fund	<u>\$ 19,895</u>	<u>\$ 18,423</u>	<u>\$ 19,013</u>	<u>\$ 17,696</u>	<u>\$ 17,257</u>	<u>\$ 17,651</u>	<u>\$ 15,637</u>	<u>\$ 16,353</u>	<u>\$ 16,205</u>	<u>\$ 15,918</u>
All other governmental funds:										
Reserved	\$ 10,395	\$ 5,100	\$ 2,857	\$ 9,048	\$ 12,915	\$ 15,096	\$ 1,794	\$ 3,242	\$ 81	\$ 61
Unreserved, reported in:										
Special revenue funds	42	(1,950)	(188)	9,122	10,687	12,141	8,705	8,650	7,937	7,514
Capital projects funds	(812)	6,481	11,139	11,388	7,627	4,631	13,620	13,217	18,881	9,088
Permanent funds	<u>23</u>	<u>21</u>	<u>19</u>	<u>20</u>	<u>28</u>	<u>          </u>				
Total All Other Governmental Funds	<u>\$ 9,648</u>	<u>\$ 9,652</u>	<u>\$ 13,827</u>	<u>\$ 29,578</u>	<u>\$ 31,257</u>	<u>\$ 31,868</u>	<u>\$ 24,119</u>	<u>\$ 25,109</u>	<u>\$ 26,899</u>	<u>\$ 16,663</u>

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## Notes:

- (1) Schedule prepared on the modified accrual basis of accounting.
- (2) Insurance Fund reclassified as an internal service fund in fiscal year 2005.

TOWN OF ENFIELD, CONNECTICUT

TABLE 4

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS  
(In Thousands)

	FISCAL YEAR									
	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Revenues:										
Property taxes	\$ 75,769	\$ 72,430	\$ 69,645	\$ 68,363	\$ 64,766	\$ 60,542	\$ 56,459	\$ 53,489	\$ 50,824	\$ 50,397
Intergovernmental	48,089	42,401	36,756	45,857	43,038	42,234	37,442	37,192	39,428	34,223
Charges for services	11,188	10,199	9,122	6,962	6,436	5,384	4,578	1,830	1,591	2,084
Contribution	199	238	151	443	118					
Income from investments	2,301	1,680	985	1,226	1,400	2,657	3,184	3,233	2,558	2,540
Other income	32	143	57	44		3,054	1,655	2,913	2,440	6,360
Total revenues	<u>137,578</u>	<u>127,091</u>	<u>116,716</u>	<u>122,895</u>	<u>115,758</u>	<u>113,871</u>	<u>103,318</u>	<u>98,657</u>	<u>96,841</u>	<u>95,604</u>
Expenditures:										
General government	4,220	3,952	3,715	3,386	3,438	3,687	3,819	2,874	2,834	2,488
Public safety	7,624	8,464	6,822	6,806	6,901	6,827	6,490	6,172	6,069	5,605
Recreation	421	415	492	500	485	663	599	575	715	1,163
Public works	12,962	13,521	13,431	11,293	11,712	9,588	10,172	10,070	11,594	10,887
Health/social services	7,015	5,948	5,326	4,442	3,362	2,735	2,868	2,684	2,507	2,472
Library	1,265	1,201	1,188	1,074	1,050	1,071	967	871	852	795
Planning and development	728	729	702	636	629	617	634	611	609	542
Intergovernmental and interagency	347	431	331	442	376	368	363	395	744	665
Education	80,284	77,705	71,701	71,717	68,904	65,851	65,080	60,878	57,446	51,986
Nondepartmental	8,894	8,555	7,864	7,042	7,057	6,358	5,419	4,301	4,671	7,367
Capital outlay	8,376	6,983	7,352	13,899	24,107	18,908	7,273	7,064	5,057	4,984
Debt service:										
Principal	3,000	3,000	3,000	3,000	2,049	1,000	1,000	3,350	3,350	3,350
Interest	974	1,088	1,218	1,334	1,253	436	447	456	375	513
Total expenditures	<u>136,110</u>	<u>131,992</u>	<u>123,142</u>	<u>125,571</u>	<u>131,323</u>	<u>118,109</u>	<u>105,131</u>	<u>100,301</u>	<u>96,823</u>	<u>92,817</u>
Excess of Revenue Over (Under) Expenditures	<u>1,468</u>	<u>(4,901)</u>	<u>(6,426)</u>	<u>(2,676)</u>	<u>(15,565)</u>	<u>(4,238)</u>	<u>(1,813)</u>	<u>(1,644)</u>	<u>18</u>	<u>2,787</u>
Other Financing Sources (Uses):										
Proceeds from bonds					14,500	14,000				
Proceeds from leases		51								
Transfers in	8,248	8,374	8,133	6,057	8,103	6,768	7,772	6,461	6,579	6,555
Transfer out	(8,248)	(8,269)	(8,133)	(6,057)	(8,103)	(6,768)	(7,772)	(6,461)	(6,579)	(6,555)
Total other financing sources (uses)	<u>-</u>	<u>156</u>	<u>-</u>	<u>-</u>	<u>14,500</u>	<u>14,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ 1,468</u>	<u>\$ (4,745)</u>	<u>\$ (6,426)</u>	<u>\$ (2,676)</u>	<u>\$ (1,065)</u>	<u>\$ 9,762</u>	<u>\$ (1,813)</u>	<u>\$ (1,644)</u>	<u>\$ 18</u>	<u>\$ 2,787</u>
Debt Service as a Percentage of Noncapital Expenditures	3.1%	5.7%	3.7%	4.0%	3.2%	1.5%	1.5%	4.3%	4.2%	4.6%

Note: Schedule prepared on the modified accrual basis of accounting.

## TOWN OF ENFIELD, CONNECTICUT

## ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS  
(In Thousands)

Fiscal Year	Real Property			Personal Property	Motor Vehicle	Less Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage of Actual Taxable Value
	Residential	Commercial Industrial	Land							
2007	\$ 1,211,014	\$ 472,041	\$ 21,321	\$ 182,567	\$ 235,424	\$ 38,735	\$ 2,083,632	36.18	\$ 2,976,617	70%
2006	1,202,479	458,176	20,824	173,138	222,785	32,369	2,045,033	35.2	2,921,476	70%
2005	1,192,245	452,376	19,092	175,636	204,228	32,390	2,011,187	34.24	2,873,124	70%
2004	1,184,165	455,011	19,658	175,219	214,831	30,496	2,018,388	33.43	2,883,411	70%
2003	1,175,888	449,718	20,912	174,400	209,810	38,677	1,992,051	32.15	2,845,787	70%
2002	1,068,722	400,232	19,048	177,107	205,248	40,778	1,829,579	32.6	2,613,684	70%
2001	1,062,305	398,366	20,246	171,487	195,386	42,730	1,805,060	30.87	2,578,657	70%
2000	1,049,628	389,626	20,793	165,226	179,632	38,460	1,766,445	29.62	2,523,493	70%
1999	663,639	285,622	493,644	155,295	170,510	41,166	1,727,544	28.95	2,467,920	70%
1998	655,605	286,375	492,470	155,832	170,128	44,449	1,715,961	28.95	2,451,373	70%

Source: Town of Enfield Office of Tax Assessor

Note:

(1) Revaluation completed effective October 1, 2001. The basis of assessment is 70% of the 2001 fair market value.



**TOWN OF ENFIELD, CONNECTICUT**  
**PRINCIPAL PROPERTY TAX PAYERS**  
**CURRENT YEAR AND NINE YEARS AGO**  
**(In Thousands)**

<u>Taxpayer</u>	<u>October 1, 2005*</u>			<u>October 1, 1996</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Town Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Town Taxable Assessed Value</u>
Lego Building Corporation	\$ 61,811	1	2.96 %	\$ 53,960	1	3.14 %
Hallmark Cards, Inc.	43,886	2	2.10	36,348	3	2.12
Mass Mutual Insurance	36,149	3	1.73			
Enfield Square, LLC	26,526	4	1.27			
Casual Corner Group	21,465	5	1.03	24,770	4	1.44
Connecticut Light & Power	19,360	6	0.93	12,918	7	0.75
Gateway Conn Properties	12,855	7	0.62	8,382	8	0.49
Northland Bigelow Com, Ltd.	11,643	8	0.56			
Galileo Freshwater Stateline	11,512	9	0.55			
Galileo Enfield Commons	10,871	10	0.52			
Phoenix Home Life Mutual				40,872	2	2.38
Centermark Properties				15,379	5	0.90
CHFA				7,758	9	0.45
Stateline Realty Assoc.				12,925	6	0.75
Parkside Associates				7,738	10	0.45
<b>Total</b>	<u>\$ 256,078</u>		<u>12.27 %</u>	<u>\$ 221,050</u>		<u>12.87 %</u>

Source: Town of Enfield, Office of Tax Assessor

\*Fiscal year July 1, 2006 - June 30, 2007

**TOWN OF ENFIELD, CONNECTICUT**  
**PROPERTY TAX LEVIES AND COLLECTIONS**

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

<b>Fiscal Year Ended June 30,</b>	<b>Tax Rate in Mills</b>	<b>Collected Within the Fiscal Year of Levy</b>			<b>Total Collections to Date</b>		
		<b>Taxes Levied for the Fiscal Year</b>	<b>Amount</b>	<b>Percentage of Levy</b>	<b>Collection in Subsequent Years</b>	<b>Amount</b>	<b>Percentage of Levy</b>
2007	36.18	\$ 75,636	\$ 73,763	97.52%	\$	\$ 73,763	97.52%
2006	35.2	72,224	70,454	97.55%	679	71,133	98.49%
2005	34.24	69,019	67,654	98.02%	892	68,546	99.31%
2004	33.43	67,420	65,868	97.70%	1,459	67,327	99.86%
2003	32.15	63,964	62,366	97.50%	1,570	63,936	99.96%
2002	32.6	59,714	58,301	97.63%	1,359	59,660	99.91%
2001	30.87	55,837	54,504	97.61%	1,298	55,802	99.94%
2000	29.62	52,595	51,344	97.62%	1,224	52,568	99.95%
1999	28.95	49,987	48,767	97.56%	1,198	49,965	99.96%
1998	28.95	49,500	48,207	97.39%	1,274	49,481	99.96%

Source: Tax Collector's Report; Comprehensive annual financial report

**TOWN OF ENFIELD, CONNECTICUT**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
**LAST TEN FISCAL YEARS**  
**(In Thousands, Except Per Capita)**

<b>Fiscal Year</b>	<b>Governmental Activities</b>		<b>Total Primary Government</b>	<b>Ratio of Debt to Taxable Assessed Value</b>	<b>Debt Per Capita</b>
	<b>General Obligation Bonds</b>	<b>Capital Leases</b>			
2007	\$ 22,500	\$ 23	\$ 22,523	1.10%	\$ 501
2006	25,500	38	25,538	1.25%	568
2005	28,500		28,500	1.42%	633
2004	31,500		31,500	1.56%	692
2003	34,500		34,500	1.73%	760
2002	22,000		22,000	1.20%	486
2001	9,000		9,000	0.50%	199
2000	10,000		10,000	0.57%	232
1999	3,350		3,350	0.19%	78
1998	6,700		6,700	0.39%	148

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

## TOWN OF ENFIELD, CONNECTICUT

## DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

JUNE 30, 2007  
(In Thousands)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Shares of Direct and Overlapping Debt</u>
Debt repaid with property taxes:			
North Thompsonville Fire District	\$ 835	100 %	\$ 835
Enfield Fire District	<u>1,270</u>	100	<u>1,270</u>
Subtotal, overlapping debt	2,105		2,105
Town Direct Debt	<u>22,523</u>		<u>22,523</u>
Total Direct and Overlapping Debt	<u>\$ 24,628</u>		<u>\$ 24,628</u>

## TOWN OF ENFIELD, CONNECTICUT

## SCHEDULE OF DEBT LIMITATION

**JUNE 30, 2007**  
**(UNAUDITED)**  
**(In Thousands)**

Tax Collections (Including Interest and Lien Fees) for the Year Ended June 30, 2007					\$ 83,174
Reimbursement for Revenue Loss On: Elderly Freeze					<u>5</u>
BASE					<u>\$ 83,179</u>
	<u>General Purpose</u>	<u>Schools</u>	<u>Sewers</u>	<u>Urban Renewal</u>	<u>Pension Deficit</u>
Debt Limitation:					
2-1/4 times base	\$ 187,153	\$	\$	\$	\$
4-1/2 times base		374,306			
3-3/4 times base			311,921		
3-1/4 times base				270,332	
3 times base					249,537
Total debt limitation	<u>187,153</u>	<u>374,306</u>	<u>311,921</u>	<u>270,332</u>	<u>249,537</u>
Indebtedness:					
Bonds payable	9,208	13,292			
Fire District debt	<u>2,105</u>				
Total indebtedness	<u>11,313</u>	<u>13,292</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt Limitation in Excess of Outstanding and Authorized Debt	<u>\$ 175,840</u>	<u>\$ 361,014</u>	<u>\$ 311,921</u>	<u>\$ 270,332</u>	<u>\$ 249,537</u>
Total Capacity of Borrowing (7 times Base)					\$ 582,253
Total Present Indebtedness					<u>24,605</u>
Margin for Additional Borrowing					<u>\$ 557,648</u>

**TOWN OF ENFIELD, CONNECTICUT**  
**LEGAL DEBT MARGIN INFORMATION**  
**LAST TEN FISCAL YEARS**  
**(In Thousands)**

	FISCAL YEAR									
	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Debt Limitation	\$ 582,253	\$ 554,757	\$ 534,597	\$ 522,675	\$ 496,840	\$ 463,290	\$ 433,891	\$ 373,077	\$ 354,251	\$ 352,680
Total Net Debt Applicable to Limit	24,605	27,875	29,945	34,360	37,739	25,496	9,000	10,000	3,350	6,700
Legal Debt Margin	\$ 557,648	\$ 526,882	\$ 504,652	\$ 488,315	\$ 459,101	\$ 437,794	\$ 424,891	\$ 363,077	\$ 350,901	\$ 345,980
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	4.23%	5.02%	5.60%	6.57%	7.60%	5.50%	2.07%	2.68%	0.95%	1.90%

Source: Comprehensive annual financial report - Schedule of Debt Limitation

Note: See Table 11 for calculation of current year debt limitation.

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

**LAST TEN CALENDAR YEARS**  
**(In Thousands, Except Median Age)**

<u>Calendar Year</u>	<u>Population (1)</u>	<u>Per Capita Income (2)</u>	<u>Median Age (2)</u>	<u>School Enrollment (3)</u>	<u>Unemployment Rate (1)</u>
2007	45	\$ 22	37.3	7	4.7 %
2006	45	22	37.3	7	4.7
2005	45	22	37.3	7	4.9
2004	45	22	37.3	7	5.1
2003	45	22	37.3	7	4.5
2002	45	27	35.3	7	3.5
2001	45	27	35.3	7	2.3
2000	43	27	35.3	7	3.3
1999	43	27	35.3	7	3.8
1998	45	27	35.3	7	3.2

(1) Source: State of Connecticut Department of Health.

(2) Source: U.S. Department of Commerce, Bureau of the Census estimates.

(3) Source: Town of Enfield School Administration.

**TOWN OF ENFIELD, CONNECTICUT**  
**PRINCIPAL EMPLOYERS**  
**CURRENT YEAR AND NINE YEARS AGO**

Employer	Nature of Business	2007			1998		
		Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Mass Mutual Insurance	Insurance	1,950	1	8.02%			
Hallmark Cards, Inc.	Greeting Cards	860	2	3.54%	902	3	3.95%
Precision Camera	Camera Repair	500	3	2.06%			
Lego Building Corp.	Plastic Game Assembly	325	4	1.34%	1,055	1	4.62%
CUNO Inc.	Water Filters	300	5	1.23%	180		0.79%
Retail Brand Alliance	Retail	300	6	1.23%	500	5	2.19%
MeadWestvaco	Manufacturing	217	7	0.89%	163		0.71%
Martin Brower	Transportation	215	8	0.88%			
Phoenix	Insurance				1,000	2	4.38%
CT Dept. of Corrections	Detention Facilities				811	4	3.55%
Super Stop & Shop	Grocery				250	6	1.10%
J.C. Penney	Retail				200	7	0.88%
Olympia Sales Club Inc.	Wholesale				200	8	0.88%
Total		<u>4,667</u>		<u>19.20%</u>	<u>5,261</u>		<u>23.06%</u>

Source: Town of Enfield, Official Statement and Historical Reports

## TOWN OF ENFIELD, CONNECTICUT

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

## LAST TEN FISCAL YEARS

## FULL-TIME EQUIVALENT EMPLOYEES AS OF JUNE 30,

<u>Function/Program</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>
General government	64	64.6	66.41	62.18	63.21	61.7	61.7	61.7	61.7	61.7
Police	120	129.08	115/63	115.45	115.2	118.2	118.2	118.2	118.2	118.2
Refuse collection	19	20	18.5	17.5	19.5	20	20	20	20	20
Social Services	83	81.22	81.29	75.91	68.16	64.14	64.14	64.14	64.14	64.14
Other public works	69	70.49	66.99	65.97	67.97	64.97	64.97	64.97	64.97	64.97
Parks and recreation	3	3	3	3	3	3	3	3	3	3
Library	28	27.83	24.04	25.15	25.18	25.39	25.39	25.39	25.39	25.39
Education	<u>840.02</u>	<u>826</u>	<u>829</u>	<u>828</u>	<u>840</u>	<u>827</u>	<u>815</u>	<u>794</u>	<u>784</u>	<u>780</u>
Total	<u><u>1,226.02</u></u>	<u><u>1,222.22</u></u>	<u><u>1,204.86</u></u>	<u><u>1,193.16</u></u>	<u><u>1,202.22</u></u>	<u><u>1,184.40</u></u>	<u><u>1,172.40</u></u>	<u><u>1,151.40</u></u>	<u><u>1,141.40</u></u>	<u><u>1,137.40</u></u>

Source: Historical annual reports and departmental reports

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

Function/Program	FISCAL YEAR									
	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
General government:										
Building permits issued	1,979	2,486	2,413	2,463	1,957	2,083	1,949	1,985	2,071	1,998
Police:										
Physical arrests	3,336	3,269	1,657	1,889	1,877	2,028	1,759	1,782	1,743	1,624
Parking violations	619	546	657	669	847	558	636	537	442	383
Traffic violations	9,256	8,294	7,756	6,610	6,559	9,000	7,847	9,516	9,520	10,188
Refuse collection:										
Refuse collected (tons per day)	68.88	67.91	61.28	61.33	55.79	58.44	57.99	50.87	56.30	48.28
Recyclables (tons per day)	10.89	11.29	10.50	18.63	11.55	11.27	11.6	11.4	12	10.8
Library:										
Volumes in collection	136,109	143,148	139,584	135,459	129,486	124,602	139,610	n/a	n/a	n/a
Total volumes borrowed	330,551	334,204	337,483	333,835	314,311	266,309	225,278	215,000	n/a	n/a
Wastewater:										
Average daily sewage treatment (thousands of gallons)	5,200	5,336	5,729	4,410	4,574	4,696	4,355	4,333	4,657	4,757

Source: Historical departmental reports

n/a: Information not available.

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

<b>Function/Program</b>	<b>FISCAL YEAR</b>									
	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>	<b>2000</b>	<b>1999</b>	<b>1998</b>
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Zone offices	2	2	2	2	2	2	2	1	1	1
Patrol units	7	7	7	7	7	7	7	7	7	7
Fire stations	6	6	6	6	6	6	6	6	6	6
Refuse collection:										
Collection trucks	10	10	9	10	11	7	7	7	7	10
Other public works:										
Streets (miles)	180	180	180	180	180	180	180	180	180	180
Highways (miles)	30	30	30	30	30	30	30	30	30	30
Streetlights	57	57	57	51	51	51	51	51	51	51
Traffic signals	8	8	9	8	8	8	8	8	8	8
Parks and recreation:										
Acreage	205	205	205	205	205	205	205	205	205	205
Playgrounds	10	10	10	10	10	10	10	10	10	10
Baseball/softball diamonds	30	30	30	30	30	30	30	30	30	30
Soccer/football fields	17	17	22	22	22	22	22	22	22	22
Community centers	2	2	1	1	1	1	1	1	1	1
Wastewater:										
Sanitary sewers (miles)	300	300	300	300	300	300	300	300	300	300
Storm sewers (miles)	400	400	400	400	400	400	400	400	400	400

Source: Historical departmental reports.