

Town of Newington Connecticut



Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2012

Comprehensive Annual Financial Report

of the

Town of Newington Connecticut

Fiscal Year Ended June 30, 2012

Prepared by:
Finance Department
Ann J. Harter
Director of Finance

TOWN OF NEWINGTON, CONNECTICUT
COMPREHENSIVE ANNUAL FINANCIAL REPORT

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Introductory Section

TOWN OF NEWINGTON, CONNECTICUT

PRINCIPAL OFFICIALS

Town Council

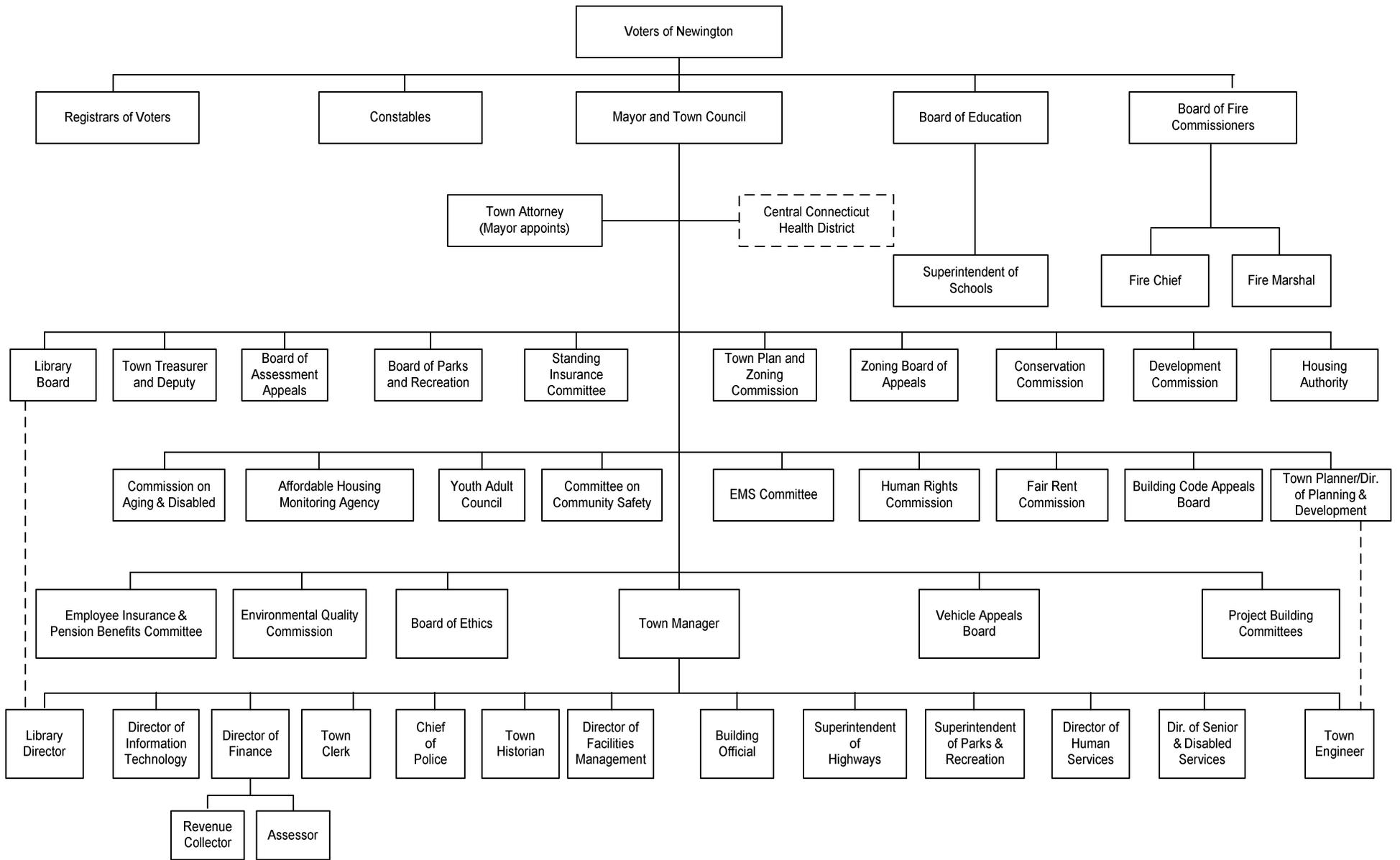
Stephen R. Woods, Mayor
Terry Borjeson
Jay Bottalico
R. Clarke Castelle
Myra Cohen
Beth A. Delbuono
Maureen Klett
Scott McBride
David Nagel

Board of Education

Marc B. Finkelstein, Chairperson
Sharon Braverman
Cynthia Zolad Callahan
Daniel W. Carson, Sr.
Nancy Petronio
Pamela Raynock
Joshua Shulman
Jane Ancona Siegel
David Tatem

Appointed Officials

John L. Salomone, Town Manager
William C. Collins, Superintendent of Schools
Ann J. Harter, Director of Finance





John Salomone
Town Manager

TOWN OF NEWINGTON

131 Cedar Street Newington, Connecticut 06111

Finance Department

Ann J. Harter
Director of Finance

December 7, 2012

John L. Salomone, Town Manager
Town of Newington
Newington, Connecticut

Dear Mr. Salomone:

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2012.

This report consists of management's representation concerning the financial statements of the Town of Newington. 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 Newington 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 Newington's financial statements in conformity with generally accepted accounting principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the Town of Newington'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. Management asserts that, to the best of its knowledge and belief, this financial report is complete and reliable in all material respects.

Blum, Shapiro & Company, Certified Public Accountants, have issued an unqualified ("clean") opinion on the Town of Newington's financial statements for the year ended June 30, 2012. The independent auditors' report is located at the front of the financial section of this report.

Generally accepted accounting practices 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 Newington's MD&A can be found immediately following the independent auditors' report.

Profile of the Town

The Town of Newington covers approximately 13.2 square miles and is located six miles southwest of Hartford. Newington is surrounded by West Hartford, Farmington, New Britain, Berlin, Rocky Hill, Wethersfield and Hartford. Newington is primarily a residential community; however, there is substantial industry scattered throughout the Town. The Berlin Turnpike (State Routes 5 and 15) is commercialized along its total length in Newington of 4.5 miles. The Town's population as of the 2010 Census was 30,562. The Town, originally part of the Town of Wethersfield, was settled in 1678 and incorporated in 1871. The Town functions under the Council-Manager form of government, adopted in 1966. A Charter Revision Commission was formed during the fiscal year and the Town Charter was adopted by referendum on November 6, 2012.

The Town Council is the budget-making authority and the legislative body of the Town. The Town Council consists of eight councilors and a mayor who is the presiding officer of the Council. The councilors and the mayor each are elected at-large for two year terms. The Town Council appoints the Town Manager who is the chief administrative officer of the Town. The Town Manager is responsible to the Council for the supervision and administration of Town departments and boards and commissions of the Town, except those elected by the people, or appointed by the Council, Mayor or a regional or state authority. The Council appoints the Town Treasurer and the Deputy Treasurer for a two year term and the Town's Auditor annually. The Board of Education consists of nine members who each are elected at-large for two year terms.

The financial administrator of the Town is the Director of Finance whom the Town Manager appoints. The Director of Finance oversees the Accounting division, the Assessor's office, and the Revenue Collector's office. The Administration and Accounting office administers and accounts for all Town funds. The Assessor's office discovers, lists and prices real estate, personal property, and motor vehicles for the purposes of taxation. The Revenue Collector's office bills, collects, processes, and deposits taxes, interest and fees on all taxable property in the town. The Town Treasurer oversees the Town's bank deposits and trust funds and countersigns all checks for payment with Town funds.

The Town provides the following municipal services as authorized in its charter: public safety (police, fire and emergency medical services); library and parks and recreation; sanitation; street construction and maintenance; health and social services; community development; education; public improvements; and general administrative services.

Economic Condition and Outlook

Newington's October 1, 2010 grand list increased by .4% over the prior year. This increase was primarily attributed to growth in motor vehicle which increased 4.2%. This unprecedented growth was attributable to residents purchasing new or higher valued cars at an unprecedented pace. The categories of real estate increased slightly by .1% and personal property increased by .9%. New condominiums at Woodlands and new construction to existing parcels provided the majority of the increase in this category. The Town continues to maintain a balanced mix of retail, manufacturing and light industry and its top ten taxpayers represented only about 6.58% of the total assessed value on the October 1, 2010 grand list. The Town's tax collection rate as of June 30, 2012 was 98.9%, a slight increase from the rate of 2011.

A review of key economic indicators shows that per capita income of Newington's residents is \$32,561, slightly below the statewide average of \$36,775; its median household income of \$72,726 exceeds the statewide average by \$2,021. Approximately 5.6% of the Town's families fall below poverty levels. According to the State Department of Labor, the Town's 2012 average unemployment rate of 7.0% compared favorably to the Hartford Labor Market of 8.7% and the statewide average of 8.3%.

For fiscal year-end 2012, building permit activity generated \$23 million in construction value, down from the prior year. Construction included several businesses along the Berlin Turnpike such as Plaza Azteca Restaurant, Rock Paper Scissors Hair Salon and Holiday Inn Express as well as various single family homes. The New Samaritan Corporation completed work on the New Meadow Senior Housing Project, a 32-unit affordable, age-restricted apartment building. This site is a 2.2 acre Town-owned parcel adjacent to Newington Housing Authority's Mill Street apartments, secured by a 99-year lease. The final site design included widening Mill Street, replacing sidewalks and lighting at the New Meadow apartments, and building a new 68-space parking lot for the Senior and Disabled Center under the HUD-funded Mill Street Extension project.

Long-term Financial Planning

Economic Development over the long term will enhance the Town financially. The recently adopted 2020 Conservation and Development Plan emphasizes the preservation of Newington's environmental resources, wetlands, flood plains and steep slopes along Cedar Mountain for open space protection. The Plan recommends strategies for the reuse of commercial and industrial sites to grow the Town's grand list. During the year the Town purchased twenty-eight acres of vacant land on Cedar Mountain as open space for \$2.6 million. To offset the cost of the acquisition the Town was awarded a \$1 million in state funding from the Department of Energy and Environmental Protection with the balance payable over the next five years as part of the Capital Improvement Plan. There are seventy three acres of property on Cedar Mountain for which Toll Brothers' has come before Town Plan and Zoning Commission to build a subdivision of homes on twenty nine acres and dedicate the remaining forty four acres as open space for public use. Along the Berlin Turnpike plans were approved for the redevelopment of the Maguire's Sports Bar property to replace the 8,600 sports bar/night club with a 23,800 square foot building and increased parking. This "gateway" location will accommodate a Bassett Furniture store, a bank, Starbucks and Chipotle Grill restaurant. Through a State of Connecticut Small Towns Economic Assistance Act Program (STEAP) and Town capital funds, improvements were substantially completed to the Market Square area to promote revitalization in the downtown business area. The Town contracted with an economic development consultant to market properties such as Northwood Plaza (a vacant property which once housed a several small retailers plus a medium sized grocery store) and to advise on the demolition and redevelopment of the National Welding Site. The property's proximity to Route 9 and Central Connecticut State University has the potential to be developed into a new industrial structure, office space or an educational facility. This former foundry property may have increased marketability with the construction of CTfastrak which began in May 2012. This new 9.4 mile, two-lane dedicated busway from New Britain to Hartford provides the region with an improved public transportation system to employment, educational and healthcare destinations. Two transit stations will be built in Newington providing increased access and development opportunities.

Newington has a successful Capital Improvement Program through which its goal is to maintain the Town's infrastructure and make improvements to and/or add community facilities to enhance the Town's overall image and services it provides to Town residents. To address the capital needs of the Town in a comprehensive fashion, the Town Council in November 2006 established a Capital Improvement Program Committee to provide a framework for the planning, scheduling and financing for the Town's multi- year capital improvement plan. Composed of Town Council (3) and Board of Education (2) members, with the assistance of Town and Board staff, this Committee's recommendations are advisory in nature, with policy decision making power left with the full Town Council. The Town's capital planning process includes 1) the evaluation of project priorities within the Town's ability to pay, public health and safety needs of its residents and legal mandates, 2) the integration of Town and Board of Education projects 3) financing plans for capital projects and 4) coordination of the capital plan with the annual operating budget. The Town's recommended funding level for capital improvements considers two components. First, the Town's Debt Management Policy advocates that the Town's total outstanding debt should not exceed \$30.0 million. Therefore, the maximum the Town will pay for future debt service payments is \$3.8 million. Secondly, recognizing the merits of the Town's Equipment Replacement Reserve Fund for vehicles, this concept was duplicated to all Town fixed assets (infrastructure and buildings). Therefore, \$2.5 million meets the objective to fund at a constant level equal to straight-line depreciation. The Town consistently budgets the base figure of \$6.3 million by which it is reduced by the amount required for principal and interest payments and the excess is used for "pay-as-you-go" projects.

The Town Council adopted an ordinance and the related Other Post Employment Benefits (OPEB) Trust agreement. Various documents were executed to establish the OPEB Trust with UBS Financial Services as Investment Advisor and Comerica Bank & Trust National Association as Trustee and Custodian. Per the latest actuarial evaluation, the total liability is \$18.6 million. The Town began to meet its long term obligation for Other Post Employment Benefits by annually funding contributions to the adopted OPEB Trust account.

Relevant Financial Policies

The Town has implemented key financial policies and management uses these as a guideline to maintain the financial stability and strength of the Town.

- **Budgetary Control** - Expenditures may not legally exceed budgeted appropriations at the department level. The Town Manager may transfer appropriations from one classification to another within the same department, except within the Board of Education, when the Manager deems it necessary for the proper administration of the Town. During the last six months of the fiscal year, the Town Council may transfer any unencumbered appropriation, except within the Board of Education, provided that the resolution making the transfer includes the certification of the Director of Finance that the balance of the appropriation is free of encumbrances. The Town Council may make a special appropriation provided that the resolution is \$125,000 or less and that the Director of Finance certifies that the amount to be appropriated is unencumbered and unappropriated in the Town’s treasury. Special appropriations between \$125,000 and \$325,000 require a Town ordinance. Special appropriations of more than \$325,000 require approval of the voters. Budgetary control is maintained by an encumbrance system. All purchases, except certain services as outlined in the Town’s Purchasing Manual, require a purchase requisition and a purchase order. In addition, purchases over \$5,000 require evidence that written quotations were received and that the lowest quote, consistent with quality, was selected. Town Charter requires formal competitive bids for expenditures over \$10,000. Funds are recorded as encumbered when the purchase order is issued and expenditures are recorded when the Town issues a check or incurs a liability.
- **Debt Policy** - In accordance with the Newington Town Council’s Debt Capacity Study completed in June 2002, the Town’s total outstanding debt should not exceed \$30.0 million. Additionally, Debt Service as a percent of total General Fund expenditures should not exceed 6%; outstanding bonded debt as a percent of assessed value should not exceed 2.0%; and outstanding bonded debt against the population on a per capita basis should not exceed \$1,000 per year. Applicable data with regard to debt at the end of the 2012 fiscal year is represented as follows:

	Amount	Ratio of Net Debt Service to Budget	Ratio of Bonded Debt to Grand List	Debt Per Capita
Total direct debt outstanding - bonds	11,690,000	2.29%	0.44%	\$383

- **Cash Management** - Connecticut law restricts investments of municipal funds to direct and indirect securities of the U.S. Government and deposits at qualified banks. Any uninsured and uncollateralized deposits were in institutions considered to be "qualified public depositories" covered under Connecticut General Statutes. State law requires that each financial institution accepting public deposits be responsible for pledging collateral for its own public deposits, based on each bank’s risk-based capital ratio. In addition, by Connecticut Statute, a public depository may not accept deposits from any one municipality which would exceed 75 percent of the capital of the depository. Cash temporarily idle during the fiscal year was invested principally in Cutwater Asset Management’s

Cooperative Liquid Assets Security System (CLASS) accounts, TD Bank, and the State of Connecticut Treasurer's Short-term Investment Fund (STIF). Short term interest rates remained low as a result of actions by the Federal Reserve throughout the year. By way of example, STIF, where the largest portion of the Town's idle cash is invested, yielded .17% in July 2010 and by year-end 2012 had decreased to .12%.

Major Initiatives

Significant portions of the Town's budget are the personnel costs within the Board of Education. A three year agreement was ratified between the Town and the Newington Teachers' Association which includes expense control measures such as a 0.0%, 2.25% and 3.75% wage increases for the next three consecutive fiscal years. Medical plan changes such as a three tier prescription plan plus a 10% increase in employee premium cost sharing rates over the term of the contract will achieve considerable budgetary savings in future years.

A Charter Revision Commission was charged with updating the current Town Charter which had not been amended in twenty years. Efforts were made to review all sections of the Charter with emphasis on monetary references to insure those amounts listed are set at reasonable levels for 2012 and beyond. Increases were made to the borrowing and special appropriations thresholds. Competitive bidding limits were improved allowing the Town to be more efficient due to the amount of bids required to be processed.

Capital improvements included the completion of several infrastructure projects such as pavement and drainage improvements to seven (7) roads, the reconstruction of Lawton Avenue, Great Oak Lane, a portion of the Company One Fire House parking lot, large section of the Mill Pond pathway, and a new parking area on the west side of Newington High School. As mentioned previously, New Meadow Elderly Housing project included physical improvements to Mill Street Extension creating a comprehensive campus atmosphere for the Senior and Disabled Center, the Housing Authority and the new housing development. Facility improvements included the design and construction of the Newington Schools Transition Academy which included the total renovation of the East wing of Town Hall for this new occupancy. As a result, the vacant lower level of the Town Hall was renovated to accommodate the move of the Building, Planning and Engineering departments to this area. Improvements to the Senior and Disabled Center included the installation of a new chiller with piping system replacing the failing cooling system and a new fire alarm system. The Town Hall security system was upgraded with the replacement of all locks within the building and surveillance equipment installations. A state-of-the-art audio / video system was installed in a lower level conference room to allow for the relocation of the Town Council meetings.

Other initiatives included finalizing a contract with a new provider for trash and recycling disposal resulting in significant savings.

Awards and Acknowledgements

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

The Town was awarded the Certificate of Achievement for Excellence in Financial Reporting for the fiscal year ended June 30, 2011 for the twentieth consecutive year. The Town intends to submit this report to GFOA for review under this program.

The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the entire staff of the Finance Department. My appreciation extends to all members of the Department who assisted and contributed to its preparation, in particular to Deputy Finance Director Lisa Rydecki. I would particularly like express my appreciation to Town Planner Edmund Meehan who retired from the Town in January 2012 after 25 years of service. His efforts were an integral part to the successful economic growth of the Town's Berlin Turnpike and downtown revitalization. This department looks to continue to provide the support and advice you will need in carrying out the policies of the Newington Town Council and addressing the many challenging issues confronting the Town in the years ahead.

Respectfully submitted,

A handwritten signature in black ink that reads "Ann J. Harter". The signature is written in a cursive, flowing style.

Ann J. Harter
Director of Finance

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Town of Newington
Connecticut

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2011

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.



Linda C. Dandison

President

Jeffrey R. Emer

Executive Director

Financial Section

BlumShapiro

Accounting | Tax | Business Consulting

Independent Auditors' Report

Members of the Town Council
Town of Newington, 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 Newington, Connecticut, as of and for the year ended June 30, 2012, which collectively comprise 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 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 Newington, Connecticut, as of June 30, 2012 and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 7, 2012 on our consideration of the Town of Newington, Connecticut's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 12 and the budgetary comparison information on pages 50 through 55 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Newington, Connecticut's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare 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 certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we do not express an opinion or provide any assurance on them.

Blum, Shapiro & Company, P.C.

December 7, 2012

TOWN OF NEWINGTON, CONNECTICUT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2012

This discussion and analysis of the Town of Newington, Connecticut's (Town) financial performance is provided by management to provide an overview of the Town's financial activities for the fiscal year ended June 30, 2012. Please read this MD&A in conjunction with the transmittal letter and the Town's financial statements, Exhibits I to IX.

FINANCIAL HIGHLIGHTS

- Net assets of our governmental activities increased by \$6.45 million, or 6.7%.
- Total cost of all of the Town's programs was \$110.9 million with no new programs added this year.
- During the year, the Town had expenses that were \$2.4 million less than the \$117.3 million generated in tax and other revenues for governmental programs.
- The resources available for appropriation were \$4.2 million more than budgeted for the General Fund. Expenditures were \$1.1 million less than appropriations.
- The General Fund reported a fund balance this year of \$18.6 million. On a budgetary basis, \$16.7 million represents the Town's fund balance; of this, \$2.25 million is assigned for 2012-13 budget.
- The tax collection rate was 98.9%, a slight increase of .1% from 2011.
- The Town of Newington's outstanding bonded debt at June 30, 2012 was \$11.7 million, a decrease of \$1.8 million or 13.5%, from the prior year. No bonds were authorized at referendum during the year.

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, are 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 non-financial 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:

- *Governmental activities* - The Town's basic services are reported here, including education, public safety, highways and streets, sanitation, health and social services, culture-recreation, public improvements, planning and zoning, and general administration. Property taxes, charges for services, and state and federal grants 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 Council establishes many other funds to help control and manage financial activities for particular purposes (like the Recreation Programs, Health Benefits Fund and the Employee Leave Liability Fund,) or to show that it is meeting legal responsibilities for using grants and other money (like grants received for education from the State and Federal governments and accounted for in the Special Revenue Fund). The Town's funds are divided into three categories: governmental, proprietary 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 Health Benefits Fund and Insurance Reserve Fund.
- *Fiduciary funds (Exhibits VIII and IX)* - The Town is the trustee, or fiduciary, for its employees' pension plans. 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

The Town's combined net assets increased from \$96.4 million to \$102.9 million. The analysis below focuses on the net assets (Table 1).

TABLE 1
NET ASSETS
(In Thousands)

	Governmental Activities	
	2012	2011
Current and other assets	\$ 48,015	\$ 45,955
Capital assets, net of accumulated depreciation	84,988	79,640
Total assets	<u>133,003</u>	<u>125,595</u>
Long-term debt outstanding	17,903	17,496
Other liabilities	12,244	11,697
Total liabilities	<u>30,147</u>	<u>29,193</u>
Net Assets:		
Invested in capital assets, net of debt	70,426	65,734
Restricted	657	685
Unrestricted	<u>31,773</u>	<u>29,983</u>
Total Net Assets	<u>\$ 102,856</u>	<u>\$ 96,402</u>

Net assets of the Town's governmental activities increased by \$6.5 million or 6.69% (\$102.9 million compared to \$96.4 million). 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 \$30 million at June 30, 2011 to \$31.8 million at the end of this year. The largest portion of the Town's net assets, \$70.4 million or 68%, reflects its investment in capital assets less any related debt used to acquire those assets that is still outstanding.

Governmental Activities

Change in net assets (Table 2) of the Town's governmental activities increased by \$6.5 million. Approximately 69% of the revenues were derived from property taxes, followed by 21% from operating grants, 6% from both charges for services and capital grants and contributions. The remaining 4% of revenues were derived from other grants that were not restricted for specific purposes and other revenue. Key elements of the increase are as follows:

- Property taxes increased by \$2.7 million or 3.5% during the year. Most of the increase is to support the program expenses of the Town.
- Operating grants and contributions significantly increased by \$3.2 million due to reimbursement of \$1.4 million for storm related expenses by Federal Emergency Disaster Agency (FEMA), an increase of \$1.4 million attributable to the on-behalf payments made by State of Connecticut for

Newington teachers retirement and \$738 thousand in federal funding from the American Recovery and Reinvestment Act (ARRA); consequently, Education expenses increased.

- Capital grants and contributions significantly increased by \$2.7 million due to state funding from Department Energy and Environment Protection of \$1 million to purchase land for open space, Department of Education reimbursements in the amount of \$1.1 million for school building projects and \$800 thousand from Department of Economic and Community Development for improvements to Mill Street and Market Square.
- The total cost of all programs and services was \$110.9 million.

TABLE 2
CHANGE IN NET ASSETS
(In Thousands)

	Governmental Activities	
	2012	2011
Revenues:		
Program revenues:		
Charges for services	\$ 3,286	\$ 3,369
Operating grants and contributions	24,946	21,729
Capital grants and contributions	3,647	908
General revenues:		
Property taxes	80,907	78,159
Grants and contributions not restricted to specific purposes	3,379	3,433
Unrestricted investment earnings	78	145
Other general revenues	1,068	396
Total revenues	<u>117,311</u>	<u>108,139</u>
Program expenses:		
General government	7,128	6,204
Public safety	12,062	11,426
Public works	10,597	9,669
Community planning and development	771	667
Health and community services	1,376	1,520
Library	2,118	2,010
Parks and recreation	3,074	2,534
Education	73,232	69,342
Interest on long-term debt	499	538
Total program expenses	<u>110,857</u>	<u>103,910</u>
Increase in Net Assets	<u>\$ 6,454</u>	<u>\$ 4,229</u>

The following analysis separately considers the operations of 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, which shows the financial burden placed on the Town’s taxpayers by each of these functions, increased by \$1.1 million (\$79 million compared to \$77.9 million). The most noteworthy change is as follows:

- The total cost of General Government increased due to costs attributable to personnel changes such as salary, employee benefits and insurance as well as improvements to facilities and information technology.

TABLE 3
Governmental Activities
(In Thousands)

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
General government	\$ 7,128	\$ 6,204	\$ 6,547	\$ 5,408
Public safety	12,062	11,426	11,771	11,094
Public works	10,597	9,669	8,681	8,982
Education	73,232	69,342	47,771	47,310
Parks and recreation	3,074	2,534	1,882	980
All others	4,764	4,735	2,326	4,130
Totals	\$ <u>110,857</u>	\$ <u>103,910</u>	\$ <u>78,978</u>	\$ <u>77,904</u>

FINANCIAL ANALYSIS OF THE GOVERNMENT’S FUNDS

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 \$29.3 million. Approximately 50% of the fund balance amount or \$14.4 million constitutes unassigned fund balance that is available for unforeseen contingencies and to offset future budgets over the long term. The second largest portion, \$9.2 million or 31%, is committed to be used only for the specific purposes such as a capital projects or grant related. The balance of \$5.7 million is primarily assigned to balance the subsequent year’s budget and to liquidate purchase orders. The Town had positive fund balances in all categories of net assets both for the governmental as a whole as well as for its separate governmental activities.

As highlighted in Exhibit IV, the combined fund balance increased by \$2.4 million (\$29.3 million compared to \$26.9 million). Included in this year’s total change in fund balance is an increase of \$1.6 million in the Town’s General Fund as well as an increase of \$.6 million in Capital Projects funds due to excess revenues over expenditures.

Proprietary Funds

The Town accounts for two funds in its proprietary funds. The Town's Health Benefits Fund and its Insurance Reserve Fund, both of which are self-funded programs and the Town's only business-type activities. Unrestricted net assets of both funds totaled \$3.8 million, a decrease of \$1 million from the prior year. This is mainly due to the performance of the Health Benefits Fund which experienced benefit payments (expenses) of \$604 thousand over revenue. The increase in expenses is attributable to an unprecedented large amount of high claim cases. The Insurance Reserve Fund is to pay for losses incurred through insurance deductibles and uninsured property and casualty losses.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Town's 2011-12 final budget of \$102.6 million increased \$1.7 million from the original budget amount of \$100.9. In late October 2011, an unprecedented blizzard-like snowstorm caused thousands of downed tree limbs, damaging utility wires and resulting in the Town declaring a state of emergency. In accordance with the Town Charter, the Town Council authorized a special appropriation from the General Fund balance to cover the unanticipated expenses related to provide debris removal, protective services and an emergency shelter that required significant financial resources above the 2011-12 original adopted budget. This incident was later declared a major disaster by President Obama, thus allowing reimbursement of up to 75% of eligible costs from FEMA.

By year-end, appropriations were successfully controlled resulting in actual final expenditures (including encumbrances) of \$101.5 million, leaving unexpended departmental appropriations totaling \$1.1 million at June 30, 2012. This year-end balance was a result of \$243 thousand of personnel savings due to a multitude of retirements, vacancies and other staffing changes in the Facilities Management, Engineering, Highway, Planning & Development, Human Services, Senior & Disabled Center and Grounds Maintenance departments. Consequently, a surplus of \$50 thousand in employee benefit and payroll tax related accounts was also realized. Education, which is the largest category of spending for the Town comprising approximately 60 percent of the total, had \$278 thousand remaining at year-end. The cost of solid waste services was \$111 thousand less than anticipated due to a reduction in the amount of refuse generated by residents. Favorable weather conditions attributed to a positive variance of \$143 thousand in the energy and fuel accounts.

On the revenue side, final actual revenues exceeded the original budget by \$4.2 million. Several key factors contributed to this positive variance of which the most significant is the reimbursement of \$1.4 million for storm related expenses by FEMA. The Town also benefited from a higher collection rate than anticipated on the current levy of property taxes, prior year taxes and the delinquent interest associated with these accounts resulting in \$1 million of additional revenues. A significant increase of \$1.1 million was received in several forms of municipal aid from the State of Connecticut including reimbursements of school building projects and a newly established Municipal Revenue Sharing Grant.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2012, the Town had \$85.0 million invested in a broad range of capital assets, including land, buildings, park facilities, vehicles and equipment, roads, bridges, and storm water lines - Table 4. This amount represents a net increase (including additions and deductions) of \$5.3 million or 6.7%, over last year.

TABLE 4
CAPITAL ASSETS (Net of Depreciation)
(In Thousands)

	Governmental Activities	
	<u>2012</u>	<u>2011</u>
Land	\$ 6,104	\$ 3,479
Intangible assets	2,770	2,770
Buildings and improvements	43,019	40,712
Equipment	8,161	8,473
Infrastructure	22,312	22,081
Construction in progress	<u>2,622</u>	<u>2,125</u>
Total	<u>\$ 84,988</u>	<u>\$ 79,640</u>

This year's major additions included (in thousands):

Land - Additions in the amount of \$2,625 were for the purchase of an open space parcel on Cedar Mountain and a small tract at Route 175 and Old Highway.

Buildings - Additions in the amount \$2,105 were due to heating, ventilation and air conditioning replacements at the Senior & Disabled Center and Lucy Robbins Welles Library, roof improvements at Fire Company #1, Parks Garage and John Wallace Middle School. Renovations to Newington High School included completion of a new kitchen floor, code compliance and installation of a wood shed for track and field sports program.

Land Improvements - Additions in the amount of \$2,035 were due to the paving of a firehouse parking lot and improvements to Market Square Streetscape, street entrance to the library and town hall, Mill Pond Park, Mill Street Extension/Senior & Disabled Center parking lot and the completion of the Synthetic Turf Field at Clem Lemire Recreation Complex.

Furniture, Fixtures and Equipment - These were added in the amount of \$1,149. General Government increased by \$248 for additional phone/voicemail system equipment, audio/video system for conference room, network servers and messaging system. Public Safety increased by \$296 for the purchase of five vehicles, wiring/cabling for the camera security system and an automated fingerprint identification system (AFIS) criminal booking workstation. Public works increased by \$98 due to the purchase of one air compressor, an asphalt roller and three leaf machines. Senior and Disabled increased by \$14 for the replacement of the fire alarm panel and system. Library increased by \$51 for four color copiers, circulation fixtures and Cassie Integrated Software. Parks and Recreation increased by \$103 for the purchase of one truck, a stump grinder and two pieces of playground equipment for Mill Pond Park. Board of Education increased by \$339 for school buses, mail machines and a voicemail server for Newington High School.

Infrastructure - Additions in the amount \$889 were due to new sidewalks at the high school, pavement overlay of Kelsey Street, Church Street, Lawton Avenue and Tavener Circle, resurfacing of 15 streets including Culver Street, Eddy Lane, Knollwood Road, Beacon Street, Winslow Drive and Sunset Road.

Construction in Progress - Additions in the amount of \$497 were due to major renovations at Town Hall.

Total Net Additions \$ 9,300

The Town’s fiscal-year 2012-13 budget calls for it to spend \$5.8 million for capital projects, of which \$1.4 million is financed from the State and the balance from local funds. It is primarily to finance code compliance upgrades and reconstruction of tennis courts at Newington High School, John Wallace Middle School roof replacement, major vehicle equipment replacement, road reconstruction and resurfacing, partial payments toward the open space land purchase, Town Hall architectural planning, payments for trash and recycling residential curbside containers, park improvements and school career technical facilities.

More detailed information about the Town’s capital assets is presented in Note 1 and Note 5 to the financial statements.

Long-Term Debt

At June 30, 2012, the Town had \$11.7 million in bonds outstanding versus \$13.5 million last year - a decrease of 14% - as shown in Table 5.

TABLE 5 OUTSTANDING DEBT (In Thousands)	Governmental Activities	
	<u>2012</u>	<u>2011</u>
	General obligation bonds (backed by the Town)	\$ 11,690

- The decrease in the Town’s indebtedness is due to principal payments during the year totaling \$1.825 million. The Town had no bonds authorized but unissued at June 30, 2012.
- As part of its bond issue in April 2010, the Town’s credit rating of AA by Standard & Poor’s was reaffirmed. During a global recalibration of ratings Moody’s Investor Services increased the Town’s rating to Aa2.
- The State limits the amount of general obligation debt that towns can issue based on a formula determined under State Statutes based on type of debt and tax base. When the Town’s outstanding general obligation debt is calculated in accordance with this formula, it is significantly below this \$565 million state-imposed limit.

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

From a financial perspective as detailed in this annual financial report, Newington successfully managed the 2011-12 budget through prudent, conservative fiscal management. This is evidenced from the fact that final actual expenditures are \$1.1 million under the final budget while the revenue side generated an additional \$4.2 million beyond the original estimates.

The significant challenges in the development of the 2012-13 Town budget were: 1) the economic conditions in the region and nationally; 2) fixed costs to meet the high level of service to which Town residents are accustomed; and 3) the ability of citizens to absorb any increases in taxes with the recent real estate property revaluation. The Town's adopted fiscal year 2012-2013 General Fund appropriations totaled \$103.4 million, an increase of 2.5% over the original 2012 budget of \$100.9 million. The most significant factors driving the overall budget increase include education, workers' compensation coverage and pension contributions. These increases were offset by minimal wage increases for all personnel, including AFSCME and IBPO bargaining groups, attrition and a limit on discretionary costs for most departments.

The preparation of the 2012-13 estimated revenue was greatly complicated by the impact of the mandated five year real estate property revaluation. The October 1, 2011 taxable list was reduced by a total of 4.7% from the 2010 Grand List due to the recession's declining property values. Within this reduction of values was a shift to higher values on commercial property located on the Berlin Turnpike. The affects of revaluation created fluctuations within classifications of property values as 80% of residential property values decreased while 20% remained the same or increased. The reduction of 6% on real estate property values was mitigated with an increase in personal property and motor vehicle values. Estimated State Aid to the Town, which comprises approximately 18% of total revenues, increased by \$785 thousand. The economy affected other revenue sources such as building permits, real estate conveyance fees and interest income, which were expected to remain stagnant.

On a budgetary basis, the June 30, 2012 unassigned General Fund balance, after the designation of \$2.25 million to assist in financing the 2012-13, increased by \$3.6 million to a level of \$14 million or 14% of the fiscal year 2012-13 budget. The Town has consistently maintained a ratio of unassigned fund balance at a level of 10% or higher of subsequent year's appropriation, which is consistent with the parameters as set forth by the credit industry. As with any property revaluation, changes to the Grand List cause an inverse measure of the mill rate. Therefore, efforts to stabilize the tax rate were targeted towards the average residential taxpayer. As a result, the real estate taxes on the average residential assessment decreased \$15 (\$4,680 compared to \$4,695) or -.3%, from the prior year without compromising the delivery of services to the community. Similar to other communities, Newington has had to address the difficult budgetary and economic times through strong management, well-managed fund balances and an active economic development program.

At this point in time, a review of key economic indicators shows that Newington has seen the effects of a slow national and state economic recovery. Per capita income of Newington's residents is \$32.6 thousand, below the statewide average of \$36.8 thousand, but its median family income of \$72.7 thousand exceeds the statewide average by \$2,021. Of note is the Town's large older population with 40% of its residents 50 years of age or more. The consumer price index for the United States City Average at September 2012 was at a level of 231. The Northeast Region of the United States was at a level of 247 at the same time. On a positive note, building permit activity has improved with the value of permits in September of 2012 equal to \$11.8 million compared to \$4.1 million a year ago. Newington housing values increased 2.2% from September 2011 to September 2012. As of August 2012, the unemployment rate for Newington was 7.6%, up slightly from 7.5% in the prior year, and compares favorably to the State's unemployment rate of 9.0% during the same period.

While the economy slowly recovers, the Town of Newington is well positioned to deal with the present economic situation. With an overwhelming reliance on property taxes, Newington's income stream is rather stable, even during a period of fiscal stress. The Town's diverse tax base lends stability to the Town's revenue. The Town's Berlin Turnpike, central location in the State and proximity to Hartford continue to attract and retain housing and commercial development. This increased development will lend itself to expand the tax base. Newington will continue to take steps to exercise fiscal discipline and manage revenue shortfalls through diligent cost control and enhanced operating efficiencies.

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 Department, Town of Newington, Connecticut, 131 Cedar Street, Newington, Connecticut 06111.

Basic Financial Statements

TOWN OF NEWINGTON, CONNECTICUT

STATEMENT OF NET ASSETS

JUNE 30, 2012

(In Thousands)

	<u>Governmental Activities</u>
Assets:	
Cash and cash equivalents	\$ 40,252
Investments	1,033
Receivables, net	6,345
Due from trust funds	162
Prepaid asset	8
Inventory	25
Net pension asset	190
Capital assets not being depreciated	11,496
Capital assets being depreciated, net	73,492
Total assets	<u>133,003</u>
Liabilities:	
Accounts and other payables	5,386
Accrued interest payable	47
Unearned revenue	6,811
Noncurrent liabilities:	
Due within one year	3,413
Due in more than one year	14,490
Total liabilities	<u>30,147</u>
Net Assets:	
Invested in capital assets, net of related debt	70,426
Restricted for:	
Trust purposes:	
Expendable	620
Nonexpendable	37
Unrestricted	<u>31,773</u>
Total Net Assets	<u>\$ 102,856</u>

The accompanying notes are an integral part of the financial statements

TOWN OF NEWINGTON, CONNECTICUT

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2012

(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
Governmental activities:					
General government	\$ 7,128	\$ 575	\$ -	\$ 6	\$ (6,547)
Public safety	12,062	178	113		(11,771)
Public works	10,597	45	1,458	413	(8,681)
Community planning and development	771	287	-	1,839	1,355
Health and community services	1,376	69	185		(1,122)
Library	2,118	27	31		(2,060)
Parks and recreation	3,074	1,052	140		(1,882)
Education	73,232	1,053	23,019	1,389	(47,771)
Interest on long-term debt	499				(499)
Total	<u>\$ 110,857</u>	<u>\$ 3,286</u>	<u>\$ 24,946</u>	<u>\$ 3,647</u>	<u>(78,978)</u>
General revenues:					
Property taxes					80,907
Grants and contributions not restricted to specific programs					3,379
Unrestricted investment earnings					78
Miscellaneous					1,068
Total general revenues					<u>85,432</u>
Change in net assets					6,454
Net Assets at Beginning of Year					<u>96,402</u>
Net Assets at End of Year					<u>\$ 102,856</u>

The accompanying notes are an integral part of the financial statements

TOWN OF NEWINGTON, CONNECTICUT

BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2012

(In Thousands)

	<u>General</u>	<u>Capital Projects</u>	<u>Small Cities</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and cash equivalents	\$ 26,996	\$ 5,029	\$ 78	\$ 3,807	\$ 35,910
Investments				1,033	1,033
Receivables, net	3,080	1,000	875	830	5,785
Due from other funds	375				375
Prepays				8	8
Inventories				25	25
Total Assets	<u>\$ 30,451</u>	<u>\$ 6,029</u>	<u>\$ 953</u>	<u>\$ 5,703</u>	<u>\$ 43,136</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts and other payables	\$ 4,346	\$ 228	\$ 34	\$ 196	\$ 4,804
Due to other funds				213	213
Deferred revenue	7,512		845	463	8,820
Total liabilities	<u>11,858</u>	<u>228</u>	<u>879</u>	<u>872</u>	<u>13,837</u>
Fund balances:					
Nonspendable				33	33
Restricted			74	1,386	1,460
Committed		5,801		3,412	9,213
Assigned	4,174				4,174
Unassigned	14,419				14,419
Total fund balances	<u>18,593</u>	<u>5,801</u>	<u>74</u>	<u>4,831</u>	<u>29,299</u>
Total Liabilities and Fund Balances	<u>\$ 30,451</u>	<u>\$ 6,029</u>	<u>\$ 953</u>	<u>\$ 5,703</u>	<u>\$ 43,136</u>

(Continued on next page)

TOWN OF NEWINGTON, CONNECTICUT

BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)

JUNE 30, 2012

(In Thousands)

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

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

Fund balances - total governmental funds	\$ 29,299
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Capital assets used in governmental activities are not financial
resources and, therefore, are not reported in the funds:

Governmental capital assets	\$ 152,079	
Less accumulated depreciation	<u>(67,091)</u>	
Net capital assets		84,988

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

Net pension asset	190
Housing loan receivables	845
Property tax receivables greater than 60 days	1,164
Interest receivable on property taxes	560

Internal service funds are used by management to charge the costs of
risk management to individual funds. The assets and liabilities of
the internal service funds are reported with governmental activities
in the statement of net assets.

	3,760
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Long-term liabilities, including bonds payable, are not due and payable
in the current period and, therefore, are not reported in the funds:

Bonds payable	(11,690)
Deferred amount in refunding	24
Interest payable on bonds	(47)
Mortgage payable	(2,575)
Net OPEB obligation	(613)
Compensated absences	(2,728)
Capital lease	<u>(321)</u>

Net Assets of Governmental Activities (Exhibit I)	<u>\$ 102,856</u>
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The accompanying notes are an integral part of the financial statements

TOWN OF NEWINGTON, CONNECTICUT

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

FOR THE YEAR ENDED JUNE 30, 2012

(In Thousands)

	<u>General</u>	<u>Capital Projects</u>	<u>Small Cities</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:					
Property taxes	\$ 80,895	\$	\$	\$	\$ 80,895
Payment in lieu of taxes	2,343				2,343
Licenses, fees and permits	278			14	292
Intergovernmental	24,791	1,000	333	3,409	29,533
Contributions				173	173
Rental	133	81			214
Income on investments	67	1		8	76
Fines	123				123
Charges for services	488	110		1,966	2,564
Other	832			248	1,080
Total revenues	<u>109,950</u>	<u>1,192</u>	<u>333</u>	<u>5,818</u>	<u>117,293</u>
Expenditures:					
Current:					
General government	4,016		12	429	4,457
Public safety	7,533			100	7,633
Public works	6,223			4	6,227
Community planning and development	422				422
Health and human services	1,093				1,093
Library	1,668			69	1,737
Parks and recreation	1,542			743	2,285
Education	68,303			3,252	71,555
Miscellaneous	10,424				10,424
Capital outlay		7,571	332	1,053	8,956
Debt service	2,312	112			2,424
Total expenditures	<u>103,536</u>	<u>7,683</u>	<u>344</u>	<u>5,650</u>	<u>117,213</u>
Excess (Deficiency) of Revenues over Expenditures	<u>6,414</u>	<u>(6,491)</u>	<u>(11)</u>	<u>168</u>	<u>80</u>
Other Financing Sources (Uses):					
Transfers in	164	4,597		120	4,881
Transfers out	(4,958)	(51)		(113)	(5,122)
Mortgage issued		2,575			2,575
Total other financing sources (uses)	<u>(4,794)</u>	<u>7,121</u>	<u>-</u>	<u>7</u>	<u>2,334</u>
Net Change in Fund Balances	1,620	630	(11)	175	2,414
Fund Balances at Beginning of Year	<u>16,973</u>	<u>5,171</u>	<u>85</u>	<u>4,656</u>	<u>26,885</u>
Fund Balances at End of Year	<u>\$ 18,593</u>	<u>\$ 5,801</u>	<u>\$ 74</u>	<u>\$ 4,831</u>	<u>\$ 29,299</u>

(Continued on next page)

TOWN OF NEWINGTON, CONNECTICUT

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

FOR THE YEAR ENDED JUNE 30, 2012

(In Thousands)

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

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

Net change in fund balances - total governmental funds (Exhibit IV)	\$ 2,414
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Governmental funds report capital outlays as expenditures. In the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

Capital outlay	9,300
Depreciation expense	(3,933)

In the statement of activities, only the gain on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources.

Thus the change in net assets differs from the change in fund balance by the cost of the assets sold.	(19)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, and revenues recognized in the funds are not reported in the statement of activities:

Property tax interest and lien revenue - accrual basis change	51
Property tax receivable - accrual basis change	(40)
Housing loan receivable - accrual basis change	9
Net pension asset	(3)

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

Issuance of mortgage	(2,575)
Bond principal payments	1,825
Capital lease payments	102

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Compensated absences	225
Accrued interest	6
Net OPEB expense	24
Refunding bond issuance cost	(8)

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

<u>(924)</u>

Change in Net Assets of Governmental Activities (Exhibit II)

<u>\$ 6,454</u>

The accompanying notes are an integral part of the financial statements

TOWN OF NEWINGTON, CONNECTICUT

STATEMENT OF NET ASSETS - PROPRIETARY FUNDS

JUNE 30, 2012
(In Thousands)

	Governmental Activities
	<u>Internal Service Funds</u>
Assets:	
Cash and cash equivalents	\$ <u>4,342</u>
Liabilities:	
Accounts and other payables	<u>582</u>
Net Assets:	
Unrestricted	\$ <u><u>3,760</u></u>

The accompanying notes are an integral part of the financial statements

TOWN OF NEWINGTON, CONNECTICUT

STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN FUND NET ASSETS - PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2012

(In Thousands)

	Governmental Activities
	Internal Service Funds
Operating Revenues:	
Charges for services	\$ 9,170
Miscellaneous	74
Total operating revenues	<u>9,244</u>
Operating Expenses:	
Benefit payments	8,838
Administration	386
Insurance	552
Casualty loss	635
Total operating expenses	<u>10,411</u>
Operating Loss	(1,167)
Nonoperating Revenue:	
Interest on investments	<u>2</u>
Loss Before Transfers	(1,165)
Transfers In	<u>241</u>
Change in Net Assets	(924)
Net Assets at Beginning of Year	<u>4,684</u>
Net Assets at End of Year	<u>\$ 3,760</u>

The accompanying notes are an integral part of the financial statements

TOWN OF NEWINGTON, CONNECTICUT

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2012

(In Thousands)

	Governmental Activities
	Internal Service Funds
Cash Flows from Operating Activities:	
Cash received from charges for services and other	\$ 9,244
Cash paid to vendors	(10,460)
Net cash used in operating activities	<u>(1,216)</u>
Cash Flows from Noncapital Financial Activities:	
Transfers in	241
Cash Flows from Investing Activities:	
Interest on investments	<u>2</u>
Net Decrease in Cash and Cash Equivalents	(973)
Cash and Cash Equivalents at Beginning of Year	<u>5,315</u>
Cash and Cash Equivalents at End of Year	<u>\$ 4,342</u>
Reconciliation of Operating Loss to Net Cash Used in Operating Activities:	
Operating loss	\$ (1,167)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Decrease in accounts and other payables	<u>(49)</u>
Net Cash Used in Operating Activities	<u>\$ (1,216)</u>

The accompanying notes are an integral part of the financial statements

TOWN OF NEWINGTON, CONNECTICUT

STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUNDS

JUNE 30, 2012
(In Thousands)

	Pension Trust Funds	OPEB Trust Fund	Agency Funds
	<u> </u>	<u> </u>	<u> </u>
Assets:			
Cash and cash equivalents	\$ 1,053	\$	\$ 536
Investments:			
Mutual funds	50,318	1,765	
Certificate of deposits		716	
Total Assets	<u>51,371</u>	<u>2,481</u>	<u>\$ 536</u>
Liabilities:			
Accounts payable		11	\$ 536
Due to other funds		162	
Total Liabilities		<u>173</u>	<u>\$ 536</u>
Net Assets:			
Held in Trust for Pension/OPEB Benefits	<u>\$ 51,371</u>	<u>\$ 2,308</u>	

The accompanying notes are an integral part of the financial statements

TOWN OF NEWINGTON, CONNECTICUT

STATEMENT OF CHANGES IN PLAN NET ASSETS - FIDUCIARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2012

(In Thousands)

	<u>Pension Trust Funds</u>	<u>OPEB Trust Fund</u>
Additions:		
Contributions:		
Employer	\$ 3,767	\$ 1,974
Plan members	800	603
Total contributions	<u>4,567</u>	<u>2,577</u>
Investment income (loss):		
Net depreciation in fair value of investments	(705)	(45)
Interest and dividends	456	35
Total investment loss	<u>(249)</u>	<u>(10)</u>
Less investment expense	341	2
Net investment loss	<u>(590)</u>	<u>(12)</u>
Total income	<u>3,977</u>	<u>2,565</u>
Deductions:		
Benefits	5,897	1,797
Administration	61	181
Total deductions	<u>5,958</u>	<u>1,978</u>
Change in Net Assets	(1,981)	587
Net Assets Held in Trust for Pension/OPEB Benefits at Beginning of Year	<u>53,352</u>	<u>1,721</u>
Net Assets Held in Trust for Pension/OPEB Benefits at End of Year	<u>\$ 51,371</u>	<u>\$ 2,308</u>

The accompanying notes are an integral part of the financial statements

TOWN OF NEWINGTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

(In Thousands)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Town of Newington (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 was incorporated on July 10, 1871. The Town operates under a Council-Manager form of government and provides the following services as authorized by its charter: public safety (police and fire), highways and streets, sanitation, health and social services, culture-recreation, education, public improvements, planning and zoning, and general administrative services.

B. Government-Wide and Fund Financial Statements

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

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

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

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, charges for services, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received.

The Town reports the following major governmental funds:

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

The Capital Projects Fund accounts for the construction and acquisition of major capital assets.

The Small Cities Fund accounts for Federal grants for community development and a housing loan program. The major source of revenues for this program is intergovernmental revenue.

Additionally, the Town reports the following fund types:

The Internal Service Fund accounts for the Town's health benefits program.

The Pension Trust Funds account for the activities of the Town retirement system, which accumulates resources for pension benefit payments to qualified Town employees.

The Other Post Employment Benefits (OPEB) Trust Fund accounts for the activities of the Town's Post Employment Benefits plan, which accumulates resources for healthcare payments to qualified Town employees.

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

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 property taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Town's internal service fund are charges to customers for services. Operating expenses for the internal service fund include the cost of health benefits and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed. Unrestricted resources are used in the following order: committed, assigned then unassigned.

D. Deposits and Investments

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

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

Investments for the Town are reported at fair value.

E. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances." All trade and property tax receivables are shown net of an allowance for collectibles. The property tax receivable allowance of \$94 is equal to 6.4% of outstanding property taxes at June 30, 2012.

The Town's property tax is levied each May on the assessed value listed on the prior October 1 Grand List for all taxable property located in the Town. Although taxes are levied in May, the legal right to attach property does not exist until July 1 and, as such, taxes are due and payable in two installments on July 1 and January 1 following the date of the Grand List. Additional property taxes are assessed for motor vehicles registered subsequent to the Grand List date through July 31 and are payable in one installment due January 1. It is the policy of the Town to record deferred revenue for property taxes receivable at June 30. Property taxes collected prior to June 30 that are applicable to the subsequent year's assessment are reported as deferred revenue. Taxes become overdue one month after the installment due date. Interest at the rate of 1.5% per month accrues on all overdue taxes. The Town files liens against property if taxes that are due July 1 remain unpaid on the following June 30.

F. Inventories and Prepaid Items

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

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

G. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of five 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 is depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	50
Building improvements	20
Public domain infrastructure	40
System infrastructure	60
Vehicles	8
Office equipment	5
Computer equipment	5

H. Compensated Absences

Employees are paid by a prescribed formula for absence due to vacation or sickness. For eligible Town employees and Board of Education noncertified employees, sick time may be accumulated and paid upon death, retirement or termination, up to certain limits. The Town does not recognize sick pay liability for Board of Education certified staff. The Town does not accrue vacation pay liability because employees are generally not allowed to carry vacation time over to the following year.

A special revenue fund, the Employee Leave Liability Fund, has been established to offset the Town's future liability for unused, accrued sick pay earned by Town employees in accordance with official personnel policies. The fund is used to pay employees who are entitled to cash payments for unused sick leave. The General Fund generally provides for the payment of compensated absences for active employees.

I. Long-Term Obligations

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

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

J. Equity

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

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

Restricted Net Assets - Net asset restrictions are externally imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

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

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

Nonspendable Fund Balance - This represents amounts that cannot be spent due to form (e.g., inventories and prepaid amounts).

Restricted Fund Balance - This represents amounts constrained for a specific purpose by external parties, such as grantors, creditors, contributors, or laws and regulations of their governments.

Committed Fund Balance - This represents amounts constrained for a specific purpose by a government using its highest level of decision-making authority (Town Council). Amounts remain committed until action is taken by the Town Council (resolution) to remove or revise the limitations.

Assigned Fund Balance - For all governmental funds other than the General Fund, this represents any remaining positive amounts not classified as nonspendable, restricted or committed. For the General Fund, this includes amounts constrained for the intent to be used for a specific purpose by the Town Council or Director of Finance, who have been delegated authority to assign amounts by the Town Charter.

Unassigned Fund Balance - This represents fund balance in the General Fund in excess of nonspendable, restricted, committed and assigned fund balance. If another governmental fund has a fund balance deficit, it is reported as a negative amount in unassigned fund balance.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

The Town adheres to the following procedures in establishing the budgetary data reported in the financial statements for the General Fund. Prior to March 16, the Town Manager submits to the Town Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.

Two public hearings are held by the Town Council, at which taxpayer comments are obtained, and then the Town Council legally adopts the budget by a majority vote of all its members. If the Town Council fails to adopt a budget within ten days after holding its second public hearing, the Town Manager's budget becomes the Town budget.

- The Town Manager is authorized to transfer budgeted amounts within departments within any fund, except within the Board of Education. The Town Council, during the last six months of the year, may transfer any unencumbered appropriations between departments, except for the Board of Education. The Board of Education is responsible for establishing its own system of budgetary control and certification of the sufficiency of unexpended and unencumbered balance of appropriation. The Town Council may authorize additional appropriations from unappropriated and unencumbered General Fund balance up to \$125,000 (amount not rounded). Special appropriations between \$125,000 and \$325,000 (amount not rounded) require a Town ordinance. Special appropriations over \$325,000 (amount not rounded) require voter approval.
- Formal budgetary integration is employed as a management control device during the year for the General Fund legally adopted budget.
- Except for encumbrance accounting, 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.
- Budgeted amounts shown are as amended. There was an additional appropriation of \$1,700 from fund balance during 2011-12.

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.

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

3. CASH, CASH EQUIVALENTS AND INVESTMENTS

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

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

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

Deposits

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

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$29,145 of the Town’s bank balance of \$30,042 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$	26,195
Uninsured and collateral held by the pledging bank’s trust department, not in the Town’s name		<u>2,950</u>
Total Amount Subject to Custodial Credit Risk	\$	<u><u>29,145</u></u>

Cash Equivalents

At June 30, 2012, the Town's cash equivalents amounted to \$13,974. The following table provides a summary of the Town's cash equivalents (excluding U.S. government guaranteed obligations) as rated by nationally recognized statistical rating organizations. The pools all have maturities of less than one year.

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

Investments

As of June 30, 2012, the Town had the following investments:

<u>Investment Type</u>	<u>Credit Rating</u>	<u>Fair Value</u>	<u>Investment Maturities (Years)</u>		
			<u>Less Than 1</u>	<u>1 - 10</u>	<u>More Than 10</u>
Interest-bearing investments:					
Certificate of deposit	*	\$ <u>1,749</u>	\$ <u>1,749</u>	\$ _____	\$ _____
Total		1,749	\$ <u><u>1,749</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>
Other investments:					
Pooled open-end mutual funds		<u>52,083</u>			
Total Investments		\$ <u><u>53,832</u></u>			

*Subject to coverage by Federal Depository Insurance and collateralization.

Interest Rate Risk - The Town limits its maximum final stated maturities to 15 years, unless specific authority is given to exceed. To the extent possible, the Town will attempt to match its investments with anticipated cash flow requirements.

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

Concentration of Credit Risk - The Town's investments are maintained in open-end mutual funds and are therefore not subject to concentration of credit risk market conditions.

Custodial Credit Risk - Custodial credit risk for an investment is the risk that, in the event of the failure of the counterparty (the institution that pledges collateral or repurchase agreement securities to the Town or that sells investments to or buys them for the Town), the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town does not have a policy for custodial credit risk. At June 30, 2012, the Town did not have any uninsured and unregistered securities held by the counterparty, or by its trust department or agent that were not in the Town's name.

4. RECEIVABLES

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

	<u>General</u>	<u>Capital Projects</u>	<u>Small Cities</u>	<u>Nonmajor and Other Funds</u>	<u>Total</u>
Receivables:					
Taxes	\$ 1,475	\$	\$	\$	\$ 1,475
Accounts	157			18	175
Housing loans			845		845
Intergovernmental	<u>1,542</u>	<u>1,000</u>	<u>30</u>	<u>812</u>	<u>3,384</u>
Gross receivables	3,174	1,000	875	830	5,879
Less allowance for uncollectibles	<u>94</u>				<u>94</u>
Net Total Receivables	<u>\$ 3,080</u>	<u>\$ 1,000</u>	<u>\$ 875</u>	<u>\$ 830</u>	<u>\$ 5,785</u>

Note: Does not include accrued interest on property taxes of \$560.

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	\$ 1,164	\$
Taxes collected in advance		6,348
Grant drawdowns prior to meeting all eligibility requirements		50
Housing loans	845	
Program fees collected in advance		<u>413</u>
Total Deferred/Unearned Revenue for Governmental Funds	<u>\$ 2,009</u>	<u>\$ 6,811</u>

5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2012 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases and Adjustments</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 3,479	\$ 2,625	\$	\$ 6,104
Construction in progress	2,125	497		2,622
Intangible assets	<u>2,770</u>			<u>2,770</u>
Total capital assets not being depreciated	<u>8,374</u>	<u>3,122</u>	<u>-</u>	<u>11,496</u>
Capital assets being depreciated:				
Buildings	60,371	2,105		62,476
Improvements other than buildings	6,628	2,035		8,663
Furniture, fixtures and equipment	20,812	1,149	(44)	21,917
Infrastructure	<u>46,638</u>	<u>889</u>		<u>47,527</u>
Total capital assets being depreciated	<u>134,449</u>	<u>6,178</u>	<u>(44)</u>	<u>140,583</u>
Less accumulated depreciation for:				
Buildings	(24,399)	(1,460)		(25,859)
Improvements other than buildings	(1,888)	(373)		(2,261)
Furniture, fixtures and equipment	(12,339)	(1,442)	25	(13,756)
Infrastructure	<u>(24,557)</u>	<u>(658)</u>		<u>(25,215)</u>
Total accumulated depreciation	<u>(63,183)</u>	<u>(3,933)</u>	<u>25</u>	<u>(67,091)</u>
Total capital assets being depreciated, net	<u>71,266</u>	<u>2,245</u>	<u>(19)</u>	<u>73,492</u>
Governmental Activities Capital Assets, Net	<u>\$ 79,640</u>	<u>\$ 5,367</u>	<u>\$ (19)</u>	<u>\$ 84,988</u>

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General government	\$ 210
Public safety	670
Public works	836
Community planning and development	268
Library	66
Parks and recreation	243
Education	<u>1,640</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 3,933</u>

Construction Commitments

The Town has 35 active construction projects as of June 30, 2012. The projects include various school and Town improvements project authorizations. At year end, the Town's commitments with contractors are as follows:

	<u>Spent-to-Date</u>	<u>Remaining Commitment</u>
Computer system replacement	\$ 2,685	\$ 325
Town Hall improvements	2,524	15
Road reconstruction	2,081	96
School code compliance	1,863	314
J. Wallace Middle School roof replacement	1,453	417
Drainage improvement	776	194
Tax revaluation reserve	791	53
Synthetic athletic field at Clem Lemire	667	48
Parks and playground improvements	633	28
Market Square development	598	52
Mill Street extension/senior & disabled center parking lot	378	122
Fenn Road access road		450
Other various projects	<u>6,061</u>	<u>691</u>
Total	<u>\$ 20,510</u>	<u>\$ 2,805</u>

6. INTERFUND ACCOUNTS

During the course of operations, transactions are processed through the General Fund on behalf of other funds. A summary of General Fund interfund balances as of June 30, 2012 is presented below:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 213
General Fund	Fiduciary Funds	162

All interfund receivables and payables represent routine recurring transactions that are temporary in nature.

Interfund transfers:

	<u>Transfers In</u>				<u>Total</u>
	<u>General</u>	<u>Nonmajor Governmental</u>	<u>Capital Projects</u>	<u>Internal Service</u>	
Transfers out:					
General Fund	\$	\$ 120	\$ 4,597	\$ 241	\$ 4,958
Capital Projects	51				51
Nonmajor Governmental	<u>113</u>				<u>113</u>
Total Transfers Out	<u>\$ 164</u>	<u>\$ 120</u>	<u>\$ 4,597</u>	<u>\$ 241</u>	<u>\$ 5,122</u>

Transfers are for regularly recurring operational transfers.

7. LEASES

Capital Leases

The Town entered into lease agreements for financing the acquisition of recycling containers. The following is a schedule of the future minimum lease payments under the capital lease, and the present value of the net minimum lease payments at June 30, 2012:

<u>Fiscal Year Ending June 30</u>	
2013	\$ 112
2014	112
2015	<u>112</u>
Total future minimum lease payments	336
Interest on future lease payments	<u>15</u>
Principal Balance of Future Minimum Payments	\$ <u><u>321</u></u>

The initial value of the recycling containers acquired amounted to \$525. The net book value of the assets approximates the principal balance of the lease at June 30, 2012.

8. LONG-TERM DEBT

Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2012 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	\$ 13,515	\$	\$ 1,825	\$ 11,690	\$ 1,800
Deferred amount in refunding	<u>(32)</u>	<u>-</u>	<u>(8)</u>	<u>(24)</u>	<u>-</u>
Total bonds payable	13,483	-	1,817	11,666	1,800
Mortgage payable		2,575		2,575	515
Compensated absences	2,953	2,420	2,645	2,728	994
Net OPEB Obligation	637		24	613	
Capital leases	<u>423</u>	<u>-</u>	<u>102</u>	<u>321</u>	<u>104</u>
Total Governmental Activity					
Long-Term Liabilities	\$ <u><u>17,496</u></u>	\$ <u><u>4,995</u></u>	\$ <u><u>4,588</u></u>	\$ <u><u>17,903</u></u>	\$ <u><u>3,413</u></u>

A schedule of bonds and serial notes outstanding at June 30, 2012 is presented below:

<u>Description</u>	<u>Date of Issue</u>	<u>Amount of Interest Rate (%)</u>	<u>Balance Original Issue</u>	<u>Outstanding June 30, 2012</u>
General purpose bonds:				
Police station	06/05	4.25-5.0	\$ 3,700	\$ 2,405
Police station	05/04	3.2-4.6	3,750	2,250
School:				
School Improvements	04/10	1.5-4.0	3,640	2,085
School improvements	05/04	3.2-4.6	4,950	2,970
School improvements	06/03	2.0-5.0	4,950	<u>1,980</u>
Total				\$ <u><u>11,690</u></u>

The following is a schedule of bond maturities as of June 30, 2012:

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 1,800	\$ 436	\$ 2,236
2014	1,780	385	2,165
2015	1,355	332	1,687
2016	950	283	1,233
2017	950	246	1,196
2018-2022	3,430	734	4,164
2023-2025	<u>1,425</u>	<u>107</u>	<u>1,532</u>
Total	\$ <u><u>11,690</u></u>	\$ <u><u>2,523</u></u>	\$ <u><u>14,213</u></u>

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

<u>Category</u>	<u>Debt Limit</u>	<u>Net Indebtedness</u>	<u>Balance</u>
General purpose	\$ 181,611	\$ 4,655	\$ 176,956
Schools	363,222	7,035	356,187
Sewers	302,685	36,153	266,532
Urban renewal	262,327		262,327
Pension deficit	242,148		242,148

Mortgage Payable

On February 22, 2012, the Town entered into a \$2,575 mortgage to purchase certain piece or parcel of land. The mortgage is payable in five installments beginning in August 1, 2012 at an interest rate from 3.50% to 4.25%.

The following is a schedule of mortgage maturities as of June 30, 2012:

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 515	\$	\$ 515
2014	515	72	587
2015	515	58	573
2016	515	41	556
2017	515	22	537
Total	\$ <u>2,575</u>	\$ <u>193</u>	\$ <u>2,768</u>

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation or \$565 million. All long-term debt obligations are retired through General Fund appropriations.

Indebtedness, in accordance with State Statutes, includes long-term debt outstanding in addition to the amount of bonds authorized and unissued against which bonds have been issued to partially finance the project or bond anticipation notes issued and outstanding. Sewer indebtedness includes overlapping debt of the Metropolitan District. As a member of the Metropolitan District (a quasi-municipal corporation that provides water supply and sewerage collection and disposal facilities for members), the Town is contingently liable for \$36.153 million or 8.62% of the debt of the District.

9. RISK MANAGEMENT

The Town is exposed to various risks of loss including torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town generally obtains commercial insurance for these risks, but has chosen to retain the risks for employee health and medical claims. The Health Insurance Internal Service Fund is utilized to report the self-insurance activity. Anthem Blue Cross/Blue Shield administers the plan, for which the Town pays a fee. The General Fund (Town and Board of Education) and Cafeteria Fund (Special Revenue Fund) contribute based on Anthem Blue Cross/Blue Shield estimates made using the Town's historical data. The Town covers all claims up to \$150,000 (amount not rounded) per participant per year with an individual stop-loss policy covering amounts exceeding the limit. In addition, the Town has an aggregate stop-loss policy that would cover claims exceeding 120% of the total estimated claims for the plan year. Settled claims for all types of commercial coverage have not exceeded coverage in any of the past three years.

The claims liability of \$582 reported in the Health Benefits Internal Service Fund at June 30, 2012 is based on Governmental Accounting Standards Board Statement No. 10, which requires that a liability for estimated claims incurred but not reported be recorded. Changes in the claims liability were:

	<u>Liability</u>		<u>Current Year</u>		<u>Claim</u>		<u>Liability</u>
	<u>July 1,</u>		<u>Claims and</u>		<u>Payments</u>		<u>June 30,</u>
			<u>Changes in Estimates</u>				
2010-2011	\$ 766	\$	10,912	\$	11,089	\$	589
2011-2012	589		9,776		9,783		582

10. FUND BALANCE

The components of fund balance for the governmental funds at June 30, 2011 are as follows:

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Small Cities</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Fund balances:					
Nonspendable:					
Inventory	\$	\$	\$	\$ 25	\$ 25
Prepays				8	8
Restricted for:					
Grants			74	1,349	1,423
Permanent funds				37	37
Committed to:					
Public buildings		568			568
Capital and nonrecurring projects		3,586			3,586
Public schools		584			584
Land acquisition		1,063			1,063
Education				427	427
Cemetery maintenance				1,185	1,185
Public safety activities				4	4
Recreation programs				443	443
Employee leave liability				951	951
Volunteer ambulance				252	252
Volunteer firefighters				121	121
General government				29	29
Assigned to:					
Subsequent year's budget	2,250				2,250
General government	47				47
Public safety	38				38
Health and community services	1				1
Parks and recreation					
Education	1,838				1,838
Unassigned	14,419				14,419
Total Fund Balances	<u>\$ 18,593</u>	<u>\$ 5,801</u>	<u>\$ 74</u>	<u>\$ 4,831</u>	<u>\$ 29,299</u>

Significant encumbrances at June 30, 2012 are contained in the above table in the assigned category of the General Fund.

11. OTHER POST EMPLOYMENT BENEFITS

A. Plan Description

The Town provides post employment benefits for Police Department, Teachers and certain other retirees. This benefit is provided per various bargaining agreements. The Town pays for 100% of retiree and spouse costs for Police and 75% of retiree costs for Town and Board of Education administrators. The Town is required to provide medical, dental and life insurance to certain retired police officers. The Town is also required to provide medical and dental insurance to certain other retirees until the retirees reach the age of 65 or unless covered elsewhere. The post employment benefits plan is a single-employer defined benefit healthcare plan administered by the Town of Newington. The post employment benefits plan is considered to be part of the Town's financial reporting entity and is included in the Town's financial report as the Other Post Employment Benefits Trust Fund. The Town does not issue a separate stand alone financial statement for this program.

B. Funding Policy

The Town funding and payment of post employment benefits are accounted for in the General Fund on a pay-as-you-go basis for current year. The Town has established a trust fund to irrevocably segregate assets to fund the liability associated with post employment benefits. The fund is reported as a trust fund in accordance with GASB guidelines. The annual required contribution (ARC) payment is transferred into this account annually from the General Fund and budgeted as part of the budgeting process, which is approved by the Town Council.

The Town's funding strategy for post employment obligations are based upon characteristics of benefits on three distinct groups of employees established within their respective collective bargaining units and/or contracts and include the following:

- AFSCME Board of Education and Town employees are eligible for retiree health care coverage until age 65 upon attainment of normal or early retirement. Normal retirement is the earlier of age 63 or completion of 25 years of service. Early retirement is age 55, and 5 years of continuous service or 15 years of aggregate service. Coverage is pre-65 only. Post-65 non-Medicare eligible retirees can continue coverage at their own expense.
- Police officers are eligible for retiree health care coverage until age 65 upon attainment of normal or early retirement. Normal retirement is the earlier of age 50 or completion of 20 years of service. Early retirement is age 45 and 10 years of continuous service. For officers hired on or after January 1, 2007, normal retirement is the completion of 25 years of service regardless of age and an officer retiring prior to normal retirement shall not be eligible for retiree health care benefits.
- Teachers and School Administrators are eligible for retiree health care coverage for lifetime at the earlier of age 55 with 20 years of service or 25 years of service.
- Surviving spouses of retired teachers and nonteachers at the school are allowed to remain on the plan.
- Surviving spouses of retirees and actives eligible to retire are allowed to remain on the plan.

C. Annual OPEB Cost and Net OPEB Obligations

The Town of Newington's annual other post employment benefit (OPEB) cost is calculated based on the ARC, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the Town's annual OPEB cost for the year, the amount actually contributed to the plan and changes in the Town's net OPEB obligation:

	Post Employment Benefits Plan
Annual required contribution (ARC)	\$ 1,939
Interest on net OPEB obligation	51
Adjustment to annual required contribution	(40)
Annual OPEB cost	1,950
Contributions made	1,974
Decrease in net OPEB obligation	(24)
Net OPEB obligation, beginning of year	637
Net OPEB Obligation, End of Year	<u>\$ 613</u>

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation is presented below:

Fiscal Year Ended	Annual OPEB Cost (AOC)	Actual Contribution	Percentage of AOC Contributed	Net OPEB Obligation
6/30/10	\$ 2,602	\$ 1,579	60.68%	\$ 2,104
6/30/11	1,882	3,349	177.94	637
6/30/12	1,950	1,974	101.23	613

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Funded (Unfunded) AAL (UAAL) (a-b)	Percentage Funded (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((a-b)/c)
7/1/07	\$ -	\$ 29,546	\$ (29,546)	0.0%	N/A	N/A
7/1/09	-	20,275	(20,275)	0.0	N/A	N/A
7/1/11	1,721	18,620	(16,899)	9.2	N/A	N/A

Schedule of Employer Contributions

<u>Year Ended June 30,</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
2010	\$ 2,598	60.77%
2011	1,843	181.71
2012	1,939	101.80

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as accrual results are compared with past expectations and new estimates are made about the future. Projections for benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2011 actuarial valuation, the projected unit credit cost method was used. The actuarial assumptions include a 7.75% investment rate of return, which is the rate of the expected long-term investment returns of plan assets calculated based on the funding policy of the plan at the valuation date, a payroll growth rate of 3.5% and an inflation rate of 2.50%. The actuarial value of assets was determined at market value. The UAAL is being amortized as a level percentage over a 30-year period. The annual healthcare cost trend rate is 5.9% initially with an ultimate rate of 4.7%.

12. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS

Defined Benefit Plans

A. Plan Description and Provisions

The Town maintains four single-employer, contributory (except for Volunteer Firefighters' Plan), defined benefit pension plans. The plans cover substantially all full-time employees except certified personnel at the Board of Education. The four pension plans are part of the Town's financial reporting entity and are accounted for in the Pension Trust Funds: Municipal Employees', Police Officers', Administrative Employees' and Volunteer Firefighters' Plans. Each plan provides retirement, disability, death benefits and cost of living adjustments to plan members and beneficiaries. The Charter provides the authority to establish and amend benefit provisions to the Town Council. Stand alone financial statements are not issued.

Municipal Employees' Plan

All bargaining unit employees are eligible to participate in the plan except elected officials, police officers and certified professional employees of the Newington Board of Education. Effective January 1, 2007, the plan was closed to all new hires. Benefits vest after 5 years of continuous service or 15 years of aggregate service. The normal retirement is the earlier of age 63 or completion of 25 years of service.

Pension benefits for normal retirement under the Municipal Employees' Plan are based on the average rate of earnings during the three years for which the participants' earnings were at their highest level (final earnings). The participants' yearly pension amount will be equal to 1.7% of the final earnings multiplied by the number of years of aggregate service through July 1, 1990 plus 2% of final earnings times years of aggregate service since July 1, 1990. The plan permits early retirement for participants at age 55 with 5 years of continuous service or 15 years of aggregate service.

Police Officers' Plan

All Police Officers, Canine Control officers and Public Safety Dispatchers of the Newington Police Department are eligible to participate in the plan. Benefits vest after 10 years of full-time service. Normal retirement is the earlier of age 50 or 20 years of service.

Pension benefits for normal retirement under the Police Officers' Plan are based on the average rate of earnings during the three years of which the participants' earnings were at their highest level (final earnings). The participants' yearly pension benefit will be equal to 2.5% of the final earnings multiplied by the years of service. For employees hired after January 1, 2007, the benefit is capped at 70% of base compensation in the year prior to retirement. The plan permits early retirement for participants at age 45 with 10 years of service with benefits reduced by the appropriate early retirement adjustment.

Administrative Employees' Plan

All administrative or technical employees not covered under the Municipal Employees' Plan or Police Officers' Plan are eligible under the Administrative Employees' Plan. Effective January 1, 1997, the plan was closed to all new hires. Benefits vest after 5 years of continuous service or 15 years of aggregate service. Normal retirement is the earlier of age 65 or 30 years of service.

Pension benefits for normal retirement under the Administrative Employees' Plan are based on the rate of earnings for the highest average earnings received in any three consecutive years. The participants' yearly pension amount will be equal to 1.75% of final earnings up to \$10,000 plus 2% of final earnings in excess of \$10,000 multiplied by the number of years of aggregate service. The plan permits early retirement for participants at age 55 who have 10 years of continuous service or 15 years of aggregate service. Benefits for early retirement are computed based on the normal retirement benefit and adjusted by the appropriate early retirement adjustment factor.

Volunteer Firefighters' Plan

Effective July 1, 1994, accrued benefits for eligible members of the Newington Volunteer Fire Department are frozen for all but 17 participants. Ongoing benefits are provided through a new Volunteer Firefighters' Defined Contribution Plan. Benefits vest after 10 years of service. Normal retirement age is 60.

The 17 continuing participants receive benefit enhancements that will be phased in over a 5-year period. Monthly pension benefit amount for normal retirement for those who continue in this Volunteer Firefighters' Plan is equal to \$120 based on the completion of ten years of credited service plus \$7.50 for each additional year of service effective July 1, 1999 (increasing \$.50 each July 1, maximum to \$12.00). There are also percentage increases in the benefits if the participant is an officer of the Volunteer Fire Department for at least five years.

At July 1, 2011 the plan membership of defined benefit plans consisted of the following:

	<u>Municipal</u>	<u>Police</u>	<u>Administrative</u>	<u>Firefighters</u>
Retirees and beneficiaries	170	61	32	33
Terminated participants	9		6	45
Active participants	<u>148</u>	<u>57</u>	<u>10</u>	<u>31</u>
Total	<u><u>327</u></u>	<u><u>118</u></u>	<u><u>48</u></u>	<u><u>109</u></u>

B. Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting: The four Pension Trust Funds are accounted for using the accrual basis of accounting. Employee and employer contributions are recognized as revenues in the period in which employee services are performed. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Method Used to Value Investments: Investments are reported at fair value. Investment income is recognized when earned and gains and losses on sales or exchanges of investments are recognized on the transaction date. Unrealized gains and losses due to appreciation and depreciation of plan assets are also recognized at fiscal year end.

C. Funding Policy

The contribution requirements of plan members, with the exception of the Firefighters’ Plan which is noncontributory, are established and may be amended by the Town Council, subject to union contract negotiation. If an employee leaves covered employment or participation or dies before meeting the vesting requirements, accumulated employee contributions and interest thereon are refunded. The Town is required, by Charter, to contribute the amount necessary to finance the benefits for its employees, net of employee contributions, as determined by its actuaries. Investment services and actuarial valuations are paid by the individual plans. Other costs of administering the plans are paid by the Town. The employees’ required contribution rates and the Town’s current rate of annual covered payroll is presented in the following table:

	<u>Municipal</u>	<u>Police</u>	<u>Administrative</u>
Employee required contribution	4.5	7.0	4.5
Town current rate	15.5	39.4	35.2

D. Annual Pension Cost and Net Pension Obligations (Assets)

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

	<u>Municipal</u>	<u>Police</u>	<u>Administrative</u>	<u>Firefighters</u>
Annual required contribution	\$ 1,268	\$ 2,064	\$ 287	\$ 77
Interest in net pension obligation	(1)	(13)		
Adjustment to annual required contribution	<u>1</u>	<u>17</u>		
Annual pension cost	1,268	2,068	287	77
Contributions made	<u>1,268</u>	<u>2,065</u>	<u>287</u>	<u>77</u>
Decrease in net pension asset		3		
Net pension asset, July 1, 2011	<u>(9)</u>	<u>(179)</u>	<u>(5)</u>	
Net Pension Asset, June 30, 2012	\$ <u><u>(9)</u></u>	\$ <u><u>(176)</u></u>	\$ <u><u>(5)</u></u>	\$ <u><u>-</u></u>

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

	<u>Municipal</u>	<u>Police</u>	<u>Administrative</u>	<u>Firefighters</u>
Actuarial valuation date	7-1-11	7-1-11	7-1-11	7-1-11
Actuarial cost method	Projected Unit Cost	Projected Unit Cost	Projected Unit Cost	Frozen Entry Age Cost
Amortization method	Level Dollar Open	Level Dollar Open	Level Dollar Open	Level Dollar Open
Remaining amortization period	26 years	16 years	26 years	20 years
Asset valuation method	5-year smoothing	5-year smoothing	5-year smoothing	5-year smoothing
Actuarial assumptions:				
Investment rate of return	7.75%	7.75%	7.75%	6.0%
Projected salary increases	4.0%	4.0%	4.0%	N/A
Cost of living adjustments	None	2.0%	None	None
Inflation rate	3.0%	3.0%	3.0%	2.5%

E. Trend Information

	<u>Fiscal Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation (Asset)</u>
<u>Municipal</u>	6/30/10	\$ 968	100%	\$ (9)
	6/30/11	1,219	100	(9)
	6/30/12	1,268	100	(9)
<u>Police</u>	6/30/10	1,526	100	(180)
	6/30/11	1,801	100	(179)
	6/30/12	2,068	100	(176)
<u>Administrative</u>	6/30/10	196	100	(5)
	6/30/11	237	100	(5)
	6/30/12	287	100	(5)
<u>Firefighters</u>	6/30/10	64	100	-
	6/30/11	77	100	-
	6/30/12	77	100	-

F. Pension Plan Required Supplementary Information

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
<u>Municipal</u>						
7/1/06	\$ 18,703	\$ 26,270	\$ 7,567	71.2%	\$ 8,828	85.7%
7/1/07	20,254	27,691	7,437	72.4	8,665	88.1
7/1/08	21,122	29,653	8,531	71.2	8,823	96.7
7/1/09	20,807	32,079	11,272	64.9	8,832	127.6
7/1/10	20,550	32,751	12,201	62.7	8,170	149.3
7/1/11	19,765	37,090	17,325	53.3	7,873	220.1
<u>Police</u>						
7/1/06	24,743	36,042	11,299	68.7	4,375	258.3
7/1/07	26,546	38,205	11,659	69.5	4,500	259.1
7/1/08	28,005	41,215	13,210	68.0	4,789	275.9
7/1/09	27,947	43,199	15,252	64.7	5,237	291.2
7/1/10	27,903	45,388	17,485	61.5	5,248	333.1
7/1/11	26,700	46,585	19,885	57.3	5,829	341.2
<u>Administrative</u>						
7/1/06	6,718	8,513	1,795	78.9	1,133	158.4
7/1/07	7,065	8,655	1,590	81.6	1,112	142.9
7/1/08	7,368	9,393	2,025	78.4	1,131	179.0
7/1/09	7,026	9,942	2,916	70.7	885	329.2
7/1/10	6,563	10,057	3,494	65.3	815	428.7
7/1/11	6,018	10,774	4,756	55.9	761	624.9
<u>Firefighters</u>						
7/1/03	654	1,383	729	47.3	N/A	N/A
7/1/05	690	1,384	694	49.9	N/A	N/A
7/1/07	747	1,361	614	54.9	N/A	N/A
7/1/09	758	1,169	411	64.8	N/A	N/A
7/1/11	720	1,447	727	49.8	N/A	N/A

Schedule of Employer Contributions

Fiscal Year Ended	(in thousands)			
	Municipal		Police	
	Required Contribution	Annual Percentage Contributed	Required Contribution	Annual Percentage Contribution
6/30/07	\$ 622	100%	\$ 1,354	100%
6/30/08	837	100	1,277	100
6/30/09	853	100	1,336	100
6/30/10	969	100	1,525	100
6/30/11	1,219	100	1,800	100
6/30/12	1,268	100	2,064	100

Schedule of Employer Contributions

Fiscal Year Ended	(in thousands)			
	Administrative		Firefighters	
	Required Contribution	Annual Percentage Contributed	Required Contribution	Annual Percentage Contribution
6/30/07	\$ 204	100%	\$ 82	100%
6/30/08	180	100	82	100
6/30/09	173	100	72	100
6/30/10	196	100	64	100
6/30/11	237	100	77	100
6/30/12	287	100	77	100

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

Teachers' Retirement

All Town of Newington 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 Board of Education withholds 7.25% of all teachers' annual salaries and transmits the funds to the State Teachers' Retirement Board. Teacher payroll subject to retirement amounted to \$29.7 million or 76% of the total Board of Education payroll of \$39.0 million.

The retirement system for teachers is funded by the State based upon the recommendation of the Teachers' Retirement Board. Such contribution includes amortization of the actuarially computed unfunded liability. These obligations are established under the authority of the Connecticut General Statutes. For the year ended June 30, 2012, the Town has recorded, in the General Fund, intergovernmental revenue and education expenditures in the amount of \$6,080 as payments made by the State of Connecticut on behalf of the Town. The Town does not have any liability for teacher pensions.

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.

Volunteer Firefighters' - Defined Contribution Plan

In addition to the defined benefit plan described above, the Town provides a defined contribution plan to certain volunteer firefighters. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Most current active and all new and future members of volunteer firefighters can only participate in this plan. Members are 100% vested after 10 years of service. Contributions range from \$385 per year for members with less than 6 years of service to \$805.25 per year for members with more than 35 years of service. The firefighters do not contribute to the plan. Plan provisions and contribution requirements are established and may be amended by the Town Council.

The Town's contribution for 2011-2012, computed in accordance with plan requirements, amounted to \$70. At June 30, 2012, there were 150 members of the plan.

Pension Trust Funds

The Town maintains various pension trust funds to account for its fiduciary responsibility. The following schedules present the net assets held in trust for pension benefits at June 30, 2012 and the changes in net assets for the year then ended.

	Schedule of Plan Net Assets					
	Police Officers' Plan	Municipal Employees' Plan	Administrative Employees' Plan	Volunteer Firefighters' Plans		Total
				Defined Benefit	Defined Contribution	
Assets:						
Cash and cash equivalents	\$ 7	\$ 19	\$ 1	\$ 469	\$ 557	\$ 1,053
Investments	25,991	18,591	5,259	469	477	50,318
Total assets	25,998	18,610	5,260	469	1,034	51,371
Liabilities:						
Accounts payable	-	-	-	-	-	-
Net Assets Held in Trust for Pension Benefits	<u>\$ 25,998</u>	<u>\$ 18,610</u>	<u>\$ 5,260</u>	<u>\$ 469</u>	<u>\$ 1,034</u>	<u>\$ 51,371</u>

Schedule of Plan Net Assets

	Police Officers' Plan	Municipal Employees' Plan	Administrative Employees' Plan	Volunteer Firefighters' Plans Defined Benefit	Firefighters' Plans Defined Contribution	Total Pension Trust Funds
Additions:						
Contributions:						
Employer	\$ 2,065	\$ 1,268	\$ 287	\$ 77	\$ 70	\$ 3,767
Plan members	414	339	35		12	800
Total contributions	<u>2,479</u>	<u>1,607</u>	<u>322</u>	<u>77</u>	<u>82</u>	<u>4,567</u>
Investment income (loss):						
Net depreciation in fair value of investments	(262)	(384)	(59)			(705)
Interest and dividends	148	296	31	1	(20)	456
Total investment income (loss)	<u>(114)</u>	<u>(88)</u>	<u>(28)</u>	<u>1</u>	<u>(20)</u>	<u>(249)</u>
Less investment expenses	177	127	37			341
Net investment income (loss)	<u>(291)</u>	<u>(215)</u>	<u>(65)</u>	<u>1</u>	<u>(20)</u>	<u>(590)</u>
Total additions	<u>2,188</u>	<u>1,392</u>	<u>257</u>	<u>78</u>	<u>62</u>	<u>3,977</u>
Deductions:						
Benefits	2,629	2,242	836	170	20	5,897
Administration	18	20	4	8	11	61
Total deductions	<u>2,647</u>	<u>2,262</u>	<u>840</u>	<u>178</u>	<u>31</u>	<u>5,958</u>
Net increase (decrease)	(459)	(870)	(583)	(100)	31	(1,981)
Net Assets Held in Trust for Pension						
Benefits, Beginning of Year	<u>26,457</u>	<u>19,480</u>	<u>5,843</u>	<u>569</u>	<u>1,003</u>	<u>53,352</u>
Net Assets Held in Trust for Pension						
Benefits, End of Year	<u>\$ 25,998</u>	<u>\$ 18,610</u>	<u>\$ 5,260</u>	<u>\$ 469</u>	<u>\$ 1,034</u>	<u>\$ 51,371</u>

**Required Supplementary
Information**

TOWN OF NEWINGTON, CONNECTICUT

GENERAL FUND

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

FOR THE YEAR ENDED JUNE 30, 2012

(In Thousands)

	Budgeted Amounts		Actual	Variance - Positive (Negative)
	Original	Final		
Property taxes:				
Current levy	\$ 78,638	\$ 78,638	\$ 79,215	\$ 577
Prorated motor vehicles	575	575	671	96
Prorated real estate	50	50	3	(47)
Prior year tax levies	390	390	624	234
Interest and liens	265	265	382	117
Total	<u>79,918</u>	<u>79,918</u>	<u>80,895</u>	<u>977</u>
Payments in lieu of taxes:				
State-Owned Property	649	649	649	-
Elderly Freeze Exemption	8	8	12	4
Disabled Exemption	5	5	5	-
Elderly Circuit Breaker	269	269	255	(14)
Additional Veteran's Exemption	30	30	28	(2)
Tax Exempt Colleges and Hospital	1,368	1,368	1,368	-
Controlling Interest Transfer Tax			26	26
Total	<u>2,329</u>	<u>2,329</u>	<u>2,343</u>	<u>14</u>
Licenses and permits:				
Building permits	150	150	260	110
Vendor's permits	1	1	1	-
Gun permits	5	5	8	3
Raffle and Bingo permits	1	1		(1)
Work Within Rights of Way	8	8	8	-
Refuse handling licenses	2	2	1	(1)
Total	<u>167</u>	<u>167</u>	<u>278</u>	<u>111</u>
Rentals:				
Town Hall rental	4	4	3	(1)
Indian Hill Country Club	88	88	88	-
Other town property	40	40	42	2
Total	<u>132</u>	<u>132</u>	<u>133</u>	<u>1</u>
Investment income	<u>175</u>	<u>175</u>	<u>67</u>	<u>(108)</u>

(Continued on next page)

TOWN OF NEWINGTON, CONNECTICUT

GENERAL FUND

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

FOR THE YEAR ENDED JUNE 30, 2012

(In Thousands)

	Budgeted Amounts		Actual	Variance - Positive (Negative)
	Original	Final		
Fines:				
Parking tickets	\$ 20	\$ 20	\$ 30	\$ 10
False alarms	20	20	12	(8)
Ambulance Response Overages			81	81
Total	<u>40</u>	<u>40</u>	<u>123</u>	<u>83</u>
Charges for services:				
Conservation Commission	4	4	8	4
Zoning Board of Appeals	1	1		(1)
Town Planning and Zoning	9	9	10	1
Town Clerk Fees	745	745	375	(370)
Police	8	8	9	1
Human Services - counseling fee	21	21	26	5
Library - overdue fines	27	27	27	-
Dial-A-Ride Tickets	5	5	4	(1)
Scrap Metal Curbside	25	25	28	3
Engineering fees	1	1	1	-
Total	<u>846</u>	<u>846</u>	<u>488</u>	<u>(358)</u>
State of Connecticut:				
Public Library	3	3	1	(2)
Mashantucket Pequot Fund	229	229	243	14
Youth Services Bureau	23	23	23	-
Alcohol and Drug Abuse	4	4	5	1
Municipal Revenue Sharing			728	728
Telecommunications Tax			90	90
Emergency Management Grant	5	5		(5)
Retail Sales Tax	155	155		(155)
Room Occupancy Tax	9	9		(9)
Transportation - Non-public	6	6	7	1
Transportation - Public	227	227	260	33
Adult Education	29	29	32	3
Special Education Excess Cost			26	26
School Building Grants	608	608	1,338	730
Health Services	17	17	17	-
Town Aid Road	15	15	15	-
Education Cost Sharing Grant	12,633	12,633	12,672	39
Total	<u>13,963</u>	<u>13,963</u>	<u>15,457</u>	<u>1,494</u>

(Continued on next page)

TOWN OF NEWINGTON, CONNECTICUT

GENERAL FUND

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

**FOR THE YEAR ENDED JUNE 30, 2012
(In Thousands)**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Federal government:				
Senior Citizen Trans Aid	\$ 9	\$ 9	\$ 10	\$ 1
FEMA Storm Assistance Grant			1,458	1,458
ARRA Education Jobs Grant	738	738	738	-
Total	<u>747</u>	<u>747</u>	<u>2,206</u>	<u>1,459</u>
Miscellaneous:				
Other - miscellaneous	409	409	829	420
Cancelled PY encumbrances	10	10	137	127
United Way (Human Services)	3	3	3	-
Total	<u>422</u>	<u>422</u>	<u>969</u>	<u>547</u>
Total revenues	98,739	98,739	102,959	4,220
Other financing sources:				
Transfers in	164	164	164	-
Total	\$ <u>98,903</u>	\$ <u>98,903</u>	103,123	\$ <u>4,220</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	6,080
Cancellation of prior year encumbrances are recognized as budgetary revenue	(137)
The Board of Education does not budget for certain intergovernmental grants that are credited against education expenditures for budgetary reporting; these amounts are recorded as revenues and expenditures for financial reporting purposes	<u>1,048</u>

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

\$ 110,114

TOWN OF NEWINGTON, CONNECTICUT

GENERAL FUND

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)FOR THE YEAR ENDED JUNE 30, 2012
(In Thousands)

	Budgeted Amounts		Actual	Variance - Positive (Negative)
	Original	Final		
General Government:				
Town Council	\$ 27	\$ 29	\$ 29	\$ -
Town Manager	355	362	361	1
Courts	32	32	32	-
Elections	140	141	123	18
Finance	1,062	1,071	1,056	15
Town Attorney	132	132	132	-
Town Clerk	163	166	165	1
Personnel	47	47	45	2
General services	2,288	2,213	2,068	145
Total general government	4,246	4,193	4,011	182
Public Safety:				
Police Department	6,261	6,370	6,341	29
Fire Department	768	796	750	46
Street lighting	324	324	315	9
Emergency Medical Service	25	62	60	2
Hydrants	62	62	62	-
Total public safety	7,440	7,614	7,528	86
Public Works:				
Engineering	280	287	228	59
Highway Department	2,539	3,984	3,913	71
Solid Waste Services	2,240	2,244	2,134	110
Total public works	5,059	6,515	6,275	240
Community Planning and Development:				
Planning and Development	243	247	230	17
Town Planning and Zoning	17	17	16	1
Zoning Board of Appeals	3	3	2	1
Building Department	168	170	169	1
Conservation Commission	4	4	4	-
Economic Development	4	4	2	2
Total community planning and development	439	445	423	22
Health and Community Services:				
Public Health:				
Health Services	122	122	122	-
Community Services:				
Human Services	467	473	461	12
Senior and Disabled Center	530	535	501	34
Boards and Commissions	9	9	8	1
Total health and community services	1,128	1,139	1,092	47

(Continued on next page)

TOWN OF NEWINGTON, CONNECTICUT

GENERAL FUND

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)FOR THE YEAR ENDED JUNE 30, 2012
(In Thousands)

	Budgeted Amounts		Actual	Variance - Positive (Negative)
	Original	Final		
Library:				
Library operations	\$ 1,679	\$ 1,685	\$ 1,668	\$ 17
Parks and Recreation:				
Parks and Recreation Administration	346	351	343	8
Grounds Maintenance	1,232	1,299	1,202	97
Total parks and recreation	1,578	1,650	1,545	105
Board of Education:				
Art	706	776	776	-
Career/Vocational	1,159	1,008	1,008	-
Computers	1,227	2,076	2,076	-
Language Arts	3,716	3,815	3,815	-
Foreign Language	1,232	1,194	1,194	-
Health/Safety	157			-
Math	3,608	3,419	3,419	-
Music	1,113	1,146	1,146	-
Physical Education	1,239	1,396	1,396	-
Reading	3,715	3,409	3,409	-
Science	3,220	3,120	3,120	-
Social Studies	3,382	3,252	3,252	-
Other Salaries	1,046	722	722	-
Special Education	6,597	6,396	6,396	-
Homebound	43	84	84	-
Adult Education	85	86	86	-
Guidance	1,191	1,116	1,116	-
Health/Nurses	647	467	467	-
Psychological Services	722	745	745	-
Speech and Hearing	509	524	524	-
Curriculum Development	61	255	255	-
Media	1,025	1,141	1,141	-
Board of Education	128	274	274	-
Central Direction	1,185	1,441	1,441	-
Building Direction	2,945	3,004	3,004	-
Supplies	260	214	214	-
Maintenance	1,389	2,286	2,286	-
Plant operation	4,663	3,846	3,815	31
Transportation	2,438	2,694	2,694	-
Evaluation, planning and development	112	87	87	-
Insurance	626	506	506	-

(Continued on next page)

TOWN OF NEWINGTON, CONNECTICUT

GENERAL FUND

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)FOR THE YEAR ENDED JUNE 30, 2012
(In Thousands)

	Budgeted Amounts		Actual	Variance - Positive (Negative)
	Original	Final		
Board of Education (continued):				
Employee benefits	\$ 10,755	\$ 10,359	\$ 10,112	\$ 247
Non-athletics	124	124	124	-
Athletics	438	536	536	-
Community service	114	59	59	-
Total Board of Education	<u>61,577</u>	<u>61,577</u>	<u>61,299</u>	<u>278</u>
Miscellaneous:				
Metropolitan District Assessment	2,895	2,895	2,895	-
Municipal insurance	651	651	615	36
Greater Hartford Transit District	3	3	3	-
Employee benefits	6,893	6,893	6,844	49
Donations and contributions	20	20	20	-
Contingency	314	55	48	7
Total miscellaneous	<u>10,776</u>	<u>10,517</u>	<u>10,425</u>	<u>92</u>
Debt service:				
Principal payments	1,825	1,825	1,825	-
Interest expense	487	487	487	-
Total debt service	<u>2,312</u>	<u>2,312</u>	<u>2,312</u>	<u>-</u>
Total expenditures	96,234	97,647	96,578	1,069
Other financing uses:				
Transfers out	<u>4,671</u>	<u>4,958</u>	<u>4,958</u>	<u>-</u>
Total	<u>\$ 100,905</u>	<u>\$ 102,605</u>	101,536	<u>\$ 1,069</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

6,080

The Board of Education does not budget for certain intergovernmental grants that are credited against education expenditures for budgetary reporting; these amounts are recorded as revenues and expenditures for financial reporting purposes

1,048

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

(170)

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

\$ 108,494

**Combining and Individual
Fund Statements and Schedules**

General Fund

GENERAL FUND

The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.

TOWN OF NEWINGTON, CONNECTICUT

GENERAL FUND

COMPARATIVE BALANCE SHEET

JUNE 30, 2012 AND 2011

(In Thousands)

	<u>2012</u>	<u>2011</u>
ASSETS		
Cash and cash equivalents	\$ 26,996	\$ 25,061
Receivables:		
Property taxes, net of allowance of \$94 in 2012 and 2011	1,381	1,423
Intergovernmental	1,542	
Other receivable	157	131
Due from other funds	<u>375</u>	<u>534</u>
Total Assets	<u>\$ 30,451</u>	<u>\$ 27,149</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable and other liabilities	\$ 4,346	\$ 3,836
Deferred revenues	<u>7,512</u>	<u>6,340</u>
Total liabilities	<u>11,858</u>	<u>10,176</u>
Fund balance:		
Assigned:		
Encumbrances	1,924	1,891
Designated for subsequent year's budget	2,250	2,000
Unassigned	<u>14,419</u>	<u>13,082</u>
Total fund balance	<u>18,593</u>	<u>16,973</u>
Total Liabilities and Fund Balance	<u>\$ 30,451</u>	<u>\$ 27,149</u>

TOWN OF NEWINGTON, CONNECTICUT

GENERAL FUND

REPORT OF TAX COLLECTOR

FOR THE YEAR ENDED JUNE 30, 2012

(In Thousands)

Grand List	Mill Rate	Uncollected Taxes July 1, 2011	Lawful Corrections		Suspense	Adjusted Taxes Collectible	Taxes	Interest	Liens	Total	Uncollected Taxes June 30, 2012
			Additions	Deductions							
2010	30.02	\$ 80,622	\$ 56	\$ 237	\$	\$ 80,441	\$ 79,582	\$ 171	\$ 3	\$ 79,756	\$ 859
2009	29.18	948	8	50	97	809	553	123	3	679	256
2008	28.40	198	2	5	1	194	127	33	1	161	67
2007	27.68	103				103	54	21	1	76	49
2006	26.91	49				49	8	8		16	41
2005	25.76	40				40	5	8		13	35
2004	36.43	47				47	3			3	44
2003	34.24	42				42				-	42
2002	32.29	40		1		39				-	39
2001	30.44	11		1		10				-	10
2000	28.58	9				9				-	9
1999	27.75	9				9				-	9
1998	27.17	8				8				-	8
1997	27.17	7				7				-	7
1996	25.25	6			6	-				-	-
		<u>\$ 82,139</u>	<u>\$ 66</u>	<u>\$ 294</u>	<u>\$ 104</u>	<u>\$ 81,807</u>	<u>\$ 80,332</u>	<u>\$ 364</u>	<u>\$ 8</u>	<u>\$ 80,704</u>	<u>\$ 1,475</u>

**Nonmajor
Governmental Funds**

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

The Special Revenue Funds are used to account for the proceeds of special revenues sources (except major capital projects) that are legally restricted to expenditure for specific purposes. The Special Revenue Funds are as follows:

Fund	Funding Source	Function
Cafeteria	Sale of food, State and Federal grants	Food service operations
Road Aid Maintenance	State funds	Improvement of the Town's roads
State and Federal Grants	Federal or State grants	Education programs
Cemetery	Charges for services	Maintaining the Town's cemeteries
Dog Licenses	License fees	Canine control program
LOCIP Reserve	State funds	Infrastructure improvements
Recreation Programs	User fees	Recreation
Employee Leave Liability	Local	Pay employees for accumulated sick leave upon termination
Balf	The Balf Company	The use of these funds is to be determined in the future by the Town's governing body
Miscellaneous Grants	State and federal grants	Special programs administered by Town departments
Volunteer Ambulance	Local	Money purchase plan established
Volunteer Firefighters'	Local	Provides a one-time payment based on length of service to volunteer firefighters who are vested but no longer active
Scholarship Trust	Donations	Scholarship endowments/gifts

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 that support the reporting government's programs.

Cemetery Trust Fund - consists of individual endowments, the interest of which is used to offset maintenance costs of individual graves.

Library Book Fund - records interest earned on endowment (Hubbard), which is used to purchase library books.

Tri-Centennial Fund - records contributions from local banks to be held in trust until the country's tri-centennial.

TOWN OF NEWINGTON, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET

JUNE 30, 2012

(In Thousands)

	<u>Special Revenue Funds</u>									
	<u>Cafeteria</u>	<u>Road Aid Maintenance</u>	<u>State and Federal Grants</u>	<u>Cemetery</u>	<u>Dog Licenses</u>	<u>LOCIP Reserve</u>	<u>Recreation Programs</u>	<u>Employee Leave Liability</u>	<u>Balf</u>	<u>Miscellaneous Grants</u>
ASSETS										
Cash and cash equivalents	\$ 228	\$ 265	\$	\$ 1,185	\$ 13	\$ 133	\$ 892	\$	\$ 29	\$ 405
Investments								1,033		
Receivables:										
Accounts and other	7				1		7	3		
State and Federal governments	72		7							733
Prepays							5			3
Inventory	25									
Total Assets	<u>\$ 332</u>	<u>\$ 265</u>	<u>\$ 7</u>	<u>\$ 1,185</u>	<u>\$ 14</u>	<u>\$ 133</u>	<u>\$ 904</u>	<u>\$ 1,036</u>	<u>\$ 29</u>	<u>\$ 1,141</u>
LIABILITIES AND FUND BALANCE										
Liabilities:										
Accounts and other payables	\$ 94	\$ 4	\$	\$	\$ 10	\$	\$ 43	\$	\$	\$ 45
Due to other funds			2					85		126
Deferred revenue	33						413			17
Total liabilities	<u>127</u>	<u>4</u>	<u>2</u>	<u>-</u>	<u>10</u>	<u>-</u>	<u>456</u>	<u>85</u>	<u>-</u>	<u>188</u>
Fund Balance:										
Nonspendable	25						5			3
Restricted		261	5			133				950
Committed	180			1,185	4		443	951	29	
Total fund balance	<u>205</u>	<u>261</u>	<u>5</u>	<u>1,185</u>	<u>4</u>	<u>133</u>	<u>448</u>	<u>951</u>	<u>29</u>	<u>953</u>
Total Liabilities and Fund Balance	<u>\$ 332</u>	<u>\$ 265</u>	<u>\$ 7</u>	<u>\$ 1,185</u>	<u>\$ 14</u>	<u>\$ 133</u>	<u>\$ 904</u>	<u>\$ 1,036</u>	<u>\$ 29</u>	<u>\$ 1,141</u>

(Continued on next page)

TOWN OF NEWINGTON, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2012
(In Thousands)

	Special Revenue Funds				Permanent Funds				Total Nonmajor Governmental Funds
	Volunteer Ambulance	Volunteer Firefighters'	Scholarship Trust	Total	Cemetery Trust	Hubbard Book	Tri-Centennial	Total	
ASSETS									
Cash and cash equivalents	\$ 252	\$ 121	\$ 247	\$ 3,770	\$ 25	\$ 11	\$ 1	\$ 37	\$ 3,807
Investments				1,033					1,033
Receivables:									
Accounts and other				18					18
State and Federal governments				812					812
Prepays				8					8
Inventory				25					25
Total Assets	<u>\$ 252</u>	<u>\$ 121</u>	<u>\$ 247</u>	<u>\$ 5,666</u>	<u>\$ 25</u>	<u>\$ 11</u>	<u>\$ 1</u>	<u>\$ 37</u>	<u>\$ 5,703</u>
LIABILITIES AND FUND BALANCE									
Liabilities:									
Accounts and other payables	\$	\$	\$	\$ 196	\$	\$	\$	\$	\$ 196
Due to other funds				213					213
Deferred revenue				463					463
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>872</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>872</u>
Fund Balance:									
Nonspendable				33					33
Restricted				1,349	25	11	1	37	1,386
Committed	252	121	247	3,412					3,412
Total fund balance	<u>252</u>	<u>121</u>	<u>247</u>	<u>4,794</u>	<u>25</u>	<u>11</u>	<u>1</u>	<u>37</u>	<u>4,831</u>
Total Liabilities and Fund Balance	<u>\$ 252</u>	<u>\$ 121</u>	<u>\$ 247</u>	<u>\$ 5,666</u>	<u>\$ 25</u>	<u>\$ 11</u>	<u>\$ 1</u>	<u>\$ 37</u>	<u>\$ 5,703</u>

TOWN OF NEWINGTON, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2012

(In Thousands)

		Special Revenue Funds									
		<u>Cafeteria</u>	<u>Road Aid Maintenance</u>	<u>State and Federal Grants</u>	<u>Cemetery</u>	<u>Dog Licenses</u>	<u>LOCIP Reserve</u>	<u>Recreation Programs</u>	<u>Employee Leave Liability</u>	<u>Balf</u>	<u>Miscellaneous Grants</u>
Revenues:											
	Licenses, fees and permits	\$	\$	\$	\$	\$ 14	\$	\$	\$	\$	\$
	Intergovernmental	492	192	1,698			202				825
	Contributions							6			167
	Charges for services	862			219		15	834			36
	Investment income				1				6		
	Miscellaneous	54									142
	Total revenues	<u>1,408</u>	<u>192</u>	<u>1,698</u>	<u>220</u>	<u>14</u>	<u>217</u>	<u>840</u>	<u>6</u>	<u>-</u>	<u>1,170</u>
Expenditures:											
09	Current:										
	General government				11				245		173
	Public safety					17					53
	Public works										4
	Library										69
	Parks and recreation							727			16
	Education	1,483		1,668					45		
	Capital outlay		151				202				700
	Total expenditures	<u>1,483</u>	<u>151</u>	<u>1,668</u>	<u>11</u>	<u>17</u>	<u>202</u>	<u>727</u>	<u>290</u>	<u>-</u>	<u>1,015</u>
Other financing sources (uses):											
	Transfers in							26	89		
	Transfers out				(113)						
	Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(113)</u>	<u>-</u>	<u>-</u>	<u>26</u>	<u>89</u>	<u>-</u>	<u>-</u>
	Net change in fund balances	<u>(75)</u>	<u>41</u>	<u>30</u>	<u>96</u>	<u>(3)</u>	<u>15</u>	<u>139</u>	<u>(195)</u>	<u>-</u>	<u>155</u>
	Fund balance at beginning of year	<u>280</u>	<u>220</u>	<u>(25)</u>	<u>1,089</u>	<u>7</u>	<u>118</u>	<u>309</u>	<u>1,146</u>	<u>29</u>	<u>798</u>
	Fund Balance at End of Year	<u>\$ 205</u>	<u>\$ 261</u>	<u>\$ 5</u>	<u>\$ 1,185</u>	<u>\$ 4</u>	<u>\$ 133</u>	<u>\$ 448</u>	<u>\$ 951</u>	<u>\$ 29</u>	<u>\$ 953</u>

(Continued on next page)

TOWN OF NEWINGTON, CONNECTICUT

NONMAJOR GOVERNMENTAL FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2012

(In Thousands)

	Special Revenue Funds				Permanent Funds				Total Nonmajor Governmental Funds
	Volunteer Ambulance	Volunteer Firefighters'	Scholarship Trust	Total	Cemetery Trust	Hubbard Book	Tri-Centennial	Total	
Revenues:									
Licenses, fees and permits	\$	\$	\$	\$ 14	\$	\$	\$	\$	\$ 14
Intergovernmental				3,409					3,409
Contributions				173					173
Charges for services				1,966					1,966
Investment income			1	8					8
Miscellaneous	1		51	248					248
Total revenues	<u>1</u>	<u>-</u>	<u>52</u>	<u>5,818</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,818</u>
Expenditures:									
Current:									
General government				429					429
Public safety		30		100					100
Public works				4					4
Library				69					69
Parks and recreation				743					743
Education			56	3,252					3,252
Capital outlay				1,053					1,053
Total expenditures	<u>-</u>	<u>30</u>	<u>56</u>	<u>5,650</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,650</u>
Other financing sources (uses):									
Transfers in	5			120					120
Transfers out				(113)					(113)
Total other financing sources (uses)	<u>5</u>	<u>-</u>	<u>-</u>	<u>7</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7</u>
Net change in fund balances	6	(30)	(4)	175	-	-	-	-	175
Fund balance at beginning of year	<u>246</u>	<u>151</u>	<u>251</u>	<u>4,619</u>	<u>25</u>	<u>11</u>	<u>1</u>	<u>37</u>	<u>4,656</u>
Fund Balance at End of Year	<u>\$ 252</u>	<u>\$ 121</u>	<u>\$ 247</u>	<u>\$ 4,794</u>	<u>\$ 25</u>	<u>\$ 11</u>	<u>\$ 1</u>	<u>\$ 37</u>	<u>\$ 4,831</u>

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Internal Service Funds

INTERNAL SERVICE FUNDS

Internal Service funds are used for the financing of goods or 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 Town has two such funds.

Health Benefits Fund: This fund is used to account for funds received from various Town funds and departments for health benefits. The fund pays for costs associated with providing medical benefits to current and past employees.

Insurance Reserve Fund: This fund was established by ordinance to meet any substantial premium adjustments due to retrospective ratings.

TOWN OF NEWINGTON, CONNECTICUT

INTERNAL SERVICE FUNDS

COMBINING BALANCE SHEET

JUNE 30, 2012

(In Thousands)

	<u>Health Benefits</u>	<u>Insurance Reserve</u>	<u>Total</u>
Assets:			
Cash and cash equivalents	\$ <u>3,914</u>	\$ <u>428</u>	\$ <u>4,342</u>
Liabilities:			
Accounts and other payable	<u>582</u>	<u> </u>	<u>582</u>
Net Assets:			
Unrestricted	\$ <u><u>3,332</u></u>	\$ <u><u>428</u></u>	\$ <u><u>3,760</u></u>

TOWN OF NEWINGTON, CONNECTICUT

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED JUNE 30, 2012

(In Thousands)

	<u>Health Benefits</u>	<u>Insurance Reserve</u>	<u>Total</u>
Operating Revenues:			
Charges for services	\$ 9,170	\$	\$ 9,170
Miscellaneous		74	74
Total operating revenues	<u>9,170</u>	<u>74</u>	<u>9,244</u>
Operating Expenses:			
Benefit payments	8,838		8,838
Administration	386		386
Insurance	552		552
Casualty loss		635	635
Total operating expenses	<u>9,776</u>	<u>635</u>	<u>10,411</u>
Operating Loss	(606)	(561)	(1,167)
Nonoperating Revenue:			
Interest on investments	<u>2</u>		<u>2</u>
Loss Before Transfers	(604)	(561)	(1,165)
Transfers In		<u>241</u>	<u>241</u>
Change in Net Assets	(604)	(320)	(924)
Total Net Assets at Beginning of Year	<u>3,936</u>	<u>748</u>	<u>4,684</u>
Total Net Assets at End of Year	<u>\$ 3,332</u>	<u>\$ 428</u>	<u>\$ 3,760</u>

TOWN OF NEWINGTON, CONNECTICUT

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2012

(In Thousands)

	<u>Health Benefits</u>	<u>Insurance Reserve</u>	<u>Total</u>
Cash Flows from Operating Activities:			
Cash received from charges for services and other	\$ 9,170	\$ 74	\$ 9,244
Cash paid to vendors	<u>(9,783)</u>	<u>(677)</u>	<u>(10,460)</u>
Net cash used in operating activities	(613)	(603)	(1,216)
Cash Flows from Noncapital Financial Activities:			
Transfers in		241	241
Cash Flows from Investing Activities:			
Interest on investments	<u>2</u>		<u>2</u>
Net Decrease in Cash and Cash Equivalents	(611)	(362)	(973)
Cash and Cash Equivalents at Beginning of Year	<u>4,525</u>	<u>790</u>	<u>5,315</u>
Cash and Cash Equivalents at End of Year	<u>\$ 3,914</u>	<u>\$ 428</u>	<u>\$ 4,342</u>
Reconciliation of Operating Loss to Net Cash Used in Operating Activities:			
Operating loss	\$ (606)	\$ (561)	\$ (1,167)
Adjustments to reconcile operating loss to net cash used in operating activities:			
Decrease in accounts and other payables	<u>(7)</u>	<u>(42)</u>	<u>(49)</u>
Net Cash Used in Operating Activities	<u>\$ (613)</u>	<u>\$ (603)</u>	<u>\$ (1,216)</u>

Fiduciary Funds

FIDUCIARY FUNDS

Agency Funds are used to account for assets held by the Town in a trustee capacity or as an agent for individuals, private organizations or other. The Town's Agency Funds are:

- Youth Activities - to account for various programs benefiting the Town's youth.
- Student Activities - to account for the various student activities and clubs in the Town's schools.

TOWN OF NEWINGTON, CONNECTICUT

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

FOR THE YEAR ENDED JUNE 30, 2012

(In Thousands)

	<u>Balance</u> <u>July 1, 2011</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2012</u>
Youth Activities Fund				
Assets:				
Cash and cash equivalents	\$ 6	\$ -	\$ -	\$ 6
Liabilities:				
Deposits held for others	6	-	-	6
Student Activities Fund				
Assets:				
Cash and cash equivalents	481	955	906	530
Liabilities:				
Deposits held for others	481	955	906	530
Total All Funds				
Assets:				
Cash and cash equivalents	\$ <u>487</u>	\$ <u>955</u>	\$ <u>906</u>	\$ <u>536</u>
Liabilities:				
Deposits held for others	\$ <u>487</u>	\$ <u>955</u>	\$ <u>906</u>	\$ <u>536</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 NEWINGTON, CONNECTICUT

NET ASSETS BY COMPONENT

LAST TEN FISCAL YEARS

(In Thousands)

	FISCAL YEAR									
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Governmental Activities:										
Invested in capital assets, net of related debt	\$ 70,426	\$ 65,734	\$ 62,260	\$ 56,392	\$ 52,163	\$ 48,689	\$ 45,677	\$ 36,835	\$ 26,722	\$ 25,455
Restricted	657	685	673	612	582	527	479	452	443	443
Unrestricted	<u>31,773</u>	<u>29,983</u>	<u>29,240</u>	<u>24,818</u>	<u>27,626</u>	<u>24,232</u>	<u>22,930</u>	<u>20,722</u>	<u>21,215</u>	<u>19,203</u>
Total Governmental Activities Net Assets	<u>\$ 102,856</u>	<u>\$ 96,402</u>	<u>\$ 92,173</u>	<u>\$ 81,822</u>	<u>\$ 80,371</u>	<u>\$ 73,448</u>	<u>\$ 69,086</u>	<u>\$ 58,009</u>	<u>\$ 48,380</u>	<u>\$ 45,101</u>

NOTE:

(1) Schedule prepared on the accrual basis of accounting.

TOWN OF NEWINGTON, CONNECTICUT

CHANGES IN NET ASSETS

LAST TEN FISCAL YEARS
(In Thousands)

	FISCAL YEAR									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Expenses:										
General government	\$ 7,128	\$ 6204	5,609	\$ 7,931	\$ 5,857	\$ 4,599	\$ 4,681	\$ 2,786	\$ 3,020	\$ 3,326
Public safety	12,062	11426	10,600	11,323	9,859	6,788	6,520	6,385	6,363	6,081
Public works	10,597	9669	9,585	9,109	8,747	5,724	5,226	4,950	5,384	4,529
Community planning and development	771	667	780	697	806	590	515	540	480	509
Health and community services	1,376	1520	1,498	1,416	1,535	1,122	1,160	1,187	1,161	1,143
Library	2,118	2010	2,104	2,016	2,244	1,821	1,792	1,733	1,710	1,582
Parks and recreation	3,074	2534	2,941	2,716	3,138	2,398	2,333	2,181	2,333	2,066
Education	73,232	69342	68,084	65,598	76,236	56,881	52,058	49,902	46,400	45,268
Miscellaneous						8,647	8,199	7,792	7,155	6,521
Interest on long-term debt	499	538	687	780	855	946	1,137	1,000	913	686
Total governmental activities expenses	<u>110,857</u>	<u>103,910</u>	<u>101,888</u>	<u>101,586</u>	<u>109,277</u>	<u>89,516</u>	<u>83,621</u>	<u>78,456</u>	<u>74,919</u>	<u>71,711</u>
Program Revenues:										
Charges for services										
General government	575	790	703	719	907	1,741	1,464	1,582	1,729	1,307
Public safety	178	120	82	106	54	90	81	79	86	90
Public works	45	45	45	48	58	47	36	20	9	8
Community planning and development	287	208	309	415	735					
Health and community services	69	65	69	72	52	33	192	160	52	200
Library	27	29	29	30	33	38	36	34	35	33
Parks and recreation	1,052	997	903	801	791	702	839	390	683	595
Education	1,053	1115	1,052	1,117	1,047	1,305	1,079	1,073	937	889
Operating grants and contributions	24,946	21729	23,262	20,574	34,588	17,490	16,646	14,374	13,088	12,448
Capital grants and contributions	3,647	908	5,874	2,210	1,105	389	4,180	6,200	5,264	80
Total governmental activities program revenues	<u>31,879</u>	<u>26,006</u>	<u>32,328</u>	<u>26,092</u>	<u>39,370</u>	<u>21,835</u>	<u>24,553</u>	<u>23,912</u>	<u>21,883</u>	<u>15,650</u>
Net expense:										
Governmental activities	<u>(78,978)</u>	<u>(77,904)</u>	<u>(69,560)</u>	<u>(75,494)</u>	<u>(69,907)</u>	<u>(67,681)</u>	<u>(59,068)</u>	<u>(54,544)</u>	<u>(53,036)</u>	<u>(56,061)</u>
General revenues and other changes in net assets:										
Governmental activities:										
Property taxes	80,907	78159	75,542	72,453	70,617	66,335	65,312	60,008	56,070	53,345
Grants and contributions not restricted to specific purposes	3,379	3433	3,393	3,411	2,904	3,232	2,981	2,810	2,840	3,251
Unrestricted investment earnings	78	145	203	642	1,773	2,285	1,829	988	427	543
Gain on sale of capital assets								291	16	212
Miscellaneous	1,068	396	773	439	1,536	191	23	76	59	31
Total governmental activities	<u>85,432</u>	<u>82,133</u>	<u>79,911</u>	<u>76,945</u>	<u>76,830</u>	<u>72,043</u>	<u>70,145</u>	<u>64,173</u>	<u>59,412</u>	<u>57,382</u>
Changes in net assets:										
Governmental activities	<u>\$ 6,454</u>	<u>\$ 4,229</u>	<u>\$ 10,351</u>	<u>\$ 1,451</u>	<u>\$ 6,923</u>	<u>\$ 4,362</u>	<u>\$ 11,077</u>	<u>\$ 9,629</u>	<u>\$ 6,376</u>	<u>\$ 1,321</u>

Note:

(1) Schedule prepared on the accrual basis of accounting.

TOWN OF NEWINGTON, CONNECTICUT
FUND BALANCES, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS
(In Thousands)

	FISCAL YEAR									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
General Fund:										
Reserved	\$	\$	1,745	\$ 1,947	\$ 1,572	\$ 1,763	\$ 1,721	\$ 1,286	\$ 1,423	\$ 1,523
Unreserved			15,898	14,744	14,072	12,943	11,687	10,474	9,140	9,449
Assigned	4,174	3,891								
Unassigned	14,419	13,082								
Total General Fund	\$ <u>18,593</u>	\$ <u>16,973</u>	\$ <u>17,643</u>	\$ <u>16,691</u>	\$ <u>15,644</u>	\$ <u>14,706</u>	\$ <u>13,408</u>	\$ <u>11,760</u>	\$ <u>10,563</u>	\$ <u>10,972</u>
All other governmental funds:										
Reserved	\$	\$	1,148	\$ 577	\$ 786	\$ 532	\$ 1,615	\$ 5,448	\$ 17,340	\$ 1,043
Unreserved, reported in:										
Special revenue funds			5,830	4,015	4,596	4,295	3,797	3,770	4,008	4,056
Capital projects funds			3,538	3,100	2,980	2,715	2,247	(793)	(295)	7,538
Nonspendable	33	34								
Restricted	1,460	1,253								
Committed	9,213	8,650								
Assigned										
Unassigned										
Total All Other Governmental Funds	\$ <u>10,706</u>	\$ <u>9,937</u>	\$ <u>10,516</u>	\$ <u>7,692</u>	\$ <u>8,362</u>	\$ <u>7,542</u>	\$ <u>7,659</u>	\$ <u>8,425</u>	\$ <u>21,053</u>	\$ <u>12,637</u>

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Note 1: Schedule prepared on the modified accrual basis of accounting.

TOWN OF NEWINGTON, CONNECTICUT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS
(In Thousands)

	FISCAL YEAR									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Revenues:										
Property taxes	\$ 80,895	\$ 77,704	\$ 75,594	\$ 73,276	\$ 70,359	\$ 66,863	\$ 64,813	\$ 60,047	\$ 55,901	\$ 53,202
Payment in lieu of taxes	2,343	3,096	3,050	2,936	2,481	2,339	2,526	2,256	2,151	2,284
Licenses, fees and permits	292	209	316	425	740	765	525	527	555	1,029
Intergovernmental	29,533	22,873	25,760	23,165	36,016	18,358	21,090	21,128	15,344	13,731
Contributions	173	91	209	91	99					
Rental	214	185	163	214	138	145	202	163	163	156
Investment income	76	137	191	591	1,608	2,120	1,715	936	410	515
Fines	123	93	64	96	41	64	51	52	59	67
Charges for services	2,564	2,881	2,645	2,567	2,758	2,813	2,797	2,515	2,574	1,626
Refunds and reimbursements					23	185	14	38	51	30
Sale of Town property							32	322	26	212
Other	1,080	452	385	430	1,432	664	467	320	305	264
Total revenues	117,293	107,721	108,377	103,791	115,695	94,316	94,232	88,304	77,539	73,116
Expenditures:										
General government	4,457	4,198	4,260	4,376	3,803	5,501	6,033	4,148	4,335	4,101
Public safety	7,633	7,238	7,297	7,042	6,965	8,949	8,677	7,960	8,000	7,657
Public works	6,227	4,670	4,535	4,766	4,669	8,117	7,595	7,179	6,861	5,928
Community planning and development	422	430	479	513	503	727	670	683	671	649
Health and community services	1,093	1,074	1,117	1,108	1,149	1,473	1,537	1,465	1,491	1,413
Library	1,737	1,607	1,706	1,656	1,785	2,177	2,114	1,992	1,934	1,817
Parks and recreation	2,285	2,248	2,221	2,258	2,416	2,786	2,690	2,514	2,502	2,353
Education	71,555	69,465	66,646	63,667	76,544	56,817	52,728	49,069	46,755	44,070
Miscellaneous	10,424	10,026	8,928	8,741	8,829					
Capital outlay	8,956	5,259	4,980	6,243	4,165	2,885	8,527	24,910	2,847	3,282
Debt service										
Principal	1,825	1,630	1,750	1,946	1,940	2,538	2,260	2,030	1,692	1,798
Interest	599	742	985	790	864	1,067	1,017	769	708	806
Total expenditures	117,213	108,587	104,904	103,106	113,632	89,432	94,182	103,203	78,200	71,270
Excess of Revenue Over (Under) Expenditures	80	(866)	3,473	685	2,063	4,884	50	(14,899)	(661)	(559)
Other Financing Sources (Uses):										
Bonds issued								3,700	8,700	4,950
Bond refunding issued			3,737							
Payment to escrow agent			(3,668)							
Mortgage issued	2,575									
Capitalized lease			525				975			
Transfers in	4,881	4,745	4,129	4,346	4,206	2,875	3,239	1,647	1,531	2,154
Transfers out	(5,122)	(5,153)	(4,420)	(4,654)	(4,512)	(3,215)	(3,382)	(1,879)	(1,563)	(1,972)
Total other financing sources (uses)	2,334	(408)	303	(308)	(306)	(340)	832	3,468	8,668	5,132
Net Change in Fund Balance	\$ 2,414	\$ (1,274)	\$ 3,776	\$ 377	\$ 1,757	\$ 4,544	\$ 882	\$ (11,431)	\$ 8,007	\$ 4,573
Debt Service as a Percentage of Noncapital Expenditures	2.25%	2.30%	2.81%	2.91%	2.63%	3.73%	4.21%	4.19%	3.71%	3.41%

Note 1: Schedule prepared on the modified accrual basis of accounting

TOWN OF NEWINGTON, CONNECTICUT
GENERAL GOVERNMENTAL REVENUES AND OTHER FINANCING SOURCES, BY SOURCE

LAST TEN FISCAL YEARS
(In Thousands)

Fiscal Year Ended June 30,	Taxes and Special Assessments	Licenses and Permits	Intergovernmental Revenue(1)	Charges for Services	Investment Earnings	Miscellaneous Revenues(2)	Other Financing Sources(3)	Total
2012	\$ 80,895	\$ 278	\$ 20,006	\$ 488	\$ 67	\$ 1,225	\$ 164	\$ 103,123
2011	77,704	194	16,805	510	123	469	127	95,932
2010	75,594	302	17,406	607	172	275	98	94,454
2009	73,276	409	16,880	597	509	429	284	92,384
2008	70,359	724	15,596	995	1,426	1,035	94	90,229
2007	66,863	749	14,667	885	1,825	426	82	85,497
2006	64,813	509	13,980	808	1,512	228	95	81,945
2005	60,047	511	13,432	974	842	536	77	76,419
2004	55,901	540	12,957	889	366	252	75	70,980
2003	53,202	419	12,934	655	452	253	222	68,137

Includes General Fund revenues, reported on a budgetary basis.

(1) Includes federal grants, State of Connecticut grants including education grants, and state payments-in-lieu of taxes.

(2) Includes rentals, refunds & reimbursements, sale of Town property, fines, other receipts and cancellation of prior year encumbrances.

(3) Includes transfers from other funds.

TOWN OF NEWINGTON, CONNECTICUT

GENERAL GOVERNMENTAL EXPENDITURES AND OTHER FINANCING USES, BY FUNCTION

LAST TEN FISCAL YEARS
(In Thousands)

Fiscal Year Ended June 30,	General Government	Public Safety	Public Works and Community Development	Health and Community Services	Parks, Recreation and Library	Debt Service; Metropolitan District Commission Miscellaneous(1)	Board of Education(2)	Other Financing Uses (3)	Total
2012	\$ 4,011	\$ 7,528	\$ 6,275	\$ 1,515	\$ 3,213	\$ 12,737	\$ 61,299	\$ 4,958	\$ 101,536
2011	3,905	7,214	5,098	1,075	3,039	12,184	59,207	5,026	96,748
2010	3,835	7,052	5,006	1,114	3,073	11,383	57,517	4,320	93,300
2009	3,982	6,827	5,237	1,111	3,082	11,265	55,837	4,370	91,711
2008	3,282	6,851	5,106	1,151	3,330	11,421	53,540	4,418	89,099
2007	2,516	6,483	5,405	1,112	3,191	11,781	50,620	3,133	84,241
2006	2,357	6,188	5,140	1,193	3,122	11,768	47,677	3,287	80,732
2005	2,196	5,913	4,923	1,163	3,060	10,948	45,409	1,474	75,086
2004	2,100	5,809	4,641	1,182	3,019	10,054	43,121	1,362	71,288
2003	2,269	5,810	3,885	1,156	2,878	8,791	41,294	1,740	67,823

Note: Includes General Fund expenditures, reported on a budgetary basis.

(1) Includes Debt Service payments, the Metropolitan District Commission sewer levy on Newington and Miscellaneous (the Town's liability insurance, employee benefits, settlements, contingency, Greater Hartford Transit District contribution and special community activities).

(2) Represents appropriation for Board of Education budget. Additional funding for Board of Education purposes is included in other functions such as Debt Service, Capital Improvements, and Other Financing Uses (transfers to other funds).

(3) Includes funding for ongoing capital projects and transfers to other funds.

TOWN OF NEWINGTON, CONNECTICUT

**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(In Thousands)**

Fiscal Year	Real Property			Personal Property	Motor Vehicle (2)	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 (3)
	Residential	Commercial	Industrial							
2012	\$ 1,765,469	\$ 451,349	\$ 137,365	\$ 184,072	\$ 228,738	\$ (64,216)	\$ 2,702,777	30.02	\$ 3,880,511	69.03%
2011	1,761,191	448,456	140,393	178,241	217,614	(61,059)	2,684,836	29.18	3,955,308	67.88%
2010	1,751,988	438,390	140,898	172,810	196,035	(55,440)	2,644,681	28.40	3,955,308	66.86%
2009	1,733,094	481,617	90,397	174,869	203,608	(50,268)	2,633,317	27.68	4,076,961	64.59%
2008	1,716,024	461,306	91,646	166,225	197,879	(42,831)	2,590,249	26.91	4,219,375	70.00%
72 2007 (1)	1,697,198	463,573	91,729	160,198	222,248	(46,376)	2,588,570	25.76	3,714,044	70.00%
2006	1,054,697	331,208	87,730	150,176	214,688	(40,733)	1,797,766	36.43	4,051,824	44.37%
2005	1,047,054	338,320	88,152	138,594	202,503	(44,453)	1,770,170	34.24	3,505,059	50.50%
2004	1,041,228	333,229	89,114	138,201	210,134	(49,398)	1,762,508	32.29	3,286,386	53.63%
2003	1,028,144	331,449	89,338	149,436	210,199	(54,040)	1,754,526	30.44	2,868,380	61.17%

Source: Town of Newington Office of Tax Assessor

Notes: Assessment rate is 70% of market value.

(1) Real property revalued as of October 1, 2005 Grand List.

(2) Includes net supplemental motor vehicle assessments.

(3) Sales ratios from Connecticut Office of Policy and Management.

TOWN OF NEWINGTON, CONNECTICUT

PRINCIPAL PROPERTY TAX PAYERS

CURRENT YEAR AND NINE YEARS AGO

(In Thousands)

<u>Taxpayer</u>	<u>October 1, 2010</u>			<u>October 1, 2001</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>
Connecticut Light & Power Co	\$ 34,314	1	1.270	\$ 23,964	1	1.38%
Newington VF L L C	20,392	2	0.754	12,512	4	0.72%
Centro Ga Turnpike Plaza LLLC	19,703	3	0.729	7,891	12	0.46%
Newington Gross LLC	18,777	4	0.695	6,740	14	0.39%
TLG Newington LLC	18,575	5	0.687	12,027	5	0.69%
Newington-Berlin Retail LLC	16,412	6	0.607	N/A		
Hayes Kaufman Newington	13,355	7	0.494	6,378	15	0.37%
The Balf Company	12,820	8	0.474	10,579	6	0.61%
Mandell Properties LLC	11,932	9	0.441	8,372	11	0.48%
Volvo Aero Connecticut LLC	11,557	10	0.428	N/A		
Target Corporation T 1802	11,430	11	0.423	N/A		
Hartford Hospital	11,389	12	0.421	7,274	13	0.42%
Lowes Home Centers Inc #623	11,234	13	0.416	9,772	9	0.56%
Furniture Executives No 4 L P	10,729	14	0.397	5,527	16	0.32%
Reno Properties	10,317	15	0.382	N/A		
TOTAL	\$ 232,936		6.86%	\$ 111,036		6.41%

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Source: Town of Newington, Office of Tax Assessor

TOWN OF NEWINGTON, CONNECTICUT
PROPERTY TAX LEVIES AND COLLECTIONS

LAST TEN FISCAL YEARS
(In Thousands)

Fiscal Year Ended June 30,	Tax Rate In Mills	Taxes Levied For The Fiscal Year	Collected Within The Fiscal Year of Levy		Collections In Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2012	30.02	\$ 80,411	\$ 79,582	98.97	N/A	\$ 79,582	98.97
2011	29.18	77,679	76,731	98.78	553	77,284	99.49
2010	28.40	75,091	74,378	99.05	530	74,781	99.59
2009	27.68	72,939	72,143	98.91	646	72,735	99.72
2008	26.91	69,973	69,338	99.09	409	69,739	99.67
2007	25.76	66,004	65,487	99.20	392	65,874	99.80
2006	36.43	64,878	63,970	98.60	741	64,708	99.74
2005	34.24	59,729	59,063	98.89	506	59,569	99.73
2004	32.29	56,122	55,498	98.89	457	55,955	99.70
2003	30.44	53,045	52,420	98.82	212	52,632	99.22

TOWN OF NEWINGTON, CONNECTICUT

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

<u>Fiscal Year</u>	<u>Governmental Activities</u>		<u>Total Primary Government</u>	<u>Ratio of Debt to Taxable Assessed Value</u>	<u>Debt as a Percentage of Personal Income</u>	<u>Debt Per Capita</u>
	<u>General Obligation Bonds</u>	<u>Capital Leases</u>				
2012	\$ 11,690	\$ 321	\$ 12,011	0.44%	1.31%	\$ 393
2011	13,515	423	13,938	0.54	1.68%	456
2010	15,145	629	15,774	0.60	1.86%	538
2009	16,855	307	17,162	0.65	2.02%	586
2008	18,605	504	19,109	0.74	2.25%	652
2007	20,355	693	21,048	0.79	2.48%	718
2006	22,560	877	23,437	1.32	2.76%	800
2005	25,000		25,000	1.43	2.94%	853
2004	23,560		23,560	1.36	2.77%	804
2003	16,770		16,770	0.97	1.97%	572

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

TOWN OF NEWINGTON, CONNECTICUT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

AS OF JUNE 30, 2012
(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 - Metropolitan District Commission	\$ 419,410	8.62 %	\$ 36,153
Town direct debt	11,690	100.00 %	<u>11,690</u>
Total direct and overlapping debt			<u>\$ 47,843</u>

Source: Metropolitan District Commission

TOWN OF NEWINGTON, CONNECTICUT

STATEMENT OF DEBT LIMITATION

JUNE 30, 2012
(In Thousands)

Total tax collections (including fire district)					\$ 80,704
Property tax relief elderly					<u>12</u>
Base					<u>\$ 80,716</u>
	General Purpose	Schools	Sewers	Urban Renewal	Pension Deficit
Debt Limitation:					
2-1/4 times base	\$ 181,611	\$	\$	\$	\$
4-1/2 times base		363,222			
3-3/4 times base			302,685		
3-1/4 times base				262,327	
3 times base					<u>242,148</u>
Total debt limitation	<u>181,611</u>	<u>363,222</u>	<u>302,685</u>	<u>262,327</u>	<u>242,148</u>
Indebtedness:					
Bonds payable	4,655	7,035			
Town's share of Metropolitan District debt			<u>36,153</u>		
Total Indebtedness	<u>4,655</u>	<u>7,035</u>	<u>36,153</u>	<u>-</u>	<u>-</u>
Debt Limitation in Excess of Net Debt	<u>\$ 176,956</u>	<u>\$ 356,187</u>	<u>\$ 266,532</u>	<u>\$ 262,327</u>	<u>\$ 242,148</u>

Note: In no event shall total indebtedness exceed seven times annual receipts from taxation or \$565 million.

TOWN OF NEWINGTON, CONNECTICUT

LEGAL DEBT MARGIN INFORMATION

LAST TEN FISCAL YEARS
(In Thousands)

	FISCAL YEAR									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Debt limitation	\$ 565,012	\$ 542,409	\$ 527,982	\$ 509,964	\$ 491,141	\$ 466,886	\$ 452,970	\$ 420,035	\$ 391,048	\$ 372,715
Total net debt applicable to limit	<u>47,843</u>	<u>38,202</u>	<u>32,674</u>	<u>28,597</u>	<u>27,567</u>	<u>26,651</u>	<u>29,401</u>	<u>32,316</u>	<u>34,388</u>	<u>28,721</u>
Legal debt margin	<u>\$ 517,169</u>	<u>\$ 504,207</u>	<u>\$ 495,308</u>	<u>\$ 481,367</u>	<u>\$ 463,574</u>	<u>\$ 440,235</u>	<u>\$ 423,569</u>	<u>\$ 387,719</u>	<u>\$ 356,660</u>	<u>\$ 343,994</u>
Total net debt applicable to the limit as a percentage of debt limit	8.47%	7.04%	6.19%	5.61%	5.61%	5.71%	6.49%	7.69%	8.79%	7.71%

Source: Comprehensive annual financial report - Schedule of Debt Limitation

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

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

Calendar Year	Population(1)	Personal Income in Thousands (2)	Per Capita Income(2)	Median Age(1)	School Enrollment(3)	Unemployment Rate(4)
2012	30,562	\$ 915,839	\$ 32,561	45.0	4,278	7.0%
2011	30,562	831,045	26,881	45.0	4,417	8.1%
2010	29,306	850,000	26,881	42.0	4,489	8.1%
2009	29,306	850,000	26,881	42.0	4,495	6.9%
2008	29,306	850,000	26,881	42.0	4,569	4.7%
2007	29,306	850,000	26,881	42.0	4,557	3.9%
2006	29,306	850,000	26,881	42.0	4,614	4.1%
2005	29,306	850,000	26,881	42.0	4,616	4.3%
2004	29,306	850,000	26,881	42.0	4,612	4.4%
2003	29,306	850,000	26,881	42.0	4,598	4.0%

(1) Source: Bureau of Census, 2010 Census and 2000 Census

(2) Source: Connecticut Economic Resource Center

(3) Source: Annual Town Budget

(4) Source: Connecticut Labor Department

TABLE 15

TOWN OF NEWINGTON, CONNECTICUT

PRINCIPAL EMPLOYERS

CURRENT YEAR AND NINE YEARS AGO

Employer	Nature of Business	2012 (1)			2003 (2)		
		Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Connecticut Department of Transportation	Government	1,025	1	5.9%	1,200	1	7.8%
Hartford Hospital-Newington Campus	Health Services	750	2	4.3%	250	5	1.6%
Town of Newington	Government	674	3	3.9%	664	2	4.3%
Data-Mail, Inc.	Direct Mail Service	550	4	3.1%	500	3	3.3%
Veterans Administration Hospital	Health Services	451	5	2.6%	250	6	1.6%
Stew Leonards	Grocery	320	6	1.8%			
Davidson Company	Distributor	280	7	1.6%			
Stop & Shop	Retail Grocers	256	8	1.5%			
Newington Health Care Center	Health Services	243	9	1.4%			
Walmart	Retail Trade	200	10	1.1%	170	10	1.1%
Northeast Utilities - CL&P	Public Utility	192	11	1.1%	200	8	1.3%
Target	Retail Trade	175	12	1.0%			
SPX Precision Components	Manufacturer	174	13	1.0%			
Sam's Club	Wholesale Clubs	168	14	1.0%			
Price Chopper	Retail Grocers	160	15	0.9%			
Keeney Manufacturing	Manufacturer	143	16	0.8%	222	7	1.5%
Lowe's	Retail Trade	138	17	0.8%	155	12	1.0%
TOTAL		<u>5,899</u>		<u>34.12%</u>	<u>3,611</u>		<u>23.50%</u>

(1) Source: Connecticut Labor Department

(2) Source: Town of Newington, Bond Official Statements

TOWN OF NEWINGTON, CONNECTICUT

FULL-TIME EQUIVALENT TOWN GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

<u>Function/Program</u>	<u>FISCAL YEAR</u>									
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
General government	43	42	44	45	46	43	46	47	46	51
Police	64	64	64	64	61	60	57	57	56	57
18 Fire	2	2	2	2	2	2	2	2	2	2
Refuse collection	0	0	0	0	0	0	0	0	0	0
Public works	26	26	26	26	26	29	27	27	27	24
Parks and recreation	19	19	19	21	21	21	21	21	21	21
Library	14	14	14	14	14	14	14	14	14	14
Education	<u>506</u>	<u>515</u>	<u>487</u>	<u>487</u>	<u>508</u>	<u>503</u>	<u>498</u>	<u>497</u>	<u>498</u>	<u>495</u>
Total	<u>674</u>	<u>682</u>	<u>656</u>	<u>659</u>	<u>678</u>	<u>672</u>	<u>665</u>	<u>665</u>	<u>664</u>	<u>664</u>

Source: Annual Town Budgets and Bond Official Statements

TABLE 17

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

Function/Program	FISCAL YEAR									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
General government:										
Building permits issued	1,669	1,502	1,697	1,806	2,008	1,978	2,121	1,895	1,846	1,853
Value of permits (000s)	23,418	22,056	26,596	44,294	58,294	63,901	36,894	41,940	52,996	26,340
Health:										
Food Inspections	528	546	484	348	508	299	233	409	429	358
Complaint Investigations	267	242	183	112	324	205	93	204	140	83
Police:										
Larcenies	655	691	724	687	736	618	527	540	515	535
Calls for service	28,955	27,102	28,658	30,481	27,422	26,177	24,230	24,320	27,401	28,670
Traffic violations	8,277	7,532	8,848	9,211	6,613	3,277	3,151	2,906	3,690	4,302
Fire:										
Emergency responses	896	809	763	795	709	832	786	699	711	757
Residential responses	281	225	240	258	212	247	213	207	275	322
Inspections	606	743	780	908	766	801	994	1,195	912	1,423
Refuse collection:										
Refuse collected (annual tonnage)	8,273	8,275	9,231	10,600	10,840	9,550	10,419	10,426	10,006	9,674
Recyclables collected (annual tonnage)	2,810	2,905	2,182	2,200	2,100	2,322	2,332	2,298	2,469	2,332
Other public works:										
Street Reconstruction (linear feet)	1,070	1,921	280	582	2,600	1,690	2,050	2,605	3,450	3,790
Street Resurfacing (linear feet)	21,212	13,303	23,760	26,400	20,000	10,140	10,770	8,800	11,200	8,160
Library:										
Total volumes borrowed (000s)	405	409	421	412	410	428	441	442	447	446

Source: Town of Newington Annual Reports
Town of Newington Annual Capital Budgets

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

	FISCAL YEAR									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
<u>Public Safety</u>										
Police stations	1	1	1	1	1	1	1	1	0	0
Fire stations	4	4	4	4	4	4	4	4	4	4
Police vehicles	41	42	42	38	37	33	34	35	35	37
Fire vehicles	20	21	21	20	20	20	21	20	21	20
<u>Public Works</u>										
Miles of town roads	100	100	100	100	100	100	97	95	95	95
Traffic signals	15	15	15	15	15	15	15	15	15	15
Public works vehicles and equipment	54	53	53	53	55	55	49	51	51	48
<u>Parks and Recreation</u>										
Acreage	370	370	370	370	370	370	370	370	370	370
Parks and greens	13	13	13	13	13	13	13	13	13	13
Athletic fields	7	7	7	7	7	7	7	7	7	7
Playgrounds	5	5	5	5	5	5	5	5	5	5
<u>Public Libraries</u>										
Libraries	1	1	1	1	1	1	1	1	1	1
<u>Senior Citizens</u>										
Community center	1	1	1	1	1	1	1	1	1	1
Senior mini-buses	4	4	4	5	5	5	3	5	5	5
<u>Education</u>										
Schools	7	7	7	7	7	7	7	7	7	7

Source(s): Various Town Departments

TOWN OF NEWINGTON, CONNECTICUT

MISCELLANEOUS STATISTICS
JUNE 30, 2012

GENERAL INFORMATION

Incorporated:	1871
Settled:	1678
Form of Government:	Council-Manager
Chief Elected Official:	Mayor
Chief Administrative Officer:	Town Manager
Area of Town:	13.2 square miles
2010 Estimated Population:	30,562

ELECTIONS

Town Elections:	Odd years	
Board of Education (members):		9
Town Council (members + Mayor)		9
Board of Fire Commissioners:		3
Registrars of Voters:		2
Registered Voters (Active) as of 11/11:		18,856
Republicans	3,202	
Democrats	7,835	
Minor Parties	213	
Unaffiliated	7,071	

TAX STRUCTURE 2011-12

10/1/10 Net Grand List:	\$2,678,772,631
10/1/10 Net Supplemental List:	\$24,004,617
Mill Rate:	30.02
Assessment Ratio:	70%
Last Revaluation:	10/1/2005

EDUCATION

Total Classroom Teachers	264
Public School Enrollment (Oct 2011)	4,278
Teacher/Pupil ratio:	16.2
2011-12 Appropriation per Pupil:	\$14,394

Elementary Schools (PK-4):	4
Students (Oct 2011)	1,560

Middle Schools (5-8):	2
Students (Oct 2011)	1,268

High School (9-12):	1
Students (Oct 2011)	1,450

PUBLIC SAFETY - POLICE

# of Police Stations:		1
# of Police Districts:		5-9
# of Police Officers:		
Police Chief	1	
Dispatchers	7	
Police Officers	50	
Dog Warden	1	
# of Vehicles:		38

PUBLIC SAFETY - FIRE PROTECTION

# of Fire Companies:		4
# of Volunteer Firefighters:		135
# of Vehicles:		17

PUBLIC SAFETY - EMERGENCY MEDICAL SERVICES

# of Volunteers (average):		48
# of Ambulances:		5

FULL-TIME EMPLOYEES (2011-12)

Town General Government:		168
Board of Education (Full-Time Equivalents):		
Classroom Teachers	264	
Other Professional Staff	100	
Administration	19	
Classified Personnel (clerical,custodial,transp.)	<u>123</u>	
	506	
Total		<u>674</u>