

# **Town of Newington Connecticut**



## **Comprehensive Annual Financial Report**

Fiscal Year Ended June 30, 2014

# **Comprehensive Annual Financial Report**

of the

## **Town of Newington Connecticut**

Fiscal Year Ended June 30, 2014

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**

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**Town Council**

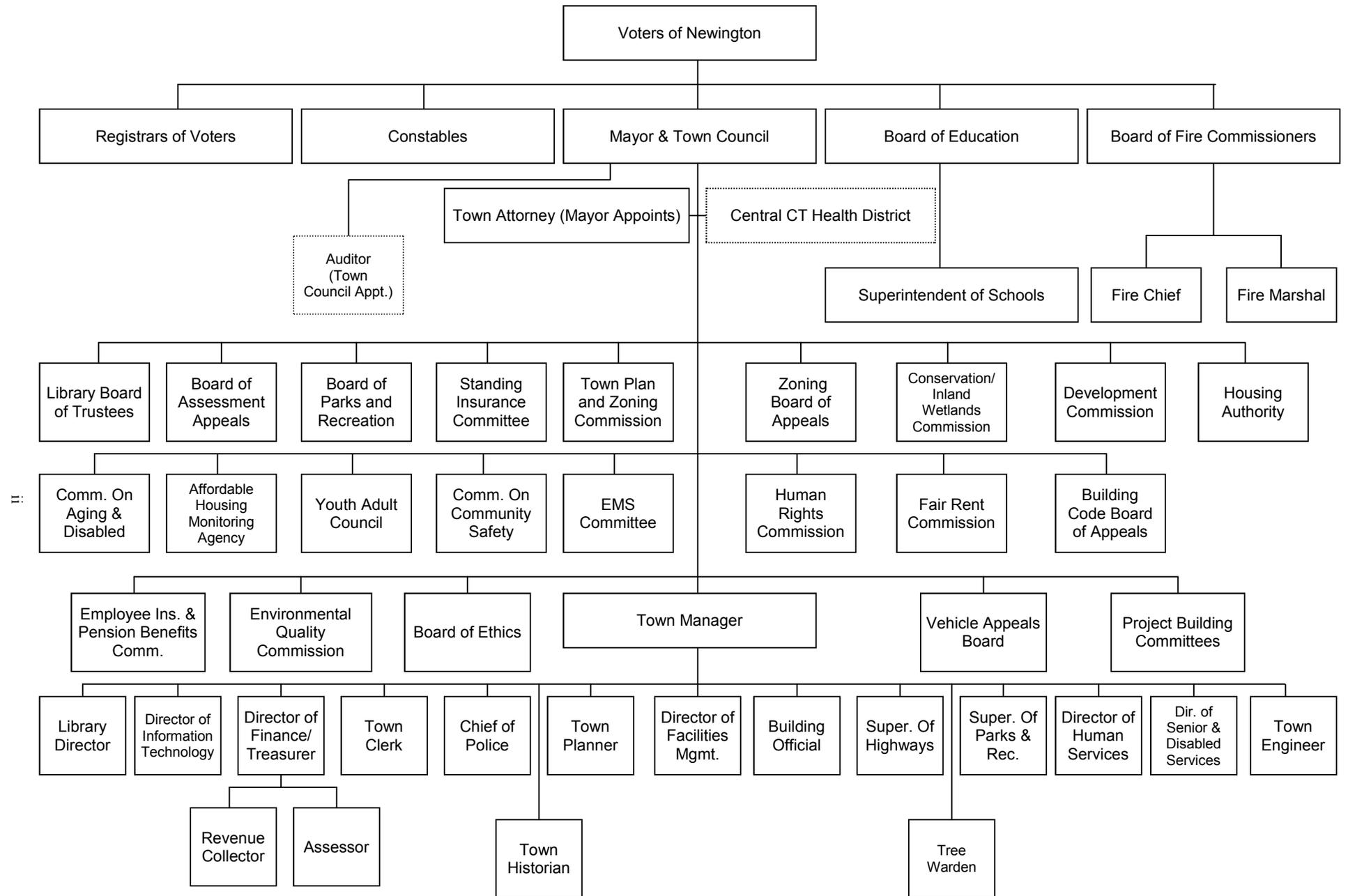
Stephen R. Woods, Mayor  
Terry Borjeson  
R. Clarke Castelle  
Myra Cohen  
Daniel Dinunzio  
Maureen Klett  
James Marocchini  
Elizabeth McDonald  
David Nagel

**Board of Education**

Marc B. Finkelstein, Chairperson  
Kevin Borrup  
Sharon Braverman  
Nancy Petronio  
Joshua Shulman  
Jane Ancona Siegel  
Scott Soares  
Robert Tofeldt, Sr.  
Paul Vessella

**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 10, 2014

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, 2014.

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 unmodified ("clean") opinion on the Town of Newington's financial statements for the year ended June 30, 2014. 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 the City of Hartford. Newington is geographically in the center of the State and is bordered 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 revision to 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 locates, 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 Town. The Director of Finance serves as the Town Treasurer and oversees the Town's bank deposits and trust funds. The Director of Finance signs 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), public works, solid waste disposal, culture and recreation, library, education, health and community services, community development, public improvements, and general administrative services.

## **Economic Condition and Outlook**

Newington's October 1, 2012 grand list decreased slightly by .1% over the prior year. This decrease was primarily attributed to the decrease in the real estate component which experienced an increase in exemptions and the acquisition of real property by the Town. Additionally, the motor vehicle component decreased by 1.2% as fewer vehicles were purchased coupled with the fact the average value per vehicle declined from the prior year. The reduction of real estate and motor vehicle property values was mitigated with an increase in personal property by 0.5%. The Town continues to maintain a balanced mix of retail, manufacturing and light industry and its top ten taxpayers represented only about 7.5% of the total assessed value on the October 1, 2012 grand list. The Town's tax collection rate as of June 30, 2014 was 99.1%, a slight decrease of .2% from the 2013 levels which were the highest rate in over thirty years. Current year tax collections are similar to the same period of the previous year.

A review of key economic indicators shows that per capita income of Newington's residents is \$36,209, slightly below the statewide average of \$37,807; its median household income of \$75,237 exceeds the statewide average by \$5,718. Approximately 4.3% of the Town's families fall below poverty levels. According to the State Department of Labor, the Town's 2014 average unemployment rate of 6.1% compared favorably to the Hartford Labor Market and the statewide average rates of 7.3%.

For fiscal year-end 2014, building permit activity generated \$27 million in construction value, down \$11 million from the prior year or 29%. Commercial projects that generated building permit activity along the Berlin Turnpike included the Bonefish Grill Restaurant, Great Clips, American Eagle Federal Credit Union, Mortensen's Ice Cream and a Moe's Southwest Grill restaurant. Other major building projects included Best Market, a renovation project which included a 33,000 square foot supermarket located in the downtown area as well as Harvest Village, a planned community of 60 duplex homes and townhouse units.

### **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 benefited from the following:

- Plans were approved for renovations to Middlewoods of Newington, an assisted and independent living community complex. Renovations include an addition of approximately 5,000 square feet of new community space, therapy center, expanded offices, courtyard patios, and new studio suite and one-bedroom apartments.
- Approved site plan modifications for Jade Marketing Group, a major manufacturer of jeans and related apparel, to become the largest tenant to occupy 309,600 square feet or nearly half of a state-of-the-art distribution center located within the Newington Business Park. This addition allows for the lengthy vacancy of an industrial building to be more than ninety percent occupied with the relocation and consolidation of out-of-town warehouses into a single renovated facility.
- Commercial development continues along the Berlin Turnpike with such developments as a new medical office building. Renovations will begin soon at three vacant buildings that are expected to become a new kitchen cabinet outlet, auto parts store and restaurant.
- Within the North Mountain Road Business District plans were approved for a 13,144 square foot building addition to the Data-Mail company, Newington's largest private employer, to store paper used in their custom printing and mailing businesses.
- Along Russell Road infrastructure construction has begun on a nine acre parcel for development of a commercial project estimated to have a taxable value exceeding \$50 million.
- Demolition and remediation of the National Welding company site is planned to be completed in the upcoming months which leads the way to redeveloping this property. Tax payments have not been received in twenty three years, but current developer interest is for projects with a taxable value in the range of \$20-40 million.
- Gagnon Electric relocated and expanded their operations into a 55,000 square foot building located on Day Street which had been empty for many years.

- A number of manufacturers are relocating to or expanding in Newington such as: Richards Machine Tool purchased an empty 14,000 square foot building and relocated their aerospace operations from Berlin, CT; Advanced Torque Products purchased a vacant 17,500 square foot building and relocated their precision manufacturing operations from Berlin, CT; GKN has leased a vacant 40,000 square foot building and is completing extensive renovations for expansion of their aerospace manufacturing campus; and EDCO Engineering, an aerospace manufacturer, is using a 10,000 square foot building adjacent to their existing building for their growing production needs.
- Although Newington is limited in land for extensive housing development, residential building is still occurring with Newington Ridge Preserve a property of a failed housing project has been sold, re-branded and marketing is underway to build sixteen new luxury detached houses in this over-55 community.

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.

### **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 \$375,000 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 \$375,000 and \$975,000 require a Town ordinance. Special appropriations of more than \$975,000 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 \$15,000

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 \$30,000. 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 2014 fiscal year is represented as follows:

	<b>Amount</b>	<b>Ratio of Net Debt Service to Budget</b>	<b>Ratio of Bonded Debt to Grand List</b>	<b>Debt Per Capita</b>
Total direct debt outstanding – bonds	8,740,000	1.4%	0.35%	\$286

### **Major Initiatives**

The Town was notified that Standard & Poor's Ratings Services raised its rating on the Town's general obligation bonds to 'AA+' from 'AA' based on the implementation of its local GO criteria.

In the spring of 2014, after several months of review, analysis and discussion, the Town Hall Renovation Project Building Committee voted unanimously to move the Town Hall/Community Center project cost estimates and preliminary plans to the Newington Town Council for approval. Details of the renovation were provided to the council by Town staff, the architect, and the construction manager. On June 24th, in accordance with Town Charter, the Town Council adopted that a special referendum be held on September 9, 2014 for bond authorizations to fund the Town Hall/Community Center renovations.

The Town accepted grant funding in the amount of \$460,000 from the State of Connecticut Department of Energy and Environmental Protection for the long term conversion of the landfill to a transfer station; applied for a \$500,000 Main Street Investment Fund Program grant to continue improvements to revitalize the downtown area; made an application for a \$800,000 Small Cities Grant to renovate the Newington Housing Authority Cedar Village dwelling units; entered an agreement with Capital Region Development Authority (CRDA) to administer a \$2 million grant from the State of Connecticut Department of Economic and Community Development for the demolition and remediation of the former National Welding site and provide development services related to the property.

To increase productivity and/or cost savings several initiatives were made with the bargaining group contracts for AFSCME and International Brotherhood of Police Officers (IBPO) personnel. A four year agreement retroactive to July 1, 2012 was ratified between the Town and the AFSCME personnel which includes expense control measures such as a wage increase of 2.0% each year along with a 4% increase in employee premium cost sharing rates over the term of the contract. Other initiatives to help defer overtime costs included additional use of seasonal employees, special consideration for subcontracting and a limited number of employees to work a Tuesday-Saturday work schedule. A four year agreement beginning in July 1, 2013 was ratified between the Town and the IBPO which includes expense control measures such as a wage increases of 2.0% the first year and 2.85% for the three subsequent years.

Medical plan changes included a 4% increase in employee premium cost sharing rates over the term of the contract. Several changes were made to the pension provisions such as increased participant contributions of 2% and for those hired after October 1, 2013 an increase in service time as well as ineligibility to cost of living increases to their pension benefit.

Capital improvements included the completion of several infrastructure projects such as pavement improvements to nine (9) roads, installation of a Low Impact Development (LID) parking lot project at Clem Lemire Recreational Complex, reconstructed the school bus garage parking lot, and a paving overlay project at Churchill Park pool parking. Facility improvements at the Senior and Disabled Center included a roof replacement and renovations to the cafeteria, card room and exercise room. Additionally, at Martin Kellogg Middle School construction began for the STEM (Science, Technology, Engineering and Mathematics) Academy. At Newington High School renovations commenced on the band room as well as upgrades of the air conditioning system and an architect was appointed for the Newington High School Career Technical Program project.

### **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, 2013 for the twenty-second 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. 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,



Ann J. Harter  
Director of Finance



Government Finance Officers Association

**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, 2013**

Executive Director/CEO

## **Financial Section**

# BlumShapiro

Accounting | Tax | Business Consulting

## Independent Auditors' Report

To the Members of the Town Council  
Town of Newington, Connecticut

### Report on the Financial Statements

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, 2014, and the related notes to the financial statements, which collectively comprise the Town of Newington, Connecticut's basic financial statements as listed in the table of contents.

#### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditors' Responsibility*

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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***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, 2014 and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 13, the budgetary comparison information on pages 52 through 57, the schedules of changes in the Town's net pension liability and related ratios on pages 58 through 61, the schedules of employer contributions on pages 62 through 65 and the schedules of investment returns on pages 66 through 69 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, which 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.

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Newington, Connecticut's basic financial statements. 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 basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has 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.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the Town of Newington, Connecticut, as of and for the year ended June 30, 2013 (not presented herein), and have issued our report thereon dated November 30, 2013, which contained unmodified opinions on the respective financial statements of the governmental activities, each major fund and the aggregate remaining fund information. The accompanying General Fund balance sheet as of June 30, 2013 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the 2013 financial statements. The accompanying General Fund balance sheet has been subjected to the auditing procedures applied in the audit of the 2013 basic financial statements and certain additional procedures including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the General Fund balance sheet is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2013.

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2014 on our consideration of the Town of Newington, Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Newington, Connecticut's internal control over financial reporting and compliance.

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

West Hartford, Connecticut  
December 10, 2014

**TOWN OF NEWINGTON, CONNECTICUT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2014**

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, 2014. Please read this MD&A in conjunction with the transmittal letter and the Town's financial statements, Exhibits I to IX.

**FINANCIAL HIGHLIGHTS**

- Net position of our governmental activities increased by \$4.055 million, or 3.8%.
- Total cost of all of the Town's programs was \$116.2 million with no new programs added this year.
- During the year, the Town had expenses that were \$1 million less than the \$120 million generated in tax and other revenues for governmental programs.
- The resources available for appropriation were \$1.6 million more than budgeted for the General Fund. Expenditures were \$1.2 million less than appropriations.
- The General Fund reported a fund balance this year of \$20 million. On a budgetary basis, \$17.6 million represents the Town's fund balance; of this, \$2.4 million is assigned for 2014-15 budget.
- The tax collection rate was 99.1%, a decrease of .2% from 2013.
- The Town of Newington's outstanding bonded debt at June 30, 2014 was \$8.7 million, a decrease of \$1.2 million or 14%, 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 position 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 position 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 position and changes in them. The Town's net position, 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 position 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 position 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 position 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 position 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 position and changes in fiduciary net position. 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 position increased from \$108.1 million to \$112.2 million. The analysis below focuses on the net position (Table 1).

	<b>Governmental Activities</b>	
	<b>2014</b>	<b>2013</b>
	<hr/>	<hr/>
Current and other assets	\$ 49,570	\$ 50,886
Capital assets, net of accumulated depreciation	87,061	85,663
Total assets	<hr/> 136,631	<hr/> 136,549
Deferred outflow of resources	<hr/> 492	<hr/> 541
Long-term debt outstanding	13,092	14,919
Other liabilities	6,788	7,203
Total liabilities	<hr/> 19,880	<hr/> 22,122
Deferred inflow of resources	<hr/> 5,087	<hr/> 6,867
Net Position:		
Net investment in capital assets	77,244	74,017
Restricted	662	637
Unrestricted	<hr/> 34,250	<hr/> 33,447
Total Net Position	<hr/> <hr/> \$ 112,156	<hr/> <hr/> \$ 108,101

Net position of the Town’s governmental activities increased by \$4.1 million or 3.8% (\$112.2 million compared to \$108.1 million). Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements - changed from \$33.5 million at June 30, 2013 to \$34.3 million at the end of this year. The largest portion of the Town’s net position, \$77 million or 69%, reflects its investment in capital assets less any related debt used to acquire those assets that is still outstanding.

**Governmental Activities**

Change in net position (Table 2) of the Town’s governmental activities increased by \$4 million. Approximately 71% of the revenues were derived from property taxes, followed by 22% from operating grants, 6% from both charges for services and other grants that were not restricted for specific purposes and other revenue. The remaining 1% of revenues was derived from capital grants and contributions. Key elements of the increase are as follows:

- Property tax revenues recorded for fiscal year 2014 increased by \$2.4 million or 3% during the year. This reflects a tax rate of 33.63 mills, an increase of .99 mills over the rate used in the previous fiscal year. The tax collection rate for the year was 99.1%, a slight decrease from the prior year of 99.3%. Most of the increase is to support the program expenses of the Town.

- Operating grants and contributions increased by \$3.0 million. This is attributable to an increase from Federal Drug Enforcement Administration (DEA) Asset Forfeiture grant of \$1 million. Payments made by State of Connecticut on-behalf of the Newington teachers' retirement increased by \$1.3 million. A new grant in the amount of \$0.9 million from the State of Connecticut, Municipal Grants-in-Aid, was established to be used for improvements and maintenance of public work related items. Emergency Disaster Agency (FEMA) reimbursement of \$.2 million for storm related expenses were recognized during the fiscal year while all other sources were consistent with the prior year.
- The total cost of all programs and services was \$116.2 million.

**TABLE 2**  
**CHANGE IN NET POSITION**  
**(In Thousands)**

	<b>Governmental Activities</b>	
	<b>2014</b>	<b>2013</b>
Revenues:		
Program revenues:		
Charges for services	\$ 3,101	\$ 3,557
Operating grants and contributions	26,753	23,727
Capital grants and contributions	839	799
General revenues:		
Property taxes	85,894	83,514
Grants and contributions not restricted to specific purposes	3,310	3,688
Unrestricted investment earnings	88	53
Other general revenues	312	267
Total revenues	<u>120,297</u>	<u>115,605</u>
Program expenses:		
General government	7,293	6,821
Public safety	11,702	11,883
Public works	9,690	9,528
Community planning and development	965	990
Health and community services	1,812	1,696
Library	2,210	2,222
Parks and recreation	3,129	3,214
Education	78,993	73,707
Interest on long-term debt	448	299
Total program expenses	<u>116,242</u>	<u>110,360</u>
Increase in Net Position	<u>\$ 4,055</u>	<u>\$ 5,245</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 \$3.2 million (\$85.5 million compared to \$82.3 million). The most noteworthy changes are as follows:

- The total cost of Public Safety decreased \$1.1 million (\$10.2 million compared to \$11.3 million) due to an increase in grants from DEA and grants for firefighter’s protective gear.
- The cost of Education increased due to salary increases for existing personnel (the largest portion), healthcare, and the high expense of state and federal mandated services.

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
General government	\$ 7,293	\$ 6,821	\$ 5,991	\$ 6,159
Public safety	11,702	11,883	10,175	11,317
Public works	9,690	9,528	8,532	8,949
Education	78,993	73,707	54,001	49,495
Parks and recreation	3,129	3,214	2,117	2,112
All others	5,435	5,207	4,733	4,245
Totals	<u>\$ 116,242</u>	<u>\$ 110,360</u>	<u>\$ 85,549</u>	<u>\$ 82,277</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 \$31.4 million. Approximately 48% of the fund balance amount or \$15.2 million constitutes unassigned fund balance that is available for unforeseen contingencies and to offset future budgets over the long term. The second largest portion, \$9.1 million or 30%, is committed to be used only for the specific purposes such as a capital or grant related projects. The balance of \$7.1 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 \$1.0 million (\$31.4 million compared to \$30.4 million) from last years’ total. Included in this year’s total change in fund balance is an increase of \$1.1 million in the Town’s Nonmajor Governmental Funds. The primary reason for the Nonmajor Governmental Funds increase is the proceeds from Federal Drug Enforcement Administration (DEA) Asset Forfeiture account of \$1 million. Expenditures related to this grant will be used in future years. Other noteworthy expenditures related to these funds include capital items for firefighters’ protective gear and installation of a Low Impact Development (LID) parking lot to manage stormwater with a more natural system.

The Town experienced a variety of significant General Fund budgetary events that affected the year ending equity balances. The major impacts include:

1. The Town benefited from a higher collection rate than anticipated on the current levy of property taxes producing a positive variance of \$703 thousand. Furthermore, taxes associated with the supplemental motor vehicle purchases resulted in \$114 thousand of additional revenues.
2. Payments in lieu of taxes on property owned by the State of Connecticut and reimbursements from the federal government for storm related expenses exceeded conservative budget estimates by \$803 thousand.
3. General operating expenses were kept under budget by \$233 thousand as a result of personnel savings due to a multitude of vacancies and other staffing changes experienced mainly in the Public Safety and Parks & Recreation departments.
4. Board of Education produced a surplus of \$230 within their Plant Operation accounts.
5. Positive variances resulted in the areas of refuse disposal and contingency in the amount of \$374 thousand.

Capital Project Funds account for financial resources to be used for the acquisition of major equipment or construction of facilities, primarily to account for \$4 million on improvements to school facilities, roof replacements, computer technology and open space. The fund's expenditures exceeded revenues and other financing sources by \$486 thousand for the fiscal year thereby reducing the fund's equity balance to \$5.2 million.

Small Cities Fund accounts for financial resources from the Federal Community Development Block Grants/Small Cities Program. The fund balance decreased by \$71 thousand as grants and other revenue sources received in prior years were used for housing rehabilitation. As of June 30, 2014, the fund balance remained at \$33 thousand.

### **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 position of both funds totaled \$2.9 million, a decrease of \$.3 million from the prior year. This is primarily due to the performance of the Health Benefits Fund which experienced benefit payments (expenses) of \$612 thousand over revenue. With several years of positive claim experience, a favorable balance existed which was used to reduce the Town's 2013-14 fiscal year contribution during this difficult budget year. The Insurance Reserve Fund is to pay for losses incurred through insurance deductibles and uninsured property and casualty losses. During the year contributions by the Town exceeded the payments made for insurance claims by \$313 thousand.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

At June 30, 2014, the Town had \$87.0 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 \$1.4 million or 1.6%, over last year.

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

	<b>Governmental Activities</b>	
	<b>2014</b>	<b>2013</b>
Land	\$ 6,120	\$ 6,120
Intangible assets	2,770	2,770
Buildings and improvements	46,287	43,365
Equipment	9,857	8,537
Infrastructure	21,889	22,209
Construction in progress	138	2,662
<b>Total</b>	<b>\$ 87,061</b>	<b>\$ 85,663</b>

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

**Buildings** - Additions in the amount \$4,978 were due to heating, ventilation and air conditioning replacements at Lucy Robin Welles Library, roof improvements at Senior & Disabled Center, Transition Academy and Kellogg Eddy House, new access control locks at all fire houses, new bay floor at Fire Company #1, office improvements at Senior & Disabled Center, code compliance work at Newington High School Music Wing/Auditorium, STEM Academies at John Wallace and Martin Kellogg Middle School and transfer from Construction In Progress of the Town Hall Renovations of the first floor.

**Land Improvements** - Additions in the amount of \$66 were due to the installation of a Low Impact Development parking lot in the Clem Lemire Complex and improvements to Market Square Streetscape.

**Furniture, Fixtures and Equipment** - These were added in the amount of \$2,981. General Government increased by \$685 for software, battery backup equipment, OmniCube data center, network servers and a Dial-a-Ride Bus. Public Safety increased by \$1,225 for the purchase of seven vehicles, emergency generator for Firehouse #1, software, firewalls, servers and a video wall for Police and the donation of a BAE Caman Armor Vehicle. Public Works increased by \$387 due to the purchase of two dump trucks and a tractor. Parks and Recreation increased by \$107 for the purchase of a Groundmaster, a large mower, a portable aquatic lift and one piece of playground equipment for Candlewyck Park. Board of Education increased by \$577 for school buses, network servers and school security systems for all schools.

**Infrastructure** - Additions in the amount \$375 were due to pavement overlay of Great Oak Lane and resurfacing of Harold Drive, Lincoln Street, Augusta Drive, Broadview Street, Homecrest Street, Whitewood Road, Ponderosa Drive, Cornish Drive and Lucas Drive.

**Construction in Progress** - Additions in the amount of \$138 were due to pre-referendum costs for the Town Hall Renovation project. Transfers of \$2,662 were made to the appropriate asset class for the completed first floor renovations of Town Hall.

Total Net Additions \$ 5,876

The Town’s fiscal-year 2014-15 budget calls for it to spend \$5.5 million for capital projects, of which \$0.7 million is financed from the State and the balance from local funds. It is primarily to finance PCB remediation at John Wallace Middle School, Garfield Street realignment/Town Hall site improvements, emergency generator replacement at Town Hall, major vehicle equipment replacement, road reconstruction and resurfacing, partial payments toward the open space land purchase, payments for trash and recycling residential curbside containers and park improvements

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, 2014, the Town had \$8.74 million in bonds outstanding versus \$9.96 million last year - a decrease of 12.3% - as shown in Table 5.

<b>TABLE 5 OUTSTANDING DEBT (In Thousands)</b>	<b>Governmental Activities</b>	
	<b>2014</b>	<b>2013</b>
	General obligation bonds (backed by the Town)	\$ 8,740

- The decrease in the Town’s indebtedness is due to principal payments during the year totaling \$1.22 million. The Town had no bonds authorized but unissued at June 30, 2014.
- The Town holds a credit rating from Moody’s Investor Services of Aa2. Standard & Poor’s Ratings Services raised its rating on the Town’s general obligation bonds to 'AA+' from 'AA' based on the implementation of its local GO criteria.
- 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 \$597 million state-imposed limit.

Other obligations include a mortgage for the purchase of open space land as well as 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 2013-14 budget through prudent, conservative fiscal management. This is evidenced from the fact that final actual expenditures are \$1.2 million under the final budget while the revenue side generated an additional \$1.6 million beyond the original estimates.

The significant challenges in the development of the 2014-15 Town budget were: 1) the economic conditions in the region and nationally; 2) costs to meet the high level of service, specifically education, to which Town residents are accustomed; and 3) the ability of citizens to absorb any increases in taxes with no growth in the Grand List. The Town's adopted fiscal year 2014-2015 General Fund appropriations totaled \$110 million, an increase of 3.8% over the 2014 budget of \$106.1 million. The most significant factors driving the overall budget increase include education, pension contributions and wages. These increases were offset by reducing the medical expense line item. Due to several years of positive claim experience, a favorable balance exists in the Health Benefits Fund which gave the Town the ability to reduce the contribution while continuing to maintain a reserve level equal to 20% of expected claims.

On the revenue side, the 10/1/2013 taxable list increased by .5% from the 2012 Grand List. The net real estate grand list increased \$8.3 million or 0.4%. This is the first increase in the real estate grand list since October 1, 2010 which is due to significant new construction that occurred in Newington. The personal property category and motor vehicle component of the grand list increased by .9% and 1.0%, respectively. Estimated State Aid and other revenue sources such as building permits and real estate conveyance fees, which comprises approximately 18% of total revenues, increased slightly.

On a budgetary basis, the June 30, 2014 unassigned General Fund balance, after the designation of \$2.4 million to assist in financing the 2014-15 appropriations, increased by \$441 thousand to a level of \$15.1 million or 14.2% of the fiscal year 2014-15 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. The result was a tax increase of 3% 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 \$36.2 thousand, below the statewide average of \$37.8 thousand, but its median family income of \$75.2 thousand exceeds the statewide average by \$5,718. 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 2014 was at a level of 238. The Northeast Region of the United States was at a level of 253 at the same time. Building permit activity is lower in comparison to last year with the value of permits in September of 2014 equal to \$4.8 million compared to \$5.4 million a year ago. Newington housing values stabilized from September 2013 to September 2014, showing a marginal increase. As of August 2014, the unemployment rate for Newington was 5.2%, down from 6.7% in the prior year, and compares favorably to the State's unemployment rate of 6.9% 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 POSITION

JUNE 30, 2014

(In Thousands)

	<u>Governmental Activities</u>
Assets:	
Cash and cash equivalents	\$ 44,967
Investments	134
Receivables, net	3,242
Due from trust funds	196
Prepaid asset	15
Inventory	28
Net pension asset	988
Capital assets not being depreciated	9,028
Capital assets being depreciated, net	78,033
Total assets	<u>136,631</u>
Deferred Outflows of Resources:	
Deferred charge on refunding	<u>492</u>
Liabilities:	
Accounts and other payables	6,345
Accrued interest payable	31
Unearned revenue	412
Noncurrent liabilities:	
Due within one year	3,162
Due in more than one year	9,930
Total liabilities	<u>19,880</u>
Deferred Inflows of Resources:	
Advance property tax collections	<u>5,087</u>
Net Position:	
Net investment in capital assets	77,244
Restricted for:	
Trust purposes:	
Expendable	625
Nonexpendable	37
Unrestricted	<u>34,250</u>
Total Net Position	<u>\$ 112,156</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, 2014

(In Thousands)

15

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
					Governmental Activities
Governmental activities:					
General government	\$ 7,293	\$ 555	\$ 623	\$ 124	\$ (5,991)
Public safety	11,702	119	1,334	74	(10,175)
Public works	9,690	38	554	566	(8,532)
Community planning and development	965	348			(617)
Health and community services	1,812	56	242		(1,514)
Library	2,210	22	34		(2,154)
Parks and recreation	3,129	977	35		(2,117)
Education	78,993	986	23,931	75	(54,001)
Interest on long-term debt	448				(448)
Total	\$ 116,242	\$ 3,101	\$ 26,753	\$ 839	(85,549)
General revenues:					
					85,894
					3,310
					88
					312
					89,604
					4,055
					108,101
					\$ 112,156

The accompanying notes are an integral part of the financial statements

## TOWN OF NEWINGTON, CONNECTICUT

## BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2014

(In Thousands)

	<u>General</u>	<u>Capital Projects</u>	<u>Small Cities</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 29,251	\$ 5,867	\$ 37	\$ 6,294	\$ 41,449
Investments				134	134
Receivables, net	1,524		847	326	2,697
Due from other funds	260				260
Prepays				15	15
Inventories				28	28
Total Assets	<u>\$ 31,035</u>	<u>\$ 5,867</u>	<u>\$ 884</u>	<u>\$ 6,797</u>	<u>\$ 44,583</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
Liabilities:					
Accounts and other payables	\$ 4,860	\$ 667	\$ 4	\$ 191	\$ 5,722
Due to other funds				64	64
Unearned revenue				412	412
Total liabilities	<u>4,860</u>	<u>667</u>	<u>4</u>	<u>667</u>	<u>6,198</u>
Deferred inflows of resources:					
Unavailable revenue - property taxes	1,028				1,028
Unavailable revenue - loans receivable			847		847
Advance property tax collections	5,087				5,087
Total deferred inflows of resources	<u>6,115</u>	<u>-</u>	<u>847</u>	<u>-</u>	<u>6,962</u>
Fund balances:					
Nonspendable				43	43
Restricted			33	2,206	2,239
Committed		5,200		3,881	9,081
Assigned	4,877				4,877
Unassigned	15,183				15,183
Total fund balances	<u>20,060</u>	<u>5,200</u>	<u>33</u>	<u>6,130</u>	<u>31,423</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 31,035</u>	<u>\$ 5,867</u>	<u>\$ 884</u>	<u>\$ 6,797</u>	<u>\$ 44,583</u>

(Continued on next page)

## TOWN OF NEWINGTON, CONNECTICUT

## BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)

**JUNE 30, 2014**  
**(In Thousands)**

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

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

Fund balances - total governmental funds	\$	31,423
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:		
Governmental capital assets	\$	161,719
Less accumulated depreciation		<u>(74,658)</u>
Net capital assets		87,061
Other long-term assets are not available to pay for current-period expenditures and, therefore, are not recorded in the funds:		
Net pension asset		988
Housing loan receivables		847
Property tax receivables greater than 60 days		1,028
Interest receivable on property taxes		545
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 position.		
		2,895
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		(8,740)
Deferred amount in refunding		492
Deferred charge on premium		(414)
Interest payable on bonds		(31)
Mortgage payable		(1,045)
Net OPEB obligation		(125)
Compensated absences		(2,658)
Capital lease		<u>(110)</u>
Net Position of Governmental Activities (Exhibit I)	\$	<u><u>112,156</u></u>

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 FUNDSFOR THE YEAR ENDED JUNE 30, 2014  
(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	\$ 85,646	\$	\$	\$	\$ 85,646
Payment in lieu of taxes	2,764				2,764
Licenses, fees and permits	344			16	360
Intergovernmental	23,590			4,368	27,958
Contributions				62	62
Rental	77	69			146
Income on investments	62	1		22	85
Fines	89				89
Charges for services	551	146		1,807	2,504
Other	128	29	7	229	393
Total revenues	<u>113,251</u>	<u>245</u>	<u>7</u>	<u>6,504</u>	<u>120,007</u>
Expenditures:					
Current:					
General government	4,483				4,483
Public safety	7,608			27	7,635
Public works	4,728				4,728
Community planning and development	465		78		543
Health and human services	1,123			292	1,415
Library	1,655			13	1,668
Parks and recreation	1,513			721	2,234
Education	74,223			3,217	77,440
Miscellaneous	11,031				11,031
Capital outlay		4,227		1,080	5,307
Debt service	1,476	682			2,158
Total expenditures	<u>108,305</u>	<u>4,909</u>	<u>78</u>	<u>5,350</u>	<u>118,642</u>
Excess (Deficiency) of Revenues over Expenditures	<u>4,946</u>	<u>(4,664)</u>	<u>(71)</u>	<u>1,154</u>	<u>1,365</u>
Other Financing Sources (Uses):					
Transfers in	433	4,511		100	5,044
Transfers out	(4,955)	(333)		(111)	(5,399)
Total other financing sources (uses)	<u>(4,522)</u>	<u>4,178</u>	<u>-</u>	<u>(11)</u>	<u>(355)</u>
Net Change in Fund Balances	424	(486)	(71)	1,143	1,010
Fund Balances at Beginning of Year	<u>19,636</u>	<u>5,686</u>	<u>104</u>	<u>4,987</u>	<u>30,413</u>
Fund Balances at End of Year	<u>\$ 20,060</u>	<u>\$ 5,200</u>	<u>\$ 33</u>	<u>\$ 6,130</u>	<u>\$ 31,423</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, 2014

(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) \$ 1,010

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	5,878
Depreciation expense	(4,395)

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 position differs from the change in fund balance by the cost of the assets sold. (85)

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	64
Property tax receivable - accrual basis change	184
Housing loan receivable - accrual basis change	39
Net pension asset	1

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 position. 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:

Mortgage principal payments	515
Bond principal payments	1,220
Capital lease payments	107

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	(170)
Accrued interest	5
Net OPEB expense	119
Amortization of premium	36
Amortization of deferred charge on refunding	(49)
Amortization of bond issuance costs	(125)

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.

(299)

Change in Net Position of Governmental Activities (Exhibit II) \$ 4,055

The accompanying notes are an integral part of the financial statements

## TOWN OF NEWINGTON, CONNECTICUT

## STATEMENT OF NET POSITION - PROPRIETARY FUNDS

JUNE 30, 2014  
(In Thousands)

	<b>Governmental Activities</b>
	<b><u>Internal Service Funds</u></b>
Assets:	
Cash and cash equivalents	\$ 3,518
Liabilities:	
Accounts and other payables	<u>623</u>
Net Position:	
Unrestricted	\$ <u><u>2,895</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 POSITION - PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2014

(In Thousands)

	<u>Governmental Activities</u> <u>Internal Service Funds</u>
Operating Revenues:	
Charges for services	\$ 9,843
Miscellaneous	84
Total operating revenues	<u>9,927</u>
Operating Expenses:	
Benefit payments	9,388
Administration	455
Insurance	615
Casualty loss	126
Total operating expenses	<u>10,584</u>
Operating Loss	(657)
Nonoperating Revenue:	
Interest on investments	<u>3</u>
Loss Before Transfers	(654)
Transfers In	<u>355</u>
Change in Net Position	(299)
Net Position at Beginning of Year	<u>3,194</u>
Net Position at End of Year	<u>\$ 2,895</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, 2014

(In Thousands)

	<b>Governmental Activities</b>
	<b>Internal Service Funds</b>
Cash Flows from Operating Activities:	
Cash received from charges for services and other	\$ 9,927
Cash paid to vendors	(10,765)
Net cash used in operating activities	<u>(838)</u>
Cash Flows from Noncapital Financial Activities:	
Transfers in	355
Cash Flows from Investing Activities:	
Interest on investments	<u>3</u>
Net Decrease in Cash and Cash Equivalents	(480)
Cash and Cash Equivalents at Beginning of Year	<u>3,998</u>
Cash and Cash Equivalents at End of Year	<u>\$ 3,518</u>
Reconciliation of Operating Loss to Net Cash Used in Operating Activities:	
Operating loss	\$ (657)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Increase in accounts and other payables	<u>(181)</u>
Net Cash Used in Operating Activities	<u>\$ (838)</u>

The accompanying notes are an integral part of the financial statements

## TOWN OF NEWINGTON, CONNECTICUT

## STATEMENT OF NET POSITION - FIDUCIARY FUNDS

JUNE 30, 2014

(In Thousands)

	<b>Pension Trust Funds</b>	<b>OPEB Trust Fund</b>	<b>Agency Funds</b>
	<u>          </u>	<u>          </u>	<u>          </u>
Assets:			
Cash and cash equivalents	\$ 1,072	\$ 5	\$ 614
Investments:			
Mutual funds	64,038	4,510	
Certificate of deposit		370	
Accounts receivable	<u>1</u>	<u>          </u>	<u>          </u>
Total Assets	<u>65,111</u>	<u>4,885</u>	<u>\$ 614</u>
Liabilities:			
Accounts payable	539	19	\$ 614
Due to other funds	<u>          </u>	<u>196</u>	<u>          </u>
Total Liabilities	<u>-</u>	<u>215</u>	<u>\$ 614</u>
Net Position:			
Held in Trust for Pension/OPEB Benefits	<u>\$ 64,572</u>	<u>\$ 4,670</u>	

The accompanying notes are an integral part of the financial statements

## TOWN OF NEWINGTON, CONNECTICUT

## STATEMENT OF CHANGES IN NET POSITION - FIDUCIARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2014

(In Thousands)

	<u>Pension Trust Funds</u>	<u>OPEB Trust Fund</u>
Additions:		
Contributions:		
Employer	\$ 4,676	\$ 1,916
Plan members	818	530
Total contributions	<u>5,494</u>	<u>2,446</u>
Investment income:		
Net appreciation in fair value of investments	8,446	304
Interest and dividends	657	231
Total investment income	<u>9,103</u>	<u>535</u>
Less investment expense	321	12
Net investment income	<u>8,782</u>	<u>523</u>
Total income	<u>14,276</u>	<u>2,969</u>
Deductions:		
Benefits	6,612	1,477
Administration	64	220
Total deductions	<u>6,676</u>	<u>1,697</u>
Change in Net Position	7,600	1,272
Net Position - Beginning of Year	<u>56,972</u>	<u>3,398</u>
Net Position - End of Year	<u>\$ 64,572</u>	<u>\$ 4,670</u>

The accompanying notes are an integral part of the financial statements

# TOWN OF NEWINGTON, CONNECTICUT

## NOTES TO FINANCIAL STATEMENTS

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(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 position 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, with the exception of agency funds, which technically have no measurement focus, but use the accrual basis of accounting for purposes of asset and liability recognition. 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 7.7% of outstanding property taxes at June 30, 2014.

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. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period or periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town reports a deferred charge on refunding in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period or periods and so will not be recognized as an inflow of resources (revenue) until that time. The Town reports advance property tax collections in the government-wide statement of net position. Advance property tax collections represent taxes inherently associated with a future period. This amount is recognized during the period in which the revenue is associated. Also, for governmental funds, the Town reports unavailable revenue, which arises only under the modified accrual basis of accounting. The governmental funds report unavailable revenues from several sources: property taxes and long term loans. These amounts are deferred and recognized as an inflow of resources (revenue) in the period that the amounts become available.

## **I. 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.

## **J. 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 position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of any significant applicable bond premium or discount. Significant bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

## **K. Equity**

Equity in the government-wide financial statements is defined as "net position" and is classified in the following categories:

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

Restricted - This component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. 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 - This component of net position consists of net amount of the assets, deferred outflows of resources, liabilities and deferred inflows of resources that do not meet the definition of "restricted" or "net investment in capital assets."

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** - This balance represents 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 \$375,000 (amount not rounded). Special appropriations between \$375,000 and \$975,000 (amount not rounded) require a Town ordinance. Special appropriations over \$975,000 (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 were no additional appropriations from fund balance during 2013-14.

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*, \$26,798 of the Town's bank balance of \$28,012 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$	24,035
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name		<u>2,763</u>
Total Amount Subject to Custodial Credit Risk	\$	<u><u>26,798</u></u>

## Cash Equivalents

At June 30, 2014, the Town's cash equivalents amounted to \$11,360. 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 &amp; 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, 2014, 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>550</u>	\$ <u>550</u>	\$ _____	\$ _____
Total		550	<u><u>\$ 550</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Other investments:					
Pooled open-end mutual funds		<u>68,502</u>			
Total Investments		\$ <u><u>69,052</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, 2014, 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>Small Cities</u>	<u>Nonmajor and Other Funds</u>	<u>Total</u>
Receivables:				
Taxes	\$ 1,227	\$	\$	\$ 1,227
Accounts	274		12	286
Housing loans		847		847
Intergovernmental	117		315	432
Gross receivables	<u>1,618</u>	<u>847</u>	<u>327</u>	<u>2,792</u>
Less allowance for uncollectibles	<u>94</u>			<u>94</u>
Net Total Receivables	<u>\$ 1,524</u>	<u>\$ 847</u>	<u>\$ 327</u>	<u>\$ 2,698</u>

Note: Does not include accrued interest on property taxes of \$545.

## 5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2014 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	\$ 6,120	\$	\$	\$ 6,120
Construction in progress	2,662	138	(2,662)	138
Intangible assets	<u>2,770</u>			<u>2,770</u>
Total capital assets not being depreciated	<u>11,552</u>	<u>138</u>	<u>(2,662)</u>	<u>9,028</u>
Capital assets being depreciated:				
Buildings	63,970	4,978	(42)	68,906
Improvements other than buildings	9,310	67		9,377
Furniture, fixtures and equipment	23,372	2,981	(424)	25,929
Infrastructure	<u>48,104</u>	<u>376</u>	<u>(1)</u>	<u>48,479</u>
Total capital assets being depreciated	<u>144,756</u>	<u>8,402</u>	<u>(467)</u>	<u>152,691</u>
Less accumulated depreciation for:				
Buildings	(27,363)	(1,653)	7	(29,009)
Improvements other than buildings	(2,552)	(435)		(2,987)
Furniture, fixtures and equipment	(14,835)	(1,612)	375	(16,072)
Infrastructure	<u>(25,895)</u>	<u>(695)</u>		<u>(26,590)</u>
Total accumulated depreciation	<u>(70,645)</u>	<u>(4,395)</u>	<u>382</u>	<u>(74,658)</u>
Total capital assets being depreciated, net	<u>74,111</u>	<u>4,007</u>	<u>(85)</u>	<u>78,033</u>
Governmental Activities Capital Assets, Net	<u>\$ 85,663</u>	<u>\$ 4,145</u>	<u>\$ (2,747)</u>	<u>\$ 87,061</u>

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General government	\$ 368
Public safety	766
Public works	894
Community planning and development	240
Library	75
Parks and recreation	310
Education	<u>1,742</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 4,395</u>

## Construction Commitments

The Town has 40 active construction projects as of June 30, 2014. 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	\$ 3,334	\$ 242
Town Hall improvements	2,733	237
Road reconstruction	2,381	41
School code compliance	2,472	205
J. Wallace Middle School roof replacement	2,154	215
Drainage improvement	783	111
Tax revaluation reserve	809	10
Parks and playground improvements	773	138
Market Square development	632	30
High School Tennis Courts	489	11
Other various projects	<u>9,447</u>	<u>2,682</u>
Total	<u>\$ 26,007</u>	<u>\$ 3,922</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, 2014 is presented below:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 64
General Fund	Fiduciary Funds	196

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

Interfund transfers:

	<u>Transfers In</u>				<u>Total Transfers Out</u>
	<u>General</u>	<u>Nonmajor Governmental</u>	<u>Capital Projects</u>	<u>Internal Service</u>	
Transfers out:					
General Fund	\$	\$ 100	\$ 4,500	\$ 355	\$ 4,955
Capital Projects	322		11		333
Nonmajor Governmental	<u>111</u>				<u>111</u>
Total Transfers In	<u>\$ 433</u>	<u>\$ 100</u>	<u>\$ 4,511</u>	<u>\$ 355</u>	<u>\$ 5,399</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 present value of the net minimum lease payments at June 30, 2014 is \$112, with principal due of \$110 and \$2 of interest due for fiscal year 2015. 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, 2014.

**8. LONG-TERM DEBT**

**Changes in Long-Term Liabilities**

Long-term liability activity for the year ended June 30, 2014 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	\$ 9,960	\$	\$ 1,220	\$ 8,740	\$ 1,445
Premiums	450		36	414	36
Total bonds payable	<u>10,410</u>	<u>-</u>	<u>1,256</u>	<u>9,154</u>	<u>1,481</u>
Mortgage payable	1,560		515	1,045	515
Compensated absences	2,488	170		2,658	1,056
Net OPEB Obligation	244		119	125	
Capital leases	<u>217</u>		<u>107</u>	<u>110</u>	<u>110</u>
Total Governmental Activity Long-Term Liabilities	<u>\$ 14,919</u>	<u>\$ 170</u>	<u>\$ 1,997</u>	<u>\$ 13,092</u>	<u>\$ 3,162</u>

**Prior Year Defeasance of Debt**

In prior years, the Town defeased various bond issues. As of June 30, 2014, outstanding balance of the defeased bonds is \$2,035 and the escrow balance is \$2,111.

A schedule of bonds and serial notes outstanding at June 30, 2014 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, 2014</u>
General purpose bonds:				
Police station	02/13	1-4.0%	\$ 8,700	\$ 4,840
School:				
School improvements	04/10	1.5-4.0%	3,640	405
School improvements	02/13	1-4.0%	4,950	<u>3,495</u>
Total				<u>\$ 8,740</u>

The following is a schedule of bond maturities as of June 30, 2014:

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 1,445	\$ 232	\$ 1,677
2016	1,040	188	1,228
2017	1,035	157	1,192
2018	1,025	125	1,150
2019	695	91	786
2020-2024	3,315	216	3,531
2025	185	4	189
Total	\$ <u>8,740</u>	\$ <u>1,013</u>	\$ <u>9,753</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	\$ 192,020	\$ 4,840	\$ 187,180
Schools	384,039	3,900	380,139
Sewers	320,033	56,295	263,738
Urban renewal	277,362		277,362
Pension deficit	256,026		256,026

### 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, which began on 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, 2014:

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 515	\$ 39	\$ 554
2016	515	21	536
2017	15	1	16
Total	\$ <u>1,045</u>	\$ <u>61</u>	\$ <u>1,106</u>

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation or \$597 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 \$56,295 million or 8.66% of the debt of the Metropolitan 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 \$175,000 (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 \$622 reported in the Health Benefits Internal Service Fund at June 30, 2014 is based on GASB 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 July 1,</u>		<u>Current Year Claims and Changes in Estimates</u>		<u>Claim Payments</u>		<u>Liability June 30,</u>
2012-2013	\$ 582	\$	9,930	\$	9,734	\$	778
2013-2014	778		9,388		9,544		622

The Town is subject to various legal actions arising in the normal course of business. While the ultimate outcome of the aforementioned contingencies is not determinable at this time, the Town believes that any liability or loss resulting therefrom will not materially affect the financial statements.

## 10. FUND BALANCE

The components of fund balance for the governmental funds at June 30, 2014 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	\$	\$	\$	\$ 28	\$ 28
Prepays				15	15
Restricted for:					
Grants			33	2,169	2,202
Permanent funds				37	37
Committed to:					
Public buildings		1,783			1,783
Capital and nonrecurring projects		2,101			2,101
Public schools		1,268			1,268
Land acquisition		48			48
Education				612	612
Cemetery maintenance				1,395	1,395
Public safety activities				7	7
Recreation programs				682	682
Employee leave liability				800	800
Volunteer ambulance				222	222
Volunteer firefighters				134	134
General government				29	29
Assigned to:					
Subsequent year's budget	2,400				2,400
General government - encumbrances	39				39
Public safety - encumbrances	36				36
Public works - encumbrances	29				29
Health and community services - encumbrances	1				1
Parks and recreation - encumbrances	3				3
Education - encumbrances	2,369				2,369
Unassigned	15,183				15,183
<b>Total Fund Balances</b>	<b>\$ 20,060</b>	<b>\$ 5,200</b>	<b>\$ 33</b>	<b>\$ 6,130</b>	<b>\$ 31,423</b>

## **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. 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 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'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:

	<b>Post Employment Benefits Plan</b>
Annual required contribution (ARC)	\$ 1,795
Interest on net OPEB obligation	18
Adjustment to annual required contribution	(16)
Annual OPEB cost	1,797
Contributions made	1,916
Decrease in net OPEB obligation	(119)
Net OPEB obligation, beginning of year	244
Net OPEB Obligation, End of Year	<u>\$ 125</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:

<b>Fiscal Year Ended</b>	<b>Annual OPEB Cost (AOC)</b>	<b>Actual Contribution</b>	<b>Percentage of AOC Contributed</b>	<b>Net OPEB Obligation</b>
6/30/12	\$ 1,950	\$ 1,974	101.23%	\$ 613
6/30/13	1,721	2,090	121.44	244
6/30/14	1,797	1,916	106.62	125

#### Schedule of Funding Progress

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) (b)</b>	<b>Funded (Unfunded) AAL (UAAL) (a-b)</b>	<b>Percentage Funded (a/b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as a % of Covered Payroll ((a-b)/c)</b>
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
7/1/13	3,398	20,863	(17,465)	16.3	N/A	N/A

## Schedule of Employer Contributions

<u>Year Ended June 30,</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
2012	\$ 1,939	101.80%
2013	1,713	122.01
2014	1,795	106.74

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, 2013 actuarial valuation, the projected unit credit cost method was used. The actuarial assumptions include a 7.50% 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 decreasing, closed group. The annual healthcare cost trend rate is 6.8% 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.

Management of the plans rests with the Town Manager and Director of Finance. Policy oversight is provided by The Employee Insurance and Pension Benefits Committee (EIPBC), which consists of eleven members: five who specialize in the employee benefits field, two from the Town Council, two from the Board of Education and two alternate members.

### **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. For employees hired after October 1, 2013 normal retirement is the later of age 50 or 25 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 (or 20 years of service if hired after January 1, 2007) 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. The pension plan is closed to new entrants.

At July 1, 2013, 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	178	68	33	39
Terminated participants	12		3	42
Active participants	<u>119</u>	<u>57</u>	<u>10</u>	<u>28</u>
Total	<u>309</u>	<u>125</u>	<u>46</u>	<u>109</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.

**Basis of Accounting - Financial statements** are prepared using the accrual basis of accounting for the three defined benefit pension plans. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and a formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plans.

**Method Used to Value Investments - Investments** are reported at market value. Securities traded on a national exchange are valued at the last reported sales price. Investment income is recognized as earned.

### 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	7.5	4.5
Town current rate	20.1	47.9	51.0

### Pension Trust Funds

The Town maintains various pension trust funds to account for its fiduciary responsibility. The following schedules present the net position held in trust for pension benefits at June 30, 2014 and the changes in net position for the year then ended.

	<u>Schedule of Plan Net Position</u>						
	<u>Municipal</u>	<u>Police</u>	<u>Administrative</u>	<u>Volunteer Firefighters' Plans</u>		<u>Eliminations</u>	<u>Total</u>
	<u>Employees'</u>	<u>Officers'</u>	<u>Employees'</u>	<u>Defined</u>	<u>Defined</u>		
	<u>Plan</u>	<u>Plan</u>	<u>Plan</u>	<u>Benefit</u>	<u>Contribution</u>		
Assets:							
Cash and cash equivalents	\$ 239	\$ 256	\$ 76	\$	\$ 501	\$	\$ 1,072
Investments	22,786	33,971	5,842	507	932		64,038
Due from other funds		8				(8)	-
Accounts receivable					1		1
Total assets	<u>23,025</u>	<u>34,235</u>	<u>5,918</u>	<u>507</u>	<u>1,434</u>	<u>(8)</u>	<u>65,111</u>
Liabilities:							
Accounts payable	204	261	74				539
Due to other funds	8					(8)	-
Total liabilities	<u>212</u>	<u>261</u>	<u>74</u>	<u>-</u>	<u>-</u>	<u>(8)</u>	<u>539</u>
Net Position Held in Trust for Pension Benefits	<u>\$ 22,813</u>	<u>\$ 33,974</u>	<u>\$ 5,844</u>	<u>\$ 507</u>	<u>\$ 1,434</u>	<u>\$ -</u>	<u>\$ 64,572</u>

	Schedule of Changes in Plan Net Position						
	Municipal Employees' Plan	Police Officers' Plan	Administrative Employees' Plan	Volunteer Firefighters' Defined Benefit	Firefighters' Defined Contribution	Total Pension Trust Funds	
	Plan	Plan	Plan	Benefit	Contribution	Eliminations	
Additions:							
Contributions:							
Employer	\$ 1,453	\$ 2,661	\$ 383	\$ 102	\$ 77	\$ -	\$ 4,676
Plan members	326	443	38		11		818
Total contributions	1,779	3,104	421	102	88	-	5,494
Investment income:							
Net appreciation in fair value of investments	3,013	4,435	794	26	178		8,446
Interest and dividends	227	336	60	34			657
Total investment income	3,240	4,771	854	60	178	-	9,103
Less investment expenses	118	173	30				321
Net investment income	3,122	4,598	824	60	178	-	8,782
Total additions	4,901	7,702	1,245	162	266	-	14,276
Deductions:							
Benefits	2,496	3,104	899	113			6,612
Administration	20	20	4	9	11		64
Total deductions	2,516	3,124	903	122	11	-	6,676
Other Financing Sources (Uses):							
Transfers in			18			(18)	-
Transfers out	(18)					18	-
Total other financing sources (uses)	(18)	-	18	-	-	-	-
Net increase	2,367	4,578	360	40	255	-	7,600
Net Position Held in Trust for Pension Benefits, Beginning of Year							
	20,446	29,396	5,484	467	1,179	-	56,972
Net Position Held in Trust for Pension Benefits, End of Year							
	\$ 22,813	\$ 33,974	\$ 5,844	\$ 507	\$ 1,434	\$ -	\$ 64,572

## Investments

Investment Policy: The Municipal, Police and Administrative pension plans' policy in regard to the allocation of invested assets is established and may be amended by the EIPBC by a majority vote of its members. The Firefighters pension plan allocation of invested assets is amended by the Director of Finance in conjunction with the Fire Commissioners. It is the policy of the Town to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the adopted asset allocation policy as of June 30, 2014:

Asset Class	Municipal Employees Target Allocation	Police Target Allocation	Administrative Employees Target Allocation	Firefighters Target Allocation
Strategic Bond	14 %	14 %	14 %	25 %
Intermediate Fixed Income	18	18	18	25
Global Bond Fund	8	8	8	18
<b>Total Fixed</b>	<b>40</b>	<b>40</b>	<b>40</b>	<b>68</b>
S & P 500 Index	34	34	34	14
Middle Company				4
Small Company	10	10	10	4
Developed Foreign Equities	16	16	16	7
Emerging Markets				3
<b>Total Equity</b>	<b>60</b>	<b>60</b>	<b>60</b>	<b>32</b>
<b>Total Allocation</b>	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>

The plans did not have any concentrations that warranted disclosure.

Rate of Return: For the year ended June 30, 2014, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 15.17% for Administrative Employees, 15.07% for Municipal Employees, 15.01% for Police and 11.38% for Firefighters respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

### Net Pension Liability of the Town

In accordance with GASB Statement No. 67, the components of the net pension liability of the Town at June 30, 2014, were as follows:

	<u>Municipal Employees</u>	<u>Police</u>	<u>Administrative</u>	<u>Firefighters</u>
Total pension liability	\$ 40,597	\$ 55,347	\$ 11,524	\$ 1,500
Plan fiduciary net position	<u>22,812</u>	<u>33,974</u>	<u>5,844</u>	<u>626</u>
Net pension liability	<u>\$ 17,785</u>	<u>\$ 21,373</u>	<u>\$ 5,680</u>	<u>\$ 874</u>
Plan fiduciary net position as a percentage of the total pension liability	56.19%	61.38%	50.71%	41.73%

The Town's net pension liability will be required to be recorded on the government-wide statement of net position at June 30, 2015.

Actuarial Assumptions: The total pension liability for Administrative Employees, Municipal Employees, and Police was determined by an actuarial valuation as of June 30, 2014, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increases	3.5%, average, including inflation
Investment rate of return	7.5%, net of pension plan investment expense, including inflation

The total pension liability for Firefighters was determined by an actuarial valuation as of June 30, 2014, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increases	N/A
Investment rate of return	6.0%, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2000 Healthy Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA.

The plans have not had a formal actuarial experience study performed.

The long-term expected rate of return on pension plan investments was determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are per Milliman's investment consulting practice as of June 30, 2013. Best estimates of arithmetic real rates of return for each major asset class included in

the pension plan's target asset allocation as of June 30, 2014 (see the discussion of the pension plan's investment policy) are summarized in the following table:

<u>Asset Class</u>	<u>Municipal Employees Long-Term Expected Real Rate of Return</u>	<u>Police Long- Term Expected Real Rate of Return</u>	<u>Administrative Employees Long-Term Expected Real Rate of Return</u>	<u>Firefighters Long-Term Expected Real Rate of Return</u>
<b>Fixed</b>				
Strategic Bond	1.95 %	1.95 %	1.95 %	0.98 %
Intermediate Fixed Income	1.46	1.46	1.46	2.34
Global Bond Fund	0.73	0.73	0.73	0.73
<b>Equity</b>				
S & P 500 Index	4.39	4.39	4.39	4.39
Middle Company Value				4.49
Small Company	4.63	4.63	4.63	4.63
Developed Foreign Equities	4.39	4.39	4.39	4.39
Emerging Markets				4.88

**Discount Rate:** The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Town contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate:** The following presents the net pension liability of the Town, calculated using the discount rate of 7.5% for Municipal Employees, Police and Administrative Employees, as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.5%) or 1 percentage point higher (8.5%) than the current rate:

	<u>1% Decrease 6.50%</u>	<u>Current Discount Rate 7.50%</u>	<u>1% Increase 8.50%</u>
Municipal Employee's Net Pension Liability	\$ 22,125	\$ 17,785	\$ 14,120
Police Net Pension Liability	28,240	21,373	15,738
Administrative Employee's Net Pension Liability	6,801	5,680	4,698

The following presents the net pension liability of the Firefighters' Plan, calculated using the discount rate of 6.0% for Administrative Employees, Municipal Employees and Police, as well as

what the Town's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.0%) or 1 percentage point higher (7.0%) than the current rate:

	<b>1% Decrease 5.00%</b>	<b>Current Discount Rate 6.00%</b>	<b>1% Increase 7.00%</b>
Firefighters Net Pension Liability	\$ 1,011	\$ 874	\$ 732

#### 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:

	<b>Municipal</b>	<b>Police</b>	<b>Administrative</b>	<b>Firefighters</b>
Annual required contribution	\$ 1,453	\$ 2,661	\$ 383	\$ 102
Interest in net pension obligation		(18)		
Adjustment to annual required contribution		16		
Annual pension cost	1,453	2,659	383	102
Contributions made	1,453	2,661	383	102
Increase in net pension asset	-	2	-	-
Net Pension Asset, July 1, 2013	(332)	(551)	(103)	
Net Pension Asset, June 30, 2014	\$ (332)	\$ (553)	\$ (103)	\$ -

#### E. Trend Information

	<b>Fiscal Year Ended</b>	<b>Annual Pension Cost (APC)</b>	<b>Percentage of APC Contributed</b>	<b>Net Pension Obligation (Asset)</b>
<b><u>Municipal</u></b>	6/30/12	\$ 1,268	100%	\$ (9)
	6/30/13	1,373	124	(332)
	6/30/14	1,453	100	(332)
<b><u>Police</u></b>	6/30/12	2,068	100	(176)
	6/30/13	2,430	115	(551)
	6/30/14	2,659	100	(553)
<b><u>Administrative</u></b>	6/30/12	287	100	(5)
	6/30/13	324	130	(103)
	6/30/14	383	100	(103)
<b><u>Firefighters</u></b>	6/30/12	77	100	-
	6/30/13	102	100	-
	6/30/14	102	100	-

## F. Schedule of Funding Progress

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a % of Covered Payroll ((b-a)/c)</u>
<b><u>Municipal</u></b>						
7/1/2008	\$ 21,122	\$ 29,653	\$ 8,531	71.20%	\$ 8,823	96.70%
7/1/2009	20,807	32,079	11,272	64.9	8,832	127.6
7/1/2010	20,550	32,751	12,201	62.7	8,170	149.3
7/1/2011	19,765	37,090	17,325	53.3	7,873	220.1
7/1/2012	19,210	37,488	18,278	51.2	7,230	252.8
7/1/2013	19,785	39,633	19,848	49.9	7,031	282.3
<b><u>Police</u></b>						
7/1/2008	28,005	41,215	13,210	68.0	4,789	275.9
7/1/2009	27,947	43,199	15,252	64.7	5,237	291.2
7/1/2010	27,903	45,388	17,458	61.5	5,248	333.1
7/1/2011	26,700	46,585	19,885	57.3	5,829	341.2
7/1/2012	26,840	48,223	21,383	55.7	5,561	384.5
7/1/2013	28,505	53,456	24,951	53.3	5,536	450.7
<b><u>Administrative</u></b>						
7/1/2008	7,368	9,393	2,025	78.4	1,131	179.0
7/1/2009	7,026	9,942	2,916	70.7	885	329.2
7/1/2010	6,563	10,057	3,494	65.3	815	428.7
7/1/2011	6,018	10,774	4,756	55.9	761	624.9
7/1/2012	5,496	11,044	5,548	49.8	751	739.2
7/1/2013	5,303	11,515	6,212	46.1	842	737.8
<b><u>Firefighters</u></b>						
7/1/2003	654	1,383	729	47.3	N/A	N/A
7/1/2005	690	1,384	694	49.9	N/A	N/A
7/1/2007	747	1,361	614	54.9	N/A	N/A
7/1/2009	758	1,169	411	64.8	N/A	N/A
7/1/2011	720	1,447	727	49.8	N/A	N/A
7/1/2013	586	1,526	940	38.4	N/A	N/A

### **Teacher's 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 \$31.0 million or 76% of the total Board of Education payroll of \$40.9 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, 2014, the Town has recorded, in the General Fund, intergovernmental revenue and education expenditures in the amount of \$7,531 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 2013-2014, computed in accordance with plan requirements, amounted to \$78. At June 30, 2014, there were 145 members of the plan.

**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, 2014

(In Thousands)

	Budgeted Amounts		Actual	Variance - Positive (Negative)
	Original	Final		
Property taxes:				
Current levy	\$ 83,481	\$ 83,481	\$ 84,183	\$ 702
Prorated motor vehicles	680	680	794	114
Prorated real estate	50	50		(50)
Prior year tax levies	440	440	350	(90)
Interest and liens	320	320	319	(1)
Total	<u>84,971</u>	<u>84,971</u>	<u>85,646</u>	<u>675</u>
Payments in lieu of taxes:				
State-Owned Property			689	689
Assessment			8	8
Elderly Freeze Exemption	8	8	6	(2)
Disabled Exemption	5	5	5	-
Elderly Circuit Breaker	255	255	273	18
Additional Veteran's Exemption	28	28	28	-
Tax Exempt Colleges and Hospital	1,754	1,754	1,754	-
Controlling Interest Transfer Tax			1	1
Total	<u>2,050</u>	<u>2,050</u>	<u>2,764</u>	<u>714</u>
Licenses and permits:				
Building permits	250	250	313	63
Vendor's permits	1	1	2	1
Gun permits	5	5	13	8
Work Within Rights of Way	8	8	13	5
Refuse handling licenses	2	2	3	1
Total	<u>266</u>	<u>266</u>	<u>344</u>	<u>78</u>
Rentals:				
Town Hall rental	3	3	3	-
Indian Hill Country Club	101	101	30	(71)
Other town property	40	40	44	4
Total	<u>144</u>	<u>144</u>	<u>77</u>	<u>(67)</u>
Investment income	<u>30</u>	<u>30</u>	<u>62</u>	<u>32</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, 2014**

**(In Thousands)**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Fines:				
Parking tickets	\$ 25	\$ 25	\$ 19	\$ (6)
False alarms	15	15	11	(4)
Ambulance Response Overages			58	58
Blighted Premises			1	1
Total	<u>40</u>	<u>40</u>	<u>89</u>	<u>49</u>
Charges for services:				
Conservation Commission	4	4	11	7
Zoning Board of Appeals	1	1		(1)
Town Planning and Zoning	9	9	12	3
Town Clerk Fees	445	445	459	14
Police	8	8	8	-
Human Services - counseling fee	25	25	10	(15)
Library - overdue fines	28	28	19	(9)
Dial-A-Ride Tickets	5	5	5	-
Scrap Metal Curbside	25	25	26	1
Engineering fees	1	1	1	-
Total	<u>551</u>	<u>551</u>	<u>551</u>	<u>-</u>
State of Connecticut:				
Public Library	1	1	1	-
Mashantucket Pequot Fund			275	275
Youth Services Bureau	23	23	23	-
Alcohol and Drug Abuse	5	5	5	-
Municipal Revenue Sharing			199	199
Telecommunications Tax	66	66	80	14
Emergency Management Grant	14	14	9	(5)
Transportation - Non-public	5	5	5	-
Transportation - Public			241	241
Adult Education	35	35	35	-
Municipal Grant-In-Aid	561	561	622	61
School Building Grants	325	325	75	(250)
Health Services	17	17	18	1
Town Aid Road	416	416	416	-
Education Cost Sharing Grant	13,624	13,624	12,915	(709)
Total	<u>15,092</u>	<u>15,092</u>	<u>14,919</u>	<u>(173)</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, 2014  
(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
Storm Assistance Grant	115	115	301	186
Anti-Terrorism Emergency Assistance			1	1
Total	<u>124</u>	<u>124</u>	<u>312</u>	<u>188</u>
Miscellaneous:				
Other - miscellaneous	97	97	126	29
Cancelled PY encumbrances	10	10	131	121
United Way (Human Services)	1	1	2	1
Total	<u>108</u>	<u>108</u>	<u>259</u>	<u>151</u>
Total revenues	103,376	103,376	105,023	1,647
Other financing sources:				
Transfers in	<u>433</u>	<u>433</u>	<u>433</u>	<u>-</u>
Total	\$ <u>103,809</u>	\$ <u>103,809</u>	105,456	\$ <u>1,647</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	7,531
Cancellation of prior year encumbrances are recognized as budgetary revenue	(131)
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	711
Unbudgeted intergovernmental grant receivable	<u>117</u>

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

\$ 113,684

## 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, 2014  
(In Thousands)

	Budgeted Amounts		Actual	Variance - Positive (Negative)
	Original	Final		
General Government:				
Town Council	\$ 51	\$ 51	\$ 50	\$ 1
Town Manager	386	397	392	5
Courts	35	35	35	-
Elections	117	121	110	11
Finance	1,189	1,220	1,205	15
Town Attorney	130	162	162	-
Town Clerk	175	179	176	3
Personnel	49	49	40	9
General services	2,384	2,383	2,265	118
Total general government	4,516	4,597	4,435	162
Public Safety:				
Police Department	6,466	6,552	6,403	149
Fire Department	802	809	790	19
Street lighting	325	313	313	-
Emergency Medical Service	25	25	25	-
Hydrants	62	67	66	1
Total public safety	7,680	7,766	7,597	169
Public Works:				
Engineering	266	275	274	1
Highway Department	2,519	2,664	2,627	37
Solid Waste Services	2,024	2,026	1,849	177
Total public works	4,809	4,965	4,750	215
Community Planning and Development:				
Planning and Development	217	227	225	2
Town Planning and Zoning	17	17	17	-
Zoning Board of Appeals	3	3	1	2
Building Department	173	177	176	1
Conservation Commission	4	4	4	-
Economic Development	45	45	42	3
Total community planning and development	459	473	465	8
Health and Community Services:				
Public Health:				
Health Services	144	144	143	1
Community Services:				
Human Services	444	453	444	9
Senior and Disabled Center	539	545	524	21
Boards and Commissions	9	9	8	1
Total health and community services	1,136	1,151	1,119	32

(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, 2014  
(In Thousands)

	Budgeted Amounts		Actual	Variance - Positive (Negative)
	Original	Final		
Library:				
Library operations	\$ 1,689	\$ 1,679	\$ 1,655	\$ 24
Parks and Recreation:				
Parks and Recreation Administration	319	328	326	2
Grounds Maintenance	1,237	1,274	1,190	84
Total parks and recreation	1,556	1,602	1,516	86
Board of Education:				
Art	746	771	771	-
Career/Vocational	1,034	622	622	-
Computers	1,374	2,606	2,606	-
Language Arts	3,934	4,158	4,158	-
Foreign Language	1,249	1,084	1,084	-
Math	3,746	3,691	3,691	-
Music	1,073	1,162	1,162	-
Physical Education	1,371	1,423	1,423	-
Reading	3,887	3,537	3,537	-
Science	3,419	3,281	3,281	-
S.T.E.M.		213	213	-
Social Studies	3,313	3,392	3,392	-
Other Salaries	1,125	907	907	-
Special Education	7,211	7,378	7,378	-
Homebound	50	68	68	-
Adult Education	92	89	89	-
Guidance	1,184	1,102	1,102	-
Health/Nurses	654	550	550	-
Psychological Services	764	703	703	-
Speech and Hearing	525	508	508	-
Curriculum Development	194	219	219	-
Media	1,077	1,100	1,100	-
Board of Education	1,338	241	241	-
Central Direction	1,455	1,556	1,556	-
Building Direction	3,186	3,293	3,293	-
Supplies	276	236	236	-
Maintenance	1,506	3,137	3,137	-
Plant operation	4,686	4,257	4,027	230
Transportation	2,652	2,849	2,849	-
Evaluation, planning and development	107	196	196	-
Insurance	661	566	566	-

(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, 2014  
(In Thousands)

	Budgeted Amounts		Actual	Variance - Positive (Negative)
	Original	Final		
Board of Education (continued):				
Employee benefits	\$ 11,430	\$ 10,499	\$ 10,499	\$ -
Non-athletics	146	137	137	-
Athletics	519	510	510	-
Community service	114	55	55	-
Total board of education	<u>66,097</u>	<u>66,097</u>	<u>65,867</u>	<u>230</u>
Miscellaneous:				
Metropolitan District Assessment	3,102	3,102	3,102	-
Municipal insurance	726	726	709	17
Greater Hartford Transit District	3	3	3	-
Employee benefits	7,173	7,173	7,150	23
Donations and contributions	20	20	20	-
Contingency	662	274	47	227
Total miscellaneous	<u>11,686</u>	<u>11,298</u>	<u>11,031</u>	<u>267</u>
Debt service:				
Principal payments	1,243	1,220	1,220	-
Interest expense	233	256	256	-
Total debt service	<u>1,476</u>	<u>1,476</u>	<u>1,476</u>	<u>-</u>
Total expenditures	101,104	101,104	99,911	1,193
Other financing uses:				
Transfers out	<u>4,955</u>	<u>4,955</u>	<u>4,955</u>	<u>-</u>
Total	<u>\$ 106,059</u>	<u>\$ 106,059</u>	104,866	<u>\$ 1,193</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

7,531

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

711

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

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

\$ 113,260

## TOWN OF NEWINGTON, CONNECTICUT

**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS  
MUNICIPAL EMPLOYEES**

**LAST FISCAL YEAR**

	<b>2014</b>
Total pension liability:	
Service cost	\$ 567
Interest	2,923
Differences between expected and actual experience	(30)
Benefit payments, including refunds of member contributions	(2,496)
Net change in total pension liability	964
Total pension liability - beginning	39,633
Total pension liability - ending	40,597
 Plan fiduciary net position:	
Contributions - employer	1,453
Contributions - member	326
Net investment income	3,122
Benefit payments, including refunds of member contributions	(2,496)
Administrative expense	(20)
Net change in plan fiduciary net position	2,385
Plan fiduciary net position - beginning	20,427
Plan fiduciary net position - ending	22,812
 Net Pension Liability - Ending	\$ 17,785
 Plan fiduciary net position as a percentage of the total pension liability	56.19%
 Covered-employee payroll	\$ 7,230
 Net pension liability as a percentage of covered-employee payroll	245.99%

## TOWN OF NEWINGTON, CONNECTICUT

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS  
POLICE

## LAST FISCAL YEAR

	<u>2014</u>
Total pension liability:	
Service cost	\$ 1,057
Interest	3,974
Differences between expected and actual experience	(36)
Benefit payments, including refunds of member contributions	<u>(3,104)</u>
Net change in total pension liability	1,891
Total pension liability - beginning	<u>53,456</u>
Total pension liability - ending	<u>55,347</u>
Plan fiduciary net position:	
Contributions - employer	2,661
Contributions - member	443
Net investment income	4,598
Benefit payments, including refunds of member contributions	(3,104)
Administrative expense	<u>(20)</u>
Net change in plan fiduciary net position	4,578
Plan fiduciary net position - beginning	<u>29,396</u>
Plan fiduciary net position - ending	<u>33,974</u>
Net Pension Liability - Ending	\$ <u><u>21,373</u></u>
Plan fiduciary net position as a percentage of the total pension liability	61.38%
Covered-employee payroll	\$ 5,561
Net pension liability as a percentage of covered-employee payroll	384.34%

## TOWN OF NEWINGTON, CONNECTICUT

**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS  
ADMINISTRATIVE EMPLOYEES**

**LAST FISCAL YEAR**

	<u>2014</u>
Total pension liability:	
Service cost	\$ 61
Interest	836
Differences between expected and actual experience	11
Benefit payments, including refunds of member contributions	<u>(899)</u>
Net change in total pension liability	9
Total pension liability - beginning	<u>11,515</u>
Total pension liability - ending	<u>11,524</u>
 Plan fiduciary net position:	
Contributions - employer	383
Contributions - member	38
Net investment income	824
Benefit payments, including refunds of member contributions	(899)
Administrative expense	<u>(4)</u>
Net change in plan fiduciary net position	342
Plan fiduciary net position - beginning	<u>5,502</u>
Plan fiduciary net position - ending	<u>5,844</u>
 Net Pension Liability - Ending	\$ <u><u>5,680</u></u>
 Plan fiduciary net position as a percentage of the total pension liability	50.71%
 Covered-employee payroll	\$ 751
 Net pension liability as a percentage of covered-employee payroll	756.32%

## TOWN OF NEWINGTON, CONNECTICUT

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS  
FIREFIGHTERS

## LAST FISCAL YEAR

	<u>2014</u>
Total pension liability:	
Interest	\$ 88
Benefit payments, including refunds of member contributions	(115)
Net change in total pension liability	(27)
Total pension liability - beginning	<u>1,527</u>
Total pension liability - ending	<u>1,500</u>
Plan fiduciary net position:	
Contributions - employer	102
Net investment income	60
Benefit payments, including refunds of member contributions	(115)
Administrative expense	(7)
Net change in plan fiduciary net position	<u>40</u>
Plan fiduciary net position - beginning	<u>586</u>
Plan fiduciary net position - ending	<u>626</u>
Net Pension Liability - Ending	<u>\$ 874</u>
Plan fiduciary net position as a percentage of the total pension liability	41.73%
Covered-employee payroll	N/A
Net pension liability as a percentage of covered-employee payroll	N/A

**TOWN OF NEWINGTON, CONNECTICUT**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
**MUNICIPAL EMPLOYEES**  
**LAST TEN FISCAL YEARS**

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Actuarially determined contribution	\$ 442	\$ 539	\$ 622	\$ 837	\$ 853	\$ 969	\$ 1,219	\$ 1,268	\$ 1,373	\$ 1,453
Contributions in relation to the actuarially determined contribution	<u>442</u>	<u>539</u>	<u>622</u>	<u>837</u>	<u>853</u>	<u>969</u>	<u>1,219</u>	<u>1,268</u>	<u>1,697</u>	<u>1,453</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (324)</u>	<u>\$ -</u>						
Covered-employee payroll	\$ 7,868	\$ 8,210	\$ 8,529	\$ 8,828	\$ 8,665	\$ 8,823	\$ 8,832	\$ 8,170	\$ 7,503	\$ 7,230
Contributions as a percentage of covered-employee payroll	5.62%	6.57%	7.29%	9.48%	9.84%	10.98%	13.80%	15.52%	22.62%	20.10%

Notes to Schedule

Valuation date: July 1, 2013  
 Measurement date: June 30, 2014  
 Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:

- Actuarial cost method                      Entry age
- Amortization method                      Level percentage of payroll, closed
- Remaining amortization period        22 years
- Asset valuation method                  5-year smoothed market
- Inflation                                      2.75%
- Salary increases                            3.5%, average, including inflation
- Investment rate of return                7.5%, net of pension plan investment expense, including inflation

Retirement age                            Age based table

Mortality                                      RP-2000 Combined Healthy and Disabled Mortality, Male and Female, with generational projection per Scale AA.

**TOWN OF NEWINGTON, CONNECTICUT**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
**POLICE**

**LAST TEN FISCAL YEARS**

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Actuarially determined contribution	\$ 806	\$ 1,166	\$ 1,354	\$ 1,277	\$ 1,336	\$ 1,525	\$ 1,800	\$ 2,065	\$ 2,427	\$ 2,661
Contributions in relation to the actuarially determined contribution	<u>806</u>	<u>1,166</u>	<u>1,354</u>	<u>1,277</u>	<u>1,336</u>	<u>1,525</u>	<u>1,800</u>	<u>2,065</u>	<u>2,805</u>	<u>2,661</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (378)</u>	<u>\$ -</u>
Covered-employee payroll	\$ 3,866	\$ 4,045	\$ 4,205	\$ 4,375	\$ 4,500	\$ 4,788	\$ 5,237	\$ 5,248	\$ 5,829	\$ 5,561
Contributions as a percentage of covered-employee payroll	20.85%	28.83%	32.20%	29.19%	29.69%	31.85%	34.37%	39.35%	48.12%	47.85%

Notes to Schedule

Valuation date: July 1, 2013

Measurement date: June 30, 2014

Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	12 years
Asset valuation method	5-year smoothed market
Inflation	2.75%
Salary increases	3.5%, average, including inflation
Investment rate of return	7.5%, net of pension plan investment expense, including inflation

Retirement age: Based on age and service

Mortality: RP-2000 Combined Healthy Male and Female, with generational projection per Scale AA.

**TOWN OF NEWINGTON, CONNECTICUT**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
**ADMINISTRATIVE EMPLOYEES**  
**LAST TEN FISCAL YEARS**

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Actuarially determined contribution	\$ 160	\$ 189	\$ 204	\$ 180	\$ 173	\$ 196	\$ 237	\$ 287	\$ 324	\$ 383
Contributions in relation to the actuarially determined contribution	<u>160</u>	<u>189</u>	<u>204</u>	<u>180</u>	<u>173</u>	<u>196</u>	<u>237</u>	<u>287</u>	<u>422</u>	<u>383</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ (98)</u>	<u>\$ -</u>							
Covered-employee payroll	\$ 1,525	\$ 1,297	\$ 1,253	\$ 1,133	\$ 1,112	\$ 1,131	\$ 885	\$ 815	\$ 761	\$ 751
Contributions as a percentage of covered-employee payroll	10.49%	14.57%	16.28%	15.89%	15.56%	17.33%	26.78%	35.21%	55.45%	51.00%

Notes to Schedule

Valuation date: July 1, 2013  
 Measurement date: June 30, 2014  
 Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:

- Actuarial cost method                      Entry age
- Amortization method                      Level percentage of payroll, closed
- Remaining amortization period        22 years
- Asset valuation method                  5-year smoothed market
- Inflation                                      2.75%
- Salary increases                            3.5%, average, including inflation
- Investment rate of return                7.5%, net of pension plan investment expense, including inflation

Retirement age                            Age related table

Mortality                                      RP-2000 Combined Healthy and Disabled Mortality, Male and Female, with generational projection per Scale AA.

**TOWN OF NEWINGTON, CONNECTICUT**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
**FIREFIGHTERS**

**LAST TEN FISCAL YEARS**

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Actuarially determined contribution	\$ 88	\$ 88	\$ 82	\$ 82	\$ 72	\$ 72	\$ 77	\$ 77	\$ 102	\$ 102
Contributions in relation to the actuarially determined contribution	<u>88</u>	<u>88</u>	<u>82</u>	<u>82</u>	<u>72</u>	<u>72</u>	<u>77</u>	<u>77</u>	<u>102</u>	<u>102</u>
Contribution Deficiency (Excess)	\$ <u>-</u>									
Covered-employee payroll	N/A									
Contributions as a percentage of covered-employee payroll	N/A									

Notes to Schedule

Valuation date: July 1, 2013  
 Measurement date: June 30, 2014  
 Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, open
Remaining amortization period	10 years
Asset valuation method	N/A
Inflation	2.75%
Salary increases	N/A
Investment rate of return	6.0%, net of pension plan investment expense, including inflation

Retirement age 100% are assumed to retire at Normal Retirement Date

Mortality RP-2000 Combined Healthy Male and Female, with generational projection per Scale AA.

**TOWN OF NEWINGTON, CONNECTICUT**

**SCHEDULE OF INVESTMENT RETURNS  
MUNICIPAL EMPLOYEES**

**LAST FISCAL YEAR**

**2014**

Annual money-weighted rate of return, net of investment expense

15.07%

**TOWN OF NEWINGTON, CONNECTICUT**

**SCHEDULE OF INVESTMENT RETURNS  
POLICE**

**LAST FISCAL YEAR**

**2014**

Annual money-weighted rate of return, net of investment expense

15.01%

**TOWN OF NEWINGTON, CONNECTICUT**

**SCHEDULE OF INVESTMENT RETURNS  
ADMINISTRATIVE EMPLOYEES**

**LAST FISCAL YEAR**

**2014**

Annual money-weighted rate of return, net of investment expense

15.17%

**TOWN OF NEWINGTON, CONNECTICUT**

**SCHEDULE OF INVESTMENT RETURNS  
FIREFIGHTERS**

**LAST FISCAL YEAR**

**2014**

Annual money-weighted rate of return, net of investment expense

11.38%

**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, 2014 AND 2013

(In Thousands)

	<u>2014</u>	<u>2013</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 29,251	\$ 31,069
Receivables:		
Property taxes, net of allowance of \$94 in 2014 and 2013	1,133	929
Intergovernmental	117	182
Other receivable	274	204
Due from other funds	<u>260</u>	<u>325</u>
Total Assets	<u>\$ 31,035</u>	<u>\$ 32,709</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>		
Liabilities:		
Accounts payable and other liabilities	<u>\$ 4,860</u>	<u>\$ 5,362</u>
Deferred inflows of resources:		
Unavailable revenue - property taxes	1,028	438
Advance property tax collections	<u>5,087</u>	<u>7,273</u>
Total deferred inflows of resources	<u>6,115</u>	<u>7,711</u>
Fund balances:		
Assigned:		
Encumbrances	2,477	2,760
Designated for subsequent year's budget	2,400	2,250
Unassigned	<u>15,183</u>	<u>14,626</u>
Total fund balances	<u>20,060</u>	<u>19,636</u>
Total Liabilities and Fund Balances	<u>\$ 31,035</u>	<u>\$ 32,709</u>

TOWN OF NEWINGTON, CONNECTICUT

GENERAL FUND

REPORT OF TAX COLLECTOR

FOR THE YEAR ENDED JUNE 30, 2014

(In Thousands)

71

Grand List	Mill Rate	Uncollected Taxes July 1, 2013	Lawful Corrections		Suspense	Adjusted Taxes Collectible	Taxes	Interest	Liens	Total	Uncollected Taxes June 30, 2014
			Additions	Deductions							
2012	33.63	\$ 85,401	\$ 176	\$ 231	\$	\$ 85,346	\$ 84,607	\$ 194	15	\$ 84,816	\$ 739
2011	32.64	559	3	12	70	480	344	80	3	427	136
2010	30.02	158	1	39		120	57	13	1	71	63
2009	29.18	50				50	5	5		10	45
2008	28.4	14				14	2	3		5	12
2007	27.68	36				36	4	3		7	32
2006	26.91	31				31				-	31
2005	25.76	30				30				-	30
2004	36.43	42				42				-	42
2003	34.24	40				40				-	40
2002	32.29	37				37				-	37
2001	30.44	8				8				-	8
2000	28.58	6				6				-	6
1999	27.75	6				6				-	6
1998	27.17	6			6	-				-	-
		<u>\$ 86,424</u>	<u>\$ 180</u>	<u>\$ 282</u>	<u>\$ 76</u>	<u>\$ 86,246</u>	<u>\$ 85,019</u>	<u>\$ 298</u>	<u>\$ 19</u>	<u>\$ 85,336</u>	<u>\$ 1,227</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, 2014

(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>
<b>ASSETS</b>									
Cash and cash equivalents	\$ 366	\$ 84	\$ 13	\$ 1,404	\$ 16	\$ 86	\$ 1,100	\$ 800	\$ 29
Investments									
Receivables:									
Accounts and other	6				2		3		
State and Federal governments	70		4			71			
Prepays							6		
Inventory	28								
Total Assets	<u>\$ 470</u>	<u>\$ 84</u>	<u>\$ 17</u>	<u>\$ 1,404</u>	<u>\$ 18</u>	<u>\$ 157</u>	<u>\$ 1,109</u>	<u>\$ 800</u>	<u>\$ 29</u>
<b>LIABILITIES AND FUND BALANCES</b>									
Liabilities:									
Accounts and other payables	\$ 3	\$ 7	\$	\$ 9	\$ 11	\$	\$ 59	\$	\$
Due to other funds	64								
Unearned revenue	32		1				362		
Total liabilities	<u>99</u>	<u>7</u>	<u>1</u>	<u>9</u>	<u>11</u>	<u>-</u>	<u>421</u>	<u>-</u>	<u>-</u>
Fund Balances:									
Nonspendable	28						6		
Restricted		77	16			157			
Committed	343			1,395	7		682	800	29
Total fund balances	<u>371</u>	<u>77</u>	<u>16</u>	<u>1,395</u>	<u>7</u>	<u>157</u>	<u>688</u>	<u>800</u>	<u>29</u>
Total Liabilities and Fund Balances	<u>\$ 470</u>	<u>\$ 84</u>	<u>\$ 17</u>	<u>\$ 1,404</u>	<u>\$ 18</u>	<u>\$ 157</u>	<u>\$ 1,109</u>	<u>\$ 800</u>	<u>\$ 29</u>

(Continued on next page)

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

**JUNE 30, 2014**  
(In Thousands)

	<u>Special Revenue Funds</u>					<u>Permanent Funds</u>				<u>Total Nonmajor Governmental Funds</u>
	<u>Miscellaneous Grants</u>	<u>Volunteer Ambulance</u>	<u>Volunteer Firefighters'</u>	<u>Scholarship Trust</u>	<u>Total</u>	<u>Cemetery Trust</u>	<u>Hubbard Book</u>	<u>Tri-Centennial</u>	<u>Total</u>	
<b>ASSETS</b>										
Cash and cash equivalents	\$ 1,868	\$ 222	\$	\$ 269	\$ 6,257	\$ 25	\$ 11	\$ 1	\$ 37	\$ 6,294
Investments			134		134					134
Receivables:										
Accounts and other					11					11
State and Federal governments	170				315					315
Prepays	9				15					15
Inventory					28					28
<b>Total Assets</b>	<b>\$ 2,047</b>	<b>\$ 222</b>	<b>\$ 134</b>	<b>\$ 269</b>	<b>\$ 6,760</b>	<b>\$ 25</b>	<b>\$ 11</b>	<b>\$ 1</b>	<b>\$ 37</b>	<b>\$ 6,797</b>
<b>LIABILITIES AND FUND BALANCES</b>										
Liabilities:										
Accounts and other payables	\$ 102	\$	\$	\$	\$ 191	\$	\$	\$	\$	\$ 191
Due to other funds					64					64
Unearned revenue	17				412					412
<b>Total liabilities</b>	<b>119</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>667</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>667</b>
Fund Balances:										
Nonspendable	9				43					43
Restricted	1,919				2,169	25	11	1	37	2,206
Committed		222	134	269	3,881					3,881
<b>Total fund balances</b>	<b>1,928</b>	<b>222</b>	<b>134</b>	<b>269</b>	<b>6,093</b>	<b>25</b>	<b>11</b>	<b>1</b>	<b>37</b>	<b>6,130</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 2,047</b>	<b>\$ 222</b>	<b>\$ 134</b>	<b>\$ 269</b>	<b>\$ 6,760</b>	<b>\$ 25</b>	<b>\$ 11</b>	<b>\$ 1</b>	<b>\$ 37</b>	<b>\$ 6,797</b>

TOWN OF NEWINGTON, CONNECTICUT  
NONMAJOR GOVERNMENTAL FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2014  
(In Thousands)

	Special Revenue Funds									
	Cafeteria	Road Aid Maintenance	State and Federal Grants	Cemetery	Dog Licenses	LOCIP Reserve	Recreation Programs	Employee Leave Liability	Balf	Miscellaneous Grants
Revenues:										
Licenses, fees and permits	\$	\$	\$	\$	16	\$	\$	\$	\$	\$
Intergovernmental	539		1,935	1		391				1,502
Contributions							13			49
Charges for services	771			222		11	754			49
Investment income				2			1	3		
Miscellaneous	52									116
Total revenues	<u>1,362</u>	<u>-</u>	<u>1,935</u>	<u>225</u>	<u>16</u>	<u>402</u>	<u>768</u>	<u>3</u>	<u>-</u>	<u>1,716</u>
Expenditures:										
Current:										
General government										
Public safety					13					13
Health and human services										292
Library										13
Parks and recreation				17			692			12
Education	1,235		1,924					2		
Capital outlay		151				398				531
Total expenditures	<u>1,235</u>	<u>151</u>	<u>1,924</u>	<u>17</u>	<u>13</u>	<u>398</u>	<u>692</u>	<u>2</u>	<u>-</u>	<u>861</u>
Other financing sources (uses):										
Transfers in								93		2
Transfers out				(111)						
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(111)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>93</u>	<u>-</u>	<u>2</u>
Net change in fund balance	127	(151)	11	97	3	4	76	94	-	857
Fund balance at beginning of year	<u>244</u>	<u>228</u>	<u>5</u>	<u>1,298</u>	<u>4</u>	<u>153</u>	<u>612</u>	<u>706</u>	<u>29</u>	<u>1,071</u>
Fund Balance at End of Year	<u>\$ 371</u>	<u>\$ 77</u>	<u>\$ 16</u>	<u>\$ 1,395</u>	<u>\$ 7</u>	<u>\$ 157</u>	<u>\$ 688</u>	<u>\$ 800</u>	<u>\$ 29</u>	<u>\$ 1,928</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, 2014  
(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	\$	\$	\$	\$ 16	\$	\$	\$	\$	\$ 16
Intergovernmental Contributions				4,368					4,368
Charges for services				62					62
Investment income		16		1,807					1,807
Miscellaneous			61	22					22
Total revenues	<u>-</u>	<u>16</u>	<u>61</u>	<u>6,504</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,504</u>
Expenditures:									
Current:									
General government									
Public safety		1		27					27
Health and human services				292					292
Library				13					13
Parks and recreation				721					721
Education			56	3,217					3,217
Capital outlay				1,080					1,080
Total expenditures	<u>-</u>	<u>1</u>	<u>56</u>	<u>5,350</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,350</u>
Other financing sources (uses):									
Transfers in	5			100					100
Transfers out				(111)					(111)
Total other financing sources (uses)	<u>5</u>	<u>-</u>	<u>-</u>	<u>(11)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(11)</u>
Net change in fund balance	5	15	5	1,143	-	-	-	-	1,143
Fund balance at beginning of year	<u>217</u>	<u>119</u>	<u>264</u>	<u>4,950</u>	<u>25</u>	<u>11</u>	<u>1</u>	<u>37</u>	<u>4,987</u>
Fund Balance at End of Year	<u>\$ 222</u>	<u>\$ 134</u>	<u>\$ 269</u>	<u>\$ 6,093</u>	<u>\$ 25</u>	<u>\$ 11</u>	<u>\$ 1</u>	<u>\$ 37</u>	<u>\$ 6,130</u>

## **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, 2014**  
**(In Thousands)**

	<u>Health Benefits</u>	<u>Insurance Reserve</u>	<u>Total</u>
Assets:			
Cash and cash equivalents	\$ 3,013	\$ 505	\$ 3,518
Liabilities:			
Accounts and other payable	<u>622</u>	<u>1</u>	<u>623</u>
Net Position:			
Unrestricted	<u>\$ 2,391</u>	<u>\$ 504</u>	<u>\$ 2,895</u>

## TOWN OF NEWINGTON, CONNECTICUT

## INTERNAL SERVICE FUNDS

## COMBINING STATEMENT OF CHANGES IN NET POSITION

FOR THE YEAR ENDED JUNE 30, 2014

(In Thousands)

	<u>Health Benefits</u>	<u>Insurance Reserve</u>	<u>Total</u>
Operating Revenues:			
Charges for services	\$ 9,843	\$	\$ 9,843
Miscellaneous		84	84
Total operating revenues	<u>9,843</u>	<u>84</u>	<u>9,927</u>
Operating Expenses:			
Benefit payments	9,388		9,388
Administration	455		455
Insurance	615		615
Casualty loss		126	126
Total operating expenses	<u>10,458</u>	<u>126</u>	<u>10,584</u>
Operating Loss	(615)	(42)	(657)
Nonoperating Revenue:			
Interest on investments	<u>3</u>		<u>3</u>
Loss Before Transfers	(612)	(42)	(654)
Transfers In		<u>355</u>	<u>355</u>
Change in Net Position	(612)	313	(299)
Total Net Position at Beginning of Year	<u>3,003</u>	<u>191</u>	<u>3,194</u>
Total Net Position at End of Year	<u>\$ 2,391</u>	<u>\$ 504</u>	<u>\$ 2,895</u>

## TOWN OF NEWINGTON, CONNECTICUT

## INTERNAL SERVICE FUNDS

## COMBINING STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2014

(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	\$ 9,843	\$ 84	\$ 9,927
Cash paid to vendors	<u>(10,614)</u>	<u>(151)</u>	<u>(10,765)</u>
Net cash used in operating activities	(771)	(67)	(838)
Cash Flows from Noncapital Financial Activities:			
Transfers in		355	355
Cash Flows from Investing Activities:			
Interest on investments	<u>3</u>		<u>3</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(768)	288	(480)
Cash and Cash Equivalents at Beginning of Year	<u>3,781</u>	<u>217</u>	<u>3,998</u>
Cash and Cash Equivalents at End of Year	<u>\$ 3,013</u>	<u>\$ 505</u>	<u>\$ 3,518</u>
Reconciliation of Operating Loss to Net Cash Used in Operating Activities:			
Operating loss	\$ (615)	\$ (42)	\$ (657)
Adjustments to reconcile operating loss to net cash used in operating activities:			
Increase in accounts and other payables	<u>(156)</u>	<u>(25)</u>	<u>(181)</u>
Net Cash Used in Operating Activities	<u>\$ (771)</u>	<u>\$ (67)</u>	<u>\$ (838)</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, 2014

(In Thousands)

	<u>Balance</u> <u>July 1, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2014</u>
<b>Youth Activities Fund</b>				
Assets:				
Cash and cash equivalents	\$ <u>6</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>6</u>
Liabilities:				
Deposits held for others	\$ <u>6</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>6</u>
<b>Student Activities Fund</b>				
Assets:				
Cash and cash equivalents	\$ <u>595</u>	\$ <u>1,161</u>	\$ <u>1,148</u>	\$ <u>608</u>
Liabilities:				
Deposits held for others	\$ <u>595</u>	\$ <u>1,161</u>	\$ <u>1,148</u>	\$ <u>608</u>
<b>Total All Funds</b>				
Assets:				
Cash and cash equivalents	\$ <u>601</u>	\$ <u>1,161</u>	\$ <u>1,148</u>	\$ <u>614</u>
Liabilities:				
Deposits held for others	\$ <u>601</u>	\$ <u>1,161</u>	\$ <u>1,148</u>	\$ <u>614</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 POSITION BY COMPONENT

LAST TEN FISCAL YEARS  
(In Thousands)

	FISCAL YEAR									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Governmental Activities:										
Net investment in capital assets	\$ 77,244	\$ 74,017	\$ 70,426	\$ 65,734	\$ 62,260	\$ 56,392	\$ 52,163	\$ 48,689	\$ 45,677	\$ 36,835
Restricted	662	637	657	685	673	612	582	527	479	452
Unrestricted	34,250	33,447	31,773	29,983	29,240	24,818	27,626	24,232	22,930	20,722
Total Governmental Activities Net Position	\$ <u>112,156</u>	\$ <u>108,101</u>	\$ <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>

Note: Schedule prepared on the accrual basis of accounting.

## TOWN OF NEWINGTON, CONNECTICUT

## CHANGES IN NET POSITION

LAST TEN FISCAL YEARS  
(In Thousands)

	FISCAL YEAR									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Expenses:										
General government	\$ 7,293	\$ 6,821	\$ 7,128	\$ 6,204	\$ 5,609	\$ 7,931	\$ 5,857	\$ 4,599	\$ 4,681	\$ 2,786
Public safety	11,702	11,883	12,062	11,426	10,600	11,323	9,859	6,788	6,520	6,385
Public works	9,690	9,528	10,597	9,669	9,585	9,109	8,747	5,724	5,226	4,950
Community planning and development	965	990	771	667	780	697	806	590	515	540
Health and community services	1,812	1,696	1,376	1,520	1,498	1,416	1,535	1,122	1,160	1,187
Library	2,210	2,222	2,118	2,010	2,104	2,016	2,244	1,821	1,792	1,733
Parks and recreation	3,129	3,214	3,074	2,534	2,941	2,716	3,138	2,398	2,333	2,181
Education	78,993	73,707	73,232	69,342	68,084	65,598	76,236	56,881	52,058	49,902
Miscellaneous								8,647	8,199	7,792
Interest on long-term debt	448	299	499	538	687	780	855	946	1,137	1,000
Total governmental activities expenses	<u>116,242</u>	<u>110,360</u>	<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>
Program Revenues:										
Charges for services										
General government	555	655	575	790	703	719	907	1,741	1,464	1,582
Public safety	119	129	178	120	82	106	54	90	81	79
Public works	38	41	45	45	45	48	58	47	36	20
Community planning and development	348	410	287	208	309	415	735			
Health and community services	56	75	69	65	69	72	52	33	192	160
Library	22	26	27	29	29	30	33	38	36	34
Parks and recreation	977	1,072	1,052	997	903	801	791	702	839	390
Education	986	1,149	1,053	1,115	1,052	1,117	1,047	1,305	1,079	1,073
Operating grants and contributions	26,753	23,727	24,946	21,729	23,262	20,574	34,588	17,490	16,646	14,374
Capital grants and contributions	839	799	3,647	908	5,874	2,210	1,105	389	4,180	6,200
Total governmental activities program revenues	<u>30,693</u>	<u>28,083</u>	<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>
Net expense:										
Governmental activities	<u>(85,549)</u>	<u>(82,277)</u>	<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>
General revenues and other changes in net position:										
Governmental activities:										
Property taxes	85,894	83,514	80,907	78,159	75,542	72,453	70,617	66,335	65,312	60,008
Grants and contributions not restricted to specific purposes	3,310	3,688	3,379	3,433	3,393	3,411	2,904	3,232	2,981	2,810
Unrestricted investment earnings	88	53	78	145	203	642	1,773	2,285	1,829	988
Gain on sale of capital assets										291
Miscellaneous	312	267	1,068	396	773	439	1,536	191	23	76
Total governmental activities	<u>89,604</u>	<u>87,522</u>	<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>
Changes in Net Position:										
Governmental Activities	<u>\$ 4,055</u>	<u>\$ 5,245</u>	<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>

Note: Schedule prepared on the accrual basis of accounting.

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

	<b>FISCAL YEAR</b>									
	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>
General Fund:										
Reserved	\$	\$	\$	\$	\$ 1,745	\$ 1,947	\$ 1,572	\$ 1,763	\$ 1,721	\$ 1,286
Unreserved					15,898	14,744	14,072	12,943	11,687	10,474
Assigned	4,877	5,010	4,174	3,891						
Unassigned	<u>15,183</u>	<u>14,626</u>	<u>14,419</u>	<u>13,082</u>						
Total General Fund	<u>\$ 20,060</u>	<u>\$ 19,636</u>	<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>
All other governmental funds:										
Reserved	\$	\$	\$	\$	\$ 1,148	\$ 577	\$ 786	\$ 532	\$ 1,615	\$ 5,448
Unreserved, reported in:										
Special revenue funds					5,830	4,015	4,596	4,295	3,797	3,770
Capital projects funds					3,538	3,100	2,980	2,715	2,247	(793)
Nonspendable	43	38	33	34						
Restricted	2,239	1,593	1,460	1,253						
Committed	<u>9,081</u>	<u>9,146</u>	<u>9,213</u>	<u>8,650</u>						
Total All Other Governmental Funds	<u>\$ 11,363</u>	<u>\$ 10,777</u>	<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>

## Notes:

1. Schedule prepared on the modified accrual basis of accounting.
2. The Town began to report new fund categories when it implemented GASB Statement No. 54 in fiscal year 2011.

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

	FISCAL YEAR									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
<b>Revenues:</b>										
Property taxes	\$ 85,646	\$ 83,913	\$ 80,895	\$ 77,704	\$ 75,594	\$ 73,276	\$ 70,359	\$ 66,863	\$ 64,813	\$ 60,047
Payment in lieu of taxes	2,764	2,339	2,343	3,096	3,050	2,936	2,481	2,339	2,526	2,256
Licenses, fees and permits	360	417	292	209	316	425	740	765	525	527
Intergovernmental	27,958	25,591	29,533	22,873	25,760	23,165	36,016	18,358	21,090	21,128
Contributions	62	73	173	91	209	91	99			
Rental	146	216	214	185	163	214	138	145	202	163
Investment income	85	49	76	137	191	591	1,608	2,120	1,715	936
Fines	89	122	123	93	64	96	41	64	51	52
Charges for services	2,504	2,787	2,564	2,881	2,645	2,567	2,758	2,813	2,797	2,515
Refunds and reimbursements							23	185	14	38
Sale of Town property									32	322
Other	393	529	1,080	452	385	430	1,432	664	467	320
<b>Total revenues</b>	<b>120,007</b>	<b>116,036</b>	<b>117,293</b>	<b>107,721</b>	<b>108,377</b>	<b>103,791</b>	<b>115,695</b>	<b>94,316</b>	<b>94,232</b>	<b>88,304</b>
<b>Expenditures:</b>										
General government	4,483	4,547	4,457	4,198	4,260	4,376	3,803	5,501	6,033	4,148
Public safety	7,635	7,552	7,633	7,238	7,297	7,042	6,965	8,949	8,677	7,960
Public works	4,728	4,557	6,227	4,670	4,535	4,766	4,669	8,117	7,595	7,179
Community planning and development	543	470	422	430	479	513	503	727	670	683
Health and community services	1,415	1,230	1,093	1,074	1,117	1,108	1,149	1,473	1,537	1,465
Library	1,668	1,647	1,737	1,607	1,706	1,656	1,785	2,177	2,114	1,992
Parks and recreation	2,234	2,221	2,285	2,248	2,221	2,258	2,416	2,786	2,690	2,514
Education	77,440	72,868	71,555	69,465	66,646	63,667	76,544	56,817	52,728	49,069
Miscellaneous	11,031	11,748	10,424	10,026	8,928	8,741	8,829			
Capital outlay	5,307	4,671	8,956	5,259	4,980	6,243	4,165	2,885	8,527	24,910
Debt service:										
Principal	3,054	3,054	1,825	1,630	1,750	1,946	1,940	2,538	2,260	2,030
Interest	(896)	426	599	742	985	790	864	1,067	1,017	769
<b>Total expenditures</b>	<b>118,642</b>	<b>114,991</b>	<b>117,213</b>	<b>108,587</b>	<b>104,904</b>	<b>103,106</b>	<b>113,632</b>	<b>89,432</b>	<b>94,182</b>	<b>103,203</b>
Excess of Revenue Over (Under) Expenditures	1,365	1,045	80	(866)	3,473	685	2,063	4,884	50	(14,899)
<b>Other Financing Sources (Uses):</b>										
Bonds issued										3,700
Bond refunding issued		9,810			3,737					
Payment to escrow agent		(10,144)			(3,668)					
Premium on bond issuance		462								
Mortgage issued			2,575							
Capitalized lease					525				975	
Transfers in	5,044	4,633	4,881	4,745	4,129	4,346	4,206	2,875	3,239	1,647
Transfers out	(5,399)	(4,692)	(5,122)	(5,153)	(4,420)	(4,654)	(4,512)	(3,215)	(3,382)	(1,879)
<b>Total other financing sources (uses)</b>	<b>(355)</b>	<b>69</b>	<b>2,334</b>	<b>(408)</b>	<b>303</b>	<b>(308)</b>	<b>(306)</b>	<b>(340)</b>	<b>832</b>	<b>3,468</b>
Net Change in Fund Balance	\$ 1,010	\$ 1,114	\$ 2,414	\$ (1,274)	\$ 3,776	\$ 377	\$ 1,757	\$ 4,544	\$ 882	\$ (11,431)
Debt Service as a Percentage of Noncapital Expenditures	1.91%	3.16%	2.25%	2.30%	2.81%	2.91%	2.63%	3.73%	4.21%	4.19%

Note: 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)

<b>Fiscal Year Ended June 30,</b>	<b>Taxes and Special Assessments</b>	<b>Licenses and Permits</b>	<b>Intergovernmental Revenue(1)</b>	<b>Charges for Services</b>	<b>Investment Earnings</b>	<b>Miscellaneous Revenues(2)</b>	<b>Other Financing Sources(3)</b>	<b>Total</b>
2014	\$ 85,646	\$ 344	\$ 17,983	\$ 551	\$ 62	\$ 429	\$ 433	\$ 105,448
2013	83,913	402	17,444	574	39	496	164	103,032
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

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
2014	\$ 4,434	\$ 7,598	\$ 5,215	\$ 1,119	\$ 3,171	\$ 12,507	\$ 65,867	\$ 4,955	\$ 104,866
2013	4,298	7,510	4,971	1,061	3,143	13,973	63,347	4,522	102,825
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

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							
2014	\$ 1,625,491	\$ 449,216	\$ 122,551	\$ 203,055	\$ 240,725	\$ (79,193)	\$ 2,561,845	33.63	\$ 3,651,833	70.00%
2013 (1)	1,625,210	459,583	125,609	186,892	243,491	(62,369)	2,578,416	32.64	3,640,890	69.97%
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	4,073,404	64.89%
∞ 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%
2007 (4)	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%

Source: Town of Newington Office of Tax Assessor

Notes: Assessment rate is 70% of market value.

Town of Newington has no Overlapping Property Tax Rates.

- (1) Real property revalued as of October 1, 2011 Grand List.
- (2) Includes net supplemental motor vehicle assessments.
- (3) Sales ratios from Connecticut Office of Policy and Management.
- (4) Real property revalued as of October 1, 2005 Grand List.

## TOWN OF NEWINGTON, CONNECTICUT

## PRINCIPAL PROPERTY TAX PAYERS

## CURRENT YEAR AND NINE YEARS AGO

(In Thousands)

Taxpayer	October 1, 2012			October 1, 2003		
	Taxable Assessed Value	Rank	Percentage of Total Town Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Town Taxable Assessed Value
Connecticut Light & Power Co	\$ 37,506	1	1.46%	\$ 20,556	1	1.18%
GKN Aerospace	22,537	2	0.88%			0.00%
Newington VF LLC	19,941	3	0.78%	12,512	2	0.72%
Newington-Berlin Retail LLC	19,831	4	0.77%			0.00%
TLG Newington LLC	18,957	5	0.74%	12,207	3	0.70%
Centro Ga Turnpike Plaza LLC	17,360	6	0.68%			0.00%
Newington Gross LLC	17,150	7	0.67%			0.00%
Mandell Properties LLC	13,545	8	0.53%			0.00%
The Balf Company	13,202	9	0.52%	11,771	4	0.67%
Hayes Kaufman Newington	12,280	10	0.48%			0.00%
Target Corporation	12,075	11	0.47%	5,818	13	0.33%
Reno Properties	10,314	12	0.40%			0.00%
Lowes Home Centers Inc	11,386	13	0.44%	9,428	6	0.54%
Furniture Executives	9,800	14	0.38%	5,941	12	0.34%
Hartford Hospital	9,247	15	0.36%	7,275	10	0.42%
<b>TOTAL</b>	<b>\$ 245,131</b>		<b>9.57%</b>	<b>\$ 85,508</b>		<b>4.90%</b>

Source: Town of Newington, Office of Tax Assessor

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

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

<b>Fiscal Year Ended June 30,</b>	<b>Tax Rate In Mills (1)</b>	<b>Taxes Levied For The Fiscal Year</b>	<b>Collected Within The Fiscal Year of Levy</b>		<b>Collections In Subsequent Years</b>	<b>Total Collections to Date</b>	
			<b>Amount</b>	<b>Percentage of Levy</b>		<b>Amount</b>	<b>Percentage of Levy</b>
2014	33.63	\$ 85,346	\$ 84,607	99.13	N/A	\$ 84,607	99.13
2013	32.64	82,937	82,378	99.33	344	82,722	99.74
2012	30.02	80,411	79,582	98.97	666	80,248	99.80
2011	29.18	77,679	76,731	98.78	763	77,494	99.76
2010	28.40	75,091	74,378	99.05	585	74,963	99.83
2009	27.68	72,939	72,143	98.91	662	72,805	99.82
2008	26.91	69,973	69,338	99.09	419	69,757	99.69
2007	25.76	66,004	65,487	99.20	397	65,884	99.82
2006	36.43	64,878	63,970	98.60	743	64,713	99.75
2005	34.24	59,729	59,063	98.89	508	59,571	99.74

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

(1) The Town of Newington has a single tax rate as such there are no separate components.

## TOWN OF NEWINGTON, CONNECTICUT

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

Fiscal Year	Governmental Activities			Total Primary Government	Ratio of Debt to Taxable Assessed Value	Debt as a Percentage of Personal Income	Debt Per Capita
	General Obligation Bonds	Mortgage Payable	Capital Leases				
2014	\$ 9,154	\$ 1,045	\$ 110	\$ 10,309	0.40%	1.08%	\$ 337
2013	10,410	1,560	217	12,187	0.47	1.35%	384
2012	11,690	2,575	321	12,011	0.47	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

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

## TOWN OF NEWINGTON, CONNECTICUT

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

<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Percentage of Estimated Actual Taxable Value of Property</b>	<b>Debt Per Capita</b>
2014	\$ 9,154	0.25%	\$ 300
2013	10,410	0.29	341
2012	11,690	0.30	383
2011	13,515	0.33	442
2010	15,145	0.38	517
2009	16,855	0.41	575
2008	18,605	0.44	635
2007	20,355	0.55	695
2006	22,560	0.56	770
2005	25,000	0.71	853

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, 2014**  
**(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	\$ 650,055	8.66 %	\$ 56,295
Town direct debt	10,309	100.00 %	<u>10,309</u>
Total direct and overlapping debt			<u><u>\$ 66,604</u></u>

Source: Metropolitan District Commission

Note: Metropolitan District overlapping debt for each member town is divided among the member towns in proportion to the total revenue each received from property taxation, as averaged over the prior three years. Town of Newington reports overlapping debt on a net basis.

## TOWN OF NEWINGTON, CONNECTICUT

## STATEMENT OF DEBT LIMITATION

JUNE 30, 2014

(In Thousands)

Total tax collections (including fire district)					\$ 85,336
Property tax relief elderly					<u>6</u>
Base					<u>\$ 85,342</u>
	<b>General Purpose</b>	<b>Schools</b>	<b>Sewers</b>	<b>Urban Renewal</b>	<b>Pension Deficit</b>
Debt Limitation:					
2-1/4 times base	\$ 192,020	\$	\$	\$	\$
4-1/2 times base		384,039			
3-3/4 times base			320,033		
3-1/4 times base				277,362	
3 times base					256,026
Total debt limitation	<u>192,020</u>	<u>384,039</u>	<u>320,033</u>	<u>277,362</u>	<u>256,026</u>
Indebtedness:					
Bonds payable	4,840	3,900			
Town's share of Metropolitan District debt			56,295		
Total Indebtedness	<u>4,840</u>	<u>3,900</u>	<u>56,295</u>	<u>-</u>	<u>-</u>
Debt Limitation in Excess of Net Debt	<u>\$ 187,180</u>	<u>\$ 380,139</u>	<u>\$ 263,738</u>	<u>\$ 277,362</u>	<u>\$ 256,026</u>

Note: In no event shall total indebtedness exceed seven times annual receipts from taxation or \$597 million.

## TOWN OF NEWINGTON, CONNECTICUT

## LEGAL DEBT MARGIN INFORMATION

LAST TEN FISCAL YEARS  
(In Thousands)

	FISCAL YEAR									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Debt limitation	\$ 597,394	\$ 586,495	\$ 565,012	\$ 542,409	\$ 527,982	\$ 509,964	\$ 491,141	\$ 466,886	\$ 452,970	\$ 420,035
Total net debt applicable to limit	<u>65,035</u>	<u>54,266</u>	<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>
Legal debt margin	<u>\$ 532,359</u>	<u>\$ 532,229</u>	<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>
Total net debt applicable to the limit as a percentage of debt limit	10.89%	9.25%	8.47%	7.04%	6.19%	5.61%	5.61%	5.71%	6.49%	7.69%

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**

<b>Calendar Year</b>	<b>Population(1)</b>	<b>Personal Income in Thousands (2)</b>	<b>Per Capita Income(1)</b>	<b>Median Age(2)</b>	<b>School Enrollment(3)</b>	<b>Unemployment Rate(4)</b>
2014	30,562	\$ 955,435	\$ 36,209	44.0	4,199	6.1%
2013	30,562	905,971	35,055	44.0	4,316	7.0%
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%

(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 16

## TOWN OF NEWINGTON, CONNECTICUT

## PRINCIPAL EMPLOYERS

## CURRENT YEAR AND NINE YEARS AGO

Employer	Nature of Business	2014 (1)			2004 (2)		
		Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Connecticut Department of Transportation	Government	1,025	1	6.4%	1,000	1	6.5%
Hartford Hospital-Newington Campus	Health Services	750	2	4.7%	500	4	3.2%
Town of Newington	Government	664	3	4.1%	664	2	4.3%
Veterans Administration Hospital	Health Services	451	4	2.8%	220	8	1.4%
Data-Mail,Inc.	Direct Mail Service	421	5	2.6%	500	3	3.2%
Stew Leonards	Grocery	280	6	1.7%			
Stop & Shop	Retail Grocers	265	7	1.6%			
Newington Health Care Center	Health Services	257	8	1.6%			
Davidson Company	Distributor	249	9	1.5%			
Walmart	Retail Trade	210	10	1.3%	240	6	1.6%
Target	Retail Trade	210	11	1.3%	200	9	1.3%
SPX Precision Components	Manufacturer	190	12	1.2%			
Sam's Club	Wholesale Clubs	175	13	1.1%			
Price Chopper	Retail Grocers	143	14	0.9%			
Northeast Utilities - CL&P	Public Utility	140	15	0.9%	230	7	1.5%
Lowe's	Retail Trade	138	16	0.9%	160	11	1.0%
Keeney Manufacturing	Manufacturer	137	17	0.9%	200	10	1.3%
TOTAL		<u>5,705</u>		<u>35.41%</u>	<u>3,914</u>		<u>25.30%</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>2014</u>	<u>2013</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>
General government	44	44	43	42	44	45	46	43	46	47
Police	63	63	64	64	64	64	61	60	57	57
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	26	26	29	27	27
Parks and recreation	19	19	19	19	19	21	21	21	21	21
Library	14	14	14	14	14	14	14	14	14	14
Education	<u>496</u>	<u>501</u>	<u>506</u>	<u>515</u>	<u>487</u>	<u>487</u>	<u>508</u>	<u>503</u>	<u>498</u>	<u>497</u>
Total	<u><u>664</u></u>	<u><u>669</u></u>	<u><u>674</u></u>	<u><u>682</u></u>	<u><u>656</u></u>	<u><u>659</u></u>	<u><u>678</u></u>	<u><u>672</u></u>	<u><u>665</u></u>	<u><u>665</u></u>

Source: Annual Town Budgets and Bond Official Statements

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

<b>Function/Program</b>	<b>FISCAL YEAR</b>									
	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>
General government:										
Building permits issued	2,029	1,874	1,669	1,502	1,697	1,806	2,008	1,978	2,121	1,895
Value of permits (000s)	27,027	38,066	23,418	22,056	26,596	44,294	58,294	63,901	36,894	41,940
Health:										
Food Inspections	521	544	528	546	484	348	508	299	233	409
Complaint Investigations	124	167	267	242	183	112	324	205	93	204
Police:										
Larcenies	559	565	655	691	724	687	736	618	527	540
Calls for service	27,279	28,305	28,955	27,102	28,658	30,481	27,422	26,177	24,230	24,320
Traffic violations	6,860	6,524	8,277	7,532	8,848	9,211	6,613	3,277	3,151	2,906
Fire:										
Emergency responses	602	716	896	809	763	795	709	832	786	699
Residential responses	72	100	281	225	240	258	212	247	213	207
Inspections	559	572	606	743	780	908	766	801	994	1,195
Refuse collection:										
Refuse collected (annual tonnage)	9,190	9,018	8,273	8,275	9,231	10,600	10,840	9,550	10,419	10,426
Recyclables collected (annual tonnage)	2,819	2,838	2,810	2,905	2,182	2,200	2,100	2,322	2,332	2,298
Other public works:										
Street Reconstruction (linear feet)	985	502	1,070	1,921	280	582	2,600	1,690	2,050	2,605
Street Resurfacing (linear feet)	17,443	14,811	21,212	13,303	23,760	26,400	20,000	10,140	10,770	8,800
Library:										
Total volumes borrowed (000s)	378	381	405	409	421	412	410	428	441	442

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									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
<u>Public Safety</u>										
Police stations	1	1	1	1	1	1	1	1	1	1
Fire stations	4	4	4	4	4	4	4	4	4	4
Police vehicles	41	37	41	42	42	38	37	33	34	35
Fire vehicles	21	21	20	21	21	20	20	20	21	20
<u>Public Works</u>										
Miles of town roads	100	100	100	100	100	100	100	100	97	95
Traffic signals	15	15	15	15	15	15	15	15	15	15
Public works vehicles and equipment	56	53	54	53	53	53	55	55	49	51
<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	5	4	4	4	4	5	5	5	3	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, 2014

## 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 11/2013:		17,299
Republicans	3,010	
Democrats	7,349	
Minor Parties	239	
Unaffiliated	6,701	

## TAX STRUCTURE 2013-14

10/1/12 Net Grand List:	\$2,537,446,750
10/1/12 Net Supplemental List:	\$25,224,611
Mill Rate:	33.63
Assessment Ratio:	70%
Last Revaluation:	10/1/2011

## EDUCATION

Total Classroom Teachers	257
Public School Enrollment (Oct 2012)	4,199
Teacher/Pupil ratio:	16.3
2013-14 Appropriation per Pupil:	\$15,741

## PUBLIC SAFETY - POLICE

# of Police Stations:		1
# of Police Districts:		5-9
# of Police Officers:		
Police Chief	1	
Dispatchers	7	
Police Officers	50	

Elementary Schools (PK-4):	4
Students (Oct 2013)	1,490

Middle Schools (5-8):	2
Students (Oct 2013)	1,294

High School (9-12):	1
Students (Oct 2013)	1,361

# of Vehicles:		38
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Special Education:	
Students (Oct 2013)	54

## PUBLIC SAFETY - FIRE PROTECTION

# of Fire Companies:		4
# of Volunteer Firefighters:		116
# of Vehicles:		17

## PUBLIC SAFETY - EMERGENCY MEDICAL SERVICES

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

## FULL-TIME EMPLOYEES (2012-13)

Town General Government:		168
Board of Education (Full-Time Equivalents):		
Classroom Teachers	257	
Other Professional Staff	99	
Administration	20	
Classified Personnel (clerical,custodial,transp.)	<u>120</u>	
	496	<u>496</u>
Total		664