

**TOWN OF SOUTHLINGTON,  
CONNECTICUT**



**COMPREHENSIVE  
ANNUAL FINANCIAL REPORT  
FISCAL YEAR ENDED JUNE 30, 2012**

# **Comprehensive Annual Financial Report**

of the

## **Town of Southington Connecticut**

Fiscal Year Ended June 30, 2012

Prepared by:  
Department of Finance  
Emilia C. Portelinha  
Director of Finance

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

**TABLE OF CONTENTS**

|                             |   | <u>Page</u> |
|-----------------------------|---|-------------|
| <b>INTRODUCTORY SECTION</b> |   |             |
|                             | Principal Officials   | i           |
|                             | General Government Organizational Chart                               | ii          |
|                             | GFOA Certificate of Achievement for Excellence in Financial Reporting | iii         |
|                             | Letter of Transmittal   | iv-viii     |
| <b>FINANCIAL SECTION</b>    |   |             |
|                             | Independent Auditors' Report  | 1-2         |
|                             | Management's Discussion and Analysis                                  | 3-13        |
| <b><u>Exhibit</u></b>       |   |             |
|                             | Basic Financial Statements:   |             |
|                             | Government-Wide Financial Statements:                                 |             |
| I                           | Statement of Net Assets   | 14          |
| II                          | Statement of Activities   | 15          |
|                             | Fund Financial Statements:  |             |
|                             | Governmental Funds:   |             |
| III                         | Balance Sheet   | 16-17       |
| IV                          | Statement of Revenues, Expenditures and Changes in Fund Balances      | 18-19       |
|                             | Proprietary Funds:  |             |
| V                           | Statement of Net Assets   | 20          |
| VI                          | Statement of Revenues, Expenses and Changes in Fund Net Assets        | 21          |
| VII                         | Statement of Cash Flows   | 22          |
|                             | Fiduciary Funds:  |             |
| VIII                        | Statement of Fiduciary Net Assets                                     | 23          |
|                             | Notes to Financial Statements   | 24-42       |
|                             | Required Supplementary Information:                                   |             |
|                             | General Fund:   |             |
| RSI-1                       | Schedule of Revenues and Other Financing Sources - Budget and Actual  | 43-45       |
| RSI-2                       | Schedule of Expenditures and Other Financing Uses - Budget and Actual | 46-56       |
|                             | Combining and Individual Fund Statements and Schedules:               |             |
|                             | General Fund:   |             |
| A-1                         | Comparative Balance Sheet   | 57          |
| A-2                         | Report of Tax Collector   | 58          |

**Exhibit****Page**

## Combining and Individual Fund Statements and Schedules (continued):

## Nonmajor Governmental Funds:

|     |  |       |
|-----|--|-------|
| B-1 | Combining Balance Sheet  | 59-61 |
| B-2 | Combining Statement of Revenues, Expenditures and Changes in Fund Balances | 62-64 |
|     | Fiduciary Fund:  |       |
|     | Agency Funds:  |       |
| C-1 | Combining Balance Sheet  | 65    |
| C-2 | Combining Statement of Changes in Assets and Liabilities                   | 66    |

**STATISTICAL SECTION****Table**

|    |  |    |
|----|--|----|
|    | Financial Trends:  |    |
| 1  | Net Assets by Component  | 67 |
| 2  | Changes in Net Assets  | 68 |
| 3  | Fund Balances, Governmental Funds                                  | 69 |
| 4  | Changes in Fund Balances, Governmental Funds                       | 70 |
|    | Revenue Capacity:  |    |
| 5  | Assessed Value and Estimated Actual Value of Taxable Property      | 71 |
| 6  | Principal Property Taxpayers                                       | 72 |
| 7  | Property Tax Levies and Collections                                | 73 |
|    | Debt Capacity:   |    |
| 8  | Ratios of Outstanding Debt by Type                                 | 74 |
| 9  | Schedule of Debt Limitation  | 75 |
| 10 | Legal Debt Margin Information                                      | 76 |
|    | Demographic and Economic Statistics:                               |    |
| 11 | Demographic and Economic Statistics                                | 77 |
| 12 | Principal Employers  | 78 |
|    | Operating Information:   |    |
| 13 | Full-Time Equivalent Town Government Employees by Function/Program | 79 |
| 14 | Operating Indicators by Function/Program                           | 80 |
| 15 | Capital Asset Statistics by Function/Program                       | 81 |

# **Introductory Section**

**TOWN OF SOUTHLINGTON, CONNECTICUT**

**PRINCIPAL OFFICIALS**

**JUNE 30, 2012**

**Town Council**

John Dobbins, Chairman  
Peter Romano, Jr, Vice Chairman  
John Barry  
Cheryl Lounsbury  
Louis Martocchio

Dawn Miceli  
Albert Natelli, Jr  
Christopher Palmieri.  
Stephanie Urillo

**Town Manager**

Garry Brumback

**Administration**

Assessor  
Town Attorney/Assistant Town Manager  
Building Inspector  
Economic Development Coordinator  
Acting Town Engineer  
Director of Finance  
Fire Chief  
Librarian  
Town Planner  
Police Chief  
Director of Recreation  
Superintendent of Highways and Parks  
Tax Collector  
Town Clerk  
Town Treasurer  
Water Pollution Plant Superintendent  
Director of Youth Services  
Director of Calendar House Senior Center

Brian Lastra  
Mark Sciota  
James Butler  
Louis Perillo  
James Grappone  
Emilia Portelinha  
Harold Clark  
Susan Smayda  
Mary Savage-Dunham  
John Daly  
David Laprey  
Steven Wlodkowski  
Marilyn Dorau  
Leslie Cotton  
Christina Sivigny  
John DeGioia  
Susan Saucier  
Robert Verderame

**Board of Finance**

John Leary, Chairperson  
Joseph Labieniec, Vice Chairperson  
Edward Pocock Jr., Secretary

Anthony Casale  
Sandra Feld  
Wayne Stanforth

**Board of Education**

Brian Goralski, Chairperson  
Terri Carmody, Vice Chairperson  
Jill Notar-Francesco, Secretary  
Colleen Clark  
David Derynoski

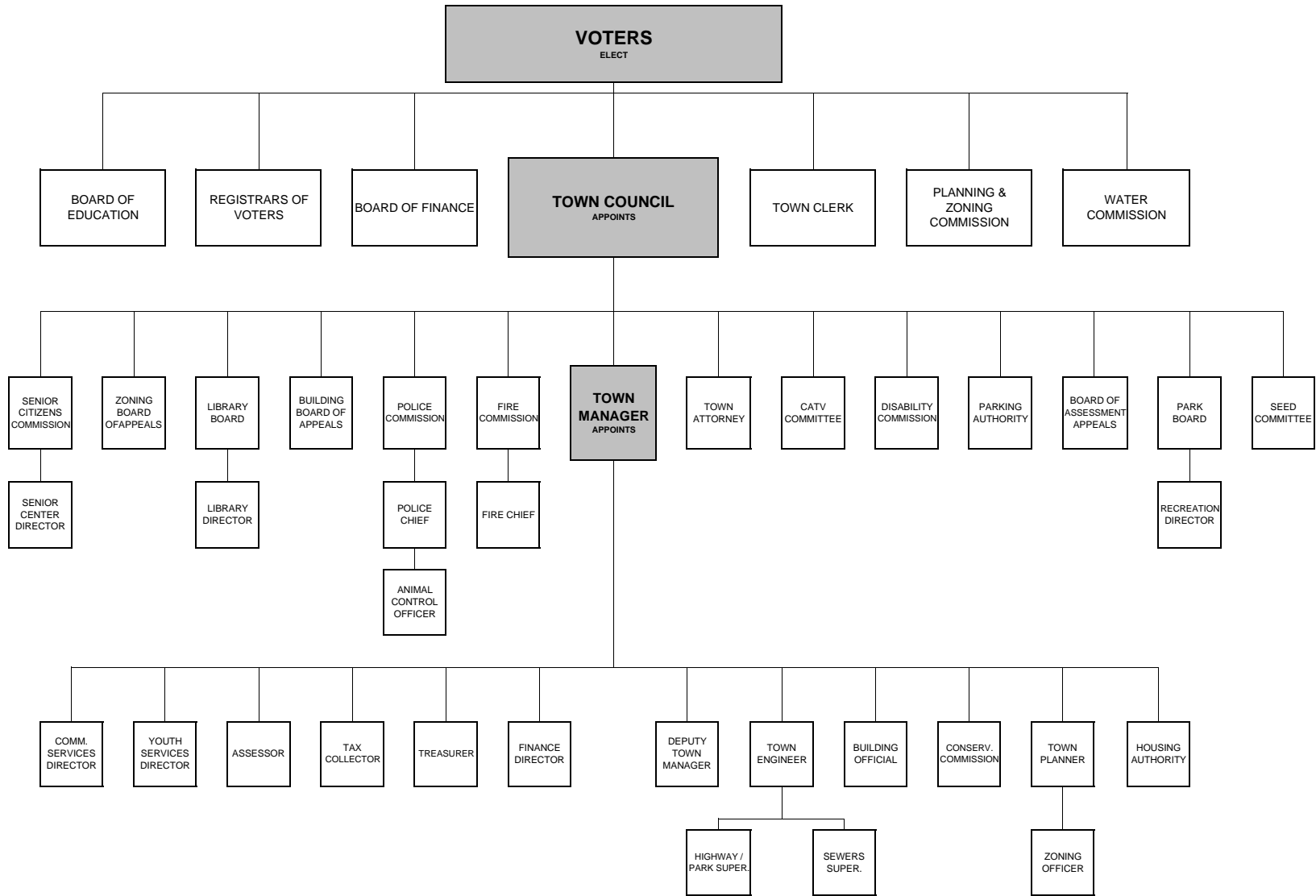
Patricia Johnson  
Terry Lombardi  
Zaya Oshana  
Patricia Queen

**Superintendent of Schools**

Dr. Joseph Erardi, Jr.

# TOWN OF SOUTHTON

## GENERAL GOVERNMENT ORGANIZATIONAL CHART



II :

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Town of Southington  
Connecticut

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

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



*Linda C. Dandson*

President

*Jeffrey R. Emer*

Executive Director





# Town of Southington

## Finance Department

Dr. George M. Gura Building, Town Hall Annex, 93 Main Street, Southington, Connecticut 06489

*Emilia C. Portelinha, Finance Director*  
*Christina Sivigny, Assistant Finance Director*

*Telephone (860) 276-6222*  
*Facsimile (860) 276-6252*

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December 26, 2012

To the Honorable Members of the Town Council, Members of the Board of Finance and Citizens of the Town of Southington:

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants. Pursuant to the requirement, issued herein is the comprehensive annual financial report of the Town of Southington for the fiscal year ended June 30, 2012.

This report consists of management's representation concerning the financial statements of the Town of Southington. 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 Southington 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 Southington's financial statements in conformity with GAAP. Given that the cost of internal controls should not outweigh their benefits, the Town of Southington'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.

The Town of Southington's financial statements have been audited by Blum, Shapiro & Company, P.C., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town of Southington for the fiscal year ended June 30, 2012 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the Town of Southington's financial statements for the fiscal year ended June 30, 2012 are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

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

GAAP requires 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 the MD&A and should be read in conjunction with it. The Town of Southington’s MD&A can be found immediately following the report of the independent auditors.

## **PROFILE OF THE GOVERNMENT**

### *Description of the Municipality*

The Town of Southington was originally settled in 1698 and incorporated in 1779. It has a land area of approximately 36.9 square miles and a population of 43,103 located in Hartford County. Found in the geographical center of the State, Southington lies approximately 20 miles west of Hartford, the state capital, and 9 miles east of Waterbury. Other bordering cities include Meriden, New Britain and Bristol. Some of Connecticut’s major highways provide access to the Town. Interstate 84 bisects Southington and Route 691 leads directly to Interstate 91. Route 10 also runs through it.

### *Form of Government*

The Town of Southington is governed under the provisions of a charter and the Connecticut General Statutes. Southington has had a Council-Manager form of government since 1966. The Town Council, which is comprised of nine members who are elected for two-year terms, appoints the Town Manager. The Town Manager is responsible for the supervision and administration of all commissions, boards, departments, offices and agencies of the Town, except those elected by the people, appointed by the Council, or appointed by a regional, State or Federal authority.

The Town of Southington provides a full range of services including: General Government, Public Safety, Public Works, Health and Welfare, Human Services, Parks and Recreation, Public Library and Museum, Planning and Development, and Education.

## **ECONOMY AND FACTORS AFFECTING FINANCIAL CONDITION**

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

**Local Economy:** The Town of Southington enjoys a stable economic environment with moderate growth. The Town of Southington’s October 1, 2010 Net Taxable Grand list of \$4.1 billion is an increase of \$47.1 million or 1.2% over the previous year.

The Town’s Economic Development Department administers a program that focuses on retention of existing businesses as well as the recruitment of new businesses. Since the departure of the Town’s largest taxpayer, the Pratt & Whitney division of United Technologies Inc. in 1995, the Town has made strong efforts to diversify its commercial and industrial tax base to avoid over-reliance on one taxpayer or industry. As a result of these efforts, the Town has become less dependent on one taxpayer or industry as evidenced by the Town’s top ten taxpayers representing 4.41% of the October 1, 2010 taxable Grand List vs. 16% in the mid 1990s.

While the “Great Recession” continued, the Town of Southington and Economic Development remained proactive and optimistic. The Town continues its program of attraction and expansion as evidenced with the success of Industrial Drive and the various new companies relocating to Southington, as well as the additional space added to existing facilities. Interest continues along a range of business including manufacturing, retail and service industries. The Town Council and administration continuously strive to remain competitive with area towns to create opportunities for employment and tax revenue growth.

- Southington received a STEAP Grant in the amount of \$250,000 which was quickly put to use by assisting with the creation of another new industrial park, the nine-lot South Farms Industrial Park. This heavy industrial subdivision quickly led Southington’s industrial development activity with SRS National for a 25,000 sf trucking facility.
- The Southington Downtown Renaissance effort continues its progress with the addition of new restaurants including Subway and CC Carver’s. Additionally, the town applied for a \$6.3 million state grant for contamination remediation pertaining to the Greenway Commons project. The full amount of the request was denied, however the developers have received a \$1.5 million grant from DECD for demolition and a \$3 million Urban Act Grant administered through DECD for remediation. Meridian Development Partners continues with their interest in developing the 14 acre site.
- Plantsville’s center continues its momentum with the extension of the Rails to Trails Linear Park to Cheshire. Dean Michanczyk owner of Dean’s Stove and Spa and The Hearthstone Pub, is putting the final touches on a new thirty-five space municipal lot. Additionally, Zingarella’s Restaurant completed the redevelopment of 83 West Main Street further complimenting the progress transpiring within Plantsville’s downtown area.
- The Economic Development Office continues its effort to bring contaminated property back to the tax rolls. The town received a \$100,000 site assessment grant to provide an evaluation of the former Beaton & Corbin property on North Main Street. This information shall assist with potential remediation and redevelopment of the site. Additionally, the Town Council granted Calco Construction a Contamination Abatement to provide for the remediation and redevelopment of the former Forestville Industrial Plating Company (FIPCO) site on Queen Street. The proposed redevelopment shall allow for a 30,000 square foot retail building on the site.

In addition to the aforementioned, the following is a list of companies that have recently built, expanded or moved into empty buildings in the Town:

| <i>Company</i>                 | <i>Facility</i>                    | <i>Origination</i>                        |
|--------------------------------|------------------------------------|---|
| Lazy Lane Industrial LLC.....  | 25,000sf new construction          | New investment                            |
| Sno-White Power Equipment..... | 9,300 sf new construction          | Relocation/expansion from Plainville      |
| Yarde Metal.....               | 150,000 new Mfg facility           | Expansion of existing company             |
| Donati Contracting.....        | 10,000 sf new facility             | Expansion of existing company             |
| Strollo Brothers Towing.....   | 5,000 sf approved                  | Cheshire company expanding to Southington |
| Malconn Towing .....           | 4,000 sf approved                  | N. Haven company expanding to Southington |
| Briad Development.....         | 110 room Homewood Suites hotel     | New to Southington                        |
| Uconn Medical Offices.....     | 29,000 sf new facility under const | New to Southington                        |
| Dee Zee Ice.....               | 12,300 new ice mfg facility        | New to Southington                        |

## **Relevant Financial Policies**

The Town has adopted the following key financial policies:

**Budgetary Control.** Expenditures may not legally exceed budgeted appropriations at the object level. Management cannot amend the budget. Supplemental appropriations and transfers within the same department must be approved by the Board of Finance and, if \$500 or over, the Town Council. Transfers between departments may be made only in the last three months of the fiscal year. Monthly revenue and expenditure actual vs. budget reports are reviewed with the Board of Finance.

**Fund Balance Policy.** The Town shall strive to maintain during the year, and specifically at fiscal year end, a level of general fund unassigned fund balance, also known as accumulated surplus or the “rainy day” fund of 9% of actual year end general fund revenues. The 9% shall be known as the Town’s “target floor.” As of June 30, 2012, the Town has surpassed the target and achieved an 11.9% Unassigned Fund Balance.

**Utilization of Fund Balance Policy.** The Town has set a goal to reduce and eventually eliminate any use of general fund balance to balance the budget, therefore eliminating “Designated for Subsequent Year’s Expenditures” within the Fund Balance section on the audited general fund balance sheet. This goal shall be accomplished by the reduction of \$100,000 - \$125,000 per year of such a budget balancing revenue source until the source/use is completely eliminated. For the first time in at least ten years, the Board of Finance and Town Council have decided not to utilize any fund balance to balance the fiscal year 2012-2013 budget. A truly balanced budget was adopted.

**Debt Management Policy.** The Town shall utilize the following limits to guide issuance of debt:

- a. Total Direct Indebtedness shall not exceed 3% of full market valuation (equalized grand list). As of June 30, 2012, total direct indebtedness is 1.17 %.
- b. Total Direct Service shall be below 8% of general fund expenditures. As of June 30, 2012 total debt service as a percentage of general fund expenditures is 6.24%.
- c. All general obligation debt shall be structured to retire at least 25% in five years and 70% within 10 years. With the general obligation bond issue of March 2011, the Town structured the debt so that 42.1% of total debt would be retired in 5 years and 75.3% would be retired in 10 years.

**Contingency Planning Policy.** The Town shall require sufficient contingency fund levels to avoid the use of undesignated fund balance. Contingency shall not exceed 1.125% of previous fiscal year budgeted expenditures. Due to the current economic environment, the Town approved the contingency account for fiscal year 2012-2013 budget at \$850 thousand, the same funding level as the prior year’s budget.

**Investment Policy.** The Town invests its idle cash and seeks to maintain safety, liquidity, and optimum yields on its investments. Under existing State statutes, allowable investments include certificates of deposit, money market and other short term liquid accounts, repurchase agreements, U.S. Government securities, and investment pools which possess the aforementioned investment instruments. The Town’s funds were primarily invested in municipal money market accounts, certificates of deposit and investment pools containing U.S. Government securities during the fiscal year ended June 30, 2012. The low and high earnings rate on money market and CDs was 0.20% and 1.75%, respectively. Investment income for the General Fund generated \$164 thousand which represents approximately .04 mills.

The Board of Finance is currently reviewing the Town’s fiscal policies, and will recommend changes as well as implementation of additional policies.

## **Long-Term Financial Planning**

The Town views infrastructure maintenance and improvements as vital to future economic growth and financial planning. By assessing needs and developing a capital improvement plan to spread the improvements over a period of years, the tax mill rate effect can be lessened.

Starting with fiscal year 2012-2013 the Town Manager will annually prepare a Five Year Capital Improvement Plan (CIP), which is reviewed by the Planning and Zoning Commission, the Board of Finance and the Town Council. The approved fiscal year 2012-2013 Five Year CIP includes various road, bridge, and sewer projects as well as major equipment purchases totaling \$53.5 million for the five-year period beginning with fiscal year 2012-13 and ending with fiscal year 2016-17.

Included in the Five Year CIP is a recommended Annual Capital Expenditure Budget for the current fiscal year. The 2012-13 Annual Capital Expenditure Budget approved by the Town Council, and citizen referendum when required, totaled \$11.1 million and included thirteen projects.

### **AWARD**

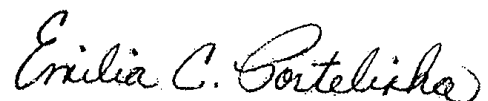
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Southington for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2011. This was the twenty-first consecutive year that the Town has received this prestigious award. In order to be awarded a Certificate of Achievement, the Town published an easily readable and efficiently organized CAFR. This report satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement for Excellence is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

### **ACKNOWLEDGEMENTS**

The preparation of this report could not have been accomplished without the daily efforts of the entire staff of the Department of Finance. The preparation of the CAFR requires a major effort, and I would like to express my appreciation to Christina Sivigny and Debbie Landry who assisted and contributed to the preparation of this report. I would also like to thank the Town Council, the Board of Finance and the Town Manager for their interest and support in planning and conducting the financial operations of the Town in a responsible and progressive manner. Finally, the professional assistance and guidance provided by our independent auditors, Blum, Shapiro & Company, P.C., was most appreciated.

Respectfully submitted,



Emilia C. Portelinha  
Director of Finance

## **Financial Section**



Accounting | Tax | Business Consulting

## Independent Auditors' Report

To the Board of Finance  
Town of Southington, Connecticut

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Southington, Connecticut, as of and for the year ended June 30, 2012, which collectively comprise the Town of Southington, Connecticut's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town of Southington, Connecticut's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Southington, Connecticut, as of June 30, 2012 and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 26, 2012 on our consideration of the Town of Southington, Connecticut's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 13 and the budgetary comparison information on pages 43 through 56 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

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

December 26, 2012



**TOWN OF SOUTHLINGTON, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2012**

As management of the Town of Southington, Connecticut (the Town) we offer readers of the financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2012. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, as well as the Town's basic financial statements that follow this section.

**Financial Highlights**

- On a government-wide basis, the assets of the Town exceeded its liabilities resulting in total net assets at the close of the fiscal year of \$166.2 million. Total net assets for governmental activities at fiscal year-end were \$117.5 million and total net assets for business-type activities were \$48.6 million.
- On a government-wide basis, during the year, the Town's net assets increased by \$5.3 million or 3.3% from \$160.9 million to \$166.2 million. Net assets increased by \$5.7 million for governmental activities and decreased by \$393 thousand for business-type activities. Governmental activities expenses and transfers out were \$146.5 million, while revenues were \$152.2 million.
- At the close of the year, the Town's governmental funds reported, on a current financial resource basis, combined ending fund balances of \$21.0 million, an increase of \$1.5 million from the prior fiscal year (Exhibit IV).
- At the end of the current fiscal year, the total fund balance for the General Fund alone was \$16.7 million, an increase of \$1.6 million from the prior fiscal year. Of the total fund balance \$16.1 million represents unassigned fund balance. The unassigned General Fund balance at year-end represents 11.9% of total General Fund revenues (\$134.7 million), an increase of 1.5% from last year.
- The tax collection rate was 98.65% of the current levy, slightly less than last year's rate of 98.75%.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains supplementary information and a statistical section.

**Government-Wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances, in a manner similar to private-sector business. All of the resources the Town has at its disposal are shown, including major assets such as buildings and infrastructure. A thorough accounting of the cost of government is rendered because the statements present all costs, not just how much was collected and disbursed. They provide both long-term and short-term information about the Town's overall financial status.

The statement of net assets presents information on all of Southington's assets and liabilities, with the difference reported as net assets. One can think of the Town's net assets - the difference between assets and liabilities - as one way to measure the Town's financial health or financial position. Over time, increases or decreases in net assets may serve as an indicator of whether the financial position of the Town is improving or deteriorating. It speaks to the question of whether or not the Town, as a whole, is better or worse off as a result of this year's activities. Other nonfinancial factors will need to be considered, however, such as changes in the Town's property tax base and the condition of the Town's roads, to assess the overall health of the Town.

The statement of activities presents information showing how the Town's net assets changed during the most recent fiscal year. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flow in some future fiscal period, for example uncollected taxes and earned but unused vacation leave.

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by property taxes, charges for services and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Town encompass the Town's basic services and include governmental and community services, administration, public safety, health and welfare, and education. The business-type activities of the Town include the Sewer Operating Fund.

The government-wide financial statements (statement of net assets and statement of activities) can be found on Exhibits I and II of this report.

### **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control and accountability over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Town has three kinds of funds:

**Governmental Funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of expendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, the readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town maintains 25 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Capital Projects Fund and the Sewer Assessment Fund, all of which are considered to be major funds. Data from the other 22 governmental funds are combined into a single, aggregated presentation as other non-major governmental funds.

Individual fund data for each of these non-major governmental funds is provided in the combining balance sheet and in the combining statement of revenues, expenditures and changes in fund balances on Exhibit B-1 and B-2.

The basic governmental fund financial statements (balance sheet and statement of revenues, expenditures and changes in fund balances) can be found on Exhibits III and IV of this report.

**Proprietary Funds.** The Town maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town of Southington uses an enterprise fund to account for its Sewer Fund. Internal service funds are an accounting device used to accumulate and allocate certain costs internally among the Town of Southington's various functions. The Town uses an internal service fund to account for its Employee Health Self-Insurance Fund.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Sewer Enterprise Fund and the Health Insurance Internal Service Fund.

The proprietary fund financial statements can be found on Exhibits V-VII of this report.

**Fiduciary Funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to provide services to the Town's constituency. The Town has two agency funds: the Student Activity Fund and the Escrow Deposit Fund. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on Exhibit VIII.

### Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 24 through 42 of this report.

Certain required supplementary information is reported concerning the Town's progress in funding its obligations to provide pension benefits and other post employment benefits to its employees. This information can be found on pages 43 through 56 of this report.

### Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position and an important determinant of its ability to finance services in the future. The Town's total assets exceeded liabilities by \$166.2 million on June 30, 2012. Governmental activities assets exceeded liabilities by \$117.5 million. Business-type activities assets exceeded liabilities by \$48.6 million.

**TABLE 1**  
**NET ASSETS**  
**In Thousands**

|   | <u>Governmental Activities</u> |                   | <u>Business-Type Activities</u> |                  | <u>Total</u>      |                   |
|---|--------------------------------|-------------------|---------------------------------|------------------|-------------------|-------------------|
|   | <u>2012</u>                    | <u>2011</u>       | <u>2012</u>                     | <u>2011</u>      | <u>2012</u>       | <u>2011</u>       |
| Current and other assets                        | \$ 37,600                      | \$ 38,106         | \$ 2,420                        | \$ 2,037         | \$ 40,020         | \$ 40,143         |
| Capital assets, net of accumulated depreciation | 179,225                        | 177,919           | 46,739                          | 47,450           | 225,964           | 225,369           |
| Total assets                                    | <u>216,825</u>                 | <u>216,025</u>    | <u>49,159</u>                   | <u>49,487</u>    | <u>265,984</u>    | <u>265,512</u>    |
| Long-term debt outstanding                      | 93,798                         | 98,259            |                                 |                  | 93,798            | 98,259            |
| Other liabilities                               | 5,487                          | 5,913             | 517                             | 452              | 6,004             | 6,365             |
| Total liabilities                               | <u>99,285</u>                  | <u>104,172</u>    | <u>517</u>                      | <u>452</u>       | <u>99,802</u>     | <u>104,624</u>    |
| Net Assets:                                     |                                |                   |                                 |                  |                   |                   |
| Invested in capital assets, net of debt         | 110,992                        | 104,035           | 46,739                          | 47,450           | 157,731           | 151,485           |
| Restricted                                      | 631                            | 1,032             |                                 |                  | 631               | 1,032             |
| Unrestricted                                    | <u>5,917</u>                   | <u>6,786</u>      | <u>1,903</u>                    | <u>1,585</u>     | <u>7,820</u>      | <u>8,371</u>      |
| Total Net Assets                                | <u>\$ 117,540</u>              | <u>\$ 111,853</u> | <u>\$ 48,642</u>                | <u>\$ 49,035</u> | <u>\$ 166,182</u> | <u>\$ 160,888</u> |

By far the largest portion of the Town's net assets reflects its investment in capital assets (e.g., land, buildings, machinery and equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**TABLE 2**  
**CHANGES IN NET ASSETS**  
**In Thousands**

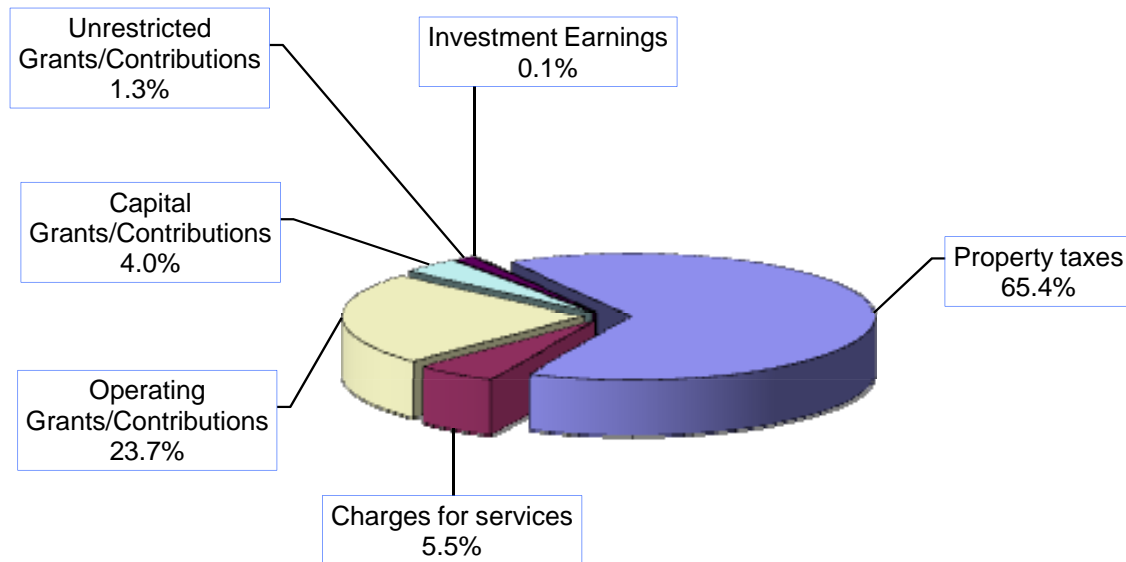
|  | <u>Governmental</u> |                 | <u>Business-Type</u> |                 | <u>Totals</u>   |                  |
|--|---------------------|-----------------|----------------------|-----------------|-----------------|------------------|
|  | <u>2012</u>         | <u>2011</u>     | <u>2012</u>          | <u>2011</u>     | <u>2012</u>     | <u>2011</u>      |
| Revenues:  |                     |                 |                      |                 |                 |                  |
| Program revenues:  |                     |                 |                      |                 |                 |                  |
| Charges for services   | \$ 8,420            | \$ 7,718        | \$ 4,355             | \$ 4,297        | \$ 12,775       | \$ 12,015        |
| Operating grants and contributions                           | 36,117              | 33,906          |                      |                 | 36,117          | 33,906           |
| Capital grants and contributions                             | 6,031               | 6,920           |                      |                 | 6,031           | 6,920            |
| General revenues:  |                     |                 |                      |                 |                 |                  |
| Property taxes   | 99,471              | 97,004          |                      |                 | 99,471          | 97,004           |
| Grants and contributions not restricted to specific purposes | 1,930               | 1,755           |                      |                 | 1,930           | 1,755            |
| Unrestricted investment earnings                             | 195                 | 219             |                      |                 | 195             | 219              |
| Total revenues   | <u>152,164</u>      | <u>147,522</u>  | <u>4,355</u>         | <u>4,297</u>    | <u>156,519</u>  | <u>151,819</u>   |
| Program expenses:  |                     |                 |                      |                 |                 |                  |
| General government   | 4,942               | 4,176           |                      |                 | 4,942           | 4,176            |
| Public safety  | 20,436              | 18,711          |                      |                 | 20,436          | 18,711           |
| Public works   | 11,082              | 9,402           |                      |                 | 11,082          | 9,402            |
| Health and welfare   | 777                 | 1,047           |                      |                 | 777             | 1,047            |
| Human services   | 1,667               | 1,671           |                      |                 | 1,667           | 1,671            |
| Parks and recreation   | 1,808               | 1,903           |                      |                 | 1,808           | 1,903            |
| Public library   | 2,262               | 1,844           |                      |                 | 2,262           | 1,844            |
| Planning and development                                     | 1,210               | 1,245           |                      |                 | 1,210           | 1,245            |
| Education  | 99,324              | 94,128          |                      |                 | 99,324          | 94,128           |
| Interest on long-term debt                                   | 2,370               | 1,621           |                      |                 | 2,370           | 1,621            |
| Sewer  |                     |                 | 5,347                | 4,999           | 5,347           | 4,999            |
| Total program expenses                                       | <u>145,878</u>      | <u>135,748</u>  | <u>5,347</u>         | <u>4,999</u>    | <u>151,225</u>  | <u>140,747</u>   |
| Excess (deficiency) before transfers                         | 6,286               | 11,774          | (992)                | (702)           | 5,294           | 11,072           |
| Transfers  | <u>(599)</u>        | <u>(1,845)</u>  | <u>599</u>           | <u>1,845</u>    | <u>-</u>        | <u>-</u>         |
| Increase (Decrease) in Net Assets                            | <u>\$ 5,687</u>     | <u>\$ 9,929</u> | <u>\$ (393)</u>      | <u>\$ 1,143</u> | <u>\$ 5,294</u> | <u>\$ 11,072</u> |

The Town's net assets increased by \$5.3 million during the fiscal year, with net assets of governmental activities increasing \$5.7 million and business-type activities decreasing by \$393 thousand. The total cost of all programs and services was \$151.2 million. Our analysis below separately considers the operations of governmental and business-type activities.

## Governmental Activities

Approximately 65.4% of the revenues were derived from property taxes, followed by 23.7% from operating grants and contributions, 5.5% from charges for services, 4.0% from capital grants and contributions, 1.3% from unrestricted grants and contributions and 0.1% from investment earnings.

**Chart 1 - Revenues by Source - Governmental Activities 2012**

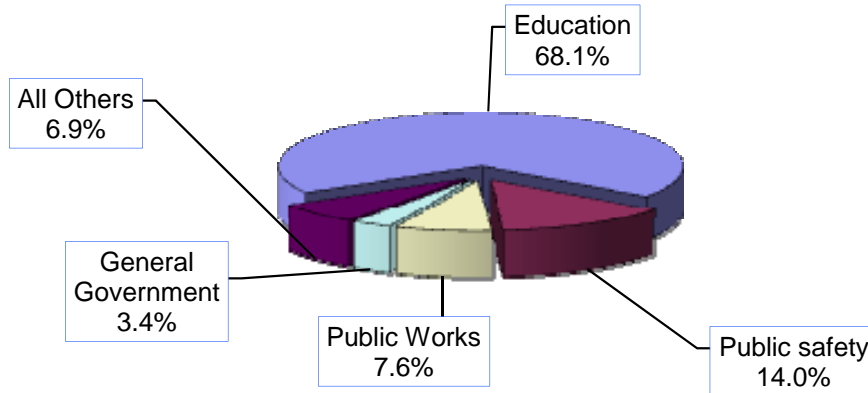


Major revenue factors include:

- Property tax revenue increased by \$2.5 million or 2.5% over last year. The increase is attributable to a 1.2% increase in the grand list (\$47.1 million), an increase in the mill rate from 24.02 to 24.28 or 1.1%, and an increase in prior years' tax collections and interest on taxes.
- Operating Grants and Contributions increased by \$2.2 million from \$33.9 million in fiscal year 2011 to \$36.1 million in fiscal year 2012. The major factor is the increase in the State funded Teachers Retirement Board contribution from \$6.3 million in fiscal year 2011 to \$8.3 million in fiscal year 2012.

For governmental activities, 68.1% of the Town's expenses related to education. Public safety accounted for 14.0%, public works accounted for 7.6% and general government accounted for 3.4% of expenses. The remaining 6.9% related to health and welfare, human services, parks and recreation, public library, planning and development and interest on long-term debt.

**Chart 2 - Expenditures by Source - Governmental Activities 2012**

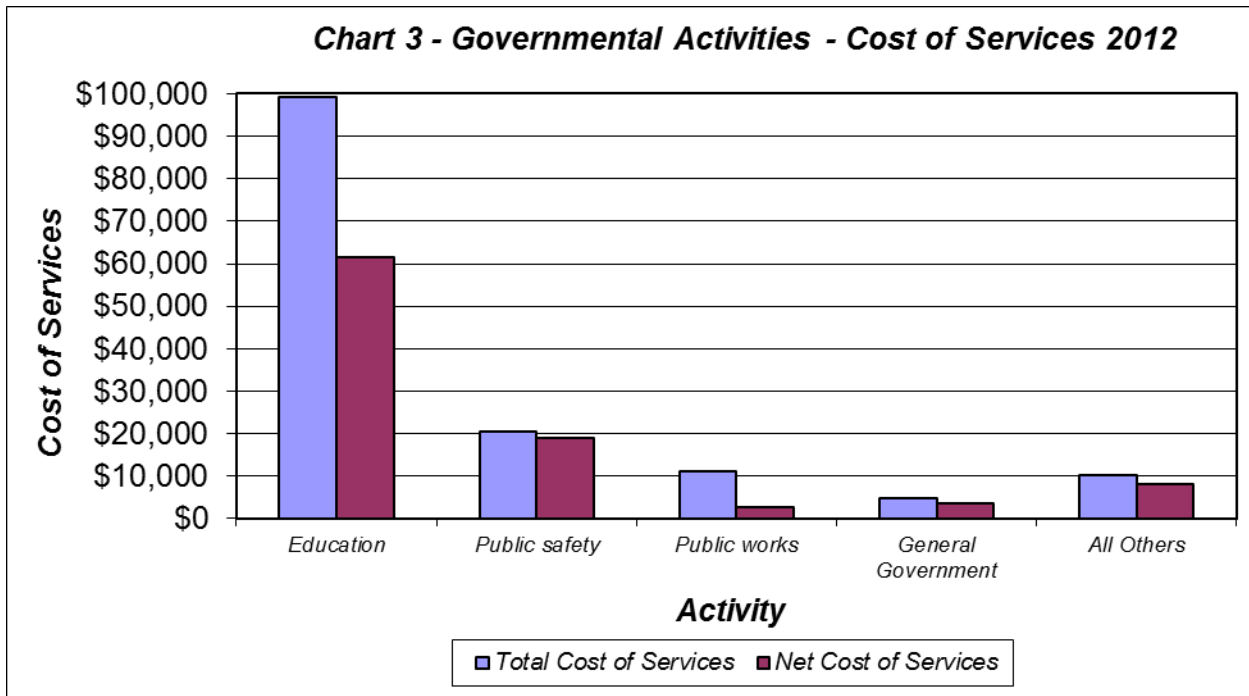


Major expense factors include:

- The cost of education services increased \$5.2 million over fiscal year 2011 due to higher operating, health insurance, OPEB obligations and special education costs.
- Town operating costs increased \$4.2 million due to increased OPEB obligations, 2% to 3% increases in wages and various other costs.
- Interest on long-term debt increased by \$749 thousand due to the increase in debt service payments as a result of the sale of \$15.355 million in general obligation bonds on March 1, 2011 and the permanent financing of the \$11.1 million Clean Water Fund loan for the new Denitrification Facility.

|                    | <b>Total Cost of Services</b> |                   | <b>Net Cost of Services</b> |                    |
|--------------------|-------------------------------|-------------------|-----------------------------|--------------------|
|                    | <b>2012</b>                   | <b>2011</b>       | <b>2012</b>                 | <b>2011</b>        |
| Education          | \$ 99,324                     | \$ 94,128         | \$ (61,639)                 | \$ (58,061)        |
| Public safety      | 20,436                        | 18,711            | (19,088)                    | (17,181)           |
| Public works       | 11,082                        | 9,402             | (2,745)                     | (2,434)            |
| General government | 4,942                         | 4,176             | (3,716)                     | (3,079)            |
| All others         | 10,094                        | 9,331             | (8,122)                     | (6,449)            |
| <b>Totals</b>      | <b>\$ 145,878</b>             | <b>\$ 135,748</b> | <b>\$ (95,310)</b>          | <b>\$ (87,204)</b> |

**Chart 3 - Governmental Activities - Cost of Services 2012**



**Business-Type Activities**

Business-type activities (see Table 2) decreased the Town’s net assets by \$1.5 million primarily due to the reduction in the capital assets paid for and transferred from the Governmental Activities in fiscal year 2012.

**Financial Analysis of the Town’s Funds**

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

**Governmental Funds**

The focus of the Town’s governmental funds is to provide information on the near-term inflows, outflows and balances of expendable resources. Such information is useful in assessing the Town’s financing requirements.

As of June 30, 2012, the Town’s governmental funds reported combined ending fund balances of \$21.0 million, an increase of \$1.5 million from last year’s fund balance of \$19.5 million. This increase is mostly due to the \$1.6 million increase in the fund balance of the general fund.

**General Fund**

The General Fund is the primary operating fund of the Town. As of June 30, 2012, unassigned fund balance increased by \$2.6 million to \$16.1 million in the General Fund, while total fund balance increased \$1.6 million to \$16.7 million.

Key factors that contributed to the financial outcome are as follows:

- Property tax revenues exceeded budget estimates by approximately \$735 thousand. The surplus is due to the collection rate and the successful efforts of the Town to collect on delinquent taxes.
- Intergovernmental revenues came in over budget by \$776 thousand, mostly due to an additional \$450 thousand in the Municipal Revenue Sharing Grant, \$142 thousand from FEMA for Hurricane Irene, \$84 thousand more for the E911 Grant, and an additional \$73 thousand for the Educational Cost Sharing Grant.
- Despite the anticipated decline in the investment income during the FY 2012 budget process, the further decline in the interest rates made it impossible to achieve the budget estimates. The investment income category came in \$83 thousand under budget.
- The Town did not utilize budgeted fund balance of \$375 thousand.

- Several departments had aggregate cost savings creating the \$1.4 million expenditure under budget. Of this amount, \$496 thousand was assigned to fiscal year 2013 for continued appropriations.
- Debt Service costs were \$183 thousand less than original budget due to the Refunding of \$8,745,000 of General Obligation Bonds issued in 2011.
- The Town returned \$385 thousand in the budgeted Contingency account.

### Proprietary Funds

The Town's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail.

Net assets of the Sewer Fund at year-end totaled \$48.6 million. Unrestricted net assets were \$1.9 million, an increase of \$318 thousand. The Sewer Fund experienced an operating loss of \$992 thousand, and \$599 thousand of capital assets were contributed from the Capital Fund.

Net assets of the Health Insurance Fund were \$2.9 million. The Internal Service Fund's unrestricted net assets decreased by \$809 thousand, from \$3.7 million. The Town's medical claims and fees came in \$592 higher than budgeted, and the IBNR came in \$217 thousand higher than at 2011 fiscal year-end.

### General Fund Budgetary Highlights

The Town's adopted General Fund budget for 2011-2012 was \$125.0 million (\$124.15 million for expenditures plus \$850 thousand for contingency appropriations). In addition to the \$465 thousand which was appropriated from the Contingency Fund, the Town appropriated \$586 million to the expenditure budget with corresponding revenue budget increases, and \$962 thousand was appropriated per fiscal year 2011 designation, for a total amended budget of \$126.6 million. The following lists the key changes to the budget during the year:

- \$962 thousand was appropriated for the amount of Fund Balance Assigned for Continued Appropriations at the end of fiscal year 2011.
- \$211 thousand was appropriated to the Board of Education Operations for preschool and special education outside tuitions, and rent revenues received.
- \$122 thousand additional was appropriated to the Accumulated Payout Account due to the retirement of seven long-term employees and the departure of an eighth employee.
- \$182 thousand was appropriated to the Fire Department for the following: \$80 thousand for Overtime Pay; \$52 thousand for Volunteer Firefighter; and \$50 thousand for Vehicle Maintenance. These funds were needed due to the two hurricanes, as well as other lesser events.
- Savings from various departments were combined to buy down future costs:
  - \$630 thousand to Capital Budget – Widen, Resurface and Drainage to cash fund FY 2013 road repairs that will not be bonded.
  - \$200 thousand to the Environmental Problems Budget to cash fund the balance of the final NRD payment and the cash call due this fiscal year for the Old Southington Landfill, as well as half of the cash call due in fiscal year 2014. (The \$420 thousand Bond Ordinance authorized and unissued will not be utilized.)
  - \$100 thousand to the Capital Budget – Pondview Pump Station account for Legal Fees.
  - \$100 thousand to Town Hall- Building Maintenance to do some minor renovations including paint walls and replace carpeting.
- \$416 thousand additional was appropriated for the following Capital Projects: \$150 thousand for the Pondview Pump Station legal costs; \$210 thousand for Widen, Resurface, and Drainage from the Water Department for Center Street work; \$23 thousand for the Drive-in Park Development; and \$33 thousand for various other projects.

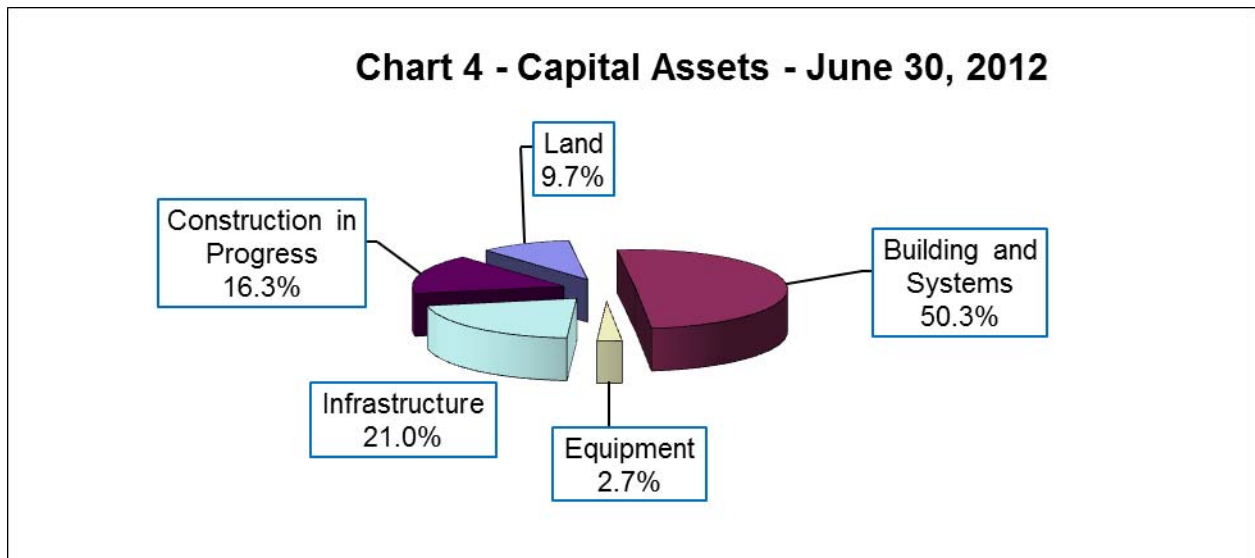


Capital Assets and Debt Administration

**Capital Assets.** The Town’s investment in capital assets for its governmental and business-type activities as of June 30, 2012 totaled to \$225.9 million, net of accumulated depreciation. This investment in capital assets includes land, buildings, vehicles and equipment, roads and sewer lines. This amount represents a net increase (including additions and deductions) of \$600 thousand or a 0.3% increase over last year.

**TABLE 3  
CAPITAL ASSETS AT YEAR-END (Net of Depreciation)  
In Millions**

|                          | Governmental Activities |                 | Business-Type Activities |                | Totals          |                 |
|--------------------------|-------------------------|-----------------|--------------------------|----------------|-----------------|-----------------|
|                          | 2012                    | 2011            | 2012                     | 2011           | 2012            | 2011            |
| Land                     | \$ 21.9                 | \$ 19.5         | \$                       | \$             | \$ 21.9         | \$ 19.5         |
| Buildings and systems    | 67.0                    | 69.2            | 46.7                     | 47.4           | 113.7           | 116.6           |
| Equipment                | 6.0                     | 5.4             |                          |                | 6.0             | 5.4             |
| Infrastructure           | 47.4                    | 47.1            |                          |                | 47.4            | 47.1            |
| Construction in progress | 36.9                    | 36.7            |                          |                | 36.9            | 36.7            |
| <b>Totals</b>            | <b>\$ 179.2</b>         | <b>\$ 177.9</b> | <b>\$ 46.7</b>           | <b>\$ 47.4</b> | <b>\$ 225.9</b> | <b>\$ 225.3</b> |



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

Governmental Activities:

- Construction in progress for the New South End Elementary of \$1.6 million.
- Construction in progress for Plantsville Elementary Renovation of \$404 thousand.
- Construction in progress for Rails to Trails Phase II of \$854 thousand.
- Construction in progress for South End Road Reclamation of \$254 thousand.
- Construction in progress for Mount Vernon Road Reclamation of \$347 thousand.

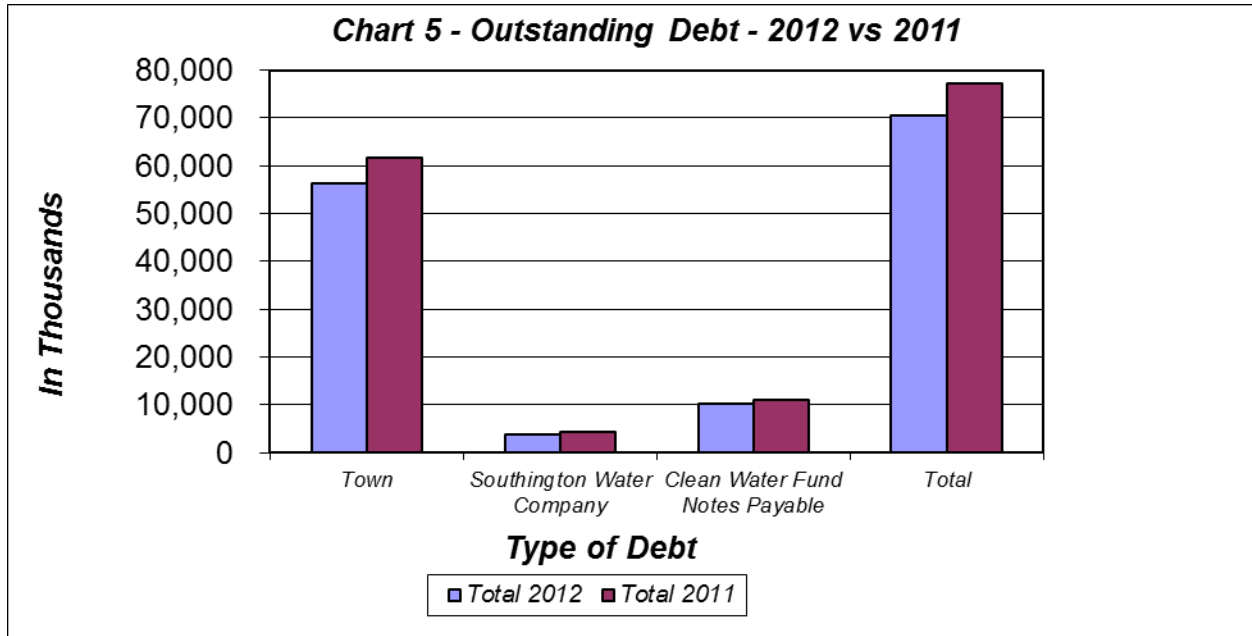
Business-Type Activities:

- Construction of Denitrification Facility for \$677 thousand.
- Construction of Marion Highlands Interceptor for \$289 thousand.
- Construction of Roseanna, Lagana, Hickory Hill Sewers for \$467 thousand.

The Town’s fiscal year 2011-2012 Capital Budget includes another \$1.8 million for capital projects principally for road resurfacing and maintenance, upgrading the Town Hall infrastructure and network connectivity, and various other smaller projects.

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

**Long-Term Debt.** At the end of the current fiscal year, the Town had total bonded debt outstanding of \$66.0 million. All this debt is backed by the full faith and credit of the Town government.



**TABLE 4  
OUTSTANDING DEBT, AT YEAR-END  
In Thousands**

|                                | Governmental Activities |                  | Business-Type Activities |             | Totals           |                  |
|--------------------------------|-------------------------|------------------|--------------------------|-------------|------------------|------------------|
|                                | 2012                    | 2011             | 2012                     | 2011        | 2012             | 2011             |
| General obligation bonds:      |                         |                  |                          |             |                  |                  |
| Town                           | \$ 56,410               | \$ 61,665        | \$ -                     | \$ -        | \$ 56,410        | \$ 61,665        |
| Southington Water Company      | 3,900                   | 4,360            |                          |             | 3,900            | 4,360            |
| Clean Water Fund Notes Payable | 10,230                  | 11,068           |                          |             | 10,230           | 11,068           |
| <b>Total</b>                   | <b>\$ 70,540</b>        | <b>\$ 77,093</b> | <b>\$ -</b>              | <b>\$ -</b> | <b>\$ 70,540</b> | <b>\$ 77,093</b> |

The Town of Southington’s bonded debt decreased by \$6.6 million or 8.5% during the 2011-2012 fiscal year.

In May 2009, Standard & Poor’s Rating Services raised its underlying rating on the Town’s general obligation debt two notches from “AA-” to “AA+” due to the Town’s improved financial position, good management practices and low debt burden.

In June 2011, Standard & Poor’s assigned a AA+ long-term rating to the new debt issue and affirmed its AA+ rating on the Town’s GO bonds outstanding. The rating agency cited the Town’s “strong financial position,” “low debt burden,” and the “expectation of the consistently strong reserve levels” among the factors influencing the Town’s rating.

As a result of the Moody's rating recalibration to a "Global Scale" in May of 2010, the Town's underlying rating has been officially changed to Aa2 from A1. (The recalibration is not a change in credit rating, but rather a change from a municipal scale to a global scale).

The overall statutory limit for the Town is equal to 7 times annual receipts from taxation, or \$696.3 million. As of June 30, 2012, the Town recorded long-term debt of \$156.7 million, well below the statutory debt limits. (This includes the full \$85 million authorized and unissued for Kennedy Middle School Renovation and DePaolo School Renovation. Southington is eligible for School Construction Grants up to a maximum of \$44.5 million on these two projects.)

Additional information on the Town's long-term debt can be found in Note 7 of this report.

Other obligations include vacation pay and sick leave. More detailed information about the Town's long-term liabilities is presented in Note 7 to the financial statements.

### **Economic Factors and Next Year's Budgets and Rates**

The Town's unemployment rate at June 30, 2012 was 7.1%, a 0.30% decrease from the same time last year. Although the Town's unemployment rate increased very quickly to a fiscal year 2010 high of 8%, it is taking much longer to descend. Leading economic indicators continue to indicate the continuation of a slow economic rebound.

The Town's unemployment rate still compares favorably to the 8.4% for the State of Connecticut and the 8.2% nationally. The high unemployment rates continue to be a major concern nationwide in this recessionary environment.

Elected and appointed officials considered these factors, among others, when setting the fiscal year 2012 - 2013 General Fund budget and tax rates.

As previously stated, the General Fund total fund balance increased from \$15.1 million at June 30, 2011 to \$16.7 million at June 30, 2012. Of this \$16.7 million General Fund balance, \$84 thousand was nonspendable due to form (inventory accounts), and \$496 thousand was assigned (for continued appropriations), leaving an unassigned fund balance of \$16.1 million in the General Fund at June 30, 2012. The Town feels that this level is strong enough to withstand unexpected events which may have a negative budget impact and is within the average of comparable towns of our size in Connecticut. This increase in the "rainy day" fund is pivotal to maintaining the Town's enhanced bond rating, thereby reducing the cost of the Town's current and future debt service payments.

The Town adopted a General Fund budget of \$127.7 million for 2012-2013 compared to an adopted budget of \$125.0 million for 2011-2012, for an overall increase of \$2.7 million or 2.2%. Of this amount, the Board of Education budget increased \$2.8 million and the Town budget decreased by \$122 thousand. \$1.2 million of the Board of Education increase is to make up the fiscal cliff created by a one-time Jobs Grant received from the State of Connecticut in fiscal year 2011-2012. The remainder of the increase is for School Operations to meet increasing personnel services, additional special education costs and unfunded mandates. The Board of Finance initiated and the Town Council adopted the first fully balanced budget, not utilizing any "use of fund balance" to balance the budget for the first time in at least ten years.

If these estimates are realized, the Town's budgetary General Fund balance is expected to remain consistent with the June 30, 2012 level.

Costs of the Town's business-type activities, accounted for in the Sewer Operating Fund, are expected to increase by approximately 8.7% during fiscal year 2012-2013. The increase in expenditure budget is to pay for the higher maintenance costs of the Denitrification Facility and the aggressive maintenance efforts of the Sewer System. The Town has hired Tighe & Bond Inc. to put together a Facilities Plan to review the current systems in an effort to gain better efficiencies in the Sewer's Operations. This project includes future upgrade possibilities at the plant, as well as process improvements such as phosphorus removal and sludge digestion, as well as a sewer rate plan.

### **Requests for Information**

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Emilia C. Portelinho, Finance Director, Town of Southington, P.O. Box 610, 75 Main Street, Southington, Connecticut 06489 or visit Southington's website at [www.Southington.org](http://www.Southington.org).

# **Basic Financial Statements**

## TOWN OF SOUTHLINGTON, CONNECTICUT

## STATEMENT OF NET ASSETS

JUNE 30, 2012

(In Thousands)

|   | <u>Governmental<br/>Activities</u> | <u>Business-Type<br/>Activities</u> | <u>Total</u>      |
|---|------------------------------------|-------------------------------------|-------------------|
| Assets:   |                                    |                                     |                   |
| Cash and cash equivalents                       | \$ 8,638                           | \$ 910                              | \$ 9,548          |
| Investments                                     | 15,308                             |                                     | 15,308            |
| Receivables, net                                | 13,305                             | 1,510                               | 14,815            |
| Inventory                                       | 132                                |                                     | 132               |
| Other assets                                    | 217                                |                                     | 217               |
| Capital assets:                                 |                                    |                                     |                   |
| Assets not being depreciated                    | 58,778                             | 39                                  | 58,817            |
| Assets being depreciated, net                   | 120,447                            | 46,700                              | 167,147           |
| Total assets                                    | <u>216,825</u>                     | <u>49,159</u>                       | <u>265,984</u>    |
| Liabilities:                                    |                                    |                                     |                   |
| Accounts and other payables                     | 5,160                              | 360                                 | 5,520             |
| Other current liabilities                       |                                    | 157                                 | 157               |
| Unearned revenue                                | 327                                |                                     | 327               |
| Noncurrent liabilities:                         |                                    |                                     |                   |
| Due within one year                             | 9,099                              |                                     | 9,099             |
| Due in more than one year                       | 84,699                             |                                     | 84,699            |
| Total liabilities                               | <u>99,285</u>                      | <u>517</u>                          | <u>99,802</u>     |
| Net Assets:                                     |                                    |                                     |                   |
| Invested in capital assets, net of related debt | 110,992                            | 46,739                              | 157,731           |
| Restricted for:                                 |                                    |                                     |                   |
| Trust purposes:                                 |                                    |                                     |                   |
| Expendable                                      | 91                                 |                                     | 91                |
| Nonexpendable                                   | 540                                |                                     | 540               |
| Unrestricted                                    | 5,917                              | 1,903                               | 7,820             |
| Total Net Assets                                | <u>\$ 117,540</u>                  | <u>\$ 48,642</u>                    | <u>\$ 166,182</u> |

The accompanying notes are an integral part of the financial statements

TOWN OF SOUTHLINGTON, CONNECTICUT

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2012

(In Thousands)

| Functions/Programs   | Expenses          | Program Revenues     |                                    |                                  | Net (Expense) Revenue and Changes in Net Assets |                          | Total             |
|--|-------------------|----------------------|------------------------------------|----------------------------------|---|--------------------------|-------------------|
|  |                   | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities                         | Business-Type Activities |                   |
| Governmental activities:                                     |                   |                      |                                    |                                  |   |                          |                   |
| General government   | \$ 4,942          | \$ 1,220             | \$ 6                               | \$                               | \$ (3,716)                                      | \$                       | \$ (3,716)        |
| Public safety  | 20,436            | 977                  | 371                                |                                  | (19,088)  |                          | (19,088)          |
| Public works   | 11,082            | 3,137                | 97                                 | 5,103                            | (2,745)   |                          | (2,745)           |
| Health and welfare   | 777               | 11                   | 177                                |                                  | (589)   |                          | (589)             |
| Human services   | 1,667             | 124                  | 523                                |                                  | (1,020)   |                          | (1,020)           |
| Parks and recreation   | 1,808             | 233                  | 31                                 | 197                              | (1,347)   |                          | (1,347)           |
| Public library   | 2,262             | 49                   | 18                                 |                                  | (2,195)   |                          | (2,195)           |
| Planning and development                                     | 1,210             | 609                  |                                    |                                  | (601)   |                          | (601)             |
| Education  | 99,324            | 2,060                | 34,894                             | 731                              | (61,639)  |                          | (61,639)          |
| Interest on long-term debt                                   | 2,370             |                      |                                    |                                  | (2,370)   |                          | (2,370)           |
| Total governmental activities                                | <u>145,878</u>    | <u>8,420</u>         | <u>36,117</u>                      | <u>6,031</u>                     | <u>(95,310)</u>                                 | <u>-</u>                 | <u>(95,310)</u>   |
| Business-type activities:                                    |                   |                      |                                    |                                  |   |                          |                   |
| Sewer  | <u>5,347</u>      | <u>4,355</u>         |                                    |                                  |   | <u>(992)</u>             | <u>(992)</u>      |
| Total  | <u>\$ 151,225</u> | <u>\$ 12,775</u>     | <u>\$ 36,117</u>                   | <u>\$ 6,031</u>                  | <u>(95,310)</u>                                 | <u>(992)</u>             | <u>(96,302)</u>   |
| General revenues:  |                   |                      |                                    |                                  |   |                          |                   |
| Property taxes   |                   |                      |                                    |                                  | 99,471  |                          | 99,471            |
| Grants and contributions not restricted to specific programs |                   |                      |                                    |                                  | 1,930   |                          | 1,930             |
| Unrestricted investment earnings                             |                   |                      |                                    |                                  | 195   |                          | 195               |
| Transfers  |                   |                      |                                    |                                  | (599)   | 599                      | -                 |
| Total general revenues and transfers                         |                   |                      |                                    |                                  | <u>100,997</u>                                  | <u>599</u>               | <u>101,596</u>    |
| Change in net assets   |                   |                      |                                    |                                  | 5,687   | (393)                    | 5,294             |
| Net Assets at Beginning of Year                              |                   |                      |                                    |                                  | <u>111,853</u>                                  | <u>49,035</u>            | <u>160,888</u>    |
| Net Assets at End of Year                                    |                   |                      |                                    |                                  | <u>\$ 117,540</u>                               | <u>\$ 48,642</u>         | <u>\$ 166,182</u> |

15

The accompanying notes are an integral part of the financial statements

## TOWN OF SOUTHTON, CONNECTICUT

## BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2012

(In Thousands)

|                                      | <u>General</u>   | <u>Capital<br/>Projects</u> | <u>Sewer<br/>Assessments</u> | <u>Nonmajor<br/>Governmental<br/>Funds</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|--------------------------------------|------------------|-----------------------------|------------------------------|--|---|
| <b>ASSETS</b>                        |                  |                             |                              |  |   |
| Cash and cash equivalents            | \$ 1,722         | \$ 178                      | \$ 1,067                     | \$ 1,482                                   | \$ 4,449                                |
| Investments                          | 14,974           |                             |                              | 334  | 15,308                                  |
| Receivables, net                     | 3,564            | 1,530                       | 1,404                        | 1,532                                      | 8,030                                   |
| Due from other funds                 | 832              |                             |                              | 79   | 911                                     |
| Inventories                          | 84               |                             |                              | 49   | 133                                     |
| Total Assets                         | <u>\$ 21,176</u> | <u>\$ 1,708</u>             | <u>\$ 2,471</u>              | <u>\$ 3,476</u>                            | <u>\$ 28,831</u>                        |
| <b>LIABILITIES AND FUND BALANCES</b> |                  |                             |                              |  |   |
| Liabilities:                         |                  |                             |                              |  |   |
| Accounts and other payables          | \$ 2,444         | \$ 303                      | \$ 13                        | \$ 434                                     | \$ 3,194                                |
| Due to other funds                   | 79               |                             |                              | 832  | 911                                     |
| Deferred revenue                     | 1,989            |                             | 1,404                        | 328  | 3,721                                   |
| Total liabilities                    | <u>4,512</u>     | <u>303</u>                  | <u>1,417</u>                 | <u>1,594</u>                               | <u>7,826</u>                            |
| Fund balances:                       |                  |                             |                              |  |   |
| Nonspendable                         | 84               |                             |                              | 589  | 673                                     |
| Restricted                           |                  | 1,405                       |                              | 153  | 1,558                                   |
| Committed                            |                  |                             | 1,054                        | 1,140                                      | 2,194                                   |
| Assigned                             | 496              |                             |                              |  | 496                                     |
| Unassigned                           | 16,084           |                             |                              |  | 16,084                                  |
| Total fund balances                  | <u>16,664</u>    | <u>1,405</u>                | <u>1,054</u>                 | <u>1,882</u>                               | <u>21,005</u>                           |
| Total Liabilities and Fund Balances  | <u>\$ 21,176</u> | <u>\$ 1,708</u>             | <u>\$ 2,471</u>              | <u>\$ 3,476</u>                            | <u>\$ 28,831</u>                        |

(Continued on next page)

## TOWN OF SOUTHLINGTON, CONNECTICUT

## BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)

JUNE 30, 2012

(In Thousands)

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

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

|  |    |                       |
|--|----|-----------------------|
| Fund balances - total governmental funds   | \$ | 21,005                |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:  |    |                       |
| Governmental capital assets  | \$ | 275,387               |
| Less accumulated depreciation  |    | <u>(96,162)</u>       |
| Net capital assets   |    | 179,225               |
| Other long-term assets are not available to pay for current-period expenditures and, therefore, are not recorded in the funds:   |    |                       |
| Property tax receivables greater than 60 days  |    | 1,989                 |
| Interest receivable on property taxes  |    | 921                   |
| Assessments receivable greater than 60 days  |    | 1,404                 |
| Interest receivable on assessments   |    | 26                    |
| Deferred amount in refunding   |    | 940                   |
| Bond issuance costs  |    | 217                   |
| Long term receivable   |    | 3,900                 |
| Receivable from the state for school construction projects   |    | 427                   |
| Internal service funds are used by management to charge the costs of risk management to individual funds. The assets and liabilities of the internal service funds are reported with governmental activities in the statement of net assets. |    |                       |
|  |    | 2,878                 |
| Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:   |    |                       |
| Bonds and notes payable  |    | (70,540)              |
| Premium on issuance  |    | (1,439)               |
| Interest payable on bonds and notes  |    | (654)                 |
| Compensated absences   |    | (8,047)               |
| Capital lease  |    | (1,094)               |
| OPEB liability   |    | (5,618)               |
| Heart and Hypertension   |    | (7,854)               |
| Landfill closure   |    | <u>(146)</u>          |
| Net Assets of Governmental Activities (Exhibit I)  | \$ | <u><u>117,540</u></u> |

The accompanying notes are an integral part of the financial statements



**TOWN OF SOUTHTON, CONNECTICUT**  
**STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2012**  
**(In Thousands)**

|   | <u>General</u>   | <u>Capital<br/>Projects</u> | <u>Sewer<br/>Assessments</u> | <u>Nonmajor<br/>Governmental<br/>Funds</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|---|------------------|-----------------------------|------------------------------|--|---|
| <b>Revenues:</b>                                  |                  |                             |                              |  |   |
| Property taxes                                    | \$ 99,615        | \$                          | \$                           | \$   | \$ 99,615                               |
| Intergovernmental                                 | 31,838           | 4,016                       |                              | 7,523                                      | 43,377                                  |
| Charges for services                              | 2,760            |                             | 535                          | 4,512                                      | 7,807                                   |
| Income on investments                             | 164              |                             | 25                           | 6  | 195                                     |
| Other revenues                                    | 372              | 5                           |                              | 126  | 503                                     |
| <b>Total revenues</b>                             | <u>134,749</u>   | <u>4,021</u>                | <u>560</u>                   | <u>12,167</u>                              | <u>151,497</u>                          |
| <b>Expenditures:</b>                              |                  |                             |                              |  |   |
| <b>Current:</b>                                   |                  |                             |                              |  |   |
| General government                                | 3,602            |                             |                              | 8  | 3,610                                   |
| Public safety                                     | 11,920           |                             |                              | 1,785                                      | 13,705                                  |
| Public works                                      | 4,387            |                             |                              | 2,118                                      | 6,505                                   |
| Health and welfare                                | 696              |                             |                              | 17   | 713                                     |
| Human services                                    | 842              |                             |                              | 496  | 1,338                                   |
| Parks and recreation                              | 1,476            |                             |                              | 29   | 1,505                                   |
| Public library                                    | 1,382            |                             |                              | 418  | 1,800                                   |
| Planning and development                          | 857              |                             |                              |  | 857                                     |
| Miscellaneous                                     | 284              |                             |                              |  | 284                                     |
| Employee fringe benefits                          | 8,231            |                             |                              |  | 8,231                                   |
| Education   | 88,326           |                             |                              | 7,596                                      | 95,922                                  |
| Debt and sundry                                   | 8,546            |                             | 429                          |  | 8,975                                   |
| Capital outlay                                    |                  | 7,283                       |                              |  | 7,283                                   |
| <b>Total expenditures</b>                         | <u>130,549</u>   | <u>7,283</u>                | <u>429</u>                   | <u>12,467</u>                              | <u>150,728</u>                          |
| Excess (Deficiency) of Revenues over Expenditures | <u>4,200</u>     | <u>(3,262)</u>              | <u>131</u>                   | <u>(300)</u>                               | <u>769</u>                              |
| <b>Other Financing Sources (Uses):</b>            |                  |                             |                              |  |   |
| Issuance of capital leases                        | 713              |                             |                              |  | 713                                     |
| Transfers in                                      | 72               | 3,257                       |                              | 142  | 3,471                                   |
| Transfers out                                     | (3,385)          |                             |                              | (86)                                       | (3,471)                                 |
| <b>Total other financing sources (uses)</b>       | <u>(2,600)</u>   | <u>3,257</u>                | <u>-</u>                     | <u>56</u>                                  | <u>713</u>                              |
| Net Change in Fund Balances                       | 1,600            | (5)                         | 131                          | (244)                                      | 1,482                                   |
| Fund Balances at Beginning of Year                | <u>15,064</u>    | <u>1,410</u>                | <u>923</u>                   | <u>2,126</u>                               | <u>19,523</u>                           |
| Fund Balances at End of Year                      | <u>\$ 16,664</u> | <u>\$ 1,405</u>             | <u>\$ 1,054</u>              | <u>\$ 1,882</u>                            | <u>\$ 21,005</u>                        |

(Continued on next page)

## TOWN OF SOUTHTON, CONNECTICUT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - GOVERNMENTAL FUNDS (CONTINUED)FOR THE YEAR ENDED JUNE 30, 2012  
(In Thousands)Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund  
Balances of Governmental Funds to the Statement of Activities:

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

|   |          |
|---|----------|
| Net change in fund balances - total governmental funds (Exhibit IV) | \$ 1,482 |
|---|----------|

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       | 5,645   |
| Depreciation expense | (5,020) |
| Donated assets       | 713     |

The statement of activities reports losses arising from the trade-in of existing capital assets to acquire new capital assets. Conversely governmental funds do not report any gain or loss on a trade-in of capital assets. (32)

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

|   |       |
|---|-------|
| School building grant receipts                                    | (330) |
| Long term receivable receipts                                     | (460) |
| Property tax receivable - accrual basis change                    | (104) |
| Property tax interest and lien revenue - accrual basis change     | (41)  |
| Sewer assessment receivable-accrual basis change                  | 589   |
| Sewer assessment interest and lien revenue - accrual basis change | (169) |

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

|  |       |
|--|-------|
| Bond principal payments                      | 5,715 |
| Note principal payments                      | 838   |
| Issuance of capital leases                   | (713) |
| Capital lease principal payments             | 233   |
| Accrued interest                             | (219) |
| Amortization of deferred charge on refunding | (89)  |
| Amortization of issue costs                  | (19)  |
| Amortization of bond premiums                | 127   |

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                      | (207)   |
| OPEB obligation                           | (1,038) |
| Heart and hypertension                    | (635)   |
| Landfill post closure care and settlement | 230     |

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. (809)

|  |                 |
|--|-----------------|
| Change in Net Assets of Governmental Activities (Exhibit II) | <u>\$ 5,687</u> |
|--|-----------------|

The accompanying notes are an integral part of the financial statements

**TOWN OF SOUTHLINGTON, CONNECTICUT**  
**STATEMENT OF NET ASSETS - PROPRIETARY FUNDS**

**JUNE 30, 2012**  
**(In Thousands)**

|                                | <u><b>Business-Type<br/>Activities<br/>Sewer<br/>Enterprise Fund</b></u> | <u><b>Governmental<br/>Activities<br/>Internal<br/>Service Fund</b></u> |
|--------------------------------|--|---|
| Assets:                        |  |   |
| Current:                       |  |   |
| Cash and cash equivalents      | \$ 910   | \$ 4,189  |
| Accounts and other receivables | 1,510  |   |
| Total current assets           | <u>2,420</u>   | <u>4,189</u>  |
| Capital assets, net            | <u>46,739</u>  |   |
| Total assets                   | <u>49,159</u>  | <u>4,189</u>  |
| Liabilities:                   |  |   |
| Current:                       |  |   |
| Accounts and other payables    | 360  | 1,311   |
| Other accrued liabilities      | 157  |   |
| Total liabilities              | <u>517</u>   | <u>1,311</u>  |
| Net Assets:                    |  |   |
| Invested in capital assets     | 46,739   |   |
| Unrestricted                   | <u>1,903</u>   | <u>2,878</u>  |
| Total Net Assets               | <u>\$ 48,642</u>   | <u>\$ 2,878</u>   |

The accompanying notes are an integral part of the financial statements

## TOWN OF SOUTHLINGTON, CONNECTICUT

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

FOR THE YEAR ENDED JUNE 30, 2012

(In Thousands)

|  | <u>Business-Type<br/>Activities</u> | <u>Governmental<br/>Activities</u> |
|--|-------------------------------------|------------------------------------|
|  | <u>Sewer<br/>Enterprise Fund</u>    | <u>Internal<br/>Service Fund</u>   |
| Operating Revenues:                        |                                     |                                    |
| Fund premiums                              | \$                                  | \$ 19,725                          |
| Charges for services                       | 4,258                               |                                    |
| Fines, penalties and interest              | 97                                  |                                    |
| Total operating revenues                   | <u>4,355</u>                        | <u>19,725</u>                      |
| Operating Expenses:                        |                                     |                                    |
| Plant                                      | 3,338                               |                                    |
| Benefits                                   | 241                                 | 19,650                             |
| Depreciation                               | 1,557                               |                                    |
| Administration and other                   | 211                                 | 884                                |
| Total operating expenses                   | <u>5,347</u>                        | <u>20,534</u>                      |
| Income (Loss) before Capital Contributions | (992)                               | (809)                              |
| Capital Contributions                      | <u>599</u>                          |                                    |
| Change in Net Assets                       | (393)                               | (809)                              |
| Net Assets at Beginning of Year            | <u>49,035</u>                       | <u>3,687</u>                       |
| Net Assets at End of Year                  | <u>\$ 48,642</u>                    | <u>\$ 2,878</u>                    |

The accompanying notes are an integral part of the financial statements

**TOWN OF SOUTHTON, CONNECTICUT**  
**STATEMENT OF CASH FLOWS - PROPRIETARY FUND**  
**FOR THE YEAR ENDED JUNE 30, 2012**  
**(In Thousands)**

|  | <b>Business-Type<br/>Activities</b> | <b>Governmental<br/>Activities</b> |
|--|-------------------------------------|------------------------------------|
|  | <b>Sewer<br/>Enterprise Fund</b>    | <b>Internal<br/>Service Fund</b>   |
| Cash Flows from Operating Activities:                      |                                     |                                    |
| Cash received from customers and granting agencies         | \$ 4,394                            | \$ 19,725                          |
| Cash received for premiums - Town departments and agencies |                                     |                                    |
| Cash payments to suppliers for goods and services          | (2,541)                             |                                    |
| Cash payments to employees for services                    | (931)                               |                                    |
| Cash payments to providers of benefits                     | (241)                               | (19,426)                           |
| Cash payments for service fees                             |                                     | (884)                              |
| Net cash provided by (used in) operating activities        | 681                                 | (585)                              |
| Cash Flows from Capital Financing Activities:              |                                     |                                    |
| Acquisition of capital assets                              | (247)                               |                                    |
| Net cash used in capital financing activities:             | (247)                               | -                                  |
| Net Increase (Decrease) in Cash and Cash Equivalents       | 434                                 | (585)                              |
| Cash and Cash Equivalents at Beginning of Year             | 476                                 | 4,774                              |
| Cash and Cash Equivalents at End of Year                   | \$ 910                              | \$ 4,189                           |
| Reconciliation of Operating Income (Loss) to Net Cash      |                                     |                                    |
| Provided by (Used in) Operating Activities:                |                                     |                                    |
| Operating income (loss)                                    | \$ (992)                            | \$ (809)                           |
| Depreciation   | 1,557                               |                                    |
| Adjustments to reconcile operating income loss to net cash |                                     |                                    |
| provided by (used in) operating activities:                |                                     |                                    |
| Decrease in accounts receivable                            | 39                                  |                                    |
| Decrease in inventory                                      | 12                                  |                                    |
| Increase in accounts payable and accrued liabilities       | 65                                  | 224                                |
| Net Cash Provided by (Used in) Operating Activities        | \$ 681                              | \$ (585)                           |
| Noncash Capital Financing Activities:                      |                                     |                                    |
| Capital assets transferred from governmental funds         | \$ 599                              | \$                                 |

The accompanying notes are an integral part of the financial statements

## TOWN OF SOUTHLINGTON, CONNECTICUT

## STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUNDS

JUNE 30, 2012  
(In Thousands)

|                           | <u>Agency<br/>Funds</u> |
|---------------------------|-------------------------|
| Assets:                   |                         |
| Cash and cash equivalents | \$ 3,063                |
| Investments               | <u>211</u>              |
| Total assets              | <u>\$ 3,274</u>         |
| Liabilities:              |                         |
| Fiduciary Deposits        | <u>\$ 3,274</u>         |

The accompanying notes are an integral part of the financial statements

# TOWN OF SOUTHLINGTON, CONNECTICUT

## NOTES TO FINANCIAL STATEMENTS

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(In Thousands)

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

#### A. Reporting Entity

Accounting principles generally accepted in the United States of America require that the reporting entity include the primary government and its component units, entities for which the government is considered to be financially accountable, all organizations for which the primary government is financially accountable and other organizations that by the nature and significance of their relationship with the primary government would cause the financial statements to be incomplete or misleading if excluded.

#### Related Organizations

The Town of Southington Water Company operates the only water system in the Town. The operations of the Water Company benefit primarily Town residents. The Southington Water Company is an agency that is independent from the Town in all administrative, operational and financial matters. The Board of Water Commissioners is elected by the voters of the Town independently from the Town Council and they do not report nor answer to the Town Council. The Southington Water Company may independently issue its own debt. In prior years, the Town included the Water Company in their general obligation debt only for the purposes of obtaining a lower interest rate for the Water Company. In 2001 legal counsel determined that the Southington Water Company is legally capable of issuing its own debt and it is the Town's option to include them in their debt issuance at their discretion.

The Southington Housing Authority, Inc., a body corporate and politic, provides services primarily to Town residents. Although the Town appoints the governing body, the Town does not have the ability to significantly influence the programs, projects, activities or level of services performed or provided by the Housing Authority. The Southington Housing Authority, Inc., is not fiscally dependent on the Town.

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

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the Town. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise 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 funds financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

The Town reports the following major governmental funds:

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

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

The Sewer Assessments Fund accounts for the proceeds of sewer line assessments used to fund debt service costs related to sewerline extension projects within the Town. The major source of revenue is sewer assessments. The Town issues general obligation debt to fund capital improvements to sewer lines.

The Town reports the following as a major proprietary fund:

The Sewer Fund accounts for the activities of the government's sewer operations.

Additionally, the Town reports the following fund types:

The Internal Service Fund accounts for health benefits program for Town employees.

The Agency Funds include the student activities and the escrow deposits. They are custodial in nature and do not involve measurement of results of operation.



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

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

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include property taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Sewer Fund and of the Town's Internal Service Fund are charges to customers for sales and services. Operating expenses for the enterprise fund and the internal service fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. 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 funds 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.

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 uncollectibles. The property taxes receivable allowance of \$138 is equal to 5.7% of outstanding property taxes at June 30, 2012.

The Town's property tax is levied each July 1 on the assessed value as of the prior October 1 for all real property, motor vehicles and commercial personal property located in the Town. Assessed values are established by the Town Assessment Board at 70% of estimated market value. A revaluation of all real property is required to be completed no less than every ten years. The Town performed a statistical revaluation as of October 1, 2011. Despite the one year postponement of the statistical revaluation, the Town's next revaluation with full inspections will be October 1, 2015. The assessed value for the Grand List of October 1, 2010, upon which the fiscal 2012 levy was based, was \$4.1 billion. A 24.28 mill rate was applied to the Grand List.

Taxes are due in two equal installments on the July 1 and January 1 following the levy date, although a 30-day grace period is provided. Current tax collections for the years ended June 30, 2012 and 2011 were 98.65% and 98.75%, respectively, of the adjusted tax levy. Uncollected property taxes are recorded as receivables, net of an allowance for estimated uncollectible accounts. Unpaid taxes are liened on or before June 30 following the due date. The revenue relating to property taxes not collected during the fiscal year and within 60 days after the close of the fiscal year is deferred.

#### **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 \$10,000 (amount not rounded) and an estimated useful life in excess of 5 years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

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

| <u>Assets</u>                | <u>Years</u> |
|------------------------------|--------------|
| Buildings                    | 50           |
| Building improvements        | 25           |
| Public domain infrastructure | 35-70        |
| System infrastructure        | 15           |
| Vehicles                     | 7            |
| Office equipment             | 7            |
| Computer equipment           | 7            |

## **H. Compensated Absences**

A limited amount of vacation earned may be accumulated by certain employees until termination of their employment, at which time they are paid for accumulated vacation. Sick leave may be accumulated by Fire Department and AFSCME employees in accordance with union contracts until retirement, termination or death, at which time they are paid for a percentage of their accumulated sick leave.

The Town's accounting and financial reporting policy for compensated absences is based on GASB Statement 16. Compensated absences are accrued at current salary rates and paid by the General Fund.

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

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

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

## **J. Fund Equity and Net Assets**

In the government-wide financial statements and in proprietary fund types, net assets are classified in the following categories:

*Invested in Capital Assets, Net of Related Debt and Accumulated Depreciation* - This category groups all capital assets, including infrastructure, into one component of net assets. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduces this category.

*Restricted Net Assets* - This category represents the net assets of the Town which are restricted by externally imposed constraints placed on the net assets by grantors, contributors or laws and regulations of other governments.

*Unrestricted Net Assets* - This category represents the net assets of the Town which are not restricted for any project or other purpose.

In the fund financial statements, fund balances of governmental funds are classified in five separate categories. The five categories, and their general meanings, are as follows:

*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). A resolution approved by the Board of Finance is required to modify or rescind a fund balance commitment.

*Assigned Fund Balance* - For all governmental funds other than the General Fund, this represents any remaining positive amounts not classified as nonspendable, restricted or committed. For the General Fund, this includes amounts constrained for the intent to be used for a specific purpose by a governing board or a body or official that has been delegated authority to assign amounts by the Town Charter. The Finance Director is authorized to assign fund balances through the carry forward of appropriations to a subsequent year pending approval from the Board of Finance.

*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.

The Town has adopted a written fund balance policy which states that the Town shall strive to maintain during the year and specifically at fiscal year end a level of general fund undesignated fund balance, also known as accumulated surplus or the rainy day fund at 9% of actual year end general fund revenues. The 9% shall be known as the Town's "target floor."

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

### **A. Budgetary Information**

Chapter VII of the Town Charter governs the financial provisions of the Town. The Town Manager presents the budget to the Board of Finance. After required hearings, the Board of Finance recommends its budget to the Town Council. At the annual budget meeting held in May, the Council may adopt the recommended budget or may reduce or increase the proposed estimated expenditures, by the required number of votes. After completing such action, the Council shall adopt the budget by resolution and notify the Board of Finance, the Board of Education and the Town Manager.

The Board of Finance shall, upon adoption of the budget by the Town Council, fix a rate of taxation on the last Grand List, sufficient to produce the required revenue to preserve a balanced relation between estimated receipts and expenditures, net of provision for other estimated revenue and cash surplus or deficit.

Additional Appropriations and Transfers:

The control level on which expenditures may not legally exceed appropriations is the object level. Each department must seek approval from the Board of Finance and/or the Town Council for any appropriations or transfers. The Town Council, on the recommendation of the Board of Finance, may appropriate at any time, subject to the other provisions of Chapter VII, any unappropriated and unencumbered cash balance in the Town treasury. The Board of Finance may at any time transfer any unencumbered appropriation balance, or portion thereof, between general classifications of expenditures within an office, department or agency, not to exceed \$500 (amount not rounded). Transfers in excess of \$500 (amount not rounded) within departments, and all transfers between departments must be approved by the Town Council. During the last three months of the fiscal year, the Council may, upon the recommendation of the Board of Finance, by resolution transfer any unencumbered appropriation balance, or portion thereof, from one office, department or agency to another to meet a pressing need for public expenditure. No money shall be expended, or obligation for such expenditure incurred, by any department, office, board, commission or agency of the Town, except in accordance with an appropriation by the Council.

The budget is prepared on a modified accrual basis of accounting except for the accrual of payroll. All appropriations lapse at the end of the budget year to the extent that they have not been expended or lawfully encumbered. Encumbrances outstanding at the end of the year are reappropriated as continued appropriations. Encumbrances are established by adoption of the Town Council (continuing appropriations). Authorized continuing appropriations are presented as reservations of fund balances since the commitments will be honored in subsequent years. Encumbrances do not constitute expenditures or liabilities for accounting principles generally accepted in the United States of America or budgetary purposes. Only the General Fund has a legally adopted annual budget.

Budgeted amounts are as originally adopted or as amended by the Town Council. During the year, \$1,548 of supplemental budgetary appropriations from the General Fund were made, \$586 from revised revenue estimates, and \$962 from continued appropriations from the prior year. Also, at year end \$496 of appropriations were reappropriated. Authorized continuing appropriations are presented as assignments of fund balances since the commitments will be honored in subsequent years.

### **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*, \$13,621 of the Town's bank balance of \$15,032 was exposed to custodial credit risk as follows:

|   |                         |
|---|-------------------------|
| Uninsured and uncollateralized  | \$ 12,174               |
| Uninsured and collateral held by the pledging bank's trust department, not in the Town's name | <u>1,447</u>            |
| Total Amount Subject to Custodial Credit Risk   | <u><u>\$ 13,621</u></u> |

### Cash Equivalents

At June 30, 2012, the Town's cash equivalents amounted to \$691. 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.

|  |   |
|--|---|
|  | <b><u>Standard<br/>&amp; Poor's</u></b> |
| Wells Fargo*   |   |
| Cutwater - Cooperative Liquid Assets Securities System (CLASS) | AAAm                                    |

\*Not rated

### Investments

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

| <u>Investment Type</u>        | <u>Credit Rating</u> | <u>Fair Value</u> | <u>Investment Maturities (Years)</u> |               |                     |
|-------------------------------|----------------------|-------------------|--------------------------------------|---------------|---------------------|
|                               |                      |                   | <u>Less Than 1</u>                   | <u>1 - 10</u> | <u>More Than 10</u> |
| Interest-bearing investments: |                      |                   |                                      |               |                     |
| Certificates of deposit       | *                    | \$ 15,517         | <u>\$ 15,517</u>                     | <u>\$ -</u>   | <u>\$ -</u>         |
| Other investments:            |                      |                   |                                      |               |                     |
| Common stock                  |                      | <u>2</u>          |                                      |               |                     |
| Total Investments             |                      | <u>\$ 15,519</u>  |                                      |               |                     |

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

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

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

*Concentration of Credit Risk* - The Town's investment policy does not allow for an investment in any one issuer that is in excess of 5% of the Town's total investments.

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

#### 4. RECEIVABLES

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

|                                   | <u>General</u>  | <u>Capital<br/>Projects</u> | <u>Sewer<br/>Assessment</u> | <u>Sewer<br/>Enterprise</u> | <u>Nonmajor<br/>and Other<br/>Funds</u> | <u>Total</u>    |
|-----------------------------------|-----------------|-----------------------------|-----------------------------|-----------------------------|---|-----------------|
| Receivables:                      |                 |                             |                             |                             |   |                 |
| Taxes *                           | \$ 2,408        | \$                          | \$                          | \$                          | \$                                      | \$ 2,408        |
| Accounts                          | 104             |                             |                             | 1,510                       | 554                                     | 2,168           |
| Special assessments               |                 |                             | 1,404                       |                             |   | 1,404           |
| Intergovernmental                 | 1,190           | 1,530                       |                             |                             | 978                                     | 3,698           |
| Interest **                       |                 |                             |                             |                             |   | -               |
| Gross receivables                 | <u>3,702</u>    | <u>1,530</u>                | <u>1,404</u>                | <u>1,510</u>                | <u>1,532</u>                            | <u>9,678</u>    |
| Less allowance for uncollectibles | <u>138</u>      |                             |                             |                             |   | <u>138</u>      |
| Net Total Receivables             | <u>\$ 3,564</u> | <u>\$ 1,530</u>             | <u>\$ 1,404</u>             | <u>\$ 1,510</u>             | <u>\$ 1,532</u>                         | <u>\$ 9,540</u> |

\* Does not include amount due from Southington Water Company for bonds (\$3,900) and accrued interest (\$48) - Note 7.

\*\* Does not include accrued interest on property taxes and assessments receivable of \$921 and \$26, respectively.

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

|  | <u>Unavailable</u> | <u>Unearned</u> | <u>Total</u>    |
|--|--------------------|-----------------|-----------------|
| Delinquent property taxes receivable                   | \$ 1,989           | \$              | \$ 1,989        |
| Special assessments                                    | 1,404              |                 | 1,404           |
| Other  |                    | 327             | 327             |
| Total Deferred/Unearned Revenue for Governmental Funds | <u>\$ 3,393</u>    | <u>\$ 327</u>   | <u>\$ 3,720</u> |

## 5. CAPITAL ASSETS

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

|  | <u>Beginning<br/>Balance</u> | <u>Increases</u> | <u>Decreases</u> | <u>Ending<br/>Balance</u> |
|--|------------------------------|------------------|------------------|---------------------------|
| Governmental activities:                     |                              |                  |                  |                           |
| Capital assets not being depreciated:        |                              |                  |                  |                           |
| Land   | \$ 19,475                    | \$ 2,437         | \$               | \$ 21,912                 |
| Construction in progress                     | 36,688                       | 1,003            | (825)            | 36,866                    |
| Total capital assets not being depreciated   | <u>56,163</u>                | <u>3,440</u>     | <u>(825)</u>     | <u>58,778</u>             |
| Capital assets being depreciated:            |                              |                  |                  |                           |
| Buildings                                    | 117,216                      | 481              |                  | 117,697                   |
| Machinery and equipment                      | 18,200                       | 1,703            | (745)            | 19,158                    |
| Infrastructure                               | 78,195                       | 1,559            |                  | 79,754                    |
| Total capital assets being depreciated       | <u>213,611</u>               | <u>3,743</u>     | <u>(745)</u>     | <u>216,609</u>            |
| Less accumulated depreciation for:           |                              |                  |                  |                           |
| Buildings                                    | (47,972)                     | (2,682)          |                  | (50,654)                  |
| Machinery and equipment                      | (12,792)                     | (1,042)          | 713              | (13,121)                  |
| Infrastructure                               | (31,091)                     | (1,296)          |                  | (32,387)                  |
| Total accumulated depreciation               | <u>(91,855)</u>              | <u>(5,020)</u>   | <u>713</u>       | <u>(96,162)</u>           |
| Total capital assets being depreciated, net  | <u>121,756</u>               | <u>(1,277)</u>   | <u>(32)</u>      | <u>120,447</u>            |
| Governmental Activities Capital Assets, Net  | <u>\$ 177,919</u>            | <u>\$ 2,163</u>  | <u>\$ (857)</u>  | <u>\$ 179,225</u>         |
| Business-type activities:                    |                              |                  |                  |                           |
| Capital assets not being depreciated:        |                              |                  |                  |                           |
| Land   | \$ 39                        | \$               | \$               | \$ 39                     |
| Capital assets being depreciated:            |                              |                  |                  |                           |
| Buildings and system                         | 74,101                       | 675              |                  | 74,776                    |
| Machinery and equipment                      | 1,160                        | 171              | (28)             | 1,303                     |
| Total capital assets being depreciated       | <u>75,261</u>                | <u>846</u>       | <u>(28)</u>      | <u>76,079</u>             |
| Less accumulated depreciation for:           |                              |                  |                  |                           |
| Buildings and system                         | (26,971)                     | (1,495)          |                  | (28,466)                  |
| Machinery and equipment                      | (879)                        | (62)             | 28               | (913)                     |
| Total accumulated depreciation               | <u>(27,850)</u>              | <u>(1,557)</u>   | <u>28</u>        | <u>(29,379)</u>           |
| Total capital assets being depreciated, net  | <u>47,411</u>                | <u>(711)</u>     | <u>-</u>         | <u>46,700</u>             |
| Business-Type Activities Capital Assets, Net | <u>\$ 47,450</u>             | <u>\$ (711)</u>  | <u>\$ -</u>      | <u>\$ 46,739</u>          |



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

|  |                            |
|--|----------------------------|
| Governmental activities:                                 |                            |
| General government                                       | \$ 861                     |
| Public safety  | 323                        |
| Public works   | 1,329                      |
| Human services   | 62                         |
| Planning and development                                 | 7                          |
| Park and recreation                                      | 147                        |
| Library  | 37                         |
| Education  | <u>2,254</u>               |
| <br>Total Depreciation Expense - Governmental Activities | <br>\$ <u><u>5,020</u></u> |
| <br>Business-type activities:                            |                            |
| Sewer Enterprise Fund                                    | \$ <u><u>1,557</u></u>     |

### Construction Commitments

The Town has active construction projects as of June 30, 2012. The projects include roads, bridges, water and sewer lines, and school building improvements. At year end the Town's commitments with contractors are as follows:

| <u>Project</u>                      | <u>Spent-to-Date</u>       | <u>Commitment</u>        |
|-------------------------------------|----------------------------|--------------------------|
| Marion Highlands & Roseanna, Lagana | \$ 2,458                   | \$ 50                    |
| Rails to Trails II                  | 1,455                      | 123                      |
| South End/Mt. Vernon Road Paving    | 616                        | 34                       |
| Farmstead Interceptor               | 129                        | 59                       |
| Triano Drive Development            | 250                        | 48                       |
| Pumper Fire Truck                   | <u>405</u>                 | <u>128</u>               |
| <br>Total                           | <br>\$ <u><u>5,313</u></u> | <br>\$ <u><u>442</u></u> |

The commitments are being financed as follows:

- School projects are financed by bonds and grants from the State Department of Education.
- Other projects are primarily funded by Town general obligation bonds.

### 6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Individual fund interfund receivable and payable balances, which result from short-term cash flows needs, are as follows:

| <u>Receivable Fund</u> | <u>Payable Fund</u>   | <u>Amount</u>            |
|------------------------|-----------------------|--------------------------|
| General Fund           | Nonmajor Governmental | \$ 832                   |
| Nonmajor Governmental  | General Fund          | <u>79</u>                |
| <br>Total              |                       | <br>\$ <u><u>911</u></u> |

Interfund transfers are generally used to supplement revenues of other funds. The transfers that occurred during the year are as follows:

|                | <b>Transfers In</b> |                              |                              |                 |
|----------------|---------------------|------------------------------|------------------------------|-----------------|
|                | <b>General Fund</b> | <b>Capital Projects Fund</b> | <b>Nonmajor Governmental</b> | <b>Total</b>    |
| Transfers out: |                     |                              |                              |                 |
| General Fund   | \$                  | \$ 3,243                     | \$ 142                       | \$ 3,385        |
| Nonmajor Funds | <u>72</u>           | <u>14</u>                    |                              | <u>86</u>       |
|                | <u>\$ 72</u>        | <u>\$ 3,257</u>              | <u>\$ 142</u>                | <u>\$ 3,471</u> |

## 7. LONG-TERM DEBT

### Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2012 was as follows:

|   | <b><u>Beginning Balance</u></b> | <b><u>Additions</u></b> | <b><u>Reductions</u></b> | <b><u>Ending Balance</u></b> | <b><u>Due Within One Year</u></b> |
|---|---------------------------------|-------------------------|--------------------------|------------------------------|-----------------------------------|
| Governmental Activities:                            |                                 |                         |                          |                              |                                   |
| Bonds payable:                                      |                                 |                         |                          |                              |                                   |
| General obligation bonds:                           |                                 |                         |                          |                              |                                   |
| Town  | \$ 61,665                       | \$                      | \$ 5,255                 | \$ 56,410                    | \$ 5,271                          |
| Southington Water Company                           | 4,360                           |                         | 460                      | 3,900                        | 559                               |
| Premium on bonds                                    | 1,566                           |                         | 127                      | 1,439                        |                                   |
| Less deferred amounts                               | (1,029)                         |                         | (89)                     | (940)                        |                                   |
| State of Connecticut - serial note                  | <u>11,068</u>                   |                         | <u>838</u>               | <u>10,230</u>                | <u>568</u>                        |
| Total bonds and notes payable                       | 77,630                          |                         | 6,591                    | 71,039                       | 6,398                             |
| Compensated absences                                | 7,840                           | 1,879                   | 1,672                    | 8,047                        | 1,725                             |
| Capital leases                                      | 614                             | 713                     | 233                      | 1,094                        | 471                               |
| OPEB obligation                                     | 4,580                           | 3,032                   | 1,994                    | 5,618                        |                                   |
| Heart and hypertension                              | 7,219                           | 1,168                   | 533                      | 7,854                        | 483                               |
| Landfill closure and postclosure                    | <u>376</u>                      |                         | <u>230</u>               | <u>146</u>                   | <u>22</u>                         |
| Total Governmental Activities Long-Term Liabilities | <u>\$ 98,259</u>                | <u>\$ 6,792</u>         | <u>\$ 11,253</u>         | <u>\$ 93,798</u>             | <u>\$ 9,099</u>                   |

Bonds payable at June 30, 2012 are comprised of the following issues:

|  | <u>Date<br/>of<br/>Issue</u> | <u>Original<br/>Issue</u> | <u>Interest<br/>Rate (%)</u> | <u>Date of<br/>Maturity</u> | <u>Principal<br/>Outstanding<br/>June 30, 2012</u> |
|--|------------------------------|---------------------------|------------------------------|-----------------------------|--|
| <u>General Purpose Bonds:</u>              |                              |                           |                              |                             |  |
| Refunding (General Purpose)                | 2004                         | \$ 379                    | 2.00-3.25                    | 09/15/14                    | \$ 52  |
| General Purpose                            | 2005                         | 5,765                     | 3.50-5.50                    | 11/01/25                    | 3,560  |
| General Purpose                            | 2007                         | 3,025                     | 4.00-5.00                    | 08/01/27                    | 2,035  |
| General Purpose                            | 2009                         | 2,175                     | 3.00-4.00                    | 08/01/27                    | 1,820  |
| Refunding (General Purpose)                | 2010                         | 2,098                     | 2.00-5.00                    | 05/15/21                    | 1,677  |
| General Purpose                            | 2011                         | 1,713                     | 2.50-4.25                    | 08/01/30                    | 1,713  |
| Refunding (General Purpose)                | 2011                         | 6,042                     | 2.00-5.00                    | 02/01/24                    | 5,612  |
|  |                              |                           |                              |                             | <u>16,469</u>                                      |
| <u>School Bonds:</u>                       |                              |                           |                              |                             |  |
| Refunding (Schools)                        | 2004                         | 7,032                     | 2.00-3.25                    | 09/15/14                    | 957  |
| Schools                                    | 2005                         | 3,510                     | 3.50-5.50                    | 11/01/25                    | 2,100  |
| Schools                                    | 2007                         | 2,880                     | 4.00-5.00                    | 08/01/27                    | 1,160  |
| Schools                                    | 2009                         | 12,965                    | 3.00-4.00                    | 08/01/27                    | 11,415   |
| Refunding (Schools)                        | 2010                         | 8,008                     | 2.00-5.00                    | 05/15/21                    | 6,618  |
| Schools                                    | 2011                         | 6,902                     | 2.50-4.25                    | 08/01/30                    | 6,902  |
| Refunding (Schools)                        | 2011                         | 745                       | 2.00-5.00                    | 02/01/24                    | 693  |
|  |                              |                           |                              |                             | <u>29,845</u>                                      |
| <u>Sewer Bonds:</u>                        |                              |                           |                              |                             |  |
| Refunding (Sewers)                         | 2004                         | 86                        | 2.00-3.25                    | 09/15/14                    | 12   |
| Sewers                                     | 2005                         | 2,900                     | 3.50-5.50                    | 11/01/25                    | 2,000  |
| Sewers                                     | 2007                         | 3,070                     | 4.00-5.00                    | 08/01/27                    | 2,380  |
| Sewers                                     | 2009                         | 300                       | 3.00-4.00                    | 08/01/27                    | 180  |
| Refunding (Sewers)                         | 2010                         | 959                       | 2.00-5.00                    | 05/15/21                    | 375  |
| Sewers                                     | 2011                         | 3,330                     | 2.50-4.25                    | 08/01/30                    | 3,330  |
| Refunding (Sewers)                         | 2011                         | 1,958                     | 2.00-5.00                    | 02/01/24                    | 1,819  |
| State of Connecticut serial notes payable: |                              |                           |                              |                             |  |
| Clean Water Fund Loan 590-C                | 2011                         | 11,068                    | 2.00                         | 06/30/30                    | 10,230   |
|  |                              |                           |                              |                             | <u>20,326</u>                                      |
| <u>Water Bonds:</u>                        |                              |                           |                              |                             |  |
| Refunding (Water)                          | 2004                         | 3,683                     | 2.00-3.25                    | 09/15/14                    | 490  |
| Water                                      | 2011                         | 3,410                     | 2.50-4.25                    | 08/01/21                    | 3,410  |
|  |                              |                           |                              |                             | <u>3,900</u>                                       |
| Total                                      |                              |                           |                              |                             | \$ <u>70,540</u>                                   |

The annual requirements to amortize bond and notes principal and interest are as follows:

| <u>Fiscal Year Ending</u> | <u>Principal</u> | <u>Interest</u>  |
|---------------------------|------------------|------------------|
| 2013                      | \$ 6,398         | \$ 2,327         |
| 2014                      | 6,118            | 2,128            |
| 2015                      | 6,133            | 1,936            |
| 2016                      | 5,513            | 1,763            |
| 2017                      | 5,373            | 1,594            |
| 2018-2022                 | 23,382           | 5,269            |
| 2023-2027                 | 12,702           | 1,884            |
| 2028-2031                 | <u>4,921</u>     | <u>248</u>       |
| Total                     | <u>\$ 70,540</u> | <u>\$ 17,149</u> |

All bonds are general obligation bonds secured by the general revenue raising powers of the Town. Payment will be provided by General Fund revenues for general purpose bonds and user fees charged by the Southington Water Company, an independent entity, for water bonds. The Town issued debt on behalf of the Southington Water Company. At June 30, 2012, \$3,900 is recorded as amounts to be provided by other entities in the government-wide financial statements. The Town does not have any overlapping debt.

The Town is subject to the General Statutes of the State of Connecticut, which limit the amount of debt outstanding at June 30, 2012. In no case shall total indebtedness exceed seven times annual receipts from taxation. The maximum debt amount permitted under this formula would be approximately \$696.3 million.

**Capital Leases**

The Board of Education has entered into several lease agreements as lessee for financing the acquisition of computer equipment. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date. The net undepreciated value of assets purchased by capital lease approximates the principal balance payable of \$1,094 at June 30, 2012. The following is a summary of capital lease commitments as of June 30, 2012.

| <u>Year Ending June 30,</u> | <u>Amount</u>   |
|-----------------------------|-----------------|
| 2013                        | \$ 491          |
| 2014                        | 410             |
| 2015                        | <u>248</u>      |
| Subtotal                    | 1,149           |
| Less interest               | <u>(55)</u>     |
| Principal Balance           | <u>\$ 1,094</u> |

## 8. RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks did not exceed commercial insurance coverage during the years ended June 30, 2012, 2011 or 2010. Town insurance can be described as follows:

Employee Health Insurance - The Medical Claims Fund (the Fund), which has been recorded as an Internal Service Fund, was established to account for the medical claims activity of the Town's employees as well as the related funding. Anthem Blue Cross/Blue Shield of Connecticut administers the plan for which the Fund pays a fee.

The Fund establishes claims liabilities based on estimates of claims that have been incurred but not reported; accordingly, the Fund recorded an additional liability at June 30, 2012 of \$1,311.

Premium payments are reported as quasi-external interfund transactions for Town entities, and accordingly, they are treated as operating revenues of the Self-Insurance Fund and operating expenditures of the participating funds.

A schedule of changes in the claims liability for the years ended June 30, 2012 and 2011, is presented below:

|           | <b>Accrued<br/>Liability<br/>Beginning of<br/>Fiscal Year</b> | <b>Current Year<br/>Claims and<br/>Changes in<br/>Estimates</b> | <b>Claim<br/>Payments</b> | <b>Accrued<br/>Liability<br/>End of<br/>Fiscal Year</b> |
|-----------|---|---|---------------------------|---|
| 2010-2011 | \$ 1,274  | \$ 16,983   | \$ 17,170                 | \$ 1,087  |
| 2011-2012 | 1,087   | 19,874  | 19,650                    | 1,311   |

### Interlocal Risk Pool

The Town is a member of the Connecticut Interlocal Risk Management Agency (CIRMA), an unincorporated association of Connecticut local public agencies that was formed in 1980 by the Connecticut Conference of Municipalities for the purpose of establishing and administering an interlocal risk management program pursuant to the provisions of Section 7479a et. seq. of the Connecticut General Statutes.

The Town participates in CIRMA's Workers' Compensation Pool, a risk sharing pool, which was begun on July 1, 1980. The Workers' Compensation Pool provides statutory benefits pursuant to the provisions of the Connecticut Workers' Compensation Act. CIRMA currently has 220 members in the Workers' Compensation Pool. The coverage is subject to an incurred loss retrospective rating plan and losses incurred in coverage period 2011-12 will be evaluated at 18, 30, and 42 months after the effective date of coverage. The deposit contribution (premium) paid in 2011-12 for the Town and Board of Education was \$1,352. The contribution (premium) is subject to payroll audit at the close of the coverage period. CIRMA's Workers' Compensation Pool retains up to \$1 million per occurrence. Claims over \$1 million are reinsured.

## 9. FUND EQUITY

The components of fund balance at June 30, 2012 are as follows:

|                      | <u>General<br/>Fund</u> | <u>Capital<br/>Projects</u> | <u>Sewer<br/>Assessments</u> | <u>Nonmajor<br/>Governmental<br/>Funds</u> | <u>Total</u>     |
|----------------------|-------------------------|-----------------------------|------------------------------|--|------------------|
| Fund balances:       |                         |                             |                              |  |                  |
| Nonspendable:        |                         |                             |                              |  |                  |
| Inventory            | \$ 84                   |                             |                              | \$ 49                                      | \$ 133           |
| Trust                |                         |                             |                              | 540  | 540              |
| Restricted for:      |                         |                             |                              |  |                  |
| Grants               |                         |                             |                              | 62   | 62               |
| Trust                |                         |                             |                              | 91   | 91               |
| Bonds                |                         | 1,405                       |                              |  | 1,405            |
| Committed to:        |                         |                             |                              |  |                  |
| Public safety        |                         |                             |                              | 385  | 385              |
| Public works         |                         |                             | 1,054                        | 168  | 1,222            |
| Human services       |                         |                             |                              | 163  | 163              |
| Parks and recreation |                         |                             |                              | 123  | 123              |
| Education            |                         |                             |                              | 301  | 301              |
| Assigned to:         |                         |                             |                              |  |                  |
| General government   | 21                      |                             |                              |  | 21               |
| Public works         | 163                     |                             |                              |  | 163              |
| Public safety        | 2                       |                             |                              |  | 2                |
| Parks and recreation | 15                      |                             |                              |  | 15               |
| Other                | 295                     |                             |                              |  | 295              |
| Unassigned           | <u>16,084</u>           |                             |                              |  | <u>16,084</u>    |
| Total Fund Balances  | <u>\$ 16,664</u>        | <u>\$ 1,405</u>             | <u>\$ 1,054</u>              | <u>\$ 1,882</u>                            | <u>\$ 21,005</u> |

Encumbrances are being reported as assigned fund balance.

## 10. OTHER POST-EMPLOYMENT BENEFITS

### A. Overview

The Town and Board of Education do not offer retirees any post-employment benefits. They do, however, allow retirees to remain on the Health Self-Insurance plan as long as they pay the full COBRA rates. The only exception to the no post-employment benefits would be for those employees who have retired under Heart and Hypertension and have negotiated these benefits. There are no stand-alone financial statements available for the plan.

At July 1, 2011, plan participation consisted of the following:

|                     |                     |
|---------------------|---------------------|
| Active participants | 1,146               |
| Retirees            | 157                 |
| Spouses of retirees | <u>46</u>           |
| Total Participants  | <u><u>1,349</u></u> |

### B. Funding Policy

These other post-employment benefits (OPEB) for former employees are currently funded on a pay-as-you-go basis out of the Self-Insurance Fund and the Heart and Hypertension Department in the General Fund. As of June 30, 2012, the Town has not established a trust fund to segregate assets to fund the liability associated with these benefits.

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

The Town's annual OPEB cost is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 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 ended June 30, 2012, the amount actually contributed to the plan and changes in the Town's net OPEB obligation:

|  |                        |
|--|------------------------|
| Annual required contribution (ARC)         | \$ 3,087               |
| Interest on OPEB obligation                | 229                    |
| Adjustment to annual required contribution | <u>(284)</u>           |
| Annual OPEB cost                           | 3,032                  |
| Contributions made                         | <u>1,994</u>           |
| Increase in net OPEB obligation            | 1,038                  |
| Net OPEB obligation, beginning of year     | <u>4,580</u>           |
| Net OPEB Obligation, End of Year           | <u><u>\$ 5,618</u></u> |

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for the fiscal year ended June 30, 2012, 2011 and 2010 are presented below.

| <u>Fiscal Year Ended</u> | <u>Annual OPEB Cost (AOC)</u> | <u>Actual Contribution</u> | <u>Percentage of AOC Contributed</u> | <u>Net OPEB Obligation (Asset)</u> |
|--------------------------|-------------------------------|----------------------------|--------------------------------------|------------------------------------|
| 6/30/2012                | \$ 3,032                      | \$ 1,994                   | 65.8%                                | \$ 5,618                           |
| 6/30/2011                | 3,010                         | 2,079                      | 69.1%                                | 4,580                              |
| 6/30/2010                | 3,455                         | 1,359                      | 39.3%                                | 3,649                              |

### D. Schedule of Funding Progress

| <u>Actuarial Valuation Date</u> | <u>Actuarial Value of Assets</u> | <u>Actuarial Accrued Liability (AAL)</u> | <u>Unfunded AAL</u> | <u>Funded Ratio</u> | <u>Covered Payroll</u> | <u>UAAL as a Percentage of Covered Payroll</u> |
|---------------------------------|----------------------------------|--|---------------------|---------------------|------------------------|--|
| 7/1/2007                        | \$ -0-                           | \$ 37,107                                | \$ 37,107           | 0.0%                | \$ 61,102              | 60.7%  |
| 7/1/2009                        | -0-                              | 37,666                                   | 37,666              | 0.0%                | 58,386                 | 64.5%  |
| 7/1/2011                        | -0-                              | 33,693                                   | 33,693              | 0.0%                | 65,035                 | 51.8%  |

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. The plan is a single-employer plan.

In the July 1, 2011 actuarial valuation, the projected unit actuarial credit cost method was used. The annual required contribution (ARC) reflects an open 30-year, level amortization of the unfunded actuarial accrued liability (AAL). The actuarial assumptions include a 5% investment rate of return and an inflation rate of 3%. The annual healthcare cost trend rate is 9% initially, grading down to 5% for 2014 and later.

## 11. EMPLOYEE RETIREMENT SYSTEMS

### Municipal Employees' Retirement System

All Town of Southington full-time employees, except teachers who are eligible to participate in the State of Connecticut Teachers' Retirement System, participate in the Municipal Employees' Retirement Fund (MERF), a cost-sharing multiple-employer public employee retirement system (PERS) established by the State of Connecticut and administered by the State Retirement Commission to provide retirement and disability benefits, annual cost-of-living adjustments and death benefits to the employees and beneficiaries of participating municipalities. Chapter 113 Part II of the General Statutes of Connecticut, which can be amended by legislative action, establishes PERS benefits, member contribution rates and other plan provisions. MERF 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 or by calling 860-702-3480.

*Funding Policy* - Plan members are required by State Statute to contribute 2-1/4% of earnings upon which Social Security tax is paid plus 5% of earnings on which no Social Security tax is paid. Each participating municipality is required to contribute at an actuarially determined rate. The current rate is 11.79% of annual covered payroll. The contribution requirements of the Town are established and may be amended by the State Retirement Commission. The Town's contributions to MERS for the years ended June 30, 2012, 2011 and 2010 were \$ 3,653, \$3,024, and \$2,212, respectively, equal to the required contributions for each year.

### Teachers' Retirement

All Town of Southington 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. Certified payroll subject to retirement amounted to \$32,623 or 61.1% of total Board of Education payroll of \$53,402.

The retirement system for teachers is funded by the State based upon the recommendation of the Teachers' Retirement Board. Such contribution includes amortization of the actuarially computed unfunded liability. These obligations are established under the authority of the Connecticut General Statutes. For the year ended June 30, 2012 the Town has recorded, in the General Fund, intergovernmental revenue and education expenditures in the amount of \$8,260 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.



## 12. SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES

The Town's Old Turnpike Road (Old Southington) Landfill, which was closed in 1967, was placed on the United States Environmental Protection Agency (EPA) Superfund List for cleanup in the early 1990s. Three hundred and twenty five parties, including the Town, were identified by the EPA as potentially responsible parties (PRPs) for the cleanup costs. The Town, per agreement with the EPA, is responsible for \$4.4 million of the costs for constructing a cap at the site. However, the EPA granted the Town credit of \$3.2 million for landfill costs paid by the Town since 1989, leaving the Town with a net liability of approximately \$1.2 million. This amount was authorized for bonding at referendum in May of 1998. Construction of the cap was completed during fiscal year 2000-01. The Town paid approximately \$840 thousand of its \$1.2 million net share for the cap during 2000-01, which was bonded on May 15, 2001.

In December 2006, EPA issued a final Record of Decision. As a result of that, a passive groundwater remedy has been selected rather than an active remedy. The remedy will consist of institutional controls and fairly extensive groundwater monitoring. The effect of these items on future budgets will be very small.

A settlement in United States versus the Town of Southington was reached on November 24, 2010. The Town was required to make three payments of \$210 thousand to the State of Connecticut, the last of which was paid on November 24, 2011.

The Town and its employees are defendants in numerous claims and legal actions. It is the opinion of Town officials that such pending litigation will not be finally determined so as to result individually, or in the aggregate, in a final judgment against the Town that would materially adversely affect its financial position.

The Town participates in a number of federal and state assisted grant programs. These programs are subject to financial and compliance audits by the grantors or their representatives. The audits of certain of these programs for or including the year ended June 30, 2012 have not yet been conducted. Accordingly, the Town's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures that may be disallowed by the granting agencies cannot be determined at this time although the Town expects such amounts, if any, to be immaterial.

The Town may be subject to rebate penalties to the federal government relating to various bond and note issues. The Town expects such amounts, if any, to be immaterial.

**Required Supplementary  
Information**

## TOWN OF SOUTHLINGTON, CONNECTICUT

## GENERAL FUND

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

FOR THE YEAR ENDED JUNE 30, 2012

(In Thousands)

|  | Budgeted Amounts |               | Actual        | Variance<br>Positive<br>(Negative) |
|--|------------------|---------------|---------------|------------------------------------|
|  | Original         | Final         |               |                                    |
| Property taxes, interest and lien fees:      |                  |               |               |                                    |
| Taxes  | \$ 98,233        | \$ 98,233     | \$ 98,821     | \$ 588                             |
| Suspense taxes                               | 40               | 40            | 59            | 19                                 |
| Interest and lien fees                       | 607              | 607           | 735           | 128                                |
| Total property taxes, interest and lien fees | <u>98,880</u>    | <u>98,880</u> | <u>99,615</u> | <u>735</u>                         |
| Licenses, fees and permits:                  |                  |               |               |                                    |
| Building                                     | 600              | 600           | 542           | (58)                               |
| Police                                       | 35               | 35            | 28            | (7)                                |
| Library                                      | 30               | 30            | 36            | 6                                  |
| Miscellaneous                                |                  | 25            | 32            | 7                                  |
| Total licenses, fees and permits             | <u>665</u>       | <u>690</u>    | <u>638</u>    | <u>(52)</u>                        |
| Intergovernmental revenues:                  |                  |               |               |                                    |
| Educational Cost Sharing                     | 19,839           | 19,839        | 19,912        | 73                                 |
| Non-public school transportation             | 46               | 46            | 54            | 8                                  |
| Public school transportation                 | 181              | 181           | 179           | (2)                                |
| School building construction grants          | 335              | 335           | 342           | 7                                  |
| Vocational Agriculture                       | 175              | 175           | 166           | (9)                                |
| Children/youth services                      | 26               | 26            | 27            | 1                                  |
| Youth Service/Drug free                      | 36               | 42            | 43            | 1                                  |
| Town aid road transportation grant           | 262              | 262           | 262           | -                                  |
| Non-public health services                   | 55               | 55            | 56            | 1                                  |
| Telephone access lines                       | 90               | 90            | 84            | (6)                                |
| Pequot/Mohegan Grant                         | 143              | 143           | 157           | 14                                 |
| Telecommunications fund grant                | 75               | 75            | 159           | 84                                 |
| Municipal video grant                        | 14               | 14            | 12            | (2)                                |
| FEMA reimbursements                          |                  |               | 142           | 142                                |
| Local capital improvement grant              | 290              | 292           | 298           | 6                                  |
| In lieu of taxes:                            |                  |               |               |                                    |
| Hospital                                     | 136              | 136           | 136           |                                    |
| Tax relief for elderly                       | 290              | 290           | 305           | 15                                 |

(Continued on next page)

## TOWN OF SOUTHTON, CONNECTICUT

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

**FOR THE YEAR ENDED JUNE 30, 2012**

**(In Thousands)**

|   | <u>Budgeted Amounts</u> |               | <u>Actual</u> | <u>Variance<br/>Positive<br/>(Negative)</u> |
|---|-------------------------|---------------|---------------|---|
|   | <u>Original</u>         | <u>Final</u>  |               |   |
| Intergovernmental revenues (continued): |                         |               |               |   |
| Veterans' exemption                     | \$ 50                   | \$ 50         | \$ 53         | \$ 3  |
| State properties                        | 34                      | 34            | 34            | -   |
| Disability exemption                    | 5                       | 5             | 5             | -   |
| Boats                                   | 11                      | 11            |               | (11)  |
| Distressed municipalities               | 70                      | 70            | 60            | (10)  |
| Miscellaneous                           | 1                       | 1             | 37            | 36  |
| Traffic enforcement grant               |                         | 5             | 5             | -   |
| Municipal revenue sharing               | 600                     | 600           | 1,050         | 450   |
| Health pan flu grant                    | 25                      | 25            |               | (25)  |
| Total intergovernmental revenues        | <u>22,789</u>           | <u>22,802</u> | <u>23,578</u> | <u>776</u>                                  |
| Investment Income                       | <u>247</u>              | <u>247</u>    | <u>164</u>    | <u>(83)</u>                                 |
| Charges for services:                   |                         |               |               |   |
| Town Clerk                              | 1,100                   | 1,100         | 1,135         | 35  |
| Recreation                              | 175                     | 175           | 145           | (30)  |
| Planning and zoning                     | 45                      | 45            | 33            | (12)  |
| Fire Department services                | 6                       | 6             | 3             | (3)   |
| Engineering services                    | 4                       | 4             | 4             | -   |
| Assessors returns                       | 1                       | 1             | 1             | -   |
| School tuition and fees                 | 605                     | 605           | 529           | (76)  |
| School building rentals                 | 14                      | 225           | 225           | -   |
| Miscellaneous                           | 10                      | 35            | 47            | 12  |
| Total charges for services              | <u>1,960</u>            | <u>2,196</u>  | <u>2,122</u>  | <u>(74)</u>                                 |

(Continued on next page)

## TOWN OF SOUTHLINGTON, CONNECTICUT

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

**FOR THE YEAR ENDED JUNE 30, 2012**

**(In Thousands)**

|  | <u>Budgeted Amounts</u> |                   | <u>Actual</u> | <u>Variance<br/>Positive<br/>(Negative)</u> |
|--|-------------------------|-------------------|---------------|---|
|  | <u>Original</u>         | <u>Final</u>      |               |   |
| Other revenues:                                |                         |                   |               |   |
| Sale/lease of town property                    | \$ 2                    | \$ 2              | \$ 6          | \$ 4  |
| Loss/damage to town property                   | 1                       | 51                | 58            | 7   |
| Prior year appropriated funds returned         | 2                       | 2                 | 12            | 10  |
| Miscellaneous                                  | 15                      | 67                | 86            | 19  |
| Water department - center street reimbursement |                         | 210               | 210           | -   |
| Fund balance utilized                          | <u>375</u>              | <u>375</u>        |               | <u>(375)</u>                                |
| Total other revenues                           | <u>395</u>              | <u>707</u>        | <u>372</u>    | <u>(335)</u>                                |
| Transfers In                                   | <u>100</u>              | <u>100</u>        | <u>72</u>     | <u>(28)</u>                                 |
| Total Revenues and Other Financing Sources     | <u>\$ 125,036</u>       | <u>\$ 125,622</u> | 126,561       | <u>\$ 939</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 8,260

Proceeds from issuance of capital leases are not budgeted 713

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

\$ 135,534

## TOWN OF SOUTHLINGTON, CONNECTICUT

## GENERAL FUND

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

|                          | Budgeted Amounts |            | Actual     | Variance<br>Positive<br>(Negative) |
|--------------------------|------------------|------------|------------|------------------------------------|
|                          | Original         | Final      |            |                                    |
| General Government       |                  |            |            |                                    |
| Town Council:            |                  |            |            |                                    |
| Personnel service        | \$ 9             | \$ 10      | \$ 10      | \$ -                               |
| Contractual services     | 18               | 27         | 27         | -                                  |
| Materials and supplies   | 8                | 8          | 6          | 2                                  |
| Fixed charges            | 30               | 26         | 26         | -                                  |
| Total                    | <u>65</u>        | <u>71</u>  | <u>69</u>  | <u>2</u>                           |
| Town Manager:            |                  |            |            |                                    |
| Personnel service        | 206              | 205        | 205        | -                                  |
| Contractual services     | 49               | 49         | 21         | 28                                 |
| Materials and supplies   | 5                | 6          | 6          | -                                  |
| Fixed charges            | 7                | 5          | 5          | -                                  |
| Continued appropriations |                  | 9          | 9          | -                                  |
| Total                    | <u>267</u>       | <u>274</u> | <u>246</u> | <u>28</u>                          |
| Board of Finance:        |                  |            |            |                                    |
| Personnel service        | 4                | 4          | 4          | -                                  |
| Contractual services     | 3                | 3          | 2          | 1                                  |
| Fixed charges            | 1                | 1          | 1          | -                                  |
| Total                    | <u>8</u>         | <u>8</u>   | <u>7</u>   | <u>1</u>                           |
| Finance Department:      |                  |            |            |                                    |
| Personnel service        | 382              | 382        | 382        | -                                  |
| Materials and supplies   | 12               | 13         | 13         | -                                  |
| Fixed charges            | 1                | 1          | 1          | -                                  |
| Total                    | <u>395</u>       | <u>396</u> | <u>396</u> | <u>-</u>                           |

(Continued on next page)

## TOWN OF SOUTHLINGTON, CONNECTICUT

## GENERAL FUND

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

**FOR THE YEAR ENDED JUNE 30, 2012**

**(In Thousands)**

|                              | Budgeted Amounts |            | Actual     | Variance<br>Positive<br>(Negative) |
|------------------------------|------------------|------------|------------|------------------------------------|
|                              | Original         | Final      |            |                                    |
| Town Clerk:                  |                  |            |            |                                    |
| Personnel service            | \$ 251           | \$ 251     | \$ 251     | \$ -                               |
| Contractual services         | 38               | 37         | 37         | -                                  |
| Materials and supplies       | 9                | 10         | 10         | -                                  |
| Fixed charges                | 2                | 2          | 2          | -                                  |
| Total                        | <u>300</u>       | <u>300</u> | <u>300</u> | <u>-</u>                           |
| Tax Department:              |                  |            |            |                                    |
| Personnel service            | 244              | 247        | 246        | 1                                  |
| Contractual services         | 16               | 18         | 16         | 2                                  |
| Materials and supplies       | 46               | 45         | 45         | -                                  |
| Fixed charges                | 2                | 2          | 2          | -                                  |
| Capital outlay               | 1                | 1          |            | 1                                  |
| Total                        | <u>309</u>       | <u>313</u> | <u>309</u> | <u>4</u>                           |
| Assessor:                    |                  |            |            |                                    |
| Personnel service            | 277              | 271        | 271        | -                                  |
| Contractual services         | 122              | 116        | 108        | 8                                  |
| Materials and supplies       | 13               | 13         | 13         | -                                  |
| Fixed charges                | 4                | 3          | 3          | -                                  |
| Capital outlay               | 92               | 92         | 84         | 8                                  |
| Continued appropriations     |                  | 140        | 140        | -                                  |
| Total                        | <u>508</u>       | <u>635</u> | <u>619</u> | <u>16</u>                          |
| Board of Assessment Appeals: |                  |            |            |                                    |
| Personnel service            | 20               | 20         | 18         | 2                                  |
| Contractual services         | 1                | 1          | 1          | -                                  |
| Materials and supplies       | 1                | 1          |            | 1                                  |
| Total                        | <u>22</u>        | <u>22</u>  | <u>19</u>  | <u>3</u>                           |
| Information Technology:      |                  |            |            |                                    |
| Personnel service            | 74               | 74         | 74         | -                                  |
| Contractual services         | 169              | 169        | 169        | -                                  |
| Total                        | <u>243</u>       | <u>243</u> | <u>243</u> | <u>-</u>                           |
| Probate Court:               |                  |            |            |                                    |
| Contractual services         | 5                | 10         | 8          | 2                                  |
| Materials and supplies       | 6                | 9          | 7          | 2                                  |
| Total                        | <u>11</u>        | <u>19</u>  | <u>15</u>  | <u>4</u>                           |

(Continued on next page)

## TOWN OF SOUTHLINGTON, CONNECTICUT

## GENERAL FUND

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

FOR THE YEAR ENDED JUNE 30, 2012

(In Thousands)

|                          | Budgeted Amounts |              | Actual       | Variance<br>Positive<br>(Negative) |
|--------------------------|------------------|--------------|--------------|------------------------------------|
|                          | Original         | Final        |              |                                    |
| Town Attorney/Legal:     |                  |              |              |                                    |
| Personnel service        | \$ 189           | \$ 189       | \$ 189       | \$ -                               |
| Contractual services     | 55               | 54           | 54           | -                                  |
| Materials and supplies   | 4                | 4            | 4            | -                                  |
| Fixed charges            | 3                | 1            | 1            | -                                  |
| Total                    | <u>251</u>       | <u>248</u>   | <u>248</u>   | <u>-</u>                           |
| Elections Department:    |                  |              |              |                                    |
| Personnel service        | 105              | 100          | 93           | 7                                  |
| Contractual services     | 11               | 5            | 5            | -                                  |
| Materials and supplies   | 31               | 32           | 23           | 9                                  |
| Fixed charges            | 2                | 2            | 2            | -                                  |
| Total                    | <u>149</u>       | <u>139</u>   | <u>123</u>   | <u>16</u>                          |
| Insurance:               |                  |              |              |                                    |
| Fixed charges            | <u>1,082</u>     | <u>1,040</u> | <u>997</u>   | <u>43</u>                          |
| Annual Audit:            |                  |              |              |                                    |
| Fixed charges            | <u>35</u>        | <u>35</u>    | <u>35</u>    | <u>-</u>                           |
| Total general government | <u>3,645</u>     | <u>3,743</u> | <u>3,626</u> | <u>117</u>                         |
| Public Safety:           |                  |              |              |                                    |
| Police Department:       |                  |              |              |                                    |
| Personnel service        | 5,901            | 5,823        | 5,798        | 25                                 |
| Contractual services     | 273              | 320          | 301          | 19                                 |
| Materials and supplies   | 224              | 425          | 414          | 11                                 |
| Fixed charges            | 187              | 34           | 34           | -                                  |
| Capital outlay           | 201              | 193          | 192          | 1                                  |
| Continued appropriations |                  | 99           | 98           | 1                                  |
| Total                    | <u>6,786</u>     | <u>6,894</u> | <u>6,837</u> | <u>57</u>                          |
| Emergency Management:    |                  |              |              |                                    |
| Contractual services     | 1                | 1            |              | 1                                  |
| Materials and supplies   | 5                | 5            |              | 5                                  |
| Capital outlay           | 18               | 18           | 17           | 1                                  |
| Total                    | <u>24</u>        | <u>24</u>    | <u>17</u>    | <u>7</u>                           |

(Continued on next page)



## TOWN OF SOUTHBINGTON, CONNECTICUT

## GENERAL FUND

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

FOR THE YEAR ENDED JUNE 30, 2012

(In Thousands)

|                          | Budgeted Amounts |               | Actual        | Variance<br>Positive<br>(Negative) |
|--------------------------|------------------|---------------|---------------|------------------------------------|
|                          | Original         | Final         |               |                                    |
| Central Dispatch:        |                  |               |               |                                    |
| Personnel service        | \$ 650           | \$ 685        | \$ 678        | \$ 7                               |
| Contractual services     | 54               | 41            | 40            | 1                                  |
| Total                    | <u>704</u>       | <u>726</u>    | <u>718</u>    | <u>8</u>                           |
| Fire Department:         |                  |               |               |                                    |
| Personnel service        | 3,146            | 3,283         | 3,283         | -                                  |
| Contractual services     | 240              | 286           | 285           | 1                                  |
| Materials and supplies   | 299              | 305           | 300           | 5                                  |
| Fixed charges            | 48               | 44            | 44            | -                                  |
| Capital outlay           | 57               | 53            | 53            | -                                  |
| Continued appropriations |                  | 1             |               | 1                                  |
| Total                    | <u>3,790</u>     | <u>3,972</u>  | <u>3,965</u>  | <u>7</u>                           |
| Fire Hydrant rentals:    |                  |               |               |                                    |
| Fixed charges            | <u>414</u>       | <u>419</u>    | <u>419</u>    | <u>-</u>                           |
| Safety Program:          |                  |               |               |                                    |
| Contractual services     | 4                | 13            | 8             | 5                                  |
| Materials and supplies   | 54               | 50            | 49            | 1                                  |
| Total                    | <u>58</u>        | <u>63</u>     | <u>57</u>     | <u>6</u>                           |
| Parking Authority:       |                  |               |               |                                    |
| Personnel service        | 1                | 1             | 1             | -                                  |
| Contractual services     | 8                | 6             | 4             | 2                                  |
| Materials and supplies   | 1                | 3             | 3             | -                                  |
| Fixed charges            | 1                | 1             | 1             | -                                  |
| Continued appropriations |                  | 6             | 6             | -                                  |
| Total                    | <u>11</u>        | <u>17</u>     | <u>15</u>     | <u>2</u>                           |
| Total public safety      | <u>11,787</u>    | <u>12,115</u> | <u>12,028</u> | <u>87</u>                          |

(Continued on next page)

## TOWN OF SOUTHLINGTON, CONNECTICUT

## GENERAL FUND

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

FOR THE YEAR ENDED JUNE 30, 2012

(In Thousands)

|                                    | Budgeted Amounts |              | Actual       | Variance<br>Positive<br>(Negative) |
|------------------------------------|------------------|--------------|--------------|------------------------------------|
|                                    | Original         | Final        |              |                                    |
| Public Works:                      |                  |              |              |                                    |
| Town Hall and Annex:               |                  |              |              |                                    |
| Contractual services               | \$ 190           | \$ 216       | \$ 54        | \$ 162                             |
| Materials and supplies             | 104              | 104          | 93           | 11                                 |
| Total                              | <u>294</u>       | <u>320</u>   | <u>147</u>   | <u>173</u>                         |
| Historical Buildings:              |                  |              |              |                                    |
| Materials and supplies             | <u>6</u>         | <u>6</u>     | <u>4</u>     | <u>2</u>                           |
| Sylvia Bradley Historical Society: |                  |              |              |                                    |
| Contractual services               | 8                | 7            | 3            | 4                                  |
| Materials and supplies             | 10               | 11           | 11           | -                                  |
| Total                              | <u>18</u>        | <u>18</u>    | <u>14</u>    | <u>4</u>                           |
| Engineering Department:            |                  |              |              |                                    |
| Personnel service                  | 569              | 534          | 534          | -                                  |
| Contractual services               | 7                | 5            | 4            | 1                                  |
| Materials and supplies             | 17               | 19           | 18           | 1                                  |
| Fixed charges                      | 2                | 2            | 1            | 1                                  |
| Total                              | <u>595</u>       | <u>560</u>   | <u>557</u>   | <u>3</u>                           |
| Highway Department:                |                  |              |              |                                    |
| Personnel service                  | 1,507            | 1,468        | 1,461        | 7                                  |
| Contractual services               | 491              | 551          | 547          | 4                                  |
| Materials and supplies             | 179              | 170          | 166          | 4                                  |
| Fixed charges                      | 32               | 31           | 31           | -                                  |
| Capital outlay                     | 18               | 76           | 76           | -                                  |
| Continued appropriations           |                  | 119          | 118          | 1                                  |
| Total                              | <u>2,227</u>     | <u>2,415</u> | <u>2,399</u> | <u>16</u>                          |
| Snow and Ice Removal:              |                  |              |              |                                    |
| Personnel service                  | 115              | 85           | 85           | -                                  |
| Contractual services               | 160              | 66           | 66           | -                                  |
| Materials and supplies             | 430              | 243          | 241          | 2                                  |
| Total                              | <u>705</u>       | <u>394</u>   | <u>392</u>   | <u>2</u>                           |
| Street Lighting:                   |                  |              |              |                                    |
| Contractual services               | 100              | 122          | 103          | 19                                 |
| Materials and supplies             | 281              | 281          | 255          | 26                                 |
| Total                              | <u>381</u>       | <u>403</u>   | <u>358</u>   | <u>45</u>                          |

(Continued on next page)

## TOWN OF SOUTHLINGTON, CONNECTICUT

## GENERAL FUND

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

FOR THE YEAR ENDED JUNE 30, 2012

(In Thousands)

|                               | Budgeted Amounts |              | Actual       | Variance<br>Positive<br>(Negative) |
|-------------------------------|------------------|--------------|--------------|------------------------------------|
|                               | Original         | Final        |              |                                    |
| Tree Maintenance:             |                  |              |              |                                    |
| Contractual services          | \$ 19            | \$ 19        | \$ 19        | \$ -                               |
| Bulky Waste Transfer Station: |                  |              |              |                                    |
| Personnel service             | 78               | 98           | 94           | 4                                  |
| Contractual services          | 178              | 201          | 197          | 4                                  |
| Total                         | <u>256</u>       | <u>299</u>   | <u>291</u>   | <u>8</u>                           |
| Environmental Problems:       |                  |              |              |                                    |
| Contractual services          | 233              | 455          | 220          | 235                                |
| Continued appropriations      |                  | 53           | 24           | 29                                 |
| Total                         | <u>233</u>       | <u>508</u>   | <u>244</u>   | <u>264</u>                         |
| Total Public Works            | <u>4,734</u>     | <u>4,942</u> | <u>4,425</u> | <u>517</u>                         |
| Health and Welfare:           |                  |              |              |                                    |
| Community Services:           |                  |              |              |                                    |
| Personnel service             | 159              | 159          | 159          | -                                  |
| Contractual services          | 20               | 26           | 21           | 5                                  |
| Materials and supplies        | 24               | 21           | 20           | 1                                  |
| Fixed charges                 | 1                | 1            | 1            | -                                  |
| Continued appropriations      |                  | 29           | 24           | 5                                  |
| Total                         | <u>204</u>       | <u>236</u>   | <u>225</u>   | <u>11</u>                          |
| Health Department:            |                  |              |              |                                    |
| Contractual services          | 318              | 40           | 40           | -                                  |
| Fixed charges                 | 27               | 305          | 305          | -                                  |
| Continued appropriations      |                  | 17           | 13           | 4                                  |
| Total                         | <u>345</u>       | <u>362</u>   | <u>358</u>   | <u>4</u>                           |
| Mental Health:                |                  |              |              |                                    |
| Fixed charges                 | <u>3</u>         | <u>3</u>     | <u>3</u>     | <u>-</u>                           |
| Nonpublic School Nurses:      |                  |              |              |                                    |
| Contractual services          | <u>109</u>       | <u>109</u>   | <u>109</u>   | <u>-</u>                           |

(Continued on next page)

## TOWN OF SOUTHLINGTON, CONNECTICUT

## GENERAL FUND

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

FOR THE YEAR ENDED JUNE 30, 2012

(In Thousands)

|                                 | Budgeted Amounts |            | Actual     | Variance<br>Positive<br>(Negative) |
|---------------------------------|------------------|------------|------------|------------------------------------|
|                                 | Original         | Final      |            |                                    |
| Drug Task Force:                |                  |            |            |                                    |
| Contractual services            | \$ 1             | \$ 1       | \$ 1       | \$ -                               |
| Materials and supplies          | 2                | 2          | 2          | -                                  |
| Total                           | <u>3</u>         | <u>3</u>   | <u>3</u>   | <u>-</u>                           |
| Total Health and Welfare        | <u>664</u>       | <u>713</u> | <u>698</u> | <u>15</u>                          |
| Human Services:                 |                  |            |            |                                    |
| Youth Counseling:               |                  |            |            |                                    |
| Personnel service               | 280              | 285        | 282        | 3                                  |
| Contractual services            | 6                | 4          | 4          | -                                  |
| Materials and supplies          | 1                | 1          | 1          | -                                  |
| Fixed charges                   | 2                | 2          | 2          | -                                  |
| Capital outlay                  | 1                | 1          | 1          | -                                  |
| Total                           | <u>290</u>       | <u>293</u> | <u>290</u> | <u>3</u>                           |
| Commission on the Handicapped:  |                  |            |            |                                    |
| Contractual services            | 9                | 9          | 2          | 7                                  |
| Materials and supplies          | 1                | 1          | 1          | -                                  |
| Fixed charges                   | 1                | 1          |            | 1                                  |
| Total                           | <u>11</u>        | <u>11</u>  | <u>3</u>   | <u>8</u>                           |
| Community Assistance:           |                  |            |            |                                    |
| Contractual services            | <u>51</u>        | <u>51</u>  | <u>51</u>  | <u>-</u>                           |
| Calendar House-Senior Citizens: |                  |            |            |                                    |
| Personnel service               | 319              | 324        | 323        | 1                                  |
| Contractual services            | 88               | 79         | 76         | 3                                  |
| Materials and supplies          | 72               | 79         | 77         | 2                                  |
| Fixed charges                   | 2                | 4          | 4          | -                                  |
| Capital outlay                  | 1                | 1          | 1          | -                                  |
| Continued appropriations        |                  | 9          |            | 9                                  |
| Total                           | <u>482</u>       | <u>496</u> | <u>481</u> | <u>15</u>                          |
| Southington Housing Authority:  |                  |            |            |                                    |
| Materials and supplies          | <u>24</u>        | <u>24</u>  | <u>24</u>  | <u>-</u>                           |
| Total                           | <u>24</u>        | <u>24</u>  | <u>24</u>  | <u>-</u>                           |
| Total Human Services            | <u>858</u>       | <u>875</u> | <u>849</u> | <u>26</u>                          |

(Continued on next page)

## TOWN OF SOUTHTON, CONNECTICUT

## GENERAL FUND

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

FOR THE YEAR ENDED JUNE 30, 2012

(In Thousands)

|                            | Budgeted Amounts |              | Actual       | Variance<br>Positive<br>(Negative) |
|----------------------------|------------------|--------------|--------------|------------------------------------|
|                            | Original         | Final        |              |                                    |
| Parks and Recreation:      |                  |              |              |                                    |
| Parks Department:          |                  |              |              |                                    |
| Personnel service          | \$ 608           | \$ 573       | \$ 571       | \$ 2                               |
| Contractual services       | 177              | 166          | 154          | 12                                 |
| Materials and supplies     | 186              | 215          | 215          | -                                  |
| Continued appropriations   |                  | 19           | 4            | 15                                 |
| Capital outlay             | 7                | 7            | 7            | -                                  |
| Total                      | <u>978</u>       | <u>980</u>   | <u>951</u>   | <u>29</u>                          |
| Recreation Department:     |                  |              |              |                                    |
| Personnel service          | 314              | 302          | 300          | 2                                  |
| Contractual services       | 213              | 170          | 111          | 59                                 |
| Materials and supplies     | 23               | 23           | 17           | 6                                  |
| Fixed charges              | 13               | 13           | 12           | 1                                  |
| Total                      | <u>563</u>       | <u>508</u>   | <u>440</u>   | <u>68</u>                          |
| Community Celebrations:    |                  |              |              |                                    |
| Fixed charges              | <u>5</u>         | <u>5</u>     | <u>5</u>     | <u>-</u>                           |
| Organized Recreation:      |                  |              |              |                                    |
| Fixed charges              | <u>88</u>        | <u>88</u>    | <u>88</u>    | <u>-</u>                           |
| Total Parks and Recreation | <u>1,634</u>     | <u>1,581</u> | <u>1,484</u> | <u>97</u>                          |
| Library:                   |                  |              |              |                                    |
| Public Library:            |                  |              |              |                                    |
| Personnel service          | 933              | 933          | 932          | 1                                  |
| Contractual services       | 85               | 85           | 83           | 2                                  |
| Materials and supplies     | 230              | 232          | 224          | 8                                  |
| Fixed charges              | 2                | 2            | 2            | -                                  |
| Capital outlay             | 55               | 52           | 37           | 15                                 |
| Continued appropriations   |                  | 26           | 24           | 2                                  |
| Total                      | <u>1,305</u>     | <u>1,330</u> | <u>1,302</u> | <u>28</u>                          |
| Barnes Museum:             |                  |              |              |                                    |
| Personnel service          | 73               | 73           | 73           | -                                  |
| Contractual services       | 11               | 11           | 11           | -                                  |
| Materials and supplies     | 13               | 13           | 11           | 2                                  |
| Total                      | <u>97</u>        | <u>97</u>    | <u>95</u>    | <u>2</u>                           |
| Total Library              | <u>1,402</u>     | <u>1,427</u> | <u>1,397</u> | <u>30</u>                          |

(Continued on next page)

## TOWN OF SOUTHLINGTON, CONNECTICUT

## GENERAL FUND

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

**FOR THE YEAR ENDED JUNE 30, 2012**

**(In Thousands)**

|                                  | Budgeted Amounts |            | Actual     | Variance<br>Positive<br>(Negative) |
|----------------------------------|------------------|------------|------------|------------------------------------|
|                                  | Original         | Final      |            |                                    |
| Planning and Development:        |                  |            |            |                                    |
| Economic Development Commission: |                  |            |            |                                    |
| Personnel service                | \$ 123           | \$ 123     | \$ 123     | \$ -                               |
| Contractual services             | 15               | 13         | 6          | 7                                  |
| Materials and supplies           | 2                | 1          | 1          | -                                  |
| Fixed charges                    | 2                | 1          | 1          | -                                  |
| Total                            | <u>142</u>       | <u>138</u> | <u>131</u> | <u>7</u>                           |
| Building Department:             |                  |            |            |                                    |
| Personnel service                | 352              | 351        | 351        | -                                  |
| Contractual services             | 4                | 4          | 2          | 2                                  |
| Materials and supplies           | 11               | 11         | 11         | -                                  |
| Fixed charges                    | 5                | 4          | 4          | -                                  |
| Total                            | <u>372</u>       | <u>370</u> | <u>368</u> | <u>2</u>                           |
| Planning and Zoning:             |                  |            |            |                                    |
| Personnel service                | 302              | 306        | 305        | 1                                  |
| Contractual services             | 19               | 14         | 11         | 3                                  |
| Materials and supplies           | 9                | 7          | 7          | -                                  |
| Fixed charges                    | 20               | 20         | 20         | -                                  |
| Total                            | <u>350</u>       | <u>347</u> | <u>343</u> | <u>4</u>                           |
| Zoning Board of Appeals:         |                  |            |            |                                    |
| Personnel service                | 5                | 6          | 6          | -                                  |
| Contractual services             | 8                | 8          | 8          | -                                  |
| Materials and supplies           | 2                | 2          | 2          | -                                  |
| Fixed charges                    |                  | 1          | 1          | -                                  |
| Total                            | <u>15</u>        | <u>17</u>  | <u>17</u>  |                                    |
| Conservation Commission:         |                  |            |            |                                    |
| Personnel service                | 4                | 3          | 3          | -                                  |
| Contractual services             | 6                | 6          | 4          | 2                                  |
| Materials and supplies           | 2                | 2          | 2          | -                                  |
| Fixed charges                    | 1                | 1          |            | 1                                  |
| Continued appropriations         |                  | 6          |            | 6                                  |
| Total                            | <u>13</u>        | <u>18</u>  | <u>9</u>   | <u>9</u>                           |
| Total Planning and Development   | <u>892</u>       | <u>890</u> | <u>868</u> | <u>22</u>                          |

(Continued on next page)

## TOWN OF SOUTHLINGTON, CONNECTICUT

## GENERAL FUND

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

**FOR THE YEAR ENDED JUNE 30, 2012**

|                                 | Budgeted Amounts |              | Actual       | Variance<br>Positive<br>(Negative) |
|---------------------------------|------------------|--------------|--------------|------------------------------------|
|                                 | Original         | Final        |              |                                    |
| Miscellaneous:                  |                  |              |              |                                    |
| Land Lease:                     |                  |              |              |                                    |
| Fixed charges                   | \$ 1             | \$ 1         | \$ 1         | \$ -                               |
| Miscellaneous:                  |                  |              |              |                                    |
| Personnel service               | 286              | 271          | 267          | 4                                  |
| Nonlegal professional services: |                  |              |              |                                    |
| Contractual services            | 40               | 35           | 16           | 19                                 |
| Total Miscellaneous             | <u>327</u>       | <u>307</u>   | <u>284</u>   | <u>23</u>                          |
| Employee Benefits:              |                  |              |              |                                    |
| Medical and group insurance:    |                  |              |              |                                    |
| Fixed charges                   | <u>3,120</u>     | <u>2,985</u> | <u>2,979</u> | <u>6</u>                           |
| Heart and Hypertension:         |                  |              |              |                                    |
| Personnel service               | 1,241            | 1,085        | 1,036        | 49                                 |
| Contractual services            | <u>34</u>        | <u>24</u>    | <u>17</u>    | <u>7</u>                           |
| Total Heart and Hypertension    | <u>1,275</u>     | <u>1,109</u> | <u>1,053</u> | <u>56</u>                          |
| Employee Retirement:            |                  |              |              |                                    |
| Municipal:                      |                  |              |              |                                    |
| Fixed charges                   | 3,975            | 3,825        | 3,823        | 2                                  |
| Police:                         |                  |              |              |                                    |
| Fixed charges                   | 107              | 151          | 147          | 4                                  |
| Unemployment Compensation:      |                  |              |              |                                    |
| Fixed charges                   | <u>20</u>        | <u>20</u>    | <u>14</u>    | <u>6</u>                           |
| Total                           | <u>4,102</u>     | <u>3,996</u> | <u>3,984</u> | <u>12</u>                          |
| Accumulated Payout:             |                  |              |              |                                    |
| Fixed charges                   | <u>90</u>        | <u>211</u>   | <u>211</u>   | <u>-</u>                           |
| Tuition Reimbursement:          |                  |              |              |                                    |
| Fixed charges                   | <u>7</u>         | <u>4</u>     | <u>2</u>     | <u>2</u>                           |
| Medical Services:               |                  |              |              |                                    |
| Fixed charges                   | <u>3</u>         | <u>2</u>     | <u>2</u>     | <u>-</u>                           |
| Total Employee Benefits         | <u>8,597</u>     | <u>8,307</u> | <u>8,231</u> | <u>76</u>                          |

(Continued on next page)

## TOWN OF SOUTHLINGTON, CONNECTICUT

## GENERAL FUND

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

FOR THE YEAR ENDED JUNE 30, 2012

|                           | Budgeted Amounts  |                   | Actual         | Variance<br>Positive<br>(Negative) |
|---------------------------|-------------------|-------------------|----------------|------------------------------------|
|                           | Original          | Final             |                |                                    |
| Debt Service              |                   |                   |                |                                    |
| Debt service - principal: | \$                | \$                | \$             | \$                                 |
| Town and Sewer            | 2,872             | 2,805             | 2,798          | 7                                  |
| Schools                   | 2,940             | 2,932             | 2,932          | -                                  |
| Total                     | <u>5,812</u>      | <u>5,737</u>      | <u>5,730</u>   | <u>7</u>                           |
| Debt service - interest:  |                   |                   |                |                                    |
| Town and Sewer            | 1,099             | 1,003             | 1,000          | 3                                  |
| Schools                   | 1,116             | 1,104             | 1,104          | -                                  |
| Total                     | <u>2,215</u>      | <u>2,107</u>      | <u>2,104</u>   | <u>3</u>                           |
| Total Debt Service        | <u>8,027</u>      | <u>7,844</u>      | <u>7,834</u>   | <u>10</u>                          |
| Board of Education:       |                   |                   |                |                                    |
| School operations         | 79,615            | 79,826            | 79,822         | 4                                  |
| Contractual services      | 65                | 115               | 104            | 11                                 |
| Continued appropriations  |                   | 129               | 123            | 6                                  |
| Total Board of Education  | <u>79,680</u>     | <u>80,070</u>     | <u>80,049</u>  | <u>21</u>                          |
| Contingency               | <u>850</u>        | <u>385</u>        |                | <u>385</u>                         |
| Total expenditures        | <u>123,097</u>    | <u>123,199</u>    | <u>121,773</u> | <u>1,426</u>                       |
| Other Financing Uses:     |                   |                   |                |                                    |
| Transfers out             | <u>1,939</u>      | <u>3,385</u>      | <u>3,385</u>   | <u>-</u>                           |
| Total                     | <u>\$ 125,036</u> | <u>\$ 126,584</u> | 125,158        | <u>\$ 1,426</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

8,260

Accrued payroll is reported as expenditure for GAAP purposes

(197)

Issuance of capital leases are not budgeted

713Total Expenditures and Other Financing Uses as Reported on the Statement of  
Revenues, Expenditures and Changes in Fund Balances - Governmental Funds -  
Exhibit IV\$ 133,934



**Combining and Individual  
Fund Statements and Schedules**

**General Fund**

## **GENERAL FUND**

To account for resources traditionally associated with governments that are not required to be accounted for in another fund.

## TOWN OF SOUTHLINGTON, CONNECTICUT

## GENERAL FUND

## COMPARATIVE BALANCE SHEET

JUNE 30, 2012 AND 2011

(In Thousands)

|  | <u>2012</u>       | <u>2011</u>       |
|--|-------------------|-------------------|
| <b>ASSETS</b>  |                   |                   |
| Cash and cash equivalents  | \$ 1,722          | \$ 16,748         |
| Investments  | 14,974            |                   |
| Property taxes receivable, net of allowance for uncollectible<br>accounts of \$138 in 2012 and \$156 in 2011 | 2,270             | 2,360             |
| Due from State of Connecticut  | 1,190             | 506               |
| Accounts receivable  | 104               | 170               |
| Due from other funds   | 832               | 216               |
| Inventories  | 84                | 54                |
| Prepaid assets   |                   | 177               |
|  | <u>          </u> | <u>          </u> |
| Total Assets   | <u>\$ 21,176</u>  | <u>\$ 20,231</u>  |
| <b>LIABILITIES AND FUND BALANCE</b>  |                   |                   |
| Liabilities:   |                   |                   |
| Accounts payable and accrued liabilities   | \$ 2,153          | \$ 2,663          |
| Due to other funds   | 79                | 111               |
| Due to State of Connecticut  | 291               | 300               |
| Deferred revenue   | 1,989             | 2,093             |
| Total liabilities  | <u>4,512</u>      | <u>5,167</u>      |
| Fund balance:  |                   |                   |
| Nonspendable   | 84                | 231               |
| Assigned   | 496               | 1,347             |
| Unassigned   | 16,084            | 13,486            |
| Total fund balance   | <u>16,664</u>     | <u>15,064</u>     |
| Total Liabilities and Fund Balance   | <u>\$ 21,176</u>  | <u>\$ 20,231</u>  |

TOWN OF SOUTHTON, CONNECTICUT

GENERAL FUND

REPORT OF TAX COLLECTOR

FOR THE YEAR ENDED JUNE 30, 2012

(In Thousands)

| Grand List | Uncollected Taxes July 1, 2011 | Lawful Corrections |               | Transfers To Suspense | Adjusted Taxes Collectible | Collections      |               |                     | Amount Paid to Treasurer | Credit Balances | Uncollected Taxes June 30, 2012 |
|------------|--------------------------------|--------------------|---------------|-----------------------|----------------------------|------------------|---------------|---------------------|--------------------------|-----------------|---------------------------------|
|            |                                | Additions          | Deductions    |                       |                            | Taxes            | Interest      | Warrants Liens/Fees |                          |                 |                                 |
| 2010       | \$ 99,222                      | \$ 33              | \$ 421        | \$ 40                 | \$ 98,794                  | \$ 97,595        | \$ 253        | \$ 5                | \$ 97,853                | \$ 138          | \$ 1,337                        |
| 2009       | 1,254                          | 2                  | 29            | 24                    | 1,203                      | 733              | 159           | 4                   | 896                      | 14              | 484                             |
| 2008       | 587                            | 1                  | 15            | 11                    | 562                        | 324              | 126           | 2                   | 452                      | 4               | 242                             |
| 2007       | 363                            |                    | 11            | 2                     | 350                        | 219              | 109           | 1                   | 329                      | 1               | 132                             |
| 2006       | 113                            |                    | 10            |                       | 103                        | 31               | 18            | 1                   | 50                       |                 | 72                              |
| 2005       | 81                             |                    | 10            |                       | 71                         | 15               | 16            |                     | 31                       |                 | 56                              |
| 2004       | 39                             |                    | 6             | 1                     | 32                         | 7                | 8             |                     | 15                       |                 | 25                              |
| 2003       | 21                             |                    | 5             |                       | 16                         | 1                | 2             |                     | 3                        |                 | 15                              |
| 2002       | 15                             |                    | 5             |                       | 10                         |                  |               |                     | -                        |                 | 10                              |
| 2001       | 9                              |                    | 2             |                       | 7                          |                  |               |                     | -                        |                 | 7                               |
| 2000       | 7                              |                    |               |                       | 7                          | 2                | 3             |                     | 5                        |                 | 5                               |
| 1999       | 5                              |                    |               |                       | 5                          |                  |               |                     | -                        |                 | 5                               |
| 1998       | 6                              |                    |               |                       | 6                          |                  |               |                     | -                        |                 | 6                               |
| 1997       | 6                              |                    |               |                       | 6                          |                  |               |                     | -                        |                 | 6                               |
| 1996       | 6                              |                    |               |                       | 6                          |                  |               |                     | -                        |                 | 6                               |
| 1995       | 4                              |                    | 4 *           |                       | -                          |                  |               |                     | -                        |                 | -                               |
|            | <u>\$ 101,738</u>              | <u>\$ 36</u>       | <u>\$ 518</u> | <u>\$ 78</u>          | <u>\$ 101,178</u>          | <u>\$ 98,927</u> | <u>\$ 694</u> | <u>\$ 13</u>        | <u>\$ 99,634</u>         | <u>\$ 157</u>   | <u>\$ 2,408</u>                 |

\* Operation of law

**Nonmajor  
Governmental Funds**

## NONMAJOR GOVERNMENTAL FUNDS

### Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are designated or legally restricted to expenditures for specific purposes. The nature and purpose of each Special Revenue Fund is as follows:

| Fund                               | Funding Source                     | Function  |
|------------------------------------|------------------------------------|---|
| Cafeteria                          | Sale of food and grants            | School lunch program  |
| Animal Control                     | Licenses and fees                  | Canine control program  |
| Federal and State Education Grants | State and federal grant            | Education programs  |
| Police Auction                     | Sale of goods                      | Health insurance premiums for retired officers                                    |
| Refuse                             | Charges for services               | Refuse removal  |
| Police Special Duty                | Charges for services               | Public safety   |
| Apple Harvest Festival             | Charges for services and donations | Apple Harvest Festival  |
| Police Forfeiture                  | Drug forfeitures                   | Drug education  |
| Town Special Revenue               | Town Clerk fees                    | Maintaining public land, documents and records                                    |
| Child Development Center           | Grants                             | Maintaining the Margaret C. Griffin Child Development Center of Southington, Inc. |
| Library Trust                      | Trust income                       | Support and benefit of the Town's library   |
| Excavation Permit                  | Charges for services               | Fees for excavation permits.  |
| Community Services                 | Contributions                      | Community services  |
| Drive-In Theatre                   | Charges for services               | Improvements to the Drive-In theatre site   |
| Barnes Museum Restoration          | Contributions                      | Restoration of Barnes Museum  |
| Recreation Programs                | Charges for services               | Recreation programs   |
| Emergency Management               | State and federal grants           | Storm damage repairs and restorations   |

### 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.

Edna Woodruff Fund - to account for income and school expenditures.

Addin Lewis Fund - to account for income and education expenditures.

Julia Bradley Library Fund - proceeds of trust fund established for the benefit of the Town's library.

Board of Education Scholarship Funds - to account for income and scholarship expenditures.

Library Trust Fund - for support and benefit of the Town's library.

TOWN OF SOUTHLINGTON, CONNECTICUT

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2012  
(In Thousands)

|  | Special Revenue |                |                                    |                |               |                     |                        |                   |                      |
|--|-----------------|----------------|------------------------------------|----------------|---------------|---------------------|------------------------|-------------------|----------------------|
|  | Cafeteria       | Animal Control | Federal and State Education Grants | Police Auction | Refuse        | Police Special Duty | Apple Harvest Festival | Police Forfeiture | Town Special Revenue |
| <b>ASSETS</b>                            |                 |                |                                    |                |               |                     |                        |                   |                      |
| Cash and cash equivalents                | \$ 216          | \$ 62          | \$ 39                              | \$ 3           | \$            | \$ 3                | \$ 135                 | \$ 65             | \$ 116               |
| Investments                              |                 |                |                                    |                |               |                     |                        |                   |                      |
| Accounts receivable                      | 85              |                | 163                                |                | 274           | 280                 |                        |                   |                      |
| Due from other funds                     |                 |                |                                    |                |               |                     |                        |                   |                      |
| Inventories                              | 49              |                |                                    |                |               |                     |                        |                   |                      |
| Total Assets                             | <u>\$ 350</u>   | <u>\$ 62</u>   | <u>\$ 202</u>                      | <u>\$ 3</u>    | <u>\$ 274</u> | <u>\$ 283</u>       | <u>\$ 135</u>          | <u>\$ 65</u>      | <u>\$ 116</u>        |
| <b>LIABILITIES AND FUND BALANCES</b>     |                 |                |                                    |                |               |                     |                        |                   |                      |
| Liabilities:                             |                 |                |                                    |                |               |                     |                        |                   |                      |
| Accounts payable and accrued liabilities | \$              | \$ 20          | \$ 43                              | \$             | \$ 159        | \$ 8                | \$                     | \$                | \$ 4                 |
| Due to other funds                       |                 |                | 6                                  |                | 96            |                     |                        |                   |                      |
| Deferred revenue                         |                 |                | 91                                 |                |               |                     |                        |                   |                      |
| Other liabilities                        |                 |                |                                    |                | 17            |                     |                        |                   |                      |
| Total liabilities                        | <u>-</u>        | <u>20</u>      | <u>140</u>                         | <u>-</u>       | <u>272</u>    | <u>8</u>            | <u>-</u>               | <u>-</u>          | <u>4</u>             |
| Fund Balances:                           |                 |                |                                    |                |               |                     |                        |                   |                      |
| Nonspendable                             | 49              |                |                                    |                |               |                     |                        |                   |                      |
| Restricted                               |                 |                | 62                                 |                |               |                     |                        |                   |                      |
| Committed                                | 301             | 42             |                                    | 3              | 2             | 275                 | 135                    | 65                | 112                  |
| Total fund balance                       | <u>350</u>      | <u>42</u>      | <u>62</u>                          | <u>3</u>       | <u>2</u>      | <u>275</u>          | <u>135</u>             | <u>65</u>         | <u>112</u>           |
| Total Liabilities and Fund Balances      | <u>\$ 350</u>   | <u>\$ 62</u>   | <u>\$ 202</u>                      | <u>\$ 3</u>    | <u>\$ 274</u> | <u>\$ 283</u>       | <u>\$ 135</u>          | <u>\$ 65</u>      | <u>\$ 116</u>        |

(Continued on next page)



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

**JUNE 30, 2012**  
**(In Thousands)**

|  | <u>Special Revenue</u>                  |                          |                              |                               |                             |  |                                |                                 |                 |
|--|---|--------------------------|------------------------------|-------------------------------|-----------------------------|--|--------------------------------|---------------------------------|-----------------|
|  | <u>Child<br/>Development<br/>Center</u> | <u>Library<br/>Trust</u> | <u>Excavation<br/>Permit</u> | <u>Community<br/>Services</u> | <u>Drive In<br/>Theatre</u> | <u>Barnes<br/>Museum<br/>Restoration</u> | <u>Recreation<br/>Programs</u> | <u>Emergency<br/>Management</u> | <u>Total</u>    |
| <b>ASSETS</b>                              |   |                          |                              |                               |                             |  |                                |                                 |                 |
| Cash and cash equivalents                  | \$                                      | \$ 12                    | \$ 447                       | \$ 52                         | \$ 12                       | \$ 56                                    | \$ 56                          | \$                              | \$ 1,274        |
| Investments                                |   |                          |                              |                               |                             |  |                                |                                 | -               |
| Accounts receivable                        |   |                          |                              |                               |                             |  | 730                            |                                 | 1,532           |
| Due from other funds                       |   | 79                       |                              |                               |                             |  |                                |                                 | 79              |
| Inventories                                |   |                          |                              |                               |                             |  |                                |                                 | 49              |
| <b>Total Assets</b>                        | <b>\$ -</b>                             | <b>\$ 91</b>             | <b>\$ 447</b>                | <b>\$ 52</b>                  | <b>\$ 12</b>                | <b>\$ 56</b>                             | <b>56</b>                      | <b>730</b>                      | <b>\$ 2,934</b> |
| <b>LIABILITIES AND FUND BALANCES</b>       |   |                          |                              |                               |                             |  |                                |                                 |                 |
| <b>Liabilities:</b>                        |   |                          |                              |                               |                             |  |                                |                                 |                 |
| Accounts payable and accrued liabilities   | \$                                      | \$                       | \$                           | \$ 1                          | \$ 1                        | \$                                       |                                | \$                              | 236             |
| Due to other funds                         |   |                          |                              |                               |                             |  | 730                            |                                 | 832             |
| Deferred revenue                           |   |                          | 237                          |                               |                             |  |                                |                                 | 328             |
| Other liabilities                          |   |                          | 179                          |                               |                             |  |                                |                                 | 196             |
| <b>Total liabilities</b>                   | <b>-</b>                                | <b>-</b>                 | <b>416</b>                   | <b>1</b>                      | <b>1</b>                    | <b>-</b>                                 | <b>-</b>                       | <b>730</b>                      | <b>1,592</b>    |
| <b>Fund Balances:</b>                      |   |                          |                              |                               |                             |  |                                |                                 |                 |
| Nonspendable                               |   |                          |                              |                               |                             |  |                                |                                 | 49              |
| Restricted                                 |   | 91                       |                              |                               |                             |  |                                |                                 | 153             |
| Committed                                  |   |                          | 31                           | 51                            | 11                          | 56                                       | 56                             |                                 | 1,140           |
| <b>Total fund balance</b>                  | <b>-</b>                                | <b>91</b>                | <b>31</b>                    | <b>51</b>                     | <b>11</b>                   | <b>56</b>                                | <b>56</b>                      | <b>-</b>                        | <b>1,342</b>    |
| <b>Total Liabilities and Fund Balances</b> | <b>\$ -</b>                             | <b>\$ 91</b>             | <b>\$ 447</b>                | <b>\$ 52</b>                  | <b>\$ 12</b>                | <b>\$ 56</b>                             | <b>56</b>                      | <b>730</b>                      | <b>\$ 2,934</b> |

(Continued on next page)

TOWN OF SOUTHLINGTON, CONNECTICUT

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2012  
(In Thousands)

|  | Permanent        |                |                             |                                      |                  |       | Interfund<br>Eliminations | Total<br>Nonmajor<br>Governmental<br>Funds |
|--|------------------|----------------|-----------------------------|--------------------------------------|------------------|-------|---------------------------|--|
|  | Edna<br>Woodruff | Addin<br>Lewis | Julia<br>Bradley<br>Library | Board of<br>Education<br>Scholarship | Library<br>Trust | Total |                           |  |
| <b>ASSETS</b>                            |                  |                |                             |                                      |                  |       |                           |  |
| Cash and cash equivalents                | \$               | \$             | \$                          | \$                                   | \$               | \$    | \$                        | \$   |
| Investments                              | 2                | 2              | 1                           | 194                                  | 13               | 208   |                           | 1,482                                      |
| Accounts receivable                      |                  |                |                             | 330                                  |                  | 334   |                           | 334  |
| Due from other funds                     |                  |                |                             |                                      |                  | -     |                           | 1,532                                      |
| Inventories                              |                  |                |                             |                                      |                  | -     |                           | 79   |
|  |                  |                |                             |                                      |                  | -     |                           | 49   |
| Total Assets                             | \$               | \$             | \$                          | \$                                   | \$               | \$    | \$                        | \$   |
|  | 2                | 2              | 1                           | 524                                  | 13               | 542   | -                         | 3,476                                      |
| <b>LIABILITIES AND FUND BALANCES</b>     |                  |                |                             |                                      |                  |       |                           |  |
| Liabilities:                             |                  |                |                             |                                      |                  |       |                           |  |
| Accounts payable and accrued liabilities | \$               | \$             | \$                          | \$                                   | \$               | \$    | \$                        | \$   |
| Due to other funds                       |                  |                |                             |                                      | 2                | 2     |                           | 238  |
| Deferred revenue                         |                  |                |                             |                                      |                  | -     |                           | 832  |
| Other liabilities                        |                  |                |                             |                                      |                  | -     |                           | 328  |
| Total liabilities                        |                  |                |                             |                                      | 2                | 2     | -                         | 1,96                                       |
| Fund Balances:                           |                  |                |                             |                                      |                  |       |                           |  |
| Nonspendable                             | 2                | 2              | 1                           | 524                                  | 11               | 540   |                           | 589  |
| Restricted                               |                  |                |                             |                                      |                  | -     |                           | 153  |
| Committed                                |                  |                |                             |                                      |                  | -     |                           | 1,140                                      |
| Total fund balance                       | 2                | 2              | 1                           | 524                                  | 11               | 540   | -                         | 1,882                                      |
| Total Liabilities and Fund Balances      | \$               | \$             | \$                          | \$                                   | \$               | \$    | \$                        | \$   |
|  | 2                | 2              | 1                           | 524                                  | 13               | 542   | -                         | 3,476                                      |

TOWN OF SOUTHBINGTON, CONNECTICUT

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

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

|   | Special Revenue |                |                                    |                |              |                     |                        |                   |                      |
|---|-----------------|----------------|------------------------------------|----------------|--------------|---------------------|------------------------|-------------------|----------------------|
|   | Cafeteria       | Animal Control | Federal and State Education Grants | Police Auction | Refuse       | Police Special Duty | Apple Harvest Festival | Police Forfeiture | Town Special Revenue |
| Revenues:   |                 |                |                                    |                |              |                     |                        |                   |                      |
| Contributions                                     | \$              | \$             | \$                                 | \$             | \$           | \$                  | \$                     | \$                | \$                   |
| Intergovernmental                                 | 507             |                | 5,796                              |                |              |                     | 42                     |                   | 110                  |
| Charges for services                              | 1,307           | 8              |                                    |                | 1,842        | 921                 | 175                    | 22                | 79                   |
| Income on investments                             |                 |                |                                    |                |              |                     |                        |                   |                      |
| Total revenues                                    | <u>1,814</u>    | <u>8</u>       | <u>5,796</u>                       | <u>-</u>       | <u>1,842</u> | <u>921</u>          | <u>217</u>             | <u>22</u>         | <u>189</u>           |
| Expenditures:                                     |                 |                |                                    |                |              |                     |                        |                   |                      |
| Current:  |                 |                |                                    |                |              |                     |                        |                   |                      |
| General government                                |                 |                |                                    |                |              |                     |                        |                   | 8                    |
| Public safety                                     |                 | 185            |                                    |                |              | 850                 |                        | 16                | 4                    |
| Public works                                      |                 |                |                                    |                | 1,842        |                     | 151                    |                   | 71                   |
| Health and welfare                                |                 |                |                                    |                |              |                     |                        |                   | 17                   |
| Human services                                    |                 |                |                                    |                |              |                     |                        |                   | 80                   |
| Parks and recreation                              |                 |                |                                    |                |              |                     |                        |                   | 7                    |
| Public library                                    |                 |                |                                    |                |              |                     |                        |                   |                      |
| Education   | 1,753           |                | 5,780                              |                |              |                     |                        |                   |                      |
| Total expenditures                                | <u>1,753</u>    | <u>185</u>     | <u>5,780</u>                       | <u>-</u>       | <u>1,842</u> | <u>850</u>          | <u>151</u>             | <u>16</u>         | <u>187</u>           |
| Excess (Deficiency) of Revenues over Expenditures | <u>61</u>       | <u>(177)</u>   | <u>16</u>                          | <u>-</u>       | <u>-</u>     | <u>71</u>           | <u>66</u>              | <u>6</u>          | <u>2</u>             |
| Other Financing Sources (Uses):                   |                 |                |                                    |                |              |                     |                        |                   |                      |
| Transfers in                                      |                 | 142            |                                    |                |              |                     |                        |                   |                      |
| Transfers out                                     |                 |                |                                    |                |              | (22)                | (55)                   |                   |                      |
| Total other financing sources (uses)              | <u>-</u>        | <u>142</u>     | <u>-</u>                           | <u>-</u>       | <u>-</u>     | <u>(22)</u>         | <u>(55)</u>            | <u>-</u>          | <u>-</u>             |
| Net Change in Fund Balances                       | 61              | (35)           | 16                                 | -              | -            | 49                  | 11                     | 6                 | 2                    |
| Fund Balances at Beginning of Year                | <u>289</u>      | <u>77</u>      | <u>46</u>                          | <u>3</u>       | <u>2</u>     | <u>226</u>          | <u>124</u>             | <u>59</u>         | <u>110</u>           |
| Fund Balances at End of Year                      | <u>\$ 350</u>   | <u>\$ 42</u>   | <u>\$ 62</u>                       | <u>\$ 3</u>    | <u>\$ 2</u>  | <u>\$ 275</u>       | <u>\$ 135</u>          | <u>\$ 65</u>      | <u>\$ 112</u>        |

(Continued on next page)

TOWN OF SOUTHTON, CONNECTICUT

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

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

|  |                                      | <u>Special Revenue</u>                  |                          |                              |                               |                             |  |                                |                                 |                 |
|--|--------------------------------------|---|--------------------------|------------------------------|-------------------------------|-----------------------------|--|--------------------------------|---------------------------------|-----------------|
|  |                                      | <u>Child<br/>Development<br/>Center</u> | <u>Library<br/>Trust</u> | <u>Excavation<br/>Permit</u> | <u>Community<br/>Services</u> | <u>Drive In<br/>Theatre</u> | <u>Barnes<br/>Museum<br/>Restoration</u> | <u>Recreation<br/>Programs</u> | <u>Emergency<br/>Management</u> | <u>Total</u>    |
| Revenues:  |                                      |   |                          |                              |                               |                             |  |                                |                                 |                 |
|  | Contributions                        | \$                                      | \$                       | \$                           | \$ 51                         | \$                          | \$ 4                                     | \$                             | \$                              | \$ 97           |
|  | Intergovernmental                    | 372                                     | 8                        |                              |                               |                             |  |                                | 730                             | 7,523           |
|  | Charges for services                 |   | 14                       | 57                           |                               | 31                          |  | 56                             |                                 | 4,512           |
|  | Income on investments                |   |                          |                              |                               |                             |  |                                |                                 | -               |
|  | Total revenues                       | <u>372</u>                              | <u>22</u>                | <u>57</u>                    | <u>51</u>                     | <u>31</u>                   | <u>4</u>                                 | <u>56</u>                      | <u>730</u>                      | <u>12,132</u>   |
| Expenditures:  |                                      |   |                          |                              |                               |                             |  |                                |                                 |                 |
| Current:   |                                      |   |                          |                              |                               |                             |  |                                |                                 |                 |
|  | General government                   |   |                          |                              |                               |                             |  |                                |                                 | 8               |
|  | Public safety                        |   |                          |                              |                               |                             |  |                                | 730                             | 1,785           |
|  | Public works                         |   |                          | 54                           |                               |                             |  |                                |                                 | 2,118           |
|  | Health and welfare                   |   |                          |                              |                               |                             |  |                                |                                 | 17              |
|  | Human services                       | 372                                     |                          |                              | 44                            |                             |  |                                |                                 | 496             |
|  | Parks and recreation                 |   |                          |                              |                               | 22                          |  |                                |                                 | 29              |
|  | Public library                       |   | 37                       |                              |                               |                             | 23                                       |                                |                                 | 60              |
|  | Education                            |   |                          |                              |                               |                             |  |                                |                                 | 7,533           |
|  | Total expenditures                   | <u>372</u>                              | <u>37</u>                | <u>54</u>                    | <u>44</u>                     | <u>22</u>                   | <u>23</u>                                | <u>-</u>                       | <u>730</u>                      | <u>12,046</u>   |
| Excess (Deficiency) of Revenues<br>over Expenditures |                                      | <u>-</u>                                | <u>(15)</u>              | <u>3</u>                     | <u>7</u>                      | <u>9</u>                    | <u>(19)</u>                              | <u>56</u>                      | <u>-</u>                        | <u>86</u>       |
| Other Financing Sources (Uses):                      |                                      |   |                          |                              |                               |                             |  |                                |                                 |                 |
|  | Transfers in                         |   |                          |                              | 5                             |                             |  |                                |                                 | 147             |
|  | Transfers out                        |   |                          |                              |                               | (14)                        |  |                                |                                 | (91)            |
|  | Total other financing sources (uses) | <u>-</u>                                | <u>-</u>                 | <u>-</u>                     | <u>5</u>                      | <u>(14)</u>                 | <u>-</u>                                 | <u>-</u>                       | <u>-</u>                        | <u>56</u>       |
| Net Change in Fund Balances                          |                                      | -                                       | (15)                     | 3                            | 12                            | (5)                         | (19)                                     | 56                             | -                               | 142             |
| Fund Balances at Beginning of Year                   |                                      | -                                       | 106                      | 28                           | 39                            | 16                          | 75                                       | -                              | -                               | 1,200           |
| Fund Balances at End of Year                         |                                      | <u>\$ -</u>                             | <u>\$ 91</u>             | <u>\$ 31</u>                 | <u>\$ 51</u>                  | <u>\$ 11</u>                | <u>\$ 56</u>                             | <u>\$ 56</u>                   | <u>\$ -</u>                     | <u>\$ 1,342</u> |

(Continued on next page)

## TOWN OF SOUTHLINGTON, CONNECTICUT

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

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

|  | Permanent        |                |                             |                                      |                  |               | Interfund<br>Eliminations | Total<br>Nonmajor<br>Governmental<br>Funds |
|--|------------------|----------------|-----------------------------|--------------------------------------|------------------|---------------|---------------------------|--|
|  | Edna<br>Woodruff | Addin<br>Lewis | Julia<br>Bradley<br>Library | Board of<br>Education<br>Scholarship | Library<br>Trust | Total         |                           |  |
| Revenues:  |                  |                |                             |                                      |                  |               |                           |  |
| Contributions  | \$               | \$             | \$                          | \$ 20                                | \$ 9             | \$ 29         | \$                        | \$ 126                                     |
| Intergovernmental                                    |                  |                |                             |                                      |                  | -             |                           | 7,523                                      |
| Charges for services                                 |                  |                |                             |                                      |                  | -             |                           | 4,512                                      |
| Income on investments                                |                  |                |                             | 6                                    |                  | 6             |                           | 6  |
| Total revenues                                       | <u>-</u>         | <u>-</u>       | <u>-</u>                    | <u>26</u>                            | <u>9</u>         | <u>35</u>     | <u>-</u>                  | <u>12,167</u>                              |
| Expenditures:  |                  |                |                             |                                      |                  |               |                           |  |
| Current:   |                  |                |                             |                                      |                  |               |                           |  |
| General government                                   |                  |                |                             |                                      |                  | -             |                           | 8  |
| Public safety  |                  |                |                             |                                      |                  | -             |                           | 1,785                                      |
| Public works   |                  |                |                             |                                      |                  | -             |                           | 2,118                                      |
| Health and welfare                                   |                  |                |                             |                                      |                  | -             |                           | 17   |
| Human services                                       |                  |                |                             |                                      |                  | -             |                           | 496  |
| Parks and recreation                                 |                  |                |                             |                                      |                  | -             |                           | 29   |
| Public library                                       |                  |                |                             |                                      | 358              | 358           |                           | 418  |
| Education  |                  | 1              |                             | 62                                   |                  | 63            |                           | 7,596                                      |
| Total expenditures                                   | <u>-</u>         | <u>1</u>       | <u>-</u>                    | <u>62</u>                            | <u>358</u>       | <u>421</u>    | <u>-</u>                  | <u>12,467</u>                              |
| Excess (Deficiency) of Revenues<br>over Expenditures | <u>-</u>         | <u>(1)</u>     | <u>-</u>                    | <u>(36)</u>                          | <u>(349)</u>     | <u>(386)</u>  | <u>-</u>                  | <u>(300)</u>                               |
| Other Financing Sources (Uses):                      |                  |                |                             |                                      |                  |               |                           |  |
| Transfers in   |                  |                |                             |                                      |                  | -             | (5)                       | 142  |
| Transfers out  |                  |                |                             |                                      |                  | -             | 5                         | (86)                                       |
| Total other financing sources (uses)                 | <u>-</u>         | <u>(1)</u>     | <u>-</u>                    | <u>-</u>                             | <u>-</u>         | <u>-</u>      | <u>-</u>                  | <u>56</u>                                  |
| Net Change in Fund Balances                          | -                | (1)            | -                           | (36)                                 | (349)            | (386)         | -                         | (244)                                      |
| Fund Balances at Beginning of Year                   | <u>2</u>         | <u>3</u>       | <u>1</u>                    | <u>560</u>                           | <u>360</u>       | <u>926</u>    | <u>-</u>                  | <u>2,126</u>                               |
| Fund Balances at End of Year                         | <u>\$ 2</u>      | <u>\$ 2</u>    | <u>\$ 1</u>                 | <u>\$ 524</u>                        | <u>\$ 11</u>     | <u>\$ 540</u> | <u>\$ -</u>               | <u>\$ 1,882</u>                            |

## **Fiduciary Funds**

## **AGENCY 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, other governments, and/or other funds. Agency Funds are custodial in nature and do not involve measurement of results and operations.

**Student Activity Fund** - accounts for the monies generated by student activities in the Southington school system.

**Escrow Deposit Fund** - to account for deposits held as performance bonds.

## TOWN OF SOUTHLINGTON, CONNECTICUT

## COMBINING BALANCE SHEET - AGENCY FUNDS

JUNE 30, 2012 WITH COMPARATIVE TOTALS FOR 2011  
(In Thousands)

|                           | <u>Student<br/>Activity<br/>Fund</u> | <u>Escrow<br/>Deposit<br/>Fund</u> | <u>Totals</u>   |                 |
|---------------------------|--------------------------------------|------------------------------------|-----------------|-----------------|
|                           |                                      |                                    | <u>2012</u>     | <u>2011</u>     |
| Assets:                   |                                      |                                    |                 |                 |
| Cash and cash equivalents | \$ 374                               | \$ 2,689                           | \$ 3,063        | \$ 3,288        |
| Investments               | <u>211</u>                           |                                    | <u>211</u>      | <u>214</u>      |
| Total Assets              | <u>\$ 585</u>                        | <u>\$ 2,689</u>                    | <u>\$ 3,274</u> | <u>\$ 3,502</u> |
| Liabilities:              |                                      |                                    |                 |                 |
| Fiduciary deposits        | <u>\$ 585</u>                        | <u>\$ 2,689</u>                    | <u>\$ 3,274</u> | <u>\$ 3,502</u> |



## TOWN OF SOUTHLINGTON, CONNECTICUT

## AGENCY FUNDS

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
FOR THE YEAR ENDED JUNE 30, 2012  
(In Thousands)**

|                               | <u>Balance</u><br><u>July 1, 2011</u> | <u>Additions</u> | <u>Deductions</u> | <u>Balance</u><br><u>June 30, 2012</u> |
|-------------------------------|---------------------------------------|------------------|-------------------|--|
| <b>Student Activity Fund</b>  |                                       |                  |                   |  |
| Assets:                       |                                       |                  |                   |  |
| Cash and cash equivalents     | \$ 416                                | \$ 1,081         | \$ 1,123          | \$ 374                                 |
| Investments                   | <u>214</u>                            | <u>1</u>         | <u>4</u>          | <u>211</u>                             |
| Total Assets                  | <u>\$ 630</u>                         | <u>\$ 1,082</u>  | <u>\$ 1,127</u>   | <u>\$ 585</u>                          |
| Liabilities:                  |                                       |                  |                   |  |
| Fiduciary deposits            | <u>\$ 630</u>                         | <u>\$ 1,082</u>  | <u>\$ 1,127</u>   | <u>\$ 585</u>                          |
| <b>Escrow Deposit</b>         |                                       |                  |                   |  |
| Assets:                       |                                       |                  |                   |  |
| Cash and cash equivalents     | <u>\$ 2,872</u>                       | <u>\$ 704</u>    | <u>\$ 887</u>     | <u>\$ 2,689</u>                        |
| Liabilities:                  |                                       |                  |                   |  |
| Fiduciary deposits            | <u>\$ 2,872</u>                       | <u>\$ 704</u>    | <u>\$ 887</u>     | <u>\$ 2,689</u>                        |
| <b>Total All Agency Funds</b> |                                       |                  |                   |  |
| Assets:                       |                                       |                  |                   |  |
| Cash and cash equivalents     | \$ 3,288                              | \$ 1,785         | \$ 2,010          | \$ 3,063                               |
| Investments                   | <u>214</u>                            | <u>1</u>         | <u>4</u>          | <u>211</u>                             |
| Total Assets                  | <u>\$ 3,502</u>                       | <u>\$ 1,786</u>  | <u>\$ 2,014</u>   | <u>\$ 3,274</u>                        |
| Liabilities:                  |                                       |                  |                   |  |
| Fiduciary deposits            | <u>\$ 3,502</u>                       | <u>\$ 1,786</u>  | <u>\$ 2,014</u>   | <u>\$ 3,274</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 SOUTHLINGTON, CONNECTICUT

## NET ASSETS BY COMPONENT

## LAST TEN FISCAL YEARS

(In Thousands)

|   | FISCAL YEAR       |                   |                   |                   |                   |                   |                  |                  |                  |                  |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|------------------|------------------|------------------|------------------|
|   | 2012              | 2011              | 2010              | 2009              | 2008              | 2007              | 2006             | 2005             | 2004             | 2003             |
| Governmental Activities:                        |                   |                   |                   |                   |                   |                   |                  |                  |                  |                  |
| Invested in capital assets, net of related debt | \$ 110,992        | \$ 104,035        | \$ 99,125         | \$ 119,767        | \$ 112,125        | \$ 111,260        | \$ 63,374        | \$ 65,692        | \$ 53,356        | \$ 58,590        |
| Restricted                                      | 631               | 1,032             | 985               | 1,023             | 1,023             | 980               | 919              | 898              | 890              | 860              |
| Unrestricted                                    | 5,917             | 6,786             | 1,814             | (22,128)          | (14,999)          | (8,422)           | (3,053)          | (9,534)          | (2,779)          | (11,387)         |
| Total governmental activities net assets        | <u>117,540</u>    | <u>111,853</u>    | <u>101,924</u>    | <u>98,662</u>     | <u>98,149</u>     | <u>103,818</u>    | <u>61,240</u>    | <u>57,056</u>    | <u>51,467</u>    | <u>48,063</u>    |
| Business-type Activities:                       |                   |                   |                   |                   |                   |                   |                  |                  |                  |                  |
| Invested in capital assets, net of related debt | 46,739            | 47,450            | 47,103            | 44,662            | 33,460            | 31,564            | 30,968           | 30,277           | 29,922           | 30,622           |
| Unrestricted                                    | 1,903             | 1,585             | 789               | 483               | 1,065             | 1,648             | 2,397            | 2,641            | 2,302            | 1,953            |
| Total business-type activities net assets       | <u>48,642</u>     | <u>49,035</u>     | <u>47,892</u>     | <u>45,145</u>     | <u>34,525</u>     | <u>33,212</u>     | <u>33,365</u>    | <u>32,918</u>    | <u>32,224</u>    | <u>32,575</u>    |
| Primary Government:                             |                   |                   |                   |                   |                   |                   |                  |                  |                  |                  |
| Invested in capital assets, net of related debt | 157,731           | 151,485           | 146,228           | 164,429           | 145,585           | 142,824           | 94,342           | 95,969           | 83,278           | 89,212           |
| Restricted                                      | 631               | 1,032             | 985               | 1,023             | 1,023             | 980               | 919              | 898              | 890              | 860              |
| Unrestricted                                    | 7,820             | 8,371             | 2,603             | (21,645)          | (13,934)          | (6,774)           | (656)            | (6,893)          | (477)            | (9,434)          |
| Total Primary Government Net Assets             | <u>\$ 166,182</u> | <u>\$ 160,888</u> | <u>\$ 149,816</u> | <u>\$ 143,807</u> | <u>\$ 132,674</u> | <u>\$ 137,030</u> | <u>\$ 94,605</u> | <u>\$ 89,974</u> | <u>\$ 83,691</u> | <u>\$ 80,638</u> |

## Notes:

- (1) Schedule prepared on the accrual basis of accounting.
- (2) The Town began to report accrual information when it implemented GASB Statement No. 34 in fiscal year 2003
- (3) The Town first reported infrastructure assets acquired prior to July 1, 2002 in 2007.

## TOWN OF SOUTHTON, CONNECTICUT

## CHANGES IN NET ASSETS

LAST TEN YEARS  
(In Thousands)

|  | FISCAL YEAR     |                  |                  |                  |                 |                 |                 |                 |                 |                 |
|--|-----------------|------------------|------------------|------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
|  | 2012            | 2011             | 2010             | 2009             | 2008            | 2007            | 2006            | 2005            | 2004            | 2003            |
| Expenses:  |                 |                  |                  |                  |                 |                 |                 |                 |                 |                 |
| Governmental activities:                                     |                 |                  |                  |                  |                 |                 |                 |                 |                 |                 |
| General government   | \$ 4,942        | \$ 4,176         | \$ 4,464         | \$ 7,291         | \$ 6,627        | \$ 5,916        | \$ 5,763        | \$ 5,935        | \$ 5,462        | \$ 5,749        |
| Public safety  | 20,436          | 18,711           | 17,749           | 16,047           | 16,789          | 12,303          | 10,391          | 10,111          | 9,075           | 9,370           |
| Public works   | 11,082          | 9,402            | 9,712            | 9,836            | 10,165          | 9,388           | 8,065           | 5,501           | 6,757           | 7,559           |
| Health and welfare   | 777             | 1,047            | 940              | 1,024            | 766             | 778             | 760             | 737             | 606             | 490             |
| Human services   | 1,667           | 1,671            | 1,477            | 1,579            | 1,272           | 1,229           | 953             | 900             | 890             | 943             |
| Parks and recreation   | 1,808           | 1,903            | 1,994            | 2,218            | 1,992           | 2,124           | 1,780           | 1,823           | 1,778           | 1,535           |
| Public library   | 2,262           | 1,844            | 1,830            | 1,569            | 1,303           | 1,254           | 1,205           | 1,185           | 1,089           | 1,144           |
| Planning and development                                     | 1,210           | 1,245            | 1,131            | 785              | 925             | 828             | 917             | 764             | 636             | 730             |
| Employee fringe benefits                                     |                 |                  |                  |                  |                 | 3,217           | 2,591           | 2,131           | 1,487           | 1,827           |
| Education  | 99,324          | 94,128           | 92,209           | 89,694           | 106,877         | 81,356          | 77,447          | 71,556          | 67,754          | 64,117          |
| Interest on long-term debt                                   | 2,370           | 1,621            | 2,060            | 1,697            | 1,931           | 1,697           | 1,688           | 2,088           | 1,264           | 1,562           |
| Miscellaneous  |                 |                  |                  |                  |                 | 35              | 370             | 80              | 322             | 134             |
| Total governmental activities expenses                       | <u>145,878</u>  | <u>135,748</u>   | <u>133,566</u>   | <u>131,740</u>   | <u>148,647</u>  | <u>120,125</u>  | <u>111,930</u>  | <u>102,811</u>  | <u>97,120</u>   | <u>95,160</u>   |
| Business-type activities:                                    |                 |                  |                  |                  |                 |                 |                 |                 |                 |                 |
| Sewer  | 5,347           | 4,999            | 4,849            | 4,419            | 4,284           | 4,079           | 3,609           | 3,110           | 2,967           | 2,919           |
| Total primary government expenses                            | <u>151,225</u>  | <u>140,747</u>   | <u>138,415</u>   | <u>136,159</u>   | <u>152,931</u>  | <u>124,204</u>  | <u>115,539</u>  | <u>105,921</u>  | <u>100,087</u>  | <u>98,079</u>   |
| Program revenues:  |                 |                  |                  |                  |                 |                 |                 |                 |                 |                 |
| Governmental activities:                                     |                 |                  |                  |                  |                 |                 |                 |                 |                 |                 |
| Charges for services:  |                 |                  |                  |                  |                 |                 |                 |                 |                 |                 |
| General government   | 1,220           | 1,085            | 1,332            | 1,323            | 2,136           | 2,216           | 2,582           | 2,394           | 1,921           | 1,470           |
| Public safety  | 977             | 1,250            | 954              | 1,318            | 1,064           | 817             | 781             | 848             | 737             | 873             |
| Public works   | 3,137           | 2,442            | 2,746            | 2,894            | 2,758           | 2,745           | 2,654           | 3,386           | 2,360           | 2,206           |
| Education  | 2,060           | 1,973            | 1,963            | 1,972            | 1,962           | 1,922           | 1,750           | 1,804           | 1,712           | 1,574           |
| Other  | 1,026           | 968              | 1,061            | 1,633            | 738             | 382             | 308             | 296             | 281             | 278             |
| Operating grants and contributions                           | 36,117          | 33,906           | 33,301           | 31,260           | 51,074          | 25,327          | 24,559          | 21,531          | 20,547          | 21,024          |
| Capital grants and contributions                             | 6,031           | 6,920            | 8,329            | 10,897           | 2,042           | 7,818           | 2,806           | 524             | 2,814           | 2,880           |
| Total governmental activities program revenues               | <u>50,568</u>   | <u>48,544</u>    | <u>49,686</u>    | <u>51,297</u>    | <u>61,774</u>   | <u>41,227</u>   | <u>35,440</u>   | <u>30,783</u>   | <u>30,372</u>   | <u>30,305</u>   |
| Business-type activities:                                    |                 |                  |                  |                  |                 |                 |                 |                 |                 |                 |
| Charges for services   | 4,355           | 4,297            | 3,727            | 3,058            | 2,655           | 2,256           | 2,309           | 2,396           | 2,310           | 1,945           |
| Total business activities program revenues                   | <u>4,355</u>    | <u>4,297</u>     | <u>3,727</u>     | <u>3,058</u>     | <u>2,655</u>    | <u>2,256</u>    | <u>2,309</u>    | <u>2,396</u>    | <u>2,310</u>    | <u>1,945</u>    |
| Total primary government program revenues                    | <u>54,923</u>   | <u>52,841</u>    | <u>53,413</u>    | <u>54,355</u>    | <u>64,429</u>   | <u>43,483</u>   | <u>37,749</u>   | <u>33,179</u>   | <u>32,682</u>   | <u>32,250</u>   |
| Net (expense) revenue:                                       |                 |                  |                  |                  |                 |                 |                 |                 |                 |                 |
| Governmental activities                                      | (95,310)        | (87,204)         | (83,880)         | (80,443)         | (86,873)        | (78,898)        | (76,490)        | (72,028)        | (66,748)        | (64,855)        |
| Business-type activities                                     | (992)           | (702)            | (1,122)          | (1,361)          | (1,629)         | (1,823)         | (1,300)         | (714)           | (657)           | (974)           |
| Total primary government net expense                         | <u>(96,302)</u> | <u>(87,906)</u>  | <u>(85,002)</u>  | <u>(81,804)</u>  | <u>(88,502)</u> | <u>(80,721)</u> | <u>(77,790)</u> | <u>(72,742)</u> | <u>(67,405)</u> | <u>(65,829)</u> |
| General revenues and other changes in net assets:            |                 |                  |                  |                  |                 |                 |                 |                 |                 |                 |
| Governmental activities:                                     |                 |                  |                  |                  |                 |                 |                 |                 |                 |                 |
| Property taxes   | 99,471          | 97,004           | 92,919           | 90,440           | 85,534          | 81,197          | 79,172          | 75,351          | 67,880          | 64,884          |
| Grants and contributions not restricted to specific purposes | 1,930           | 1,755            | 2,201            | 2,128            | 1,940           | 2,077           | 1,917           | 2,811           | 1,870           | 2,551           |
| Unrestricted investment earnings                             | 195             | 219              | 278              | 369              | 1,190           | 1,446           | 1,230           | 540             | 288             | 303             |
| Miscellaneous  |                 |                  |                  |                  | 127             | 66              | 102             | 323             | 420             | 128             |
| Transfers  | (599)           | (1,845)          | (3,689)          | (11,981)         | (2,947)         | (1,670)         | (1,747)         | (1,408)         | (306)           |                 |
| Total governmental activities                                | <u>100,997</u>  | <u>97,133</u>    | <u>91,709</u>    | <u>80,956</u>    | <u>85,844</u>   | <u>83,116</u>   | <u>80,674</u>   | <u>77,617</u>   | <u>70,152</u>   | <u>67,866</u>   |
| Business-Type Activities:                                    |                 |                  |                  |                  |                 |                 |                 |                 |                 |                 |
| Transfers  | 599             | 1,845            | 3,689            | 11,981           | 2,947           | 1,670           | 1,747           | 1,408           | 306             |                 |
| Total business-type activities                               | <u>599</u>      | <u>1,845</u>     | <u>3,689</u>     | <u>11,981</u>    | <u>2,947</u>    | <u>1,670</u>    | <u>1,747</u>    | <u>1,408</u>    | <u>306</u>      | <u>0</u>        |
| Total primary government                                     | <u>101,596</u>  | <u>98,978</u>    | <u>95,398</u>    | <u>92,937</u>    | <u>88,791</u>   | <u>84,786</u>   | <u>82,421</u>   | <u>79,025</u>   | <u>70,458</u>   | <u>67,866</u>   |
| Changes in net assets:                                       |                 |                  |                  |                  |                 |                 |                 |                 |                 |                 |
| Governmental activities                                      | 5,687           | 9,929            | 7,829            | 513              | (1,029)         | 4,218           | 4,184           | 5,589           | 3,404           | 3,011           |
| Business-type activities                                     | (393)           | 1,143            | 2,567            | 10,620           | 1,318           | (153)           | 447             | 694             | (351)           | (974)           |
| Total Primary Government                                     | <u>\$ 5,294</u> | <u>\$ 11,072</u> | <u>\$ 10,396</u> | <u>\$ 11,133</u> | <u>\$ 289</u>   | <u>\$ 4,065</u> | <u>\$ 4,631</u> | <u>\$ 6,283</u> | <u>\$ 3,053</u> | <u>\$ 2,037</u> |

## Notes:

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

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

|                                    | FISCAL YEAR      |                  |                    |                   |                   |                   |                 |                   |                   |                   |
|------------------------------------|------------------|------------------|--------------------|-------------------|-------------------|-------------------|-----------------|-------------------|-------------------|-------------------|
|                                    | 2012             | 2011             | 2010               | 2009              | 2008              | 2007              | 2006            | 2005              | 2004              | 2003              |
| General Fund:                      |                  |                  |                    |                   |                   |                   |                 |                   |                   |                   |
| Nonspendable                       | \$ 84            | \$ 231           | \$                 | \$                | \$                | \$                | \$              | \$                | \$                | \$                |
| Assigned                           | 496              | 1,347            |                    |                   |                   |                   |                 |                   |                   |                   |
| Unassigned                         | 16,084           | 13,486           |                    |                   |                   |                   |                 |                   |                   |                   |
| Reserved                           |                  |                  | 54                 | 426               | 365               | 255               | 414             | 560               | 571               | 561               |
| Unreserved                         |                  |                  | 13,196             | 12,044            | 9,936             | 9,112             | 8,939           | 7,450             | 5,368             | 6,912             |
| Total General Fund                 | <u>\$ 16,664</u> | <u>\$ 15,064</u> | <u>\$ 13,250</u>   | <u>\$ 12,470</u>  | <u>\$ 10,301</u>  | <u>\$ 9,367</u>   | <u>\$ 9,353</u> | <u>\$ 8,010</u>   | <u>\$ 5,939</u>   | <u>\$ 7,473</u>   |
| All other governmental funds:      |                  |                  |                    |                   |                   |                   |                 |                   |                   |                   |
| Nonspendable                       | \$ 589           | \$ 988           | \$                 | \$                | \$                | \$                | \$              | \$                | \$                | \$                |
| Restricted                         | 1,558            | 1,562            |                    |                   |                   |                   |                 |                   |                   |                   |
| Committed                          | 2,194            | 1,909            |                    |                   |                   |                   |                 |                   |                   |                   |
| Reserved                           |                  |                  | 52                 | 44                | 59                | 54                | 51              | 38                | 40                | 34                |
| Unreserved, reported in:           |                  |                  |                    |                   |                   |                   |                 |                   |                   |                   |
| Special revenue funds              |                  |                  | 2,299              | 2,562             | 2,063             | 2,199             | 2,208           | 2,007             | 1,506             | 1,468             |
| Capital projects funds             |                  |                  | (21,118)           | (9,117)           | (5,333)           | (7,536)           | (2,409)         | (10,074)          | (3,933)           | (11,816)          |
| Permanent funds                    |                  |                  | 878                | 775               | 872               | 826               | 769             | 747               | 725               | 680               |
| Total All Other Governmental Funds | <u>\$ 4,341</u>  | <u>\$ 4,459</u>  | <u>\$ (17,889)</u> | <u>\$ (5,736)</u> | <u>\$ (2,339)</u> | <u>\$ (4,457)</u> | <u>\$ 619</u>   | <u>\$ (7,282)</u> | <u>\$ (1,662)</u> | <u>\$ (9,634)</u> |

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

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

|   | FISCAL YEAR     |                  |                |                   |                 |                   |                   |                   |                   |                   |
|---|-----------------|------------------|----------------|-------------------|-----------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|   | 2012            | 2011             | 2010           | 2009              | 2008            | 2007              | 2006              | 2005              | 2004              | 2003              |
| Revenues:   |                 |                  |                |                   |                 |                   |                   |                   |                   |                   |
| Property taxes  | \$ 99,615       | \$ 97,026        | \$ 92,650      | \$ 90,440         | \$ 85,341       | \$ 82,036         | \$ 79,246         | \$ 74,746         | \$ 68,072         | \$ 64,360         |
| Intergovernmental                                       | 43,377          | 39,277           | 41,267         | 43,615            | 55,366          | 34,901            | 29,342            | 24,784            | 25,087            | 26,734            |
| Charges for services                                    | 7,807           | 7,592            | 7,724          | 7,764             | 5,135           | 4,914             | 4,873             | 5,071             | 4,329             | 4,373             |
| Income on investments                                   | 195             | 218              | 305            | 369               | 1,173           | 1,417             | 1,182             | 466               | 250               | 260               |
| Other revenues  | 503             | 504              | 559            | 1,423             | 3,588           | 3,387             | 3,725             | 4,023             | 4,079             | 2,704             |
| <b>Total revenues</b>                                   | <b>151,497</b>  | <b>144,617</b>   | <b>142,505</b> | <b>143,611</b>    | <b>150,603</b>  | <b>126,655</b>    | <b>118,368</b>    | <b>109,090</b>    | <b>101,817</b>    | <b>98,431</b>     |
| Expenditures:   |                 |                  |                |                   |                 |                   |                   |                   |                   |                   |
| General government                                      | 3,610           | 3,265            | 3,037          | 3,018             | 6,030           | 5,641             | 5,833             | 5,405             | 5,090             | 4,666             |
| Public safety   | 12,958          | 12,687           | 12,589         | 12,398            | 12,193          | 12,055            | 10,442            | 9,784             | 9,075             | 9,061             |
| Public works  | 7,552           | 7,188            | 7,008          | 8,341             | 7,469           | 6,867             | 7,321             | 6,970             | 6,441             | 6,031             |
| Health and welfare                                      | 713             | 880              | 769            | 720               | 786             | 766               | 779               | 739               | 625               | 518               |
| Human resources   | 1,338           | 1,387            | 1,243          | 1,498             | 1,280           | 1,223             | 916               | 862               | 852               | 905               |
| Parks and recreation                                    | 1,505           | 1,423            | 1,570          | 2,071             | 1,935           | 1,946             | 1,930             | 1,724             | 1,656             | 1,524             |
| Public library  | 1,800           | 1,472            | 1,447          | 1,594             | 1,311           | 1,245             | 1,184             | 1,146             | 1,130             | 1,130             |
| Planning and development                                | 857             | 877              | 835            | 841               | 829             | 816               | 937               | 779               | 738               | 720               |
| Miscellaneous   | 284             | 29               | 77             | 147               | 56              | 35                | 370               | 80                | 322               | 134               |
| Employee fringe benefits                                | 7,931           | 8,115            | 7,584          | 6,920             | 4,007           | 3,647             | 3,057             | 2,476             | 2,056             | 1,811             |
| Education   | 95,922          | 93,163           | 89,674         | 84,567            | 103,840         | 78,249            | 74,727            | 69,592            | 66,426            | 62,201            |
| Debt service:   |                 |                  |                |                   |                 |                   |                   |                   |                   |                   |
| Principal   | 6,018           | 4,649            | 4,767          | 4,955             | 4,460           | 4,530             | 3,394             | 4,669             | 4,123             | 4,516             |
| Interest  | 2,244           | 2,352            | 1,970          | 1,126             | 1,135           | 1,075             | 1,610             | *                 | *                 | *                 |
| Capital outlay  | 7,996           | 7,041            | 21,444         | 32,083            | 11,195          | 13,622            | 8,799             | 8,413             | 10,975            | 13,440            |
| <b>Total expenditures</b>                               | <b>150,728</b>  | <b>144,528</b>   | <b>154,014</b> | <b>160,279</b>    | <b>156,526</b>  | <b>131,717</b>    | <b>121,299</b>    | <b>112,639</b>    | <b>109,509</b>    | <b>106,657</b>    |
| Excess of revenue under expenditures                    | 769             | 89               | (11,509)       | (16,668)          | (5,923)         | (5,062)           | (2,931)           | (3,549)           | (7,692)           | (8,226)           |
| Other financing sources (uses):                         |                 |                  |                |                   |                 |                   |                   |                   |                   |                   |
| Refunding bonds issued                                  |                 | 8,745            |                |                   |                 |                   |                   |                   |                   |                   |
| Premium on refunding bonds                              |                 | 887              |                |                   |                 |                   |                   |                   |                   |                   |
| Payment to refunded bond escrow agent                   |                 | (9,515)          |                |                   |                 |                   |                   |                   |                   |                   |
| Premium on general obligation bonds                     |                 | 329              |                |                   |                 |                   |                   |                   |                   |                   |
| Issuance of notes payable                               |                 | 11,068           |                |                   |                 |                   |                   |                   |                   |                   |
| Issuance of capital leases                              | 713             | 614              |                |                   |                 |                   |                   |                   |                   |                   |
| Bond proceeds   |                 | 11,945           | 136            | 15,440            | 8,975           |                   |                   |                   |                   |                   |
| Transfers in  | 3,471           | 2,895            | 2,766          | 2,912             | 3,527           | 1,947             | 2,007             | 2,240             | 2,272             | 4,008             |
| Transfers out   | (3,471)         | (2,895)          | (2,766)        | (2,912)           | (3,527)         | (1,947)           | (2,007)           | (2,240)           | (2,272)           | (4,008)           |
| <b>Total other financing sources</b>                    | <b>713</b>      | <b>24,073</b>    | <b>136</b>     | <b>15,440</b>     | <b>8,975</b>    | <b>-</b>          | <b>-</b>          | <b>-</b>          | <b>-</b>          | <b>-</b>          |
| <b>Net Change in Fund Balances</b>                      | <b>\$ 1,482</b> | <b>\$ 24,162</b> | <b>\$ 780</b>  | <b>\$ (1,228)</b> | <b>\$ 3,052</b> | <b>\$ (5,062)</b> | <b>\$ (2,931)</b> | <b>\$ (3,549)</b> | <b>\$ (7,692)</b> | <b>\$ (8,226)</b> |
| Debt Service as a Percentage of Noncapital Expenditures | 5.69%           | 5.01%            | 4.94%          | 4.78%             | 3.81%           | 4.50%             | 4.44%             | 4.54%             | 4.19%             | 4.69%             |

Notes:

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

## TOWN OF SOUTHTON, CONNECTICUT

## ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS  
(In Thousands)

| Fiscal Year | Grand List October 1, | Real Property |            |            | Personal Property | Motor Vehicle | Less Tax Exempt Property | Total Taxable Assessed Value | Total Direct Tax Rate | Estimated Actual Taxable Value | Assessed Value As a Percentage of Actual Taxable Value |
|-------------|-----------------------|---------------|------------|------------|-------------------|---------------|--------------------------|------------------------------|-----------------------|--------------------------------|--|
|             |                       | Residential   | Commercial | Industrial |                   |               |                          |                              |                       |                                |  |
| 2012        | 2010                  | \$ 3,027,300  | \$ 473,444 | \$ 110,686 | \$ 204,328        | \$ 325,954    | \$ 78,495                | \$ 4,063,217                 | 24.28                 | \$ 5,804,596                   | 70%  |
| 2011        | 2009                  | 3,001,720     | 468,372    | 109,734    | 200,816           | 312,881       | 77,368                   | 4,016,155                    | 24.02                 | 5,737,364                      | 70%  |
| 2010        | 2008                  | 2,979,855     | 458,561    | 106,722    | 195,134           | 304,191       | 79,443                   | 3,965,020                    | 23.27                 | 5,664,314                      | 70%  |
| 2009        | 2007                  | 2,955,185     | 439,931    | 105,021    | 186,024           | 319,488       | 85,934                   | 3,919,715                    | 23.02                 | 5,599,593                      | 70%  |
| 2008        | 2006                  | 2,926,675     | 427,816    | 105,528    | 178,417           | 311,761       | 78,193                   | 3,872,004                    | 21.88                 | 5,531,434                      | 70%  |
| 2007        | 2005                  | 2,904,418     | 413,986    | 107,691    | 178,306           | 305,784       | 79,568                   | 3,830,617                    | 21.40                 | 5,472,310                      | 70%  |
| 2006        | 2004                  | 1,922,535     | 283,482    | 79,330     | 170,455           | 283,889       | 78,438                   | 2,661,253                    | 29.43                 | 3,801,791                      | 70%  |
| 2005        | 2003                  | 1,887,186     | 278,006    | 78,224     | 166,670           | 264,203       | 76,627                   | 2,597,662                    | 28.43                 | 3,710,946                      | 70%  |
| 2004        | 2002                  | 1,854,117     | 290,791    | 76,772     | 170,870           | 268,291       | 72,223                   | 2,588,618                    | 26.60                 | 3,698,024                      | 70%  |
| 2003        | 2001                  | 1,808,323     | 290,017    | 76,963     | 168,833           | 259,815       | 68,163                   | 2,535,788                    | 25.30                 | 3,622,555                      | 70%  |

Source: Town of Southington Office of Tax Assessor

## Notes:

- (1) There is no overlapping taxable property.
- (2) Does not include supplemental motor vehicle taxes.



TOWN OF SOUTHTON, CONNECTICUT

PRINCIPAL PROPERTY TAX PAYERS

2012 AND 2003  
(In Thousands)

| Taxpayer   | 2012                   |      |   | 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.                            | \$ 59,229              | 1    | 1.46%   | \$ 28,306              | 2    | 1.12%   |
| RK Southington LLC (Galileo Queens Plaza LLC)            | 15,453                 | 2    | 0.38%   |                        |      |   |
| Hartconn Corporation                                     | 15,278                 | 3    | 0.38%   | 10,464                 | 4    | 0.41%   |
| Yankee Gas   | 14,581                 | 4    | 0.36%   | 7,768                  | 7    | 0.31%   |
| Execwest LLC (Lowes Home Improvement)                    | 14,103                 | 5    | 0.35%   |                        |      |   |
| 45 Newell Street (Yarde Metals)                          | 13,409                 | 6    | 0.33%   |                        |      |   |
| Lexington Southington LP (formerly Htfd Fire Insurance ) | 13,095                 | 7    | 0.32%   | 9,708                  | 6    | 0.38%   |
| Target Corporation                                       | 12,571                 | 8    | 0.31%   |                        |      |   |
| Widewaters WC5 (Home Depot)                              | 10,850                 | 9    | 0.27%   |                        |      |   |
| Southington Route 10 Associates                          | 10,820                 | 10   | 0.27%   | 9,817                  | 5    | 0.39%   |
| Medex Inc (formerly Johnson & Johnson)                   |                        |      |   | 31,574                 | 1    | 1.25%   |
| Chancellor Gardens                                       |                        |      |   | 7,707                  | 8    | 0.30%   |
| Central Connecticut Senior Care                          |                        |      |   | 7,243                  | 10   | 0.29%   |
| LXPL, L.P.   |                        |      |   | 12,904                 | 3    | 0.51%   |
| Lake Compounce/Kennywood Entertainment                   |                        |      |   | 7,301                  | 9    | 0.29%   |
| Total  | \$ <u>179,389</u>      |      | 4.41%   | \$ <u>132,792</u>      |      | 5.24%   |

Net Taxable Grand List 10/01/2010 of \$4,063,217

Net Taxable Grand List 10/01/2003 of \$2,535,788

(in thousands)

Source: Town of Southington, Office of Tax Assessor

**TOWN OF SOUTHLINGTON, CONNECTICUT**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**LAST TEN FISCAL YEARS**  
**(In Thousands)**

| Fiscal Year Ended June 30, | Grand List October 1, | Tax Rate In Mills | Taxes Levied For The Fiscal Year | Adjustments | Total Adjusted Levy | Collected Within the Fiscal Year of Levy |                    | Collections In Subsequent Years | Total Collections to Date |                             |
|----------------------------|-----------------------|-------------------|----------------------------------|-------------|---------------------|--|--------------------|---------------------------------|---------------------------|-----------------------------|
|                            |                       |                   |                                  |             |                     | Amount                                   | Percentage of Levy |                                 | Amount                    | Percentage of Adjusted Levy |
| 2012                       | 2010                  | 24.28             | \$ 98,794                        | \$          | \$ 98,794           | \$ 97,457                                | 98.65 %            | \$                              | \$ 97,457                 | 98.65 %                     |
| 2011                       | 2009                  | 24.02             | 96,374                           | 52          | 96,322              | 95,119                                   | 98.75              | 719                             | 95,838                    | 99.50                       |
| 2010                       | 2008                  | 23.27             | 92,337                           | 104         | 92,233              | 90,995                                   | 98.55              | 996                             | 91,991                    | 99.74                       |
| 2009                       | 2007                  | 23.02             | 90,298                           | 105         | 90,193              | 88,887                                   | 98.44              | 1,174                           | 90,061                    | 99.85                       |
| 2008                       | 2006                  | 21.88             | 84,776                           | 107         | 84,669              | 83,662                                   | 98.69              | 935                             | 84,597                    | 99.91                       |
| 2007                       | 2005                  | 21.40             | 81,627                           | 136         | 81,491              | 80,617                                   | 98.76              | 817                             | 81,434                    | 99.93                       |
| 2006                       | 2004                  | 29.43             | 78,877                           | 293         | 78,584              | 77,798                                   | 98.63              | 761                             | 78,559                    | 99.97                       |
| 2005                       | 2003                  | 28.43             | 74,195                           | 208         | 73,987              | 72,967                                   | 98.34              | 1,006                           | 73,973                    | 99.98                       |
| 2004                       | 2002                  | 26.60             | 68,598                           | 160         | 68,438              | 67,532                                   | 98.45              | 896                             | 68,428                    | 99.99                       |
| 2003                       | 2001                  | 25.30             | 64,187                           | 635         | 63,552              | 63,118                                   | 98.33              | 427                             | 63,545                    | 99.99                       |

73

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

## TOWN OF SOUTHTON, CONNECTICUT

## RATIOS OF OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS  
(In Thousands, except per capita)

| Fiscal Year | Governmental Activities  |                       |                |    | Total Primary Government | Percentage of Actual Taxable Value | Percentage of Personal Income | Debt Per Capita |
|-------------|--------------------------|-----------------------|----------------|----|--------------------------|------------------------------------|-------------------------------|-----------------|
|             | General Obligation Bonds | Clean Water Fund Loan | Capital Leases |    |                          |                                    |                               |                 |
| 2012        | \$ 56,410                | \$ 10,231             | \$ 1,094       | \$ | 67,735                   | 1.17 %                             | 4.41 %                        | \$ 1,571        |
| 2011        | 61,665                   | 11,068                | 614            |    | 73,347                   | 1.28                               | 4.73                          | 1,701           |
| 2010        | 55,166                   |                       |                |    | 55,166                   | 0.97                               | 3.60                          | 1,297           |
| 2009        | 59,584                   |                       | 137            |    | 59,721                   | 1.07                               | 4.35                          | 1,414           |
| 2008        | 48,596                   |                       | 271            |    | 48,867                   | 0.88                               | 3.57                          | 1,160           |
| 2007        | 43,466                   |                       | 399            |    | 43,865                   | 0.80                               | 3.19                          | 1,038           |
| 2006        | 47,362                   |                       | 524            |    | 47,886                   | 1.26                               | 3.50                          | 1,138           |
| 2005        | 38,581                   |                       |                |    | 38,581                   | 1.04                               | 2.84                          | 925             |
| 2004        | 41,259                   |                       |                |    | 41,259                   | 1.12                               | 3.07                          | 997             |
| 2003        | 29,945                   |                       |                |    | 29,945                   | 0.83                               | 2.25                          | 731             |

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

## TOWN OF SOUTHTON, CONNECTICUT

## SCHEDULE OF DEBT LIMITATION

June 30, 2012  
(In Thousands)

|  |                             |
|--|-----------------------------|
| Total tax collections (including interest and lien fees) received by Treasurer for current fiscal year | \$ 99,476                   |
| Reimbursement for loss of revenue:   |                             |
| Tax relief for elderly - freeze  | <u>                    </u> |
| Base   | <u>\$ 99,476</u>            |

|  | <u>General<br/>Purpose</u> | <u>Schools</u>    | <u>Sewers</u>     | <u>Urban<br/>Renewal</u> | <u>Pension<br/>Deficit</u> |
|--|----------------------------|-------------------|-------------------|--------------------------|----------------------------|
| Debt limitation:   |                            |                   |                   |                          |                            |
| 2-1/4 times base   | \$ 223,821                 | \$                | \$                | \$                       | \$                         |
| 4-1/2 times base   |                            | 447,642           |                   |                          |                            |
| 3-3/4 times base   |                            |                   | 373,035           |                          |                            |
| 3-1/4 times base   |                            |                   |                   | 323,297                  |                            |
| 3 times base   |                            |                   |                   |                          | 298,428                    |
| Total debt limitation  | <u>223,821</u>             | <u>447,642</u>    | <u>373,035</u>    | <u>323,297</u>           | <u>298,428</u>             |
| Indebtedness:  |                            |                   |                   |                          |                            |
| Bonds payable  | 16,470                     | 29,845            | 10,095            |                          |                            |
| Bonds authorized - unissued  | 1,805                      | 88,420            | 240               |                          |                            |
| Clean Water Fund Loan  |                            |                   | 10,231            |                          |                            |
| Grant commitments  |                            | (427)             |                   |                          |                            |
| Total indebtedness   | <u>18,275</u>              | <u>117,838</u>    | <u>20,566</u>     | <u>-</u>                 | <u>-</u>                   |
| Debt limitation in excess<br>of outstanding and<br>authorized debt | <u>\$ 205,546</u>          | <u>\$ 329,804</u> | <u>\$ 352,469</u> | <u>\$ 323,297</u>        | <u>\$ 298,428</u>          |

Note 1: In no case shall total indebtedness exceed seven times annual receipts from taxation of \$696.3 million.

Note 2: In accordance with Connecticut General Statutes, the above indebtedness does not include water bonds.

Note 3: Bonds authorized - unissued includes bond authorizations that have bond anticipation notes outstanding or have previously issued partial permanent financing. Also included is \$85 million for Kennedy Middle School and DePaolo Middle School Renovations. Southington is eligible for School Construction Grants up to a maximum of \$44.5 million.

## TOWN OF SOUTHTON, CONNECTICUT

## LEGAL DEBT MARGIN INFORMATION

## LAST TEN FISCAL YEARS

(In Thousands)

|   | FISCAL YEAR       |                   |                   |                   |                   |                   |                   |                   |                   |                   |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|   | 2012              | 2011              | 2010              | 2009              | 2008              | 2007              | 2006              | 2005              | 2004              | 2003              |
| Debt limitation   | \$ 696,332        | \$ 678,741        | \$ 649,404        | \$ 631,918        | \$ 596,100        | \$ 575,500        | \$ 555,200        | \$ 518,100        | \$ 479,100        | \$ 449,600        |
| Total net debt applicable to limit                                      | <u>156,679</u>    | <u>77,495</u>     | <u>83,766</u>     | <u>92,150</u>     | <u>81,907</u>     | <u>42,819</u>     | <u>58,707</u>     | <u>57,120</u>     | <u>54,344</u>     | <u>41,048</u>     |
| Legal Debt Margin   | <u>\$ 539,653</u> | <u>\$ 601,246</u> | <u>\$ 565,638</u> | <u>\$ 539,768</u> | <u>\$ 514,193</u> | <u>\$ 532,681</u> | <u>\$ 496,493</u> | <u>\$ 460,980</u> | <u>\$ 424,756</u> | <u>\$ 408,552</u> |
| Total Net Debt Applicable to the Limit<br>as a Percentage of Debt Limit | <u>22.50%</u>     | <u>11.42%</u>     | <u>12.90%</u>     | <u>14.58%</u>     | <u>13.74%</u>     | <u>7.44%</u>      | <u>10.57%</u>     | <u>11.02%</u>     | <u>11.34%</u>     | <u>9.13%</u>      |

Source: Comprehensive Annual Financial Report - Schedule of Debt Limitation

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

**TOWN OF SOUTHTON, CONNECTICUT**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
**LAST TEN FISCAL YEARS**

| <u>Calendar Year</u> | <u>Population (1)</u> | <u>Per Capita Income (2)</u> | <u>Personal Income (3)</u> | <u>Median Age (4)</u> | <u>Public School Enrollment (5)</u> | <u>Unemployment Rate (6)</u> |
|----------------------|-----------------------|------------------------------|----------------------------|-----------------------|-------------------------------------|------------------------------|
| 2012                 | 43,103                | \$ 35,628                    | \$ 1,535,673,684           | 40.0                  | 6,779                               | 7.10 %                       |
| 2011                 | 43,130                | 35,956                       | 1,550,782,280              | 42.0                  | 6,828                               | 7.40 %                       |
| 2010                 | 42,534                | 36,018                       | 1,531,989,612              | 42.0                  | 6,844                               | 8.00 %                       |
| 2009                 | 42,250                | 32,517                       | 1,373,843,250              | 42.0                  | 6,904                               | 7.10 %                       |
| 2008                 | 42,142                | 32,517                       | 1,370,331,414              | 42.0                  | 6,973                               | 4.70 %                       |
| 2007                 | 42,249                | 32,517                       | 1,373,810,733              | 42.0                  | 6,996                               | 4.00 %                       |
| 2006                 | 42,077                | 32,517                       | 1,368,217,809              | 41.0                  | 6,901                               | 3.60 %                       |
| 2005                 | 41,723                | 32,517                       | 1,356,706,791              | 41.0                  | 6,890                               | 4.30 %                       |
| 2004                 | 41,397                | 32,517                       | 1,346,106,249              | 39.0                  | 6,830                               | 4.60 %                       |
| 2003                 | 40,943                | 32,517                       | 1,331,343,531              | 39.0                  | 6,833                               | 5.10 %                       |

## Source:

- (1) State of Connecticut Department of Public Health as of July 1st of Prior Year.
- (2) U.S. Census Bureau, 2009-2011 American Community Survey.
- (3) Personal Income = Population times Per Capita Personal Income.
- (3) State of Connecticut, Department of Economic and Community Development, CT Town Profiles.
- (4) Connecticut Economic Resource Center (CERC), Town Profiles 2012.
- (5) Town of Southington, Board of Education.
- (6) State of Connecticut Department of Labor website Annual Averages. For 2012, June 2012 is utilized as an estimate. Next year it will be replaced with the Annual Average.

TOWN OF SOUTHLINGTON, CONNECTICUT

PRINCIPAL EMPLOYERS

2012 AND 2003

| Employer  | Nature of Business            | 2012         |      |                                     | 2003         |      |                                     |
|---|-------------------------------|--------------|------|-------------------------------------|--------------|------|-------------------------------------|
|   |                               | Employees    | Rank | Percentage of Total Town Employment | Employees    | Rank | Percentage of Total Town Employment |
| Town of Southington                               | Municipality                  | 1,214        | 1    | 4.84%                               | 1,136        | 3    | 4.89%                               |
| Yarde Metals                                      | Manufacturing                 | 400          | 2    | 1.59%                               | 550          | 4    | 2.37%                               |
| Hospital of Central CT: Bradley Memorial Hospital | Hospital                      | 382          | 3    | 1.52%                               | 400          | 5    | 1.72%                               |
| Southington Care Center                           | Health Care Practice          | 312          | 4    | 1.24%                               |              |      |                                     |
| Hartford Insurance Group                          | Insurance                     | 307 (1)      | 5    | 1.22%                               | 2,500        | 1    | 10.76%                              |
| Smith's Medical (Medex)                           | Manufacturing                 | 276          | 6    | 1.10%                               | 1,250        | 2    | 5.38%                               |
| The Home Depot                                    | Retail Chain                  | 248          | 7    | 0.99%                               | 225          | 8    | 0.97%                               |
| Wal-Mart  | Retail Chain                  | 197          | 8    | 0.79%                               |              |      |                                     |
| Stop & Shop                                       | Retail Chain                  | 179          | 9    | 0.71%                               |              |      |                                     |
| Price Chopper                                     | Retail Chain                  | 177          | 10   | 0.71%                               |              |      |                                     |
| Ethicon Endo Surgery                              | Health Care Practice          |              |      |                                     | 300          | 6    | 1.29%                               |
| Bradley Healthcare Center                         | Nursing/Rehab Health Facility |              |      |                                     | 240          | 7    | 1.03%                               |
| Les Care Kitchens                                 | Manufacturing                 |              |      |                                     | 150          | 9    | 0.65%                               |
| Economy Spring and Stamping                       | Manufacturing                 |              |      |                                     | 104          | 10   | 0.45%                               |
| <b>Total</b>                                      |                               | <b>3,692</b> |      | <b>14.71%</b>                       | <b>6,855</b> |      | <b>29.51%</b>                       |

(1) Over the last couple of years, the Hartford Insurance Group closed two of its three buildings in Southington, thus reducing its workforce in town from 2,100 to 307.

FY 2003 Labor Force 23,232  
 FY 2012 Labor Force 25,095

Source: Town of Southington, Economic Development Office  
 Connecticut Department of Labor

TOWN OF SOUTHLINGTON, CONNECTICUT

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

LAST TEN FISCAL YEARS

| Function/Program         | Fiscal Year Ended |              |              |              |              |              |              |              |              |              |
|--------------------------|-------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|                          | 2012              | 2011         | 2010         | 2009         | 2008         | 2007         | 2006         | 2005         | 2004         | 2003         |
| General government       | 53                | 58           | 58           | 57           | 57           | 55           | 52           | 50           | 49           | 49           |
| Police                   | 84                | 85           | 85           | 85           | 85           | 79           | 79           | 77           | 76           | 77           |
| Fire                     | 33                | 33           | 33           | 33           | 32           | 33           | 32           | 32           | 32           | 32           |
| Public works             | 34                | 35           | 35           | 37           | 37           | 37           | 35           | 34           | 33           | 33           |
| Parks and recreation     | 12                | 11           | 11           | 13           | 13           | 13           | 13           | 12           | 12           | 12           |
| Library and Barnes       | 20                | 20           | 20           | 19           | 19           | 18           | 18           | 18           | 18           | 18           |
| Education <sup>(1)</sup> | 955               | 939          | 931          | 904          | 907          | 890          | 871          | 858          | 856          | 855          |
| Animal Control           | 2                 | 2            | 2            | 2            | 2            | 2            | 2            | 2            | 2            | 2            |
| Sewer plant and office   | 12                | 13           | 13           | 12           | 13           | 13           | 12           | 12           | 12           | 12           |
| Total                    | <u>1,205</u>      | <u>1,196</u> | <u>1,188</u> | <u>1,162</u> | <u>1,165</u> | <u>1,140</u> | <u>1,114</u> | <u>1,095</u> | <u>1,090</u> | <u>1,090</u> |

Notes:

(1) Beginning FY 2010, Education FTEs include food service workers.

Source: Town of Southington Finance Department and Board of Education records.  
Town utilized Department of Labor reports as of June 30th.



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

| Function\Program                                      | FISCAL YEAR        |         |         |         |         |         |         |         |         |         |
|---|--------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
|   | 2012               | 2011    | 2010    | 2009    | 2008    | 2007    | 2006    | 2005    | 2004    | 2003    |
| General government:                                   |                    |         |         |         |         |         |         |         |         |         |
| Building permits issued                               | 1,424              | 1,284   | 1,210   | 1,181   | 1,311   | 1,464   | 1,541   | 1,701   | 1,594   | 1,343   |
| Police:   |                    |         |         |         |         |         |         |         |         |         |
| Physical arrests                                      | 903                | 993     | 1,000   | 971     | 1,247   | 1,265   | 967     | 1,049   | 2,462   | 1,565   |
| Parking violations                                    | 342                | 409     | 867     | 1,123   | 500     | 892     | 785     | 362     | 492     | 331     |
| Traffic violations                                    | 8,264              | 9,972   | 10,791  | 9,014   | 8,923   | 8,009   | 7,435   | 6,607   | 4,149   | 4,252   |
| Fire:   |                    |         |         |         |         |         |         |         |         |         |
| Emergency responses/Fire calls                        | 2,213              | 2,284   | 1,808   | 1,911   | 2,083   | 2,058   | 1,927   | 1,940   | 2,036   | 2,068   |
| Inspections   | 526 <sup>(1)</sup> | 2,684   | 2,592   | 2,805   | 1,775   | 2,381   | 2,313   | 2,642   | 2,170   | 2,700   |
| Refuse collection:                                    |                    |         |         |         |         |         |         |         |         |         |
| Average refuse collected (tons per day)               | 115                | 121     | 121     | 131     | 146     | 153     | 126     | 117     | 118     | 110     |
| Average recyclables collected (tons per day)          | 13                 | 14      | 13      | 11      | 10      | 8       | 11      | 11      | 12      | 11      |
| Other public works:                                   |                    |         |         |         |         |         |         |         |         |         |
| Street resurfacing (miles)                            | 3                  | 4       | 3       | 4       | 5       | 4       | 5       | 4       | 4       | 5       |
| Library:  |                    |         |         |         |         |         |         |         |         |         |
| Total volumes loaned/Combined lending                 | 753,021            | 701,854 | 708,039 | 651,120 | 572,071 | 439,685 | 321,596 | 307,911 | 276,957 | 260,399 |
| Water:  |                    |         |         |         |         |         |         |         |         |         |
| New connections                                       | 116                | 74      | 84      | 112     | 212     | 127     | 236     | 133     | 171     | 97      |
| Average daily consumption (thousands of gallons)      | 3,829              | 3,853   | 3,559   | 3,929   | 3,887   | 4,002   | 3,950   | 3,612   | 3,710   | 3,760   |
| Wastewater:   |                    |         |         |         |         |         |         |         |         |         |
| Average daily sewage treatment (thousands of gallons) | 5,080              | 4,070   | 5,000   | 5,030   | 4,690   | 4,900   | 5,200   | 4,420   | 4,700   | 4,250   |

<sup>(1)</sup> Beginning in FY 2012 Fire Department tracks inspections of property rather than inspector duties

Source: Town of Southington CAFRs, Annual Reports, and department records.

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

| Function/Program                          | FISCAL YEAR |       |       |       |       |       |       |       |       |       |
|---|-------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
|   | 2012        | 2011  | 2010  | 2009  | 2008  | 2007  | 2006  | 2005  | 2004  | 2003  |
| Police:                                   |             |       |       |       |       |       |       |       |       |       |
| Stations                                  | 1           | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     |
| Patrol units                              | 22          | 22    | 22    | 23    | 21    | 21    | 21    | 21    | 20    | 20    |
| Fire stations                             | 4           | 4     | 4     | 4     | 4     | 4     | 4     | 4     | 4     | 4     |
| Other public works:                       |             |       |       |       |       |       |       |       |       |       |
| Streets (miles)                           | 199         | 198   | 198   | 197   | 196   | 195   | 194   | 193   | 190   | 188   |
| Streetlights                              | 4,228       | 4,201 | 4,173 | 4,011 | 4,011 | 3,973 | 3,945 | 3,692 | 3,692 | 3,692 |
| Traffic signals                           | 6           | 6     | 6     | 6     | 5     | 5     | 5     | 5     | 5     | 5     |
| Parks and recreation:                     |             |       |       |       |       |       |       |       |       |       |
| Acreage                                   | 351         | 351   | 351   | 351   | 351   | 351   | 351   | 351   | 351   | 295   |
| Parks                                     | 10          | 10    | 10    | 10    | 10    | 10    | 10    | 10    | 10    | 9     |
| Swimming Pools                            | 2           | 2     | 2     | 2     | 2     | 2     | 2     | 2     | 2     | 2     |
| Tennis Courts                             | 10          | 10    | 10    | 10    | 10    | 10    | 10    | 10    | 11    | 11    |
| Water:                                    |             |       |       |       |       |       |       |       |       |       |
| Water mains (miles)                       | 199         | 196   | 196   | 195   | 193   | 190   | 190   | 190   | 190   | 189   |
| Fire hydrants                             | 1,405       | 1,384 | 1,358 | 1,345 | 1,301 | 1,268 | 1,268 | 1,260 | 1,245 | 1,225 |
| Storage capacity (thousands of gallons)   | 7,000       | 7,000 | 7,000 | 7,000 | 7,000 | 7,000 | 7,000 | 7,000 | 7,000 | 7,000 |
| Wastewater:                               |             |       |       |       |       |       |       |       |       |       |
| Storm sewers (miles)                      | 139         | 139   | 138   | 138   | 137   | 137   | 136   | 135   | 133   | 132   |
| Treatment capacity (thousands of gallons) | 7,500       | 7,500 | 7,500 | 7,500 | 7,500 | 7,500 | 7,500 | 7,500 | 7,500 | 7,500 |

Source: Town of Southington CAFRs, Annual Reports, and department records.