

**TOWN OF SOUTHLINGTON,  
CONNECTICUT**



**COMPREHENSIVE  
ANNUAL FINANCIAL REPORT  
FISCAL YEAR ENDED JUNE 30, 2009**

# **Comprehensive Annual Financial Report**

of the

## **Town of Southington Connecticut**

Fiscal Year Ended June 30, 2009

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

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

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# **Introductory Section**

**TOWN OF SOUTHLINGTON, CONNECTICUT**

**PRINCIPAL OFFICIALS**

**JUNE 30, 2009**

**Town Council**

John Barry, Chairman  
Anthony D'Angelo, Vice Chairman  
Victoria Triano  
Michael Riccio

Arthur Secondo  
William DellaVecchia  
Christopher Palmieri  
David Zoni  
Dolores Longo

**Town Manager**

John Weichsel

**Administration**

Assessor  
Town Attorney/Assistant Town Manager  
Building Inspector  
Economic Development Coordinator  
Town Engineer  
Director of Finance  
Health Director  
Fire Chief  
Librarian  
Town Planner  
Police Chief  
Park Superintendent  
Director of Recreation  
Superintendent of Highways  
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  
Anthony Tranquillo  
Emilia Portelinha  
Charles Motes  
Richard McDonough  
Susan Smayda  
Mary Savage  
John Daly  
Richard Egidio  
William Masci  
Steven Wlodkowski  
Marilyn Dorau  
Leslie Cotton  
Richard Lopatosky  
John DeGioia  
Susan Saucier  
Robert Verderame

**Board of Finance**

Mary Cocuzza, Chairperson  
Philip Pomposi, Vice Chairperson  
Glenn Klocko

John Moise  
Ronald Marut  
Robert Triano

**Board of Education**

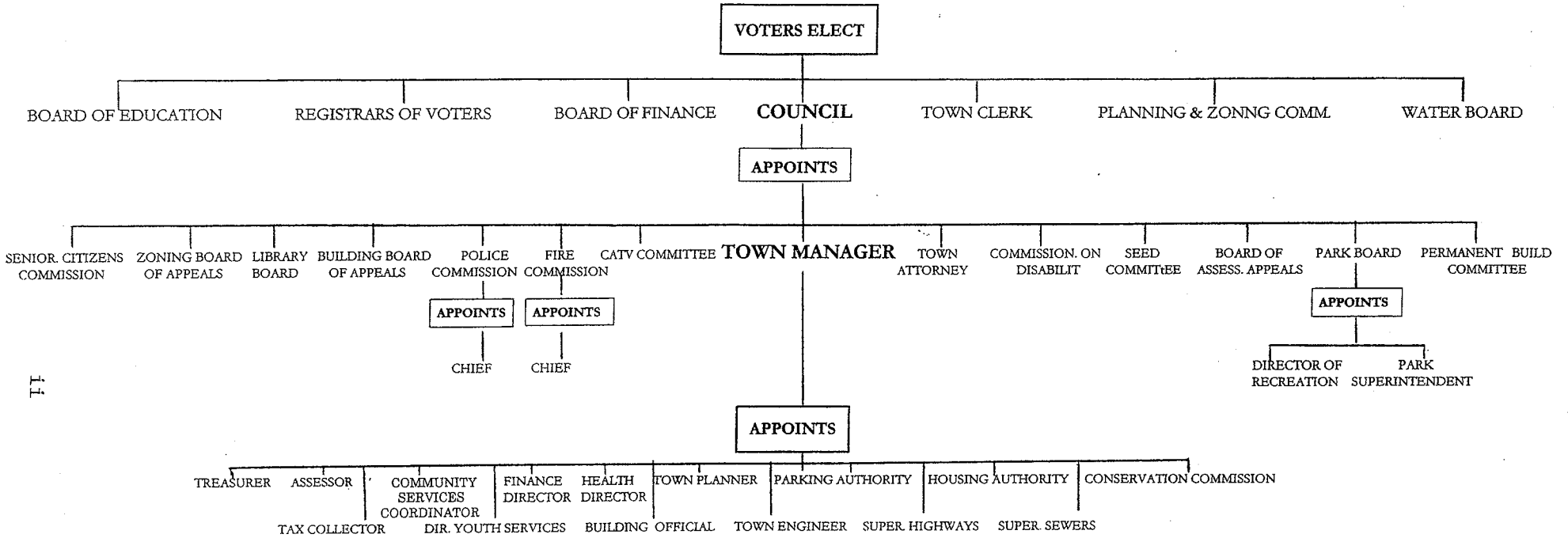
David Derynoski, Chairperson  
Patricia Johnson, Vice Chairperson  
Brian Goralski  
Leonard Marcheselle  
David Monti, Sr.

Zaya Oshana  
Kathleen Rickard  
Jerry Belanger  
Rosemarie Miacci Fisher

**Superintendent of Schools**

Dr. Joseph Erardi, Jr., Ph.D.

**TOWN OF SOUTHLINGTON**  
**GENERAL GOVERNMENT ORGANIZATION CHART**



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# 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, 2008

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.



A stylized handwritten signature in black ink, consisting of several loops and a long horizontal stroke.

President

A handwritten signature in black ink that reads "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*  
*Richard Lopatosky, Assistant Finance Director & MJS Director*

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

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

State of Connecticut statutes require that all municipal governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report (CAFR) for the Town of Southington for the fiscal year ended June 30, 2009.

This report consists of management's representations concerning the finances 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 accordance with GAAP. Because 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. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material aspects.

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, 2009, 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, 2009, 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 require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement 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**

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 42,250 located in Hartford County. Found in the geographical center of the State, Southington lies approximately 20 miles west of Hartford, the state capital and nine 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.

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, who serves an indefinite term, 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, as described below:

**Police:** The Southington Police Department has a sworn staff of 66 including a Chief, two Captains, four Lieutenants, ten Sergeants, seven Detectives and forty-two Patrol Officers. The department provides 24 hour service to the community, consisting of Patrol, Detective and Crime Prevention Services. Other specialized divisions include: Traffic Division, K-9 officer, Emergency Response Team, Motorcycle Patrol, Support Services Division, Training Division and the Bicycle Patrol.

**Fire:** Fire protection is provided by Southington's 31 career and 92 volunteer firefighters. The department, headed by the Chief, consists of a central headquarters and 3 additional companies. The department's responsibilities, other than fire fighting, include fire marshal inspections and responding to various emergencies.

**Health:** The Southington Health Department is staffed with a full-time Director of Health, three professional Sanitarians and a Secretary. The mission of the Health Department is to protect and preserve the health of the community through a number of programs of Health Promotion and Disease Prevention.

**Senior Services:** Calendar House is the Town of Southington's Senior Center and is staffed by an Executive Director, Program Coordinator, Secretary, Clerk Typist and five Bus Drivers (1 full-time and 4 part-time). The Center's purpose is to serve as a resource center, providing a broad range of services and activities which meet the diverse social, physical, and intellectual needs of older adults. The Calendar House offers Recreational and Social Services to seniors and disabled individuals.

**Youth Services:** The Youth Services Department is staffed by a Director, two Counselors, a Youth Prevention Coordinator and a Secretary. The Department offers a variety of services to youth and families including confidential Counseling, Education, Diversion and Positive Youth Development programs.

**Building:** The Building Department issues all types of building permits and is responsible for the inspection and approval of all construction in the Town in accordance with state and local building codes.

**Planning and Zoning:** The Planning and Zoning Department provides technical assistance to the Planning and Zoning Commission, Conservation Commission and Zoning Board of Appeals. The Department is staffed by a Town Planner, Assistant Town Planner, Zoning Enforcement Officer, and two Secretaries.

**Economic Development:** The Economic Development Coordinator works closely with Planning and Zoning, other Town departments and the Chamber of Commerce in promoting the Town and providing information and services to prospective businesses as well as existing established businesses.

**Engineering:** The Engineering Department designs or reviews all projects requiring engineering services. The Department is staffed by the Town Engineer, two Assistant Town Engineers, a Senior Designer, a Survey Crew Chief, two Inspectors, two Engineering Aides and a Secretary.

**Park and Recreation:** The Southington Parks and Recreation Department provides Recreational, Educational and Entertaining programs and services for residents of all ages. Southington's Park facilities encompass over 500 acres of recreational area: Recreation Park (37.6 acres), Western Park (21.2 acres), Central Park (19 acres), Panthorn Park (139.1 acres), Jaycee Park (4.2 acres), Centennial Park (1.5 acres), Memorial Park (20.5 acres), Crescent Lake (223 acres) and a hiking and biking trail (11.6 acres). Also included is the Town's most recent purchase of 40 acres from the old Southington Drive-In Theatre.

**Library and Museum:** The Southington Public Library and Museum provide the following: Children's Services including over 142 preschool story times, summer reading, after school programs; Community Services offers afternoon movies, free lectures on topics from health to finance; Adult services provide large print materials; computer service, DVD and VHS film collections; Information services include, computer classes on e-mail and applications, afternoon and evening book discussion groups. The Museum program provides tours of the museum, group visits and special events such as the Taste of Southington.

**Highway:** The Highway Department is staffed by a Highway Superintendent, Assistant Highway Superintendent, Supervisor and twenty-four Crew Members. The department is responsible for the maintenance and repair of 194 miles of roads. Other duties include Snow Plowing, Street Sweeping, Sightline Improvements and operation of the Transfer Station.

**Sewer:** The Water Pollution Control Department (WPCD) is staffed by a Superintendent, two Foremen, one Lab Chemist and five Operators. The WPCD oversees management of a sewer system that serves approximately 12,400 service connections and 242 miles of sanitary sewers. The Town is currently building a \$14.5 million Denitrification Facility.

**Water:** The Southington Water Company is an entity independent from the Town which provides water to residents and businesses. The plant was built in 1993 and an additional reservoir was purchased in 1995, ensuring a comfortable water supply for the Town's future demand. In January of 2005, the Water Department completed and moved into their new headquarters. The financial activities of the Southington Water Company are not included with the Town of Southington's financial statements presented here.

**Solid Waste:** The Town of Southington, along with twelve other municipalities, belongs to a regional trash to energy consortium called the Bristol Resource Recovery Facilities Operating Committee (BRRFOC). Businesses and residents may choose from a list of six certified haulers for refuse and recycling removal, which is then sent to the BRRFOC for processing. The businesses and residents pay their hauler directly.

**Education:** The Southington school system services grades pre-kindergarten through 12 and is governed by the local Board of Education. The nine members of the Southington Board of Education are elected for two year terms. The primary function of the Board is to establish policies regarding curriculum, budget request submissions, ensuring their funds for education as appropriated by the Town are properly expended, implementation of both State and Federal laws, and planning for facilities needed by the system, including construction and renovation. The Town has twelve schools for grades pre-kindergarten through 12: one senior high school, two middle schools, and nine elementary schools. Enrollment in grades pre-kindergarten through 12 as of October 1, 2008 was 6,904. The rated capacity of the system facilities is 8,850.

The annual budget serves as the foundation for the Town of Southington's financial planning and control. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget as presented by the Town Manager and the Board of Education and approved by the Board of Finance and the Town Council. All Town departments are required to submit budget requests for appropriation to the Town Manager by January 15<sup>th</sup> for the upcoming budget fiscal year of July 1 through June 30. The Town Manager is required to submit his recommended budget to the Board of Finance by February 25<sup>th</sup>. The Board of Finance, after holding required public hearings on the proposed budget, is required to submit their recommended budget to the Town Council by the third Monday in April. The Town Council, after its public hearing on the proposed budget, is required to adopt the budget by the second Monday in May. The Board of Finance is required to set the tax rate, based upon the Town Council adopted budget, by the third Monday in May.

Activities of the General Fund are included in the annual appropriated budget. Except for Board of Education expenditures, the budget is legally enacted at the object level, which serves as a management tool. Encumbrances outstanding at year-end are not recorded as budgetary expenditures. The Town Council approves these items as continued appropriations in the following year's budget. Total approved continued appropriations are reported as a reservation of fund balance at June 30. Management cannot amend the budget. Supplemental appropriations and transfers within the same and between different departments must be approved by the Board of Finance and, if \$500 or over, the Town Council. Appropriations exceeding \$1,000,000 shall not become effective until approved by a majority of those qualified to vote at a public referendum. Budget to actual comparisons are provided in this report for the General Fund, which has an appropriated annual budget.

#### **FACTORS AFFECTING FINANCIAL CONDITION**

The information presented in the financial statements is perhaps best understood when it is considered from the broader 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, 2007 Net Taxable Grand list of \$3.920 billion is an increase of \$47.7 million or 1.2% over the previous year.

The Town of Southington, through its aggressive economic development efforts, has a diverse industrial and commercial tax base. The top ten taxpayers account for only 4.00% of the total taxable Grand List and include a medical device manufacturer, five real estate agencies, two public utilities, an assisted living center and an insurance company. The overall goals of the economic development efforts are to retain existing businesses and attract new ones, especially small manufacturers, which is a growing segment of the regional and national business market. The Town utilizes its Enterprise Zone for this purpose. This Enterprise Zone comprises approximately 2,000 acres, one of the largest in New England. Companies may qualify for local tax abatements and state tax credits for job creation within the Enterprise Zone. Several new incentives have been added including a Brownfield Tax Abatement Program to assist with Brownfield redevelopment, a Tax Partnership Program and a Manufacturing Benefits Program with the intent of providing assistance to manufacturers outside of the Enterprise Zone.

This past year has seen the nation as a whole slip into a recession. As a result, the national unemployment rate has increased to a twenty-five year high of 9.5%. The Town's unemployment rate of 7.0% as of June 2009 continues to be below the Hartford County's of 8.1% and the State of Connecticut's 8.0%.

**Long-term financial planning:** The Town views infrastructure maintenance and improvements as vital to future economic growth and assisting financial planning by assessing needs and developing a capital improvement plan to spread the improvements over a period of years to soften the tax mill rate effect.

The Town Council approved the Town's Capital Improvement Plan which includes various infrastructure projects and major equipment totaling \$84.8 million for the six-year period beginning with fiscal year 2009-10 and ending with fiscal year 2014-15.

**Relevant Financial Policies:** The Town has adopted the following key financial policies:

Fund Balance Policy - 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. As of June 30, 2009, Southington has achieved an 8.7% Undesignated 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. The Town utilized \$495 thousand to balance the fiscal year 2009-2010 budget.

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, 2009 total direct indebtedness is 1.00%.
- b. Total Direct Service shall be below 8% of general fund expenditures. As of June 30, 2009 total debt service as a percentage of general fund expenditures is 5.24%.
- 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 June 2009, the Town structured the debt so that 41.1% of total debt would be retired in 5 years and 70.4% 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. The Town increased the contingency account for fiscal year 2009-2010 budget to \$800 thousand.

Investment Policy: The Town invests its idle cash seeking to maintain safety and liquidity and still provide for the optimum yield on 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 and investment pools containing U.S. Government securities during the fiscal year ended June 30, 2009. The Town earned interest rates between 0.40% and 2.62% on its investments. Approximately \$407 thousand of investment income was generated for the General Fund, which translates to a .10 mill rate contribution.

The Town will look to update its investment policy and implement additional financial policies in the near-term.

**Risk management:** The Town of Southington is self-insured for employee health insurance coverage, under an Administrative Services Only contract with Anthem Blue Cross/Blue Shield of Connecticut. The Town and Board of Education contribute budgeted funds and employees contribute co-payments, through payroll deduction, to cover medical claims processed by Anthem. A Self Insurance Committee recommends the funding level, monitors claim activity and evaluates alternative coverage and health plans.

The Town of Southington is a member of the Connecticut Interlocal Risk Management Agency (CIRMA), a risk sharing pool created by a Special Act of the Connecticut General Assembly. The Town of Southington has its workers' compensation insurance with CIRMA.

The Town selects an insurance carrier for general liability, automobile and equipment liability, physical damage, professional liability and umbrella coverage by seeking proposals from qualified firms. The Town currently utilizes a premium based method for these insurance needs.

#### **AWARDS AND ACKNOWLEDGEMENTS**

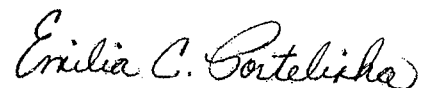
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Southington for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2008. This was the eighteenth 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 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.

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 those 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**

# BlumShapiro

Accounting | Tax | Business Consulting

## Independent Auditors' Report

To the Board of Finance  
Town of Southington  
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, 2009 which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Southington, Connecticut, as of June 30, 2009 and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Blum, Shapiro & Company, P.C.

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Management's discussion and analysis on pages 3 through 12 and budgetary comparison information on pages 44 through 48 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on them.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2009 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

December 29, 2009

**TOWN OF SOUTHLINGTON, CONNECTICUT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2009**

This discussion and analysis of the Town of Southington, Connecticut's (the Town) financial performance is provided by management to provide an overview of the Town's financial activities for the fiscal year ended June 30, 2009. Please read this MD&A in conjunction with the transmittal letter and the Town's financial statements, Exhibits I to IX.

**FINANCIAL HIGHLIGHTS**

- On a government-wide basis, the Town's net assets increased as a result of this year's operations. Net assets of our business-type activities increased by \$10.6 million or 30.8%, and net assets of our governmental activities increased by \$513 thousand or .5%.
- On a government-wide basis, during the year, the Town had expenses and transfers out that were \$513 thousand less than the \$144.2 million generated in tax and other revenues for governmental programs.
- In the Town's business-type activities, revenues increased \$403 thousand (or 15.2%) while expenses increased by 3.2%.
- On a government-wide basis, the total cost of all of the Town's programs was \$136.2 million with no new programs added this year.
- The General Fund reported a fund balance this year of \$12.5 million.
- The Town sold \$15.440 million in general obligation (GO) bonds at a phenomenal 3.39% TIC (True Interest Cost) and received a double notch upgrade by Standard & Poor's Rating Agency from a 'AA -' rating to a 'AA+' rating.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

**Government-Wide Financial Statements**

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

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

In the statement of net assets and the statement of activities, we divide the Town into two types of activities as follows:

- *Governmental Activities* - Most of the Town's basic services are reported here, including education, public safety, public works, health and welfare, human resources, parks and recreation, public library, planning and development, and general administration. Property taxes, charges for services, and state and federal grants finance most of these activities.
- *Business-Type Activities* - The Town charges a fee to customers to help it cover all or most of the cost of certain services it provides. The Town's Sewer Enterprise Fund is reported here.

### **Fund Financial Statements**

The fund financial statements begin with Exhibit III and provide detailed information about the most significant funds - not the Town as a whole. Some funds are required to be established by Charter. However, the Town Council establishes many other funds to help control and manage financial activities for particular purposes (like the Police Special Duty Fund) or to show that it is meeting legal responsibilities for using grants and other money (like grants received by the Federal and State Educational Grants Fund). The Town's funds are divided into three categories: governmental, proprietary and fiduciary.

- *Governmental Funds (Exhibits III and IV)* - Most of the Town's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Town's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. The relationship (or differences) between governmental activities (reported in the statement of net assets and the statement of activities) and governmental funds is described in a reconciliation at the bottom of the fund financial statements.
- *Proprietary Funds (Exhibits V, VI and VII)* - When the Town charges customers for the services it provides, whether to outside customers or to other units of the Town, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the statement of net assets and the statement of activities. In fact the Town's enterprise funds (a component of proprietary funds) are the same as the business-type activities reported in the government-wide statements, but provide more detail and additional information, such as cash flows, for proprietary funds. Internal service funds (the other component of proprietary funds) are used to report activities that provide supplies and services for the Town's other programs and activities - such as the Town's Medical Claims Fund.
- *Fiduciary Funds (Exhibits VIII and IX)* - The Town accounts for resources held for the benefit of parties outside the government in fiduciary funds. All of the Town's fiduciary activities are reported in separate statements of fiduciary net assets and changes in fiduciary net assets. These funds are not reflected in the government-wide financial statements because the Town cannot use these assets to finance its operations. The Town is responsible for ensuring that the assets reported in these funds are used for their intended purposes. The Town had one pension trust fund (which was closed during fiscal 2009) and currently has two agency funds

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

The Town’s combined net assets increased from \$132.7 million to \$143.8 million. The analysis below focuses on the net assets (Table 1) and changes in net assets (Table 2) of the Town’s governmental and business-type activities.

**TABLE 1  
NET ASSETS  
In Thousands**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
Current and other assets	\$ 33,848	\$ 21,683	\$ 1,059	\$ 1,388	\$ 34,907	\$ 23,071
Capital assets, net of accumulated depreciation	164,912	149,259	44,662	33,460	209,574	182,719
Total assets	<u>198,760</u>	<u>170,942</u>	<u>45,721</u>	<u>34,848</u>	<u>244,481</u>	<u>205,790</u>
Long-term debt outstanding	78,257	65,099			78,257	65,099
Other liabilities	21,841	7,694	576	323	22,417	8,017
Total liabilities	<u>100,098</u>	<u>72,793</u>	<u>576</u>	<u>323</u>	<u>100,674</u>	<u>73,116</u>
Net Assets:						
Invested in capital assets, net of debt	119,767	112,125	44,662	33,460	164,429	145,585
Restricted	1,023	1,023			1,023	1,023
Unrestricted (deficit)	<u>(22,128)</u>	<u>(14,999)</u>	<u>483</u>	<u>1,065</u>	<u>(21,645)</u>	<u>(13,934)</u>
Total Net Assets	<u>\$ 98,662</u>	<u>\$ 98,149</u>	<u>\$ 45,145</u>	<u>\$ 34,525</u>	<u>\$ 143,807</u>	<u>\$ 132,674</u>

Net assets of the Town’s governmental activities increased by 0.5% (\$98.7 million compared to \$98.1 million). Unrestricted net assets - the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements - changed from a deficit of \$15.0 million at June 30, 2008 to a deficit of \$22.1 million at the end of this year. This change in unrestricted governmental net assets is mostly because (1) the Town has not yet financed approximately \$9.1 million in capital projects; and (2) Sewer fund assets are purchased through the Capital Projects Fund (governmental activity), and transferred to the Sewer fund (business-type activity), but the debt stays with the governmental activity funds.

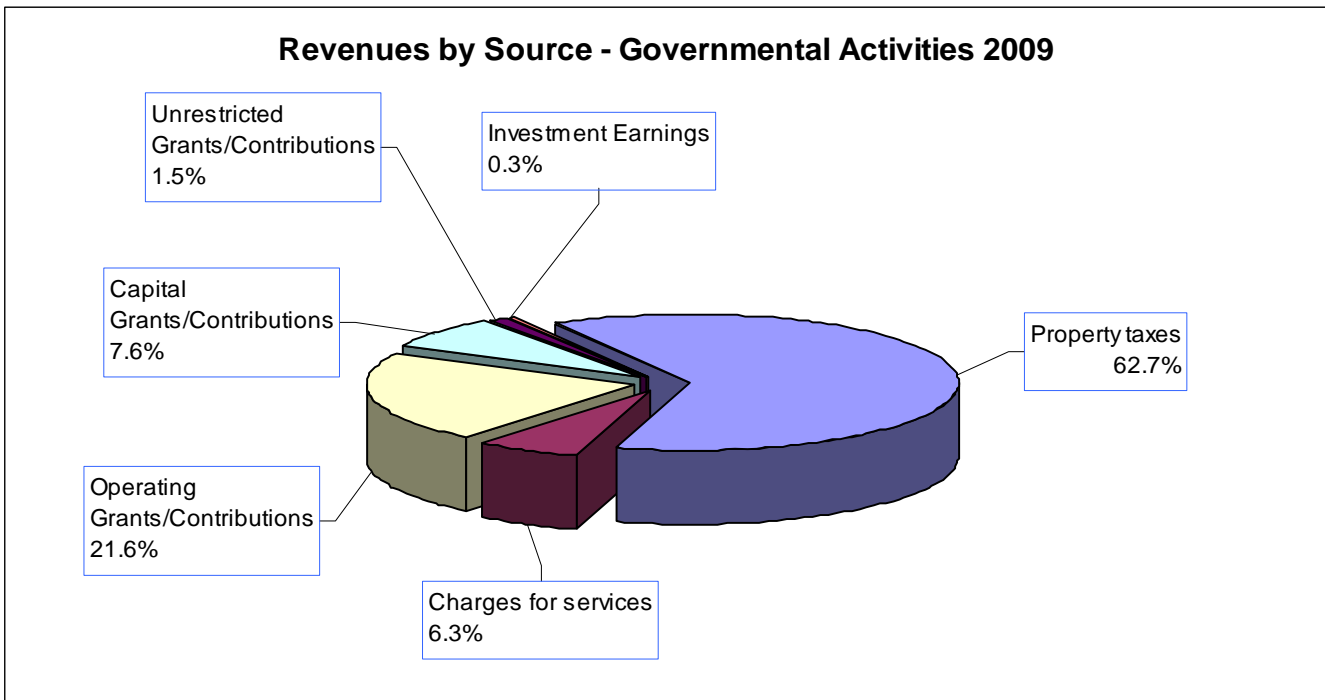
The net assets of business-type activities increased by 30.8% percent (\$45.1 million in 2009 compared to \$34.5 million in 2008). This change in unrestricted business-type net assets resulted primarily from an increase of \$9.0 million in transfers of capital assets purchased by the governmental activity funds (Capital Projects Fund).

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

	<b>Governmental</b>		<b>Business-Type</b>		<b>Totals</b>	
	<b>Activities</b>		<b>Activities</b>			
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
Revenues:						
Program revenues:						
Charges for services	\$ 9,140	\$ 8,658	\$ 3,058	\$ 2,655	\$ 12,198	\$ 11,313
Operating grants and contributions	31,260	51,074			31,260	51,074
Capital grants and contributions	10,897	2,042			10,897	2,042
General revenues:						
Property taxes	90,440	85,534			90,440	85,534
Grants and contributions not restricted to specific purposes	2,128	1,940			2,128	1,940
Unrestricted investment earnings	369	1,190			369	1,190
Other general revenue		127			-	127
Total revenues	<u>144,234</u>	<u>150,565</u>	<u>3,058</u>	<u>2,655</u>	<u>147,292</u>	<u>153,220</u>
Program expenses:						
General government	7,291	6,627			7,291	6,627
Public safety	16,047	16,789			16,047	16,789
Public works	9,836	10,165			9,836	10,165
Health and welfare	1,024	766			1,024	766
Human services	1,579	1,272			1,579	1,272
Parks and recreation	2,218	1,992			2,218	1,992
Public library	1,569	1,303			1,569	1,303
Planning and development	785	925			785	925
Education	89,694	106,877			89,694	106,877
Interest on long-term debt	1,697	1,931			1,697	1,931
Sewer			4,419	4,284	4,419	4,284
Total program expenses	<u>131,740</u>	<u>148,647</u>	<u>4,419</u>	<u>4,284</u>	<u>136,159</u>	<u>152,931</u>
Excess (deficiency) before transfers	12,494	1,918	(1,361)	(1,629)	11,133	289
Transfers	<u>(11,981)</u>	<u>(2,942)</u>	<u>11,981</u>	<u>2,942</u>	<u>-</u>	<u>-</u>
Increase in Net Assets	<u>\$ 513</u>	<u>\$ (1,024)</u>	<u>\$ 10,620</u>	<u>\$ 1,313</u>	<u>\$ 11,133</u>	<u>\$ 289</u>

The Town's total revenues were \$147.3 million. The total cost of all programs and services was \$136.2 million. Our analysis below separately considers the operations of governmental and business-type activities.

## Revenues by Source - Governmental Activities 2009



### Governmental Activities

Approximately 62.7% of the revenues were derived from property taxes, followed by 21.6% from operating grants and contributions, 7.6% from capital grants and contributions, 6.3% from charges for services, 1.5% from unrestricted grants and contributions, and 0.3% from investment earnings.

Major revenue factors included:

- Capital Grants and Contributions increased by \$8.9 from \$2.0 million in fiscal year 2008 to \$10.9 million in fiscal year 2009. This increase is due to the grants received from the State for the Plantsville Elementary School Renovation, the New South End Elementary School, and the Denitrification Facility.
- Property tax revenue increased by \$4.9 million or 5.7% over last year. The increase is attributable to a 1.2% increase in the grand list (\$47.7 million) and an increase in the mill rate from 21.88 to 23.02 or 5.2%.

Approximately 68.1% of the Town's expenses related to education. Public safety accounted 12.2%, public works accounted for 7.5%, and general government accounted for 5.5% of expenses. The remaining 6.7% related to health and welfare, human services, parks & recreation, public library, planning and development, and interest on long term debt.

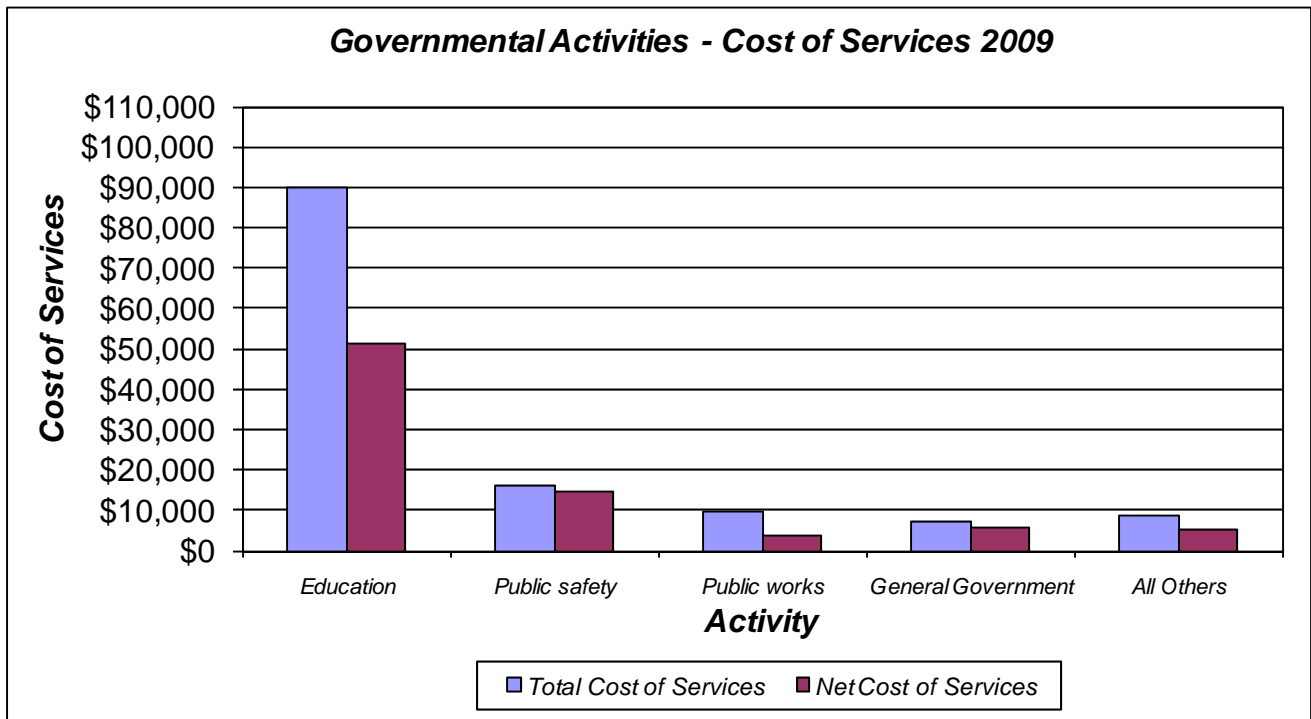
Total program expenses decreased by \$16.9 million or 11.4% over last year. Education expenses decreased 16.1%, interest on long term debt decreased 12.1%, and town operating expenses increased 1.3%.

- Education expenses and operating grants decreased significantly due to the fiscal year 2008 (last year) one time increase of \$23.0 million in the on-behalf payments made by the State of Connecticut for the teacher's retirement board. Factoring out these payments, Education expenses increased \$4.5 million or 5.7% over fiscal year 2008 due to higher operating costs, higher health care costs, and higher special education costs.
- Interest on long-term debt decreased due to the pay down of debt through the end of the fiscal year. The sale of \$15.44 million in general obligation bonds on June 1, 2009 will increase the debt service payments starting with fiscal year 2010.

Table 3 presents the cost of each of the Town's four largest programs - as well as each program's net cost (total cost less revenues generated by the activities). The net cost shows the financial burden that was placed on the Town's taxpayers by each of these functions.

**TABLE 3  
GOVERNMENTAL ACTIVITIES  
In Thousands**

	Total Cost of Services		Net Cost of Services	
	2009	2008	2009	2008
Education	\$ 89,694	\$ 106,877	\$ 51,312	\$ 54,909
Public safety	16,047	16,789	14,590	15,450
Public works	9,836	10,165	3,610	6,305
General government	7,291	6,627	5,552	4,437
All others	8,872	8,189	5,379	5,772
Totals	\$ 131,740	\$ 148,647	\$ 80,443	\$ 86,873



**Business-type Activities**

Revenues of the Town's business-type activities (see Table 2) increased by 15.2% (\$3.1 million in 2009 compared to \$2.7 million in 2008) and expenses increased by 3.2%. The rapidly increasing State mandated nitrogen credit purchases as well as some lesser increases in utilities, and maintenance required that the Town increase Sewer rates for fiscal year 2009. Although the nitrogen credit purchases will cease with the completion of the Denitrification Plant in September, the Town will need to budget the higher maintenance costs for the new Denitrification Plant.

## **TOWN FUNDS FINANCIAL ANALYSIS**

### **Governmental Funds**

As the Town completed the year, its governmental funds (as presented in the balance sheet – Exhibit III) reported a combined fund balance of \$6.7 million which is a decrease of \$1.3 million from last year's total of \$8.0 million. This decrease is due to the \$9.1 deficit in the Capital Projects fund which represents projects with bond authorizations yet to be financed. The Town issued \$15.44 million in bonds on June 2009 and plans another bond sale for spring of 2011, thereby eliminating the current deficit. The remainder of the change in fund balance is due to the General Fund total fund balance increase of \$2.2 million from \$10.3 as of June 30, 2008 to \$12.5 million as of June 30, 2009.

Approximately 7.0% or \$470 thousand of this \$6.7 million combined fund balance is reserved 1) for encumbrances \$387 thousand, or 2) for inventories \$83 thousand.

Total governmental fund expenditures exceeded the total revenues by \$16.7 million due to the \$21.7 million deficit (of revenues over expenditures) in the Capital Projects fund. The capital fund projects have authorized bond ordinances or authorizations to issue long-term debt, and the Town issues bonds as the money is expended or as necessary. Although this deficit was partially reduced by the \$15.44 million bond sale of June 2009, the total governmental fund balance still decreased by \$1.2 million to \$6.7 million as of June 30, 2009.

### **General Fund**

The general fund is the primary operating fund of the Town. As of June 30, 2009 unreserved, undesignated fund balance of the General Fund increased by \$1.4 million to \$10.8 million while total fund balance increased \$2.2 million to \$12.5 million. Key factors in this increase are as follows:

- Intergovernmental grants came in \$202 thousand higher than the amended projections.
- Property taxes, interest and liens fees came in \$129 thousand higher than originally projected.
- The Board of Education had cost savings of \$791 thousand by implementing several initiatives including a hiring freeze, energy conservation programs, and freezing supply accounts (later designated for Board of Education fiscal year 2010 operations).
- The Police Department realized savings of \$491, from their amended budget in personnel and contractual services. There was additional money in the personnel because the Police Union did not have a contract for fiscal year 2009, several officers were out on Workers Compensation, and job openings were not filled immediately.
- The Town saved \$286 thousand in the Payroll Taxes and MERF account due to a reduction in overtime and a smaller increase in employer MERF contributions than originally projected.
- The Heart & Hypertension budget came in \$166 lower than the amended budget because stipulations were not settled as anticipated this fiscal year.
- Medical & Group Insurance costs were \$131 thousand less than the amended budget due to an increase in the premium share paid by employees.
- The Town Council adopted a cost containment policy which precipitated department heads to reduce costs and delay non-urgent expenditures.

### **Proprietary Funds**

The Town's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net assets of the Town's proprietary funds totaled (\$207) thousand at year-end, a decrease of \$938 thousand.

The Sewer Enterprise Fund's unrestricted net assets decreased by \$582 thousand due to an increase in the cost of the State mandated Nitrogen Credit Purchases (12% increase over last year), as well some lesser increases in utilities, and maintenance. In fiscal year 2009, the Town attempted to offset some of the increase by implementing a 20% increase in sewer usage rates.



The Internal Service Fund’s unrestricted net assets decreased by \$356 thousand because Medical Claims and Administrative expenses came in \$364 thousand higher than revenues.

**General Fund Budgetary Highlights**

The Town’s adopted General Fund budget for 2008-09 was \$117.828 million (\$117.028 million for expenditures plus \$800 thousand for contingency appropriations). In addition to the \$798 thousand which was appropriated from the Contingency Fund, the Town appropriated \$356 million to the Expenditure Budget with corresponding Revenue Budget increases for a total amended budget of \$118.184 million. The following lists the key changes to the budget during the year.

- \$303 thousand was appropriated for the amounts of Fund Balance Reserved for Encumbrances at the end of fiscal year 2008.
- \$148 thousand was appropriated to various accounts due to grants received during the fiscal year. The major projects were: \$74 thousand FEMA grant to the Fire Department for a Fire Safety House and Hazard House Model; \$50 to Calendar House accounts for the Calendar Transportation Grant; and \$24 thousand in smaller appropriations.
- \$134 thousand was appropriated to the Board of Education Operations for Special Education outside tuitions and Rent Revenues received.
- \$208 thousand was appropriated from Contingency for legal fees; of which \$135 thousand went to the OSL Environmental Attorneys and \$73 thousand went to the Board of Education.
- \$188 thousand was appropriated from Contingency for the following Capital Projects: \$110 thousand for the West Street Bridge Engineering; \$63 thousand for the Mount Vernon Road Reconstruction project for land and right of ways; and \$15 thousand for additional Pondview Drive Pump Station Engineering costs.
- \$263 thousand was appropriated from Contingency to Snow & Ice for contracted services, program supplies and overtime due to the occurrence of 10 major storms and 7 smaller storms requiring 61 days of winter cleanup.
- \$86 thousand was appropriated to the Fire Department Regular Wages to pay increases in salaries after the settlement of the Fire Union contract.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

At June 30, 2009, the Town had \$209.5 million invested in a broad range of capital assets, including land, buildings, vehicles and equipment, and sewer lines - Table 4. This amount represents a net increase (including additions and deductions) of \$26.9 million or 14.7%, over last year.

**TABLE 4  
CAPITAL ASSETS AT YEAR-END (Net of Depreciation)  
In Millions**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Totals</b>	
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
Land	\$ 17.9	\$ 17.6	\$	\$	\$ 17.9	\$ 17.6
Buildings and systems	47.7	50.1	44.2	33.0	91.9	83.1
Equipment	6.0	6.0	0.4	0.4	6.4	6.4
Infrastructure	43.3	41.8			43.3	41.8
Construction in progress	50.0	33.7			50.0	33.7
<b>Totals</b>	<b>\$ 164.9</b>	<b>\$ 149.2</b>	<b>\$ 44.6</b>	<b>\$ 33.4</b>	<b>\$ 209.5</b>	<b>\$ 182.6</b>

This year's major additions included:

Governmental:

- Construction in progress for Plantsville Elementary of \$9.3 million.
- Construction in progress for South End Elementary of \$6.3 million.

Business Type:

- Construction of DeNitrification Facility for \$11.0 million.

The Town's fiscal year 2009-2010 Capital Budget calls for it to spend another \$1.9 million for capital projects principally for road resurfacing and maintenance, contingency for the Denitrification facility, and various other smaller projects.

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

**Long-Term Debt**

At June 30, 2009 the Town had \$61.5 million in bonds outstanding versus \$51.0 million last year - an increase of \$10.5 million or 20.6% - as shown in Table 5.

**TABLE 5  
OUTSTANDING DEBT, AT YEAR-END  
In Thousands**

	<b>Governmental</b>		<b>Business-Type</b>		<b>Totals</b>	
	<b>Activities</b>		<b>Activities</b>			
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
General obligation bonds:						
Town	\$ 59,584	\$ 48,597	\$ -	\$ -	\$ 59,584	\$ 48,597
Southington Water Company	<u>1,907</u>	<u>2,409</u>	<u>-</u>	<u>-</u>	<u>1,907</u>	<u>2,409</u>
<b>Total</b>	<b><u>\$ 61,491</u></b>	<b><u>\$ 51,006</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 61,491</u></b>	<b><u>\$ 51,006</u></b>

The Town issued \$15.44 million of new general obligation bonds on June 1, 2009. The general obligation bonds were used to finance public improvements including Sewers, School Improvements and Town Infrastructure. Due to the current low interest rate environment, the Town has the opportunity to Refund the General Obligation bond issues of 1996 and 2001 (approximately \$11 million) and realize significant savings.

In May 2009, Standard and Poor's Rating Services raised its underlying rating on the Southington's general obligation (GO) debt two notches to "AA+" from "AA-" due to the Town's improved financial position, good management practices and low debt burden. Moody's Investors Service continues to rate the Town as a firm "A1" credit rating, which has been maintained since the early 1970s.

State statutes limit the amount of general obligation debt a governmental entity may issue to seven times total tax collections including interest and lien fees. The current debt limitation for the Town is \$631.9 million. The Town has only issued 14.6% of total debt limitation.

Other obligations include capital leases, accrued 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, 2009 was 7.0%, a dramatic increase of 2.3% from a year ago. Although Southington's unemployment has increased considerably, it still compares favorably to the 8.0% for the State of Connecticut and the 9.5% for the national unemployment rate (the highest in 25 years). The increasing unemployment rates are a major concern in this recessionary environment. Unfortunately, it is anticipated that the employment situation will continue to deteriorate into 2010.

Elected and appointed officials considered these factors, among others, when setting the fiscal year 2009-2010 General Fund budget and tax rates.

As previously stated, the General Fund unreserved fund balance increased from \$9.9 million at June 30, 2008 to \$12.0 million at June 30, 2009. Of this \$12.0 million General Fund unreserved fund balance, \$495 thousand was designated for the 2009-2010 budget and \$791 thousand was designated for Board of Education operations, leaving an unreserved, undesignated fund balance of \$10.76 million in the General Fund at June 30, 2009. 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.

Due to the serious economic downturn, the Town and Board of Education pared down 2009-2010 budget requests to a 2.9% increase. The Town adopted a General Fund budget of \$118.834 million for 2009-2010 compared to an adopted budget of \$117.828 million for 2008-2009 at an unprecedented 0.85% increase. Approximately \$988.4 million of this \$1.0 million increase is for school operations to meet increasing personnel services, additional special education costs and unfunded mandates. The Town has added no new programs or initiatives to the 2010 budget. Given the recessionary environment, the Town was also conservative in its revenue projections.

If these estimates are realized, the Town's budgetary General Fund balance is expected to remain consistent with the June 30, 2009 level.

Costs of the Town's business-type activities, accounted for in the Sewer Operating Fund, are expected to rise approximately 15.8% during fiscal year 2009-2010. Although the Town increased Sewer usage rates by 20% in fiscal years 2007-2008 and 2008-2009, the increased revenue is not sufficient to offset the expenditure increases in the cost of denitrification credits, and the preventative maintenance costs of the Sewer Plant and the Sewer System. The Town will review the current systems in an effort to gain better efficiencies in the Sewer's Operations. .

## **CONTACTING THE TOWN'S FINANCIAL MANAGEMENT**

This financial report is designed to provide citizens, taxpayers, customers, investors and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Emilia C. Portelinha, Finance Director, Town of Southington, 75 Main Street, Southington, Connecticut 06489.

# **Basic Financial Statements**

## TOWN OF SOUTHLINGTON, CONNECTICUT

## STATEMENT OF NET ASSETS

JUNE 30, 2009

(In Thousands)

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Assets:			
Cash and cash equivalents	\$ 19,224	\$	\$ 19,224
Investments	576		576
Receivables, net	13,965	1,010	14,975
Inventory	83		83
Prepaid asset		49	49
Capital assets:			
Assets not being depreciated	67,943	39	67,982
Assets being depreciated, net	96,969	44,623	141,592
Total assets	<u>198,760</u>	<u>45,721</u>	<u>244,481</u>
Liabilities:			
Accounts and other payables	21,645	217	21,862
Other current liabilities		168	168
Unearned revenue	387		387
Internal balances	(191)	191	-
Noncurrent liabilities:			
Due within one year	8,556		8,556
Due in more than one year	69,701		69,701
Total liabilities	<u>100,098</u>	<u>576</u>	<u>100,674</u>
Net Assets:			
Invested in capital assets, net of related debt	119,767	44,662	164,429
Restricted for:			
Trust purposes:			
Expendable	151		151
Nonexpendable	872		872
Unrestricted	<u>(22,128)</u>	<u>483</u>	<u>(21,645)</u>
Total Net Assets	<u>\$ 98,662</u>	<u>\$ 45,145</u>	<u>\$ 143,807</u>

The accompanying notes are an integral part of the financial statements

TOWN OF SOUTHTON, CONNECTICUT

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2009

(In Thousands)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
General government	\$ 7,291	\$ 1,323	\$ 87	\$ 329	\$ (5,552)	\$	\$ (5,552)
Public safety	16,047	1,318	139		(14,590)		(14,590)
Public works	9,836	2,894		3,332	(3,610)		(3,610)
Health and welfare	1,024	704	274		(46)		(46)
Human services	1,579		420		(1,159)		(1,159)
Parks and recreation	2,218	225			(1,993)		(1,993)
Public library	1,569	33	280		(1,256)		(1,256)
Planning and development	785	671			(114)		(114)
Education	89,694	1,972	29,174	7,236	(51,312)		(51,312)
Interest on long-term debt	1,697		886		(811)		(811)
Total governmental activities	<u>131,740</u>	<u>9,140</u>	<u>31,260</u>	<u>10,897</u>	<u>(80,443)</u>	<u>-</u>	<u>(80,443)</u>
Business-type activities:							
Sewer	4,419	3,058				(1,361)	(1,361)
Total	<u>\$ 136,159</u>	<u>\$ 12,198</u>	<u>\$ 31,260</u>	<u>\$ 10,897</u>	<u>(80,443)</u>	<u>(1,361)</u>	<u>(81,804)</u>
General revenues:							
Property taxes					90,440		90,440
Grants and contributions not restricted to specific programs					2,128		2,128
Unrestricted investment earnings					369		369
Transfers					(11,981)	11,981	-
Total general revenues and transfers					<u>80,956</u>	<u>11,981</u>	<u>92,937</u>
Change in net assets					513	10,620	11,133
Net Assets at Beginning of Year					<u>98,149</u>	<u>34,525</u>	<u>132,674</u>
Net Assets at End of Year					<u>\$ 98,662</u>	<u>\$ 45,145</u>	<u>\$ 143,807</u>

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The accompanying notes are an integral part of the financial statements

## TOWN OF SOUTHLINGTON, CONNECTICUT

## BALANCE SHEET - GOVERNMENTAL FUNDS

**JUNE 30, 2009**  
(In Thousands)

	<b>General</b>	<b>Capital Projects</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 14,230	\$ 1,759	\$ 2,807	\$ 18,796
Investments			558	558
Receivables, net	4,153	5,355	1,289	10,797
Due from other funds	433		168	601
Inventories	39		44	83
Total Assets	\$ 18,855	\$ 7,114	\$ 4,866	\$ 30,835
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts and other payables	\$ 2,640	\$ 7,447	\$ 432	\$ 10,519
Notes payable		8,784		8,784
Due to other funds	423		245	668
Deferred revenue	3,322		808	4,130
Total liabilities	6,385	16,231	1,485	24,101
Fund balances:				
Reserved	426		44	470
Unreserved, reported in:				
General Fund	12,044			12,044
Special Revenue Funds			2,562	2,562
Capital Project Funds		(9,117)		(9,117)
Permanent Funds			775	775
Total fund balances	12,470	(9,117)	3,381	6,734
Total Liabilities and Fund Balances	\$ 18,855	\$ 7,114	\$ 4,866	\$ 30,835

(Continued on next page)

## TOWN OF SOUTHTON, CONNECTICUT

## BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)

JUNE 30, 2009

(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	\$	6,734
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:		
Governmental capital assets	\$	246,939
Less accumulated depreciation		<u>(82,027)</u>
Net capital assets		164,912
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		1,876
Interest receivable on property taxes		933
Assessments receivable		421
Interest receivable on assessments		30
Bond issuance costs		1,446
Receivable from the state for school construction projects		
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.		
		(690)
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		(59,584)
Interest payable on bonds and notes		(650)
Compensated absences		(7,620)
Capital lease		(137)
OPEB liability		(1,553)
Self insurance claims		(7,254)
Landfill closure		<u>(202)</u>
Net Assets of Governmental Activities (Exhibit III)	\$	<u><u>98,662</u></u>

The accompanying notes are an integral part of the financial statements



**TOWN OF SOUTHLINGTON, CONNECTICUT**  
**STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**

**FOR THE YEAR ENDED JUNE 30, 2009**  
(In Thousands)

	<u>General</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
Property taxes	\$ 90,440	\$	\$	\$ 90,440
Intergovernmental	29,730	10,430	3,455	43,615
Charges for services	2,118		5,646	7,764
Income on investments	407		(38)	369
Other revenues	891		532	1,423
Total revenues	<u>123,586</u>	<u>10,430</u>	<u>9,595</u>	<u>143,611</u>
Expenditures:				
Current:				
General government	3,018			3,018
Public safety	11,133		1,265	12,398
Public works	5,349		2,992	8,341
Health and welfare	720			720
Human services	814		684	1,498
Parks and recreation	2,071			2,071
Public library	1,281		313	1,594
Planning and development	841			841
Miscellaneous	147			147
Employee fringe benefits	6,920			6,920
Education	80,875		3,692	84,567
Debt and sundry	5,889		192	6,081
Capital outlay		32,083		32,083
Total expenditures	<u>119,058</u>	<u>32,083</u>	<u>9,138</u>	<u>160,279</u>
Excess (Deficiency) of Revenues over Expenditures	<u>4,528</u>	<u>(21,653)</u>	<u>457</u>	<u>(16,668)</u>
Other Financing Sources (Uses):				
Issuance of debt		15,440		15,440
Transfers in	277	2,429	206	2,912
Transfers out	(2,636)		(276)	(2,912)
Total other financing sources (uses)	<u>(2,359)</u>	<u>17,869</u>	<u>(70)</u>	<u>15,440</u>
Net Change in Fund Balances	2,169	(3,784)	387	(1,228)
Fund Balances at Beginning of Year	<u>10,301</u>	<u>(5,333)</u>	<u>2,994</u>	<u>7,962</u>
Fund Balances at End of Year	<u>\$ 12,470</u>	<u>\$ (9,117)</u>	<u>\$ 3,381</u>	<u>\$ 6,734</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, 2009

(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)	\$ (1,228)
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Governmental funds report capital outlays as expenditures. In the statement of activities,  
the cost of those assets is allocated over their estimated useful lives and reported as  
depreciation expense:

Capital outlay	32,936
Depreciation expense	(4,744)

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. (558)

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	(362)
Property tax receivable - accrual basis change	465
Property tax interest and lien revenue - accrual basis change	191
Sewer assessment receivable-accrual basis change	(78)
Sewer assessment interest receivable - accrual change	(6)

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	4,453
Issuance of bonds and notes	(15,440)

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	(335)
OPEB obligation	(1,553)
Capital leases	134
Accrued interest	(106)
Capital asset transfers	(11,981)
Heart and hypertension	(935)
Landfill post closure care	16

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. (356)

Change in Net Assets of Governmental Activities (Exhibit II)	<u>\$ 513</u>
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The accompanying notes are an integral part of the financial statements

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

**JUNE 30, 2009**  
(In Thousands)

	<b>Business-Type Activities Sewer Enterprise Fund</b>	<b>Governmental Activities Internal Service Fund</b>
Assets:		
Current:		
Cash and cash equivalents	\$	\$ 428
Investments		18
Accounts and other receivables	1,010	
Due from other funds		258
Other assets	49	8
Total current assets	1,059	712
Capital assets	44,662	
Total assets	45,721	712
Liabilities:		
Current:		
Accounts and other payables	217	1,402
Other accrued liabilities	168	
Due to other funds	191	
Total liabilities	576	1,402
Net Assets:		
Invested in capital assets	44,662	
Unrestricted	483	(690)
Total Net Assets	\$ 45,145	\$ (690)

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, 2009**  
(In Thousands)

	<b>Business-Type Activities</b>	<b>Governmental Activities</b>
	<b>Sewer Enterprise Fund</b>	<b>Internal Service Fund</b>
Operating Revenues:		
Fund premiums	\$	\$ 17,403
Charges for services	2,953	
Fines, penalties and interest	105	
Total operating revenues	3,058	17,403
Operating Expenses:		
Plant	2,786	
Benefits	199	16,566
Depreciation	1,212	
Administration and other	222	1,201
Total operating expenses	4,419	17,767
Operating Loss	(1,361)	(364)
Nonoperating Revenue:		
Income on investments		8
Income before Contributions	(1,361)	(356)
Capital Contributions	11,981	
Change in Net Assets	10,620	(356)
Net Assets at Beginning of Year	34,525	(334)
Net Assets at End of Year	\$ 45,145	\$ (690)

The accompanying notes are an integral part of the financial statements

**TOWN OF SOUTHLINGTON, CONNECTICUT**  
**STATEMENT OF CASH FLOWS - PROPRIETARY FUND**  
**FOR THE YEAR ENDED JUNE 30, 2009**  
(In Thousands)

	<u>Business-Type Activities</u>	<u>Governmental Activities</u>
	<u>Sewer Enterprise Fund</u>	<u>Internal Service Fund</u>
Cash Flows from Operating Activities:		
Cash received from customers	\$ 2,714	\$
Cash payments to employees for services	(2,803)	
Cash payments to suppliers for goods and services	(199)	
Cash received for premiums - Town departments and agencies		17,411
Cash payments to providers of benefits		(16,376)
Cash payments for service fees		(1,586)
Net cash used in operating activities	<u>(288)</u>	<u>(551)</u>
Cash Flows from Capital Financing Activities:		
Acquisition of capital assets	<u>(434)</u>	
Cash Flows from Investing Activities:		
Income on investments		<u>8</u>
Net Decrease in Cash and Cash Equivalents	(722)	(543)
Cash and Cash Equivalents at Beginning of Year	<u>722</u>	<u>971</u>
Cash and Cash Equivalents at End of Year	<u>\$ -</u>	<u>\$ 428</u>
Reconciliation of Operating Loss to Net Cash		
Used in Operating Activities:		
Operating loss	\$ (1,361)	\$ (364)
Depreciation	1,212	
Adjustments to reconcile operating income (loss) to net cash		
used in operating activities:		
(Increase) decrease in accounts receivable	(344)	(8)
(Increase) decrease in inventory	(49)	
Increase (decrease) in accounts payable and accrued liabilities	63	79
Increase (decrease) in interfunds	<u>191</u>	<u>(258)</u>
Net Cash Used in Operating Activities	<u>\$ (288)</u>	<u>\$ (551)</u>
Noncash Capital Financing Activities:		
Capital assets transferred from governmental funds	<u>\$ 11,981</u>	<u>\$ -</u>

The accompanying notes are an integral part of the financial statements

## TOWN OF SOUTHLINGTON, CONNECTICUT

## STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUNDS

JUNE 30, 2009

(In Thousands)

	<u>Agency Funds</u>
Assets:	
Cash and cash equivalents	\$ 1,408
Investments	131
Accrued income	<u>          </u>
Total assets	<u>\$ 1,539</u>
Liabilities:	
Accounts payable	\$
Fiduciary deposits	<u>1,568</u>
Total liabilities	<u>\$ 1,568</u>

The accompanying notes are an integral part of the financial statements

# TOWN OF SOUTHLINGTON, CONNECTICUT

## NOTES TO FINANCIAL STATEMENTS

(amounts expressed in thousands)

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### 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.

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

### **Governmental Funds**

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

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

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

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

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

### **Proprietary Funds**

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

*Enterprise Funds* account for operations that are financed in a manner similar to private business enterprises, where the intent is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The Sewer Fund is the Town's only enterprise fund.

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

### **Fiduciary Funds**

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

*Agency Funds* are custodial in nature (assets equal liabilities) and do not involve measurement of results of operation. The Student Activity Fund and the Escrow Deposit Fund are the Town's two agency funds.



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

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

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

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

The Town reports the following major governmental funds:

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

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

The Town reports the Sewer Fund as a major proprietary fund.

Additionally, the Town reports the following fund type:

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

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

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the 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.

#### **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 \$139 is equal to 17.5% of outstanding property taxes at June 30, 2009.

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 revalued its property as of October 1, 2005. The assessed value for the Grand List of October 1, 2007, upon which the fiscal 2009 levy was based, was \$3.9 billion. A 23.02 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, 2009 and 2008, were 98.44% and 98.69%, respectively, of the adjusted tax levy. Uncollected property taxes are recorded as receivables, net of an allowance for estimated uncollectible accounts. Unpaid taxes are lienied 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

In the current year, the Town valued and reported all infrastructure acquired prior to July, 1, 2002.

## 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. The liability has also been accrued at June 30, 2009.

## 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**

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

## **2. 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. The Town does not have a formal purchase order system. 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, supplemental budgetary appropriations in the amount of \$798 were made from the General Fund unappropriated and unencumbered surplus in a legally permissible manner. Also, \$387 of continued appropriations were reappropriated.

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

## **B. Deficit Fund Equity**

The following funds had deficit fund balances at June 30, 2009:

<u>Fund</u>	<u>Amount</u>
Capital Projects Fund	\$ 9,117
Internal Service Fund	690

The deficit balance in the Capital Projects Fund will be primarily funded by the issuance of permanent financing (bonds). The Internal Service Fund deficit will be funded by premiums.

## **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*, \$19,936 of the Town's bank balance of \$21,741 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$	17,866
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name		<u>2,070</u>
Total Amount Subject to Custodial Credit Risk	\$	<u><u>19,936</u></u>

## Cash Equivalents

At June 30, 2009 the Town's cash equivalents amounted to \$1,053. The following table provides a summary of the Town's cash equivalents (excluding U.S. government guaranteed obligations) as rated by nationally recognized statistical rating organizations. The pools all have maturities of less than one year

	<u>Standard And Poor's</u>	<u>Moody's Investor Service</u>
Wachovia Securities*		
MBIA, Inc. - Cooperative Liquid Assets Securities System (CLASS)		Aaa

\*Not rated

## Investments

As of June 30, 2009, 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	*	\$ 532	\$ 532	\$ -	\$ -
Other investments:					
Common stock		3			
Mutual funds		<u>41</u>			
Total Investments		\$ <u>576</u>			

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

N/A Not applicable

*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, 2009, the Town did not have any uninsured and unregistered securities held by the counterparty, or by its trust department or agent that were not in the Town's name.

#### 4. RECEIVABLES

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

	<u>General</u>	<u>Capital Projects</u>	<u>Sewer Enterprise</u>	<u>Nonmajor and Other Funds</u>	<u>Total</u>
Receivables:					
Taxes *	\$ 2,435	\$	\$	\$	\$ 2,435
Accounts	175			679	854
Special assessments			1,010	610	1,620
Intergovernmental	1,682	5,355			7,037
Interest **				74	74
Gross receivables	<u>4,292</u>	<u>5,355</u>	<u>1,010</u>	<u>1,363</u>	<u>12,020</u>
Less allowance for uncollectibles	<u>139</u>				<u>139</u>
Net Total Receivables	<u>\$ 4,153</u>	<u>\$ 5,355</u>	<u>\$ 1,010</u>	<u>\$ 1,363</u>	<u>\$ 11,881</u>

\* Does not include amount due from Southington Water Company for bonds (\$1,907) and accrued interest (\$32) - Note 7.

\*\* Does not include accrued interest on property taxes and assessments receivable of \$933 and \$30, 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	\$ 1,876	\$	\$ 1,876
School building grant	1,446		1,446
Special assessments	421		421
Other		387	387
Total Deferred/Unearned Revenue for Governmental Funds	<u>\$ 3,743</u>	<u>\$ 387</u>	<u>\$ 4,130</u>



## 5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2009 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 17,558	\$ 356	\$	\$ 17,914
Construction in progress	33,709	16,320		50,029
Total capital assets not being depreciated	<u>51,267</u>	<u>16,676</u>	<u>-</u>	<u>67,943</u>
Capital assets being depreciated:				
Buildings	90,107	12,622	(12,371)	90,358
Machinery and equipment	15,914	994	(198)	16,710
Infrastructure	69,284	2,644		71,928
Total capital assets being depreciated	<u>175,305</u>	<u>16,260</u>	<u>(12,569)</u>	<u>178,996</u>
Less accumulated depreciation for:				
Buildings	(39,951)	(2,679)		(42,630)
Machinery and equipment	(9,928)	(894)	30	(10,792)
Infrastructure	(27,434)	(1,171)		(28,605)
Total accumulated depreciation	<u>(77,313)</u>	<u>(4,744)</u>	<u>30</u>	<u>(82,027)</u>
Total capital assets being depreciated, net	<u>97,992</u>	<u>11,516</u>	<u>(12,539)</u>	<u>96,969</u>
Governmental Activities Capital Assets, Net	<u>\$ 149,259</u>	<u>\$ 28,192</u>	<u>\$ (12,539)</u>	<u>\$ 164,912</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 39	\$	\$	\$ 39
Capital assets being depreciated:				
Buildings and system	56,014	12,373		68,387
Machinery and equipment	1,102	41		1,143
Total capital assets being depreciated	<u>57,116</u>	<u>12,414</u>	<u>-</u>	<u>69,530</u>
Less accumulated depreciation for:				
Buildings and system	(22,989)	(1,172)		(24,161)
Machinery and equipment	(706)	(40)		(746)
Total accumulated depreciation	<u>(23,695)</u>	<u>(1,212)</u>	<u>-</u>	<u>(24,907)</u>
Total capital assets being depreciated, net	<u>33,421</u>	<u>11,202</u>	<u>-</u>	<u>44,623</u>
Business-Type Activities Capital Assets, Net	<u>\$ 33,460</u>	<u>\$ 11,202</u>	<u>\$ -</u>	<u>\$ 44,662</u>

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

Governmental activities:	
General government	\$ 460
Public safety	573
Public works	1,230
Human resources	58
Park and recreation	151
Library	35
Education	<u>2,237</u>
 Total Depreciation Expense - Governmental Activities	 \$ <u><u>4,744</u></u>
 Business-type activities:	
Sewer Enterprise Fund	\$ <u><u>1,212</u></u>

**Construction Commitments**

The Town has active construction projects as of June 30, 2009. 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>Remaining Spent-to-Date</u>	<u>Commitment</u>
DeFashion Street Culvert Replacement	\$ 546	\$ 28
Renaissance - Phase III	556	2
SHS Parking Lot Repavement/Reconstruction	392	109
SHS Bleachers, Drs, Irrig, Lav Part	238	514
West Street Sewer Project Phase II	911	726
Leach Property Improvements-Canal Street	228	33
Vo-Ag Center	9,181	819
Pondview Drive Pump Station	<u>679</u>	<u>307</u>
 Total	 \$ <u><u>12,731</u></u>	 \$ <u><u>2,538</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	Enterprise Fund	\$ 188
General Fund	Nonmajor Governmental	245
Nonmajor Governmental	General Fund	168
Internal Service	Enterprise Fund	3
Internal Service	General Fund	<u>255</u>
Total		<u>\$ 859</u>

Interfund transfers:

	<u>Transfers In</u>			
	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Nonmajor Governmental</u>	<u>Total</u>
Transfers out:				
General Fund	\$ 1	2,429	\$ 206	\$ 2,636
Nonmajor Funds	<u>276</u>			<u>276</u>
	<u>\$ 277</u>	<u>\$ 2,429</u>	<u>\$ 206</u>	2,912
Transfer in of general capital assets:				
Sewer Enterprise Fund				<u>11,981</u>
Total Transfers In				<u>\$ 14,893</u>

In the fund financial statements, total transfers of \$14,893 are greater than total transfers out of \$2,912 because of the treatment of transfers of capital assets to the Enterprise Fund. During the year, existing capital assets related to governmental funds with a book value of \$11,981 were transferred to the Sewer Enterprise Fund. No amounts were reported in the governmental funds as the amount did not involve the transfer of financial resources. However, the Enterprise Fund did report a transfer in for the capital resources received.

## 7. LONG-TERM DEBT

### Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2009 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds payable:					
General obligation bonds:					
Town	\$ 48,597	\$ 15,440	\$ 4,453	\$ 59,584	\$ 4,417
Southington Water Company	<u>2,409</u>		<u>502</u>	<u>1,907</u>	<u>488</u>
Total bonds payable	51,006	15,440	4,955	61,491	4,905
Compensated absences	7,285	356	21	7,620	1,488
Capital leases	271		134	137	137
OPEB obligation		1,553		1,553	1,553
Risk management	6,319	1,378	443	7,254	456
Landfill closure and postclosure	<u>218</u>		<u>16</u>	<u>202</u>	<u>17</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 65,099</u>	<u>\$ 18,727</u>	<u>\$ 5,569</u>	<u>\$ 78,257</u>	<u>\$ 8,556</u>

Bonds payable at June 30, 2009 are comprised of the following issues:

	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Interest Rate (%)</u>	<u>Date of Maturity</u>	<u>Principal Outstanding June 30, 2009</u>
Hatton School Roof	1996	\$ 217	4.60-6.50	10/15/2012	\$ 42
South End School Roof	1996	202	4.60-6.50	10/15/2012	39
High School Addition	1996	318	4.60-6.50	10/15/2012	63
Patton Brook Sewers	1996	2,205	4.60-6.50	10/15/2012	435
Judd Brook Sewers	1996	1,000	4.60-6.50	10/15/2012	198
Sewer Ultraviolet Upgrade	1996	707	4.60-6.50	10/15/2012	143
Town Hall A.D.A. Upgrade	1996	311	4.60-6.50	10/15/2012	57
Monitoring Easements	1996	390	4.60-6.50	10/15/2012	78
Three Fire Pumps	2001	850	4.00-5.00	5/15/2021	517
Fire Truck	2001	240	4.00-5.00	5/15/2021	147
Old Turnpike Road Land Purchase	2001	330	4.00-5.00	5/15/2021	202
Old Southington Landfill Cap	2001	840	4.00-5.00	5/15/2021	512
West Center St. Bridge	2001	500	4.00-5.00	5/15/2021	306
Park Maintenance Building	2001	500	4.00-5.00	5/15/2021	305
Hatton, Strong, Thalberg School Additions	2001	14,000	4.00-5.00	5/15/2021	8,526
Milldale School Demolition	2001	280	4.00-5.00	5/15/2021	171
Misery Brook Sewers	2001	800	4.00-5.00	5/15/2021	485
Police Station	2004	5,480	3.00-5.00	2/1/2024	4,107
Open Space Acquisitions (2000)	2004	1,270	3.00-5.00	2/1/2024	945
Centralized Dispatch	2004	420	3.00-5.00	2/1/2024	315
Blueberry Lane (Brown)	2004	718	3.00-5.00	2/1/2024	538
Blueberry Lane (Ramsay)	2004	278	3.00-5.00	2/1/2024	209
River Street (Brandenburg)	2004	1,600	3.00-5.00	2/1/2024	1,200
Hatton, Strong & Thalberg School Additions	2004	1,200	3.00-5.00	2/1/2024	900
Laning St./Brookwood Dr. Sewers	2004	408	3.00-5.00	2/1/2024	303
Echo Valley Dr./Burritt St. Sewers	2004	855	3.00-5.00	2/1/2024	638
Sewer Plant Disinfection Upgrade	2004	200	3.00-5.00	2/1/2024	150
Meriden Ave. Sewer Emergency Bypass (Misery Brook)	2004	1,700	3.00-5.00	2/1/2024	1,275
Refunding (General Purpose)	2004	379	2.0-3.25	9/15/2014	171
Refunding (Schools)	2004	7,032	2.0-3.25	9/15/2014	3,158
Refunding (Sewers)	2004	86	2.0-3.25	9/15/2014	39
Hatton, Strong, Thalberg School Additions	2005	3,000	2.0-3.25	11/1/2025	2,660
Plantsville School Roof	2005	220	2.0-3.25	11/1/2025	85
West Street Pump Station and Sewer	2005	2,500	2.0-3.25	11/1/2025	2,125
Sewer Denitrification - Engineering	2005	400	2.0-3.25	11/1/2025	325
Central Fire Headquarters Additions	2005	1,645	2.7-4.3	11/1/2025	1,395
Drive In Property Purchase	2005	1,610	2.7-4.3	11/1/2025	1,360
Open Space Acquisitions (2000)	2005	730	2.7-4.3	11/1/2025	610
Renaissance - Phase III	2005	575	2.7-4.3	11/1/2025	455
Atwater Bridge Rehabilitation	2005	350	2.7-4.3	11/1/2025	245
Highway Department Sweeper, Loader, Dumptruck and Backhoe	2005	355	2.7-4.3	11/1/2025	235
Fire Rescue Truck	2005	500	2.7-4.3	11/1/2025	350
Pondview Drive Pump Station	2007	970	3.55-4.25	8/1/2027	920
Sewer Denitrification - Engineering	2007	340	3.55-4.25	8/1/2027	310
Prospect St. Bridge Rehab	2007	410	3.55-4.25	8/1/2027	365
West St. Sewers Ph II	2007	1,760	3.55-4.25	8/1/2027	1,670
Bulky Waste Site Development	2007	955	3.55-4.25	8/1/2027	905
DeFashion St. Bridge (replace Culvert)	2007	300	3.55-4.25	8/1/2027	240
Fire Ladder Truck	2007	950	3.55-4.25	8/1/2027	895
School Access Walks Installation	2007	410	3.55-4.25	8/1/2027	370
Southington HS Fire Alarm Upgrade	2007	250	3.55-4.25	8/1/2027	200
Southington HS parking Lot Reconstruction	2007	530	3.55-4.25	8/1/2027	485
Southington HS Bleachers, Ext. doors, Irrigation	2007	750	3.55-4.25	8/1/2027	655
Flanders Floor and Parking Lot replacement and School Wide Asbestos Abatement	2007	490	3.55-4.25	8/1/2027	425
School Wide Technology Replacement	2007	860	3.55-4.25	8/1/2027	685
Plantsville School Addition and Renovation	2009	6,000	3.55-4.25	8/1/2027	6,000
New South End Elementary School	2009	6,000	3.55-4.25	8/1/2027	6,000
Open Space Acquisition	2009	1,300	3.55-4.25	8/1/2027	1,300
Sanitary Sewer Annelise, Reusner	2009	300	3.55-4.25	8/1/2027	300
Spring Lake Rd. Reconstruction	2009	625	3.55-4.25	8/1/2027	625
East Street Realignment	2009	250	3.55-4.25	8/1/2027	250
Derynoski Boiler, Windows & Auditorium Lighting Replacements/ Kennedy Boiler Replacements	2009	965	3.55-4.25	8/1/2027	965
Water	1991	2,044	5.75-6.75	8/15/2011	290
Refunding (Water)	2004	3,683	2.0-3.25	9/15/2014	1,617
Total					\$ <u>61,491</u>

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

<u>Fiscal Year Ending</u>	<u>Principal</u>	<u>Interest</u>
2010	\$ 4,905	\$ 2,210
2011	5,866	2,137
2012	5,740	1,921
2013	4,825	1,726
2014	4,235	1,552
2015-2019	18,030	5,524
2020-2024	12,550	2,328
2025-2029	5,340	460
Total	\$ <u>61,491</u>	\$ <u>17,858</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, 2009, \$1,907 is recorded as amounts to be provided by other entities. 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, 2009. In no case shall total indebtedness exceed seven times annual receipts from taxation. The maximum debt amount permitted under this formula would be approximately \$631.9 million.

**Capital Leases**

The Town has entered into two lease agreements as lessee for financing the acquisition of Street lights from Connecticut Light and Power and Complex lighting at Recreational Park including light poles, light fixtures and lights. 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 future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2009, are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2010	\$ <u>142</u>
Total minimum lease payments	<u>142</u>
Less amount representing interest	<u>(5)</u>
Present Value of Minimum Lease Payments	\$ <u><u>137</u></u>

**Clean Water Funds**

During the year, the Town started participation in capital projects under the State of Connecticut Clean Water Fund established in accordance with Section 22a-477 of the General Statutes of Connecticut. The Clean Water Fund is administered by the State Department of Environmental Protection and provides grant and loan funds to municipalities for “eligible water quality project costs.” At the end of the year, the Town had \$8,784 Clean Water Fund loan outstanding at an interest rate of 2%.

## 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, 2009, 2008 or 2007. 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, 2009 of \$1,402.

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, 2009 and 2008 is presented below:

		<b>Accrued Liability Beginning of Fiscal Year</b>		<b>Current Year Claims and Changes in Estimates</b>		<b>Claim Payments</b>		<b>Accrued Liability End of Fiscal Year</b>
2007-2008	\$	1,241	\$	15,396	\$	15,425	\$	1,212
2008-2009		1,212		17,403		17,213		1,402

### 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 2008-09 will be evaluated at 18, 30, and 42 months after the effective date of coverage. The deposit contribution (premium) paid in 2008-09 for the Town and Board of Education was \$984 thousand. 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 BALANCE - RESERVATIONS AND DESIGNATIONS**

Descriptions of the various reservations and designation of the Town’s fund equity accounts are as follows:

- Reserved for Encumbrances - to segregate a portion of fund balance for expenditure upon vendor performance.
- Reserved for Inventory - to segregate an amount equal to the inventory in the asset section of the balance sheet.
- Designated for Subsequent Year - to segregate a portion of fund balance designated by the Town for subsequent year’s budgeted expenditures.
- Designated for Board of Education Operations - appropriation of fiscal year 2009 surplus to be utilized by the Board of Education for fiscal year 2010 operations.

Additionally, the Town has appropriated \$495 of its General Fund balance at June 30, 2009 to balance the 2009-10 budget.

A summary of reserved fund balances at June 30, 2009 is presented below:

General Fund:		
Reserved for encumbrances	\$	387
Reserved for inventories		39
Nonmajor Governmental Funds:		
Reserved for inventory		<u>44</u>
Total	\$	<u><u>470</u></u>

**10. 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.

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, 2009 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.

## 11. OTHER POSTEMPLOYMENT 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.

At July 1, 2007, plan participation consisted of the following:

Active participants	\$ 1,000
Retirees	<u>202</u>
Total Participants	<u>\$ 1,202</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, 2009, 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 thirty years. The following table shows the components of the Town's annual OPEB cost for the year ended June 30, 2009, the amount actually contributed to the plan and changes in the Town's net OPEB obligation (asset):

Annual required contribution (ARC):	
Normal cost	\$ 936
Amortization payment	2,406
Interest on OPEB obligation	83
Adjustment to annual required contribution	<u>-</u>
Annual OPEB cost	3,425
Contributions made	<u>1,872</u>
Increase in net OPEB obligation	1,553
Net OPEB obligation, beginning of year	<u>-</u>
Net OPEB Obligation, End of Year	<u>\$ 1,553</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, 2009 is presented below. Data is only presented for the fiscal year June 30, 2009 due to this being the year of implementation.

<b>Fiscal Year Ended</b>	<b>Annual OPEB Cost(AOC)</b>	<b>Actual Contribution</b>	<b>Percentage of AOC Contributed</b>	<b>Net OPEB Obligation (Asset)</b>
6/30/2009	\$ 3,425	\$ 1,872	54.7%	\$ 1,553

As of July 1, 2007, the most recent actuarial valuation date, the plan was 0% funded. The actuarial accrued liability for benefits was approximately \$37.1 million and the fair market value of the assets was \$-0-, resulting in an unfunded actuarial accrued liability (UAAL) of \$37.1 million.

#### **D. Schedule of Funding Progress**

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets</b>	<b>Actuarial Accrued Liability (AAL)</b>	<b>Unfunded AAL</b>	<b>Funded Ratio</b>	<b>Covered Payroll</b>	<b>UAAL as a Percentage of Covered Payroll</b>
7/1/2007	\$ -0-	\$ 37,107	\$ 37,107	0.0%	\$ 61,102	N/A

In the July 1, 2007 actuarial valuation, the projected unit actuarial credit cost method was used. The annual required contribution (ARC) reflects a 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 10% initially, grading down to 5% for 2013 and later.

## **12. 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 7.50% 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, 2009, 2008 and 2007 were \$1,972, \$1,895 and \$1,401, 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.

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, 2009 the Town has recorded, in the General Fund, intergovernmental revenue and education expenditures in the amount of \$5,964 as payments made by the State of Connecticut on-behalf of the Town. The current year contribution is significantly higher than the contribution in prior years due to the State issuing pension obligation bonds to fund the plan. 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.

**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, 2009  
(In Thousands)

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Property taxes, interest and lien fees	\$ 90,311	\$ 90,311	\$ 90,440	\$ 129
Intergovernmental revenues:				
State of Connecticut - General Government	2,676	2,838	3,050	212
State of Connecticut - Board of Education	20,726	20,726	20,716	(10)
Total intergovernmental revenues	23,402	23,564	23,766	202
Licenses, fees and permits:				
Building permits and fees	550	550	626	76
Parking, police and library fees	41	65	86	21
Total licenses, fees and permits	591	615	712	97
Charges for services:				
Town Clerk	1,200	1,200	999	(201)
Police services	43	43		(43)
Health department	45	45	40	(5)
Park department	180	180	225	45
Planning and zoning	40	40	45	5
School tuition and fees	550	646	692	46
Other	28	85	117	32
Total charges for services	2,086	2,239	2,118	(121)

(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, 2009**

**(In Thousands)**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Interest on investments	\$ <u>581</u>	\$ <u>581</u>	\$ <u>407</u>	\$ <u>(174)</u>
Other revenues	<u>7</u>	<u>24</u>	<u>179</u>	<u>155</u>
Transfer In	<u>277</u>	<u>277</u>	<u>277</u>	<u>-</u>
Total	\$ <u>117,255</u>	\$ <u>117,611</u>	117,899	\$ <u>288</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

5,964

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

\$ 123,863

## TOWN OF SOUTHTON, CONNECTICUT

## GENERAL FUND

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)FOR THE YEAR ENDED JUNE 30, 2009  
(In Thousands)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
General Government:				
Town Council	\$ 75	\$ 86	\$ 79	\$ 7
Town Manager	209	207	201	6
Board of Finance	9	11	10	1
Finance Department	427	428	427	1
Town Treasurer	21	4	3	1
Town Clerk	305	306	297	9
Tax Department	303	304	276	28
Department of Assessments	367	367	340	27
Board of Assessment Appeals	3	3	2	1
Probate Court	11	11	9	2
Town Attorney/Legal services	247	271	260	11
Elections Department	155	195	151	44
Insurance	973	879	848	31
Annual Audit	36	33	33	-
Information Technology	80	80	76	4
Total general government	<u>3,221</u>	<u>3,185</u>	<u>3,012</u>	<u>173</u>
Public Safety:				
Police Department	6,667	6,744	6,253	491
Safety Program	57	61	58	3
Central Dispatch	563	563	562	1
Fire Department	3,705	3,988	3,889	99
Fire Hydrant Rental	331	336	334	2
Parking Authority	26	36	15	21
Total public safety	<u>11,349</u>	<u>11,728</u>	<u>11,111</u>	<u>617</u>
Public Works:				
Town Hall and Annex	181	190	170	20
Historical Buildings	9	19	9	10
Sylvia Bradley Historical Society	36	36	36	-
Engineering Department	634	635	601	34
Highway Department	2,332	2,310	2,247	63
Snow and ice removal	665	918	877	41
Bulky Waste	555	588	561	27
Tree maintenance	21	20	16	4
Street Lighting	466	466	420	46
Environmental problems	170	432	407	25
Total public works	<u>5,069</u>	<u>5,614</u>	<u>5,344</u>	<u>270</u>
Health and Welfare:				
Community Services	149	156	154	2
Health Department	486	523	461	62
Mental Health	3	3	3	-
Nonpublic School Nurses	96	96	96	-
Drug Task Force	4	4	3	1
Total health and welfare	<u>738</u>	<u>782</u>	<u>717</u>	<u>65</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, 2009  
(In Thousands)

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Human Services:				
Southington Youth services	\$ 245	\$ 252	\$ 250	\$ 2
Commission on Disability	11	11	9	2
Community Assistance	59	49	49	-
Calendar House-Senior Citizens	465	521	487	34
Southington Housing Authority	19	19	18	1
Total human resources	<u>799</u>	<u>852</u>	<u>813</u>	<u>39</u>
Parks and Recreation:				
Parks Department	1,335	1,360	1,339	21
Recreation Department	592	566	519	47
Community Celebrations	5	46	7	39
Organized Recreation	88	88	88	-
Total Parks and recreation	<u>2,020</u>	<u>2,060</u>	<u>1,953</u>	<u>107</u>
Library				
Public library	1,291	1,306	1,277	29
Barnes Museum	107	116	111	5
Total Library	<u>1,398</u>	<u>1,422</u>	<u>1,388</u>	<u>34</u>
Planning and Development:				
Economic Development Commission	142	142	124	18
Building Department	367	367	359	8
Planning and Zoning	356	356	329	27
Zoning Board of Appeals	21	21	17	4
Conservation Commission	19	19	9	10
Total planning and development	<u>905</u>	<u>905</u>	<u>838</u>	<u>67</u>
Board of Education				
School operations	75,345	75,551	74,761	790
Building maintenance	100	148	61	87
Total board of education	<u>75,445</u>	<u>75,699</u>	<u>74,822</u>	<u>877</u>
Employee Benefits				
Medical and Group insurance	3,402	3,402	3,271	131
Heart and Hypertension	1,070	1,010	844	166
Municipal Employee Retirement	3,003	2,979	2,693	286
Police Retirement	113	113	112	1
Unemployment compensation	5	10	9	1
Accumulated payout	80	82	82	-
Tuition reimbursement	4	4	4	-
Medical services	3	3	3	-
Total employee benefits	<u>7,680</u>	<u>7,603</u>	<u>7,018</u>	<u>585</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, 2009  
(In Thousands)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Miscellaneous:				
Land leases	\$ 1	\$ 1	\$ 1	\$ -
Nonlegal professional services	50	54	48	6
Professional fees	3	3		3
Total miscellaneous	<u>54</u>	<u>58</u>	<u>49</u>	<u>9</u>
Debt service:				
Principal retirement	4,175	4,175	4,132	43
Interest	1,774	1,774	1,757	17
Total debt service	<u>5,949</u>	<u>5,949</u>	<u>5,889</u>	<u>60</u>
Contingency	<u>800</u>	<u>2</u>		<u>2</u>
Total expenditures	115,427	115,859	112,954	2,905
Other Financing Uses:				
Transfers out	<u>2,408</u>	<u>2,636</u>	<u>2,636</u>	<u>-</u>
Total	<u>\$ 117,835</u>	<u>\$ 118,495</u>	115,590	<u>\$ 2,905</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	5,964
Accrued payroll is reported as expenditure for GAAP purposes	<u>140</u>

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

\$ 121,694

**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, 2009 AND 2008

(In Thousands)

	<u>2009</u>	<u>2008</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 14,230	\$ 8,439
Property taxes receivable, net of allowance for uncollectible accounts of \$139 in 2009 and \$241 in 2008	2,296	1,699
Due from State of Connecticut	1,682	2,345
Accounts receivable	175	118
Due from other funds	433	4,147
Inventories	<u>39</u>	<u>62</u>
Total Assets	<u>\$ 18,855</u>	<u>\$ 16,810</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable and accrued liabilities	\$ 2,362	\$ 2,881
Due to other funds	423	132
Due to State of Connecticut	278	277
Deferred revenue	<u>3,322</u>	<u>3,219</u>
Total liabilities	<u>6,385</u>	<u>6,509</u>
Fund balance:		
Reserved for encumbrances	387	303
Reserved for inventory	39	62
Unreserved:		
Designated for subsequent year's budget	495	575
Designated for Board of Education operations	791	
Undesignated	<u>10,758</u>	<u>9,361</u>
Total fund balance	<u>12,470</u>	<u>10,301</u>
Total Liabilities and Fund Balance	<u>\$ 18,855</u>	<u>\$ 16,810</u>

## TOWN OF SOUTHTON, CONNECTICUT

## GENERAL FUND

## REPORT OF TAX COLLECTOR

FOR THE YEAR ENDED JUNE 30, 2009

(In Thousands)

Grand List	Uncollected Taxes July 1, 2008	Lawful Corrections		Transfers To Suspense	Adjusted Taxes Collectible	Collections			Amount Paid to Treasurer	Credit Balances	Uncollected Taxes June 30, 2009
		Additions	Deductions			Taxes	Interest	Warrants Liens/Fees			
2007	\$ 90,655	\$ 92	\$ 399	\$ 49	\$ 90,299	\$ 89,008	\$ 252	\$ 1	\$ 89,261	\$ 121	\$ 1,412
2006	1,114	4	25	43	1,050	534	114	4	652	16	532
2005	362	1	7	14	342	128	48	1	177	5	219
2004	205		1	8	196	87	45	1	133		109
2003	71			4	67	18	14		32		49
2002	46			3	43	10	10		20		33
2001	30				30	11	10		21		19
2000	19				19	7	7		14		12
1999	15				15	5	8		13		10
1998	14				14	5	9		14		9
1997	13				13	6	10		16		7
1996	13				13	6	10		16		7
1995	12				12	5	11		16		7
1994	10				10	5	11		16		5
1993	10				10	5	11		16		5
	<u>\$ 92,589</u>	<u>\$ 97</u>	<u>\$ 432</u>	<u>\$ 121</u>	<u>\$ 92,133</u>	<u>\$ 89,840</u>	<u>\$ 570</u>	<u>\$ 7</u>	<u>\$ 90,417</u>	<u>\$ 142</u>	<u>\$ 2,435</u>

**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
Dog	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
Sewer Assessment	Charges for services	Sewer installation
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
CDBG	Federal Grant – DHUD	Community development programs

### 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 FUNDSJUNE 30, 2009  
(In Thousands)

	Special Revenue						
	Cafeteria	Dog	Federal and State Education Grants	Police Auction	Refuse	Police Special Duty	Sewer Assessment
<b>ASSETS</b>							
Cash and cash equivalents	\$ 155	\$ 72	\$ 183	\$ 2	\$	\$	\$ 1,373
Investments							
Sewer assessments receivable							610
Accounts receivable	56		48		285	288	2
Due from other funds					40		
Inventories	44						
Total Assets	<u>\$ 255</u>	<u>\$ 72</u>	<u>\$ 231</u>	<u>\$ 2</u>	<u>\$ 325</u>	<u>\$ 288</u>	<u>\$ 1,985</u>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Accounts payable and accrued liabilities	\$	\$ 21	\$	\$	\$ 199	\$ 9	\$ 13
Due to other funds			38		105	102	
Deferred revenue			99				421
Other liabilities					19		1
Total liabilities	<u>-</u>	<u>21</u>	<u>137</u>	<u>-</u>	<u>323</u>	<u>111</u>	<u>435</u>
Fund Balances:							
Reserved:							
Inventory	44						
Unreserved:							
Undesignated	211	51	94	2	2	177	1,550
Total fund balance	<u>255</u>	<u>51</u>	<u>94</u>	<u>2</u>	<u>2</u>	<u>177</u>	<u>1,550</u>
Total Liabilities and Fund Balances	<u>\$ 255</u>	<u>\$ 72</u>	<u>\$ 231</u>	<u>\$ 2</u>	<u>\$ 325</u>	<u>\$ 288</u>	<u>\$ 1,985</u>

(Continued on next page)

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

**JUNE 30, 2009**  
**(In Thousands)**

	<u>Special Revenue</u>								<u>Total</u>
	<u>Apple Harvest Festival</u>	<u>Police Forfeiture</u>	<u>Town Special Revenue</u>	<u>Child Development Center</u>	<u>Library Trust</u>	<u>Excavation Permit</u>	<u>Communit Services</u>	<u>CDBG</u>	
<b>ASSETS</b>									
Cash and cash equivalents	\$ 38	\$ 83	\$ 155	\$ -	\$ 12	\$ 476	\$ 41	\$ -	2,590
Investments									-
Sewer assessments receivable									610
Accounts receivable									679
Due from other funds					128				168
Inventories									44
<b>Total Assets</b>	<u>\$ 38</u>	<u>\$ 83</u>	<u>\$ 155</u>	<u>\$ -</u>	<u>\$ 140</u>	<u>\$ 476</u>	<u>\$ 41</u>	<u>\$ -</u>	<u>\$ 4,091</u>
<b>LIABILITIES AND FUND BALANCES</b>									
<b>Liabilities:</b>									
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 3	\$ -	\$ -	\$ 3	\$ 2	\$ -	250
Due to other funds									245
Deferred revenue						288			808
Other liabilities						162			182
<b>Total liabilities</b>	<u>-</u>	<u>-</u>	<u>3.0</u>	<u>-</u>	<u>-</u>	<u>453</u>	<u>2</u>	<u>-</u>	<u>1,485</u>
<b>Fund Balances:</b>									
<b>Reserved:</b>									
Inventory									44
<b>Unreserved:</b>									
Undesignated	38	83	152	-	140	23	39	-	2,562
<b>Total fund balance</b>	<u>38</u>	<u>83</u>	<u>152</u>	<u>-</u>	<u>140</u>	<u>23</u>	<u>39</u>	<u>-</u>	<u>2,606</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 38</u>	<u>\$ 83</u>	<u>\$ 155</u>	<u>\$ -</u>	<u>\$ 140</u>	<u>\$ 476</u>	<u>\$ 41</u>	<u>\$ -</u>	<u>\$ 4,091</u>

(Continued on next page)

## TOWN OF SOUTHLINGTON, CONNECTICUT

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDSJUNE 30, 2009  
(In Thousands)

	Permanent					Total Nonmajor Governmental Funds	
	Edna Woodruff	Addin Lewis	Julia Bradley Library	Board of Education Scholarship	Library Trust		Total
<b>ASSETS</b>							
Cash and cash equivalents	\$	\$	\$ 1	\$ 196	\$ 20	\$ 217	\$ 2,807
Investments	2	4		269	283	558	558
Sewer assessments receivable						-	610
Accounts receivable						-	679
Due from other funds						-	168
Inventories						-	44
Total Assets	\$ 2	\$ 4	\$ 1	\$ 465	\$ 303	\$ 775	\$ 4,866
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Accounts payable and accrued liabilities	\$	\$	\$	\$	\$	\$ -	\$ 250
Due to other funds						-	245
Deferred revenue						-	808
Other liabilities						-	182
Total liabilities	-	-	-	-	-	-	1,485
Fund Balances:							
Reserved:							
Inventory							44
Unreserved:							
Undesignated	2	4	1	465	303	775	3,337
Total fund balance	2	4	1	465	303	775	3,381
Total Liabilities and Fund Balances	\$ 2	\$ 4	\$ 1	\$ 465	\$ 303	\$ 775	\$ 4,866

**TOWN OF SOUTHTON, CONNECTICUT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2009**  
(In Thousands)

**Special Revenue**

	<u>Cafeteria</u>	<u>Dog</u>	<u>Federal and State Education Grants</u>	<u>Police Auction</u>	<u>Refuse</u>	<u>Police Special Duty</u>	<u>Sewer Assessment</u>	<u>Apple Harvest Festival</u>
Revenues:								
Contributions	\$	\$	\$	\$	\$	\$	\$	\$ 37
Intergovernmental	390		1,965					
Charges for services	1,280	11			2,165	1,166	561	81
Income on investments	1						12	
Net increase (decrease) in fair value of investments								
Total revenues	<u>1,671</u>	<u>11</u>	<u>1,965</u>	<u>-</u>	<u>2,165</u>	<u>1,166</u>	<u>573</u>	<u>118</u>
Expenditures:								
Current:								
Public safety		183				1,051		
Public works					2,165			
Human resources								144
Public library								
Education	1,651		1,871					
Debt service							192	
Total expenditures	<u>1,651</u>	<u>183</u>	<u>1,871</u>	<u>-</u>	<u>2,165</u>	<u>1,051</u>	<u>192</u>	<u>144</u>
Excess (Deficiency) of Revenues over Expenditures	<u>20</u>	<u>(172)</u>	<u>94</u>	<u>-</u>	<u>-</u>	<u>115</u>	<u>381</u>	<u>(26)</u>
Other Financing Sources (Uses):								
Transfers in		193						
Transfers out					(90)	(186)		
Total other financing sources (uses)	<u>-</u>	<u>193</u>	<u>-</u>	<u>-</u>	<u>(90)</u>	<u>(186)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	20	21	94	-	(90)	(71)	381	(26)
Fund Balances at Beginning of Year	<u>235</u>	<u>30</u>	<u>-</u>	<u>2</u>	<u>92</u>	<u>248</u>	<u>1,169</u>	<u>64</u>
Fund Balances at End of Year	<u>\$ 255</u>	<u>\$ 51</u>	<u>\$ 94</u>	<u>\$ 2</u>	<u>\$ 2</u>	<u>\$ 177</u>	<u>\$ 1,550</u>	<u>\$ 38</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, 2009**  
(In Thousands)

**Special Revenue**

	<b>Police Forfeiture</b>	<b>Town Special Revenue</b>	<b>Child Development Center</b>	<b>Library Trust</b>	<b>Excavation Permit</b>	<b>Community Services</b>	<b>CDBG</b>	<b>Total</b>
Revenues:								
Contributions	\$	\$	\$	\$	\$	\$ 80	\$	\$ 117
Intergovernmental	4	87	340	5			664	3,455
Charges for services		207		7	168			5,646
Income on investments	1			2				16
Net increase (decrease) in fair value of investments								-
<b>Total revenues</b>	<u>5</u>	<u>294</u>	<u>340</u>	<u>14</u>	<u>168</u>	<u>80</u>	<u>664</u>	<u>9,234</u>
Expenditures:								
Current:								
Public safety	15	16						1,265
Public works					163		664	2,992
Human resources		159	340			41		684
Public library				34				34
Education								3,522
Debt service								192
<b>Total expenditures</b>	<u>15</u>	<u>175</u>	<u>340</u>	<u>34</u>	<u>163</u>	<u>41</u>	<u>664</u>	<u>8,689</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(10)</u>	<u>119</u>	<u>340</u>	<u>(20)</u>	<u>5</u>	<u>39</u>	<u>-</u>	<u>545</u>
Other Financing Sources (Uses):								
Transfers in		13		9				215
Transfers out								(276)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>13</u>	<u>-</u>	<u>9</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(61)</u>
<b>Net Change in Fund Balances</b>	<u>(10)</u>	<u>132</u>	<u>-</u>	<u>(11)</u>	<u>5</u>	<u>39</u>	<u>-</u>	<u>484</u>
<b>Fund Balances at Beginning of Year</b>	<u>93</u>	<u>20</u>	<u>-</u>	<u>151</u>	<u>18</u>	<u>-</u>	<u>-</u>	<u>2,122</u>
<b>Fund Balances at End of Year</b>	<u>\$ 83</u>	<u>\$ 152</u>	<u>\$ -</u>	<u>\$ 140</u>	<u>\$ 23</u>	<u>\$ 39</u>	<u>\$ -</u>	<u>\$ 2,606</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, 2007  
(In Thousands)**

	Permanent						Interfund Eliminations	Total Nonmajor Governmental Funds
	Edna Woodruff	Addin Lewis	Julia Bradley Library	Board of Education Scholarship	Library Trust	Total		
Revenues:								
Contributions	\$	\$	\$	\$ 140	\$ 275	\$ 415	\$	\$ 532
Intergovernmental								3,455
Charges for services								5,646
Income on investments				5	11	16		32
Net increase (decrease) in fair value of investments		(2)		(5)	(63)	(70)		(70)
Total revenues	-	(2)	-	140	223	361	-	9,595
Expenditures:								
Current:								
Public safety								1,265
Public works								2,992
Human resources								684
Public library					279	279		313
Education				170		170		3,692
Debt service								192
Total expenditures	-	-	-	170	279	449	-	9,138
Excess (Deficiency) of Revenues over Expenditures	-	(2)	-	(30)	(56)	(88)	-	457
Other Financing Sources (Uses):								
Transfers in						0	(9)	206
Transfers out					(9)	(9)	9	(276)
Total other financing sources (uses)	-	(2)	-	-	(9)	(9)	-	(70)
Net Change in Fund Balances	-	(2)	-	(30)	(65)	(97)	-	387
Fund Balances at Beginning of Year	2	6	1	495	368	872	-	2,994
Fund Balances at End of Year	\$ 2	\$ 4	\$ 1	\$ 465	\$ 303	\$ 775	\$ -	\$ 3,381

## **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, 2009 WITH COMPARATIVE TOTALS FOR 2008**  
**(In Thousands)**

	<u>Student Activity Fund</u>	<u>Escrow Deposit Fund</u>	<u>Totals</u>	
			<u>2009</u>	<u>2008</u>
Assets:				
Cash and cash equivalents	\$ 326	\$ 1,082	\$ 1,408	\$ 1,806
Investments	<u>131</u>		<u>131</u>	<u>190</u>
Total Assets	<u>\$ 457</u>	<u>\$ 1,082</u>	<u>\$ 1,539</u>	<u>\$ 1,996</u>
Liabilities:				
Fiduciary deposits	<u>\$ 486</u>	<u>\$ 1,082</u>	<u>\$ 1,568</u>	<u>\$ 1,996</u>

## TOWN OF SOUTHLINGTON, CONNECTICUT

## AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
FOR THE YEAR ENDED JUNE 30, 2009

(In Thousands)

	<u>Balance</u> <u>July 1, 2008</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2009</u>
<b>Student Activity Fund</b>				
Assets:				
Cash and cash equivalents	\$ 296	\$ 1,112	\$ 1,082	\$ 326
Investments	<u>190</u>	<u>3</u>	<u>62</u>	<u>131</u>
Total Assets	<u>\$ 486</u>	<u>\$ 1,115</u>	<u>\$ 1,144</u>	<u>\$ 457</u>
Liabilities:				
Fiduciary deposits	<u>\$ 486</u>	<u>\$ 1,115</u>	<u>\$ 1,144</u>	<u>\$ 457</u>
<b>Escrow Deposit</b>				
Assets:				
Cash and cash equivalents	<u>\$ 1,510</u>	<u>\$ 565</u>	<u>\$ 993</u>	<u>\$ 1,082</u>
Liabilities:				
Fiduciary deposits	<u>\$ 1,510</u>	<u>\$ 565</u>	<u>\$ 993</u>	<u>\$ 1,082</u>
<b>Total All Agency Funds</b>				
Assets:				
Cash and cash equivalents	\$ 1,806	\$ 1,677	\$ 2,075	\$ 1,408
Investments	<u>190</u>	<u>3</u>	<u>62</u>	<u>131</u>
Total Assets	<u>\$ 1,996</u>	<u>\$ 1,680</u>	<u>\$ 2,137</u>	<u>\$ 1,539</u>
Liabilities:				
Fiduciary deposits	<u>\$ 1,996</u>	<u>\$ 1,680</u>	<u>\$ 2,137</u>	<u>\$ 1,539</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 SEVEN FISCAL YEARS  
(In Thousands)

	FISCAL YEAR						
	2009	2008	2007	2006	2005	2004	2003
<b>Governmental Activities:</b>							
Invested in capital assets, net of related debt	\$ 119,767	\$ 112,125	\$ 111,260	\$ 63,374	\$ 65,692	\$ 53,356	\$ 58,590
Restricted	1,023	1,023	980	919	898	890	860
Unrestricted	<u>(22,128)</u>	<u>(14,999)</u>	<u>(13,067)</u>	<u>(3,053)</u>	<u>(9,534)</u>	<u>(2,779)</u>	<u>(11,387)</u>
Total governmental activities net assets	<u>98,662</u>	<u>98,149</u>	<u>99,173</u>	<u>61,240</u>	<u>57,056</u>	<u>51,467</u>	<u>48,063</u>
<b>Business-type Activities:</b>							
Invested in capital assets, net of related debt	44,662	33,460	31,564	30,968	30,277	29,922	30,622
Unrestricted	<u>483</u>	<u>1,065</u>	<u>1,648</u>	<u>2,397</u>	<u>2,641</u>	<u>2,302</u>	<u>1,953</u>
Total business-type activities net assets	<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>
<b>Primary Government:</b>							
Invested in capital assets, net of related debt	164,429	145,585	142,824	94,342	95,969	83,278	89,212
Restricted	1,023	1,023	980	919	898	890	860
Unrestricted	<u>(21,645)</u>	<u>(13,934)</u>	<u>(11,419)</u>	<u>(656)</u>	<u>(6,893)</u>	<u>(477)</u>	<u>(9,434)</u>
Total Primary Government Net Assets	<u>\$ 143,807</u>	<u>\$ 132,674</u>	<u>\$ 132,385</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

## CHANGE IN NET ASSETS

LAST SEVEN YEARS  
(In Thousands)

	FISCAL YEAR						
	2009	2008	2007	2006	2005	2004	2003
Expenses:							
Governmental activities:							
General government	\$ 7,291	\$ 6,627	\$ 5,916	\$ 5,763	\$ 5,935	\$ 5,462	\$ 5,749
Public safety	16,047	12,935	12,303	10,391	10,111	9,075	9,370
Public works	9,836	10,165	9,388	8,065	5,501	6,757	7,559
Health and welfare	1,024	766	778	760	737	606	490
Human services	1,579	1,272	1,229	953	900	890	943
Parks and recreation	2,218	1,992	2,124	1,780	1,823	1,778	1,535
Public library	1,569	1,303	1,254	1,205	1,185	1,089	1,144
Planning and development	785	925	828	917	764	636	730
Employee fringe benefits		3,798	3,217	2,591	2,131	1,487	1,827
Education	89,694	106,877	81,356	77,447	71,556	67,754	64,117
Interest on long-term debt	1,697	1,931	1,697	1,688	2,088	1,264	1,562
Miscellaneous		56	35	370	80	322	134
Total governmental activities expenses	<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	<u>4,419</u>	<u>4,284</u>	<u>4,079</u>	<u>3,609</u>	<u>3,110</u>	<u>2,967</u>	<u>2,919</u>
Total primary government expenses	<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	9,140	8,658	8,082	8,075	8,728	7,011	6,401
Operating grants and contributions	31,260	51,074	25,327	24,559	21,531	20,547	21,024
Capital grants and contributions	10,897	2,042	7,818	2,806	524	2,814	2,880
Total governmental activities program revenues	<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	<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>54,355</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	(80,443)	(86,873)	(78,898)	(76,490)	(72,028)	(66,748)	(64,855)
Business-type activities	<u>(1,361)</u>	<u>(1,629)</u>	<u>(1,823)</u>	<u>(1,300)</u>	<u>(714)</u>	<u>(657)</u>	<u>(974)</u>
Total primary government net expense	<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	90,440	85,534	81,197	79,172	75,351	67,880	64,884
Grants and contributions not restricted to specific purposes	2,128	1,940	2,077	1,917	2,811	1,870	2,551
Unrestricted investment earnings	369	1,190	1,446	1,230	540	288	303
Miscellaneous		127	66	102	323	420	128
Total governmental activities	<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>
Total primary government	<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	513	(1,024)	4,218	4,184	5,589	3,404	1,086
Business-type activities	<u>10,620</u>	<u>1,313</u>	<u>(153)</u>	<u>447</u>	<u>694</u>	<u>(351)</u>	<u>951</u>
Total Primary Government	<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 SOUTHLINGTON, CONNECTICUT

## FUND BALANCES, GOVERNMENTAL FUNDS

## LAST TEN FISCAL YEARS

(In Thousands)

	FISCAL YEAR									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
General Fund:										
Reserved	\$ 426	\$ 365	\$ 255	\$ 414	\$ 560	\$ 571	\$ 561	\$ 343	\$ 848	\$ 754
Unreserved	<u>12,044</u>	<u>9,936</u>	<u>9,112</u>	<u>8,939</u>	<u>7,450</u>	<u>5,368</u>	<u>6,912</u>	<u>8,579</u>	<u>6,246</u>	<u>6,548</u>
Total General Fund	<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>	<u>\$ 8,922</u>	<u>\$ 7,094</u>	<u>\$ 7,302</u>
All other governmental funds:										
Reserved	\$ 44	\$ 59	\$ 54	\$ 51	\$ 38	\$ 40	\$ 34	\$ 56	\$ 55	\$ 52
Unreserved, reported in:										
Special revenue funds	2,562	2,063	2,199	2,208	2,007	1,506	1,468	1,240	1,249	1,098
Capital projects funds	(9,117)	(5,333)	(7,536)	(2,409)	(10,074)	(3,933)	(11,816)	(5,014)	6,435	(4,664)
Permanent funds	<u>775</u>	<u>872</u>	<u>826</u>	<u>769</u>	<u>747</u>	<u>725</u>	<u>680</u>		<u>807</u>	<u>928</u>
Total All Other Governmental Funds	<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>	<u>\$ (3,718)</u>	<u>\$ 8,546</u>	<u>\$ (2,586)</u>

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

Note 2: Data presented for years prior to the implementation of GASB No. 34 (2003) has not been restated to conform with current governmental funds structure

**TOWN OF SOUTHLINGTON, CONNECTICUT**  
**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS**

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

	FISCAL YEAR									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Revenues:										
Property taxes	\$ 90,440	\$ 85,341	\$ 82,036	\$ 79,246	\$ 74,746	\$ 68,072	\$ 64,360	\$ 62,286	\$ 56,329	\$ 54,513
Intergovernmental	43,615	55,366	34,901	29,342	24,784	25,087	26,734	35,739	28,155	24,892
Charges for services	7,764	5,135	4,914	4,873	5,071	4,329	4,373	3,242		
Income on investments	369	1,173	1,417	1,182	466	250	260			
Other revenues	1,423	3,588	3,387	3,725	4,023	4,079	2,704	3,632	10,382	6,809
<b>Total revenues</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>	<b>104,899</b>	<b>94,866</b>	<b>86,214</b>
Expenditures:										
General government	3,018	6,030	5,641	5,833	5,405	5,090	4,666	4,322	3,771	3,696
Public safety	12,398	12,193	12,055	10,442	9,784	9,075	9,061	8,878	8,508	7,708
Public works	8,341	7,469	6,867	7,321	6,970	6,441	6,031	5,840	6,548	6,250
Health and welfare	720	786	766	779	739	625	518	536	539	503
Human resources	1,498	1,280	1,223	916	862	852	905	866	780	791
Parks and recreation	2,071	1,935	1,946	1,930	1,724	1,656	1,524	1,554	1,309	1,389
Public library	1,594	1,311	1,245	1,184	1,146	1,130	1,130	1,015	1,059	862
Planning and development	841	829	816	937	779	738	720	690	657	631
Miscellaneous	147	56	35	370	80	322	134	48	63	184
Employee fringe benefits	6,920	4,007	3,647	3,057	2,476	2,056	1,811	1,908	1,647	1,570
Education	84,567	103,840	78,249	74,727	69,592	66,426	62,201	58,867	60,228	55,378
Debt service:										
Principal	4,955	4,460	4,530	3,394	4,669	4,123	4,516	4,962	3,864	4,058
Interest	1,126	1,135	1,075	1,610	*	*	*	*	*	*
Capital outlay	32,083	11,195	13,622	8,799	8,413	10,975	13,440	25,053	13,187	5,484
<b>Total expenditures</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>	<b>114,539</b>	<b>102,160</b>	<b>88,504</b>
Excess of revenue over (under) expenditures	<u>(16,668)</u>	<u>(5,923)</u>	<u>(5,062)</u>	<u>(2,931)</u>	<u>(3,549)</u>	<u>(7,692)</u>	<u>(8,226)</u>	<u>(9,640)</u>	<u>(7,294)</u>	<u>(2,290)</u>
Other financing sources (uses):										
Bond proceeds	15,440	8,975								
Transfers in	2,912	3,527	1,947	2,007	2,240	2,272	4,008	2,731	3,279	2,118
Transfers out	(2,912)	(3,527)	(1,947)	(2,007)	(2,240)	(2,272)	(4,008)	(2,731)	(3,279)	(2,118)
<b>Total other financing sources (uses)</b>	<b>15,440</b>	<b>8,975</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</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>	<b>\$ (9,640)</b>	<b>\$ (7,294)</b>	<b>\$ (2,290)</b>
Debt Service as a Percentage of Noncapital Expenditures	<u>3.95%</u>	<u>3.85%</u>	<u>4.75%</u>	<u>4.45%</u>	<u>4.48%</u>	<u>4.18%</u>	<u>4.84%</u>	<u>5.55%</u>	<u>4.34%</u>	<u>4.89%</u>

## Notes:

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

(2) Data presented for years prior to the implementation of GASB No. 34 (2003) has not been restated to conform with current governmental funds structure

\* Information currently being developed



**TOWN OF SOUTHLINGTON, 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							
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%
2002	2000	1,442,243	248,571	76,368	166,027	245,735	65,276	2,113,668	28.90	3,019,527	70%
2001	1999	1,409,144	243,031	74,601	159,866	228,866	51,505	2,064,003	26.90	2,948,575	70%
2000	1998	1,371,534	235,903	72,895	154,807	206,717	45,582	1,996,274	26.70	2,851,818	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

2007 AND 1998  
(In Thousands)

Taxpayer	October 1, 2007			October 1, 1998		
	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.	\$ 46,777	1	1.19%	\$ 25,503	1	1.28%
Lexington Southington LP (formerly Lepercq Corp.)	19,868	2	0.51%	8,833	5	0.44%
Galileo Queen Plaza LLC	15,453	3	0.39%			
Medex Inc (formerly Johnson & Johnson)	14,402	4	0.37%	15,408	3	0.77%
Yankee Gas	11,734	5	0.30%	6,934	8	0.35%
Widewaters (Home Depot)	10,850	6	0.28%			
Hartconn Corporation	10,545	7	0.27%	7,334	7	0.37%
Alzheimers Resource Center of CT	9,594	8	0.24%			
Herbert R Olson et al	9,493	9	0.24%			
Southington Plaza Assoc Ltd Partnership	8,260	10	0.21%			
Hartford Fire Insurance				25,008	2	1.25%
United Technologies Corp.				9,459	4	0.47%
Chancellor Gardens				7,853	6	0.39%
Lake Compounce/Kennywood Entertainment				6,726	9	0.34%
Arawana Mills (P & W Aircraft)				5,845	10	0.29%
Total	\$ 156,976		4.00%	\$ 118,902		5.96%

Net Taxable Grand List 10/01/2007 of \$3,919,715,000

Net Taxable Grand List 10/01/1998 of \$1,996,273,000

Source: Town of Southington, Office of Tax Assessor

TABLE 7

**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
2009	2007	23.02	\$ 90,298	\$	\$ 90,298	\$ 88,887	98.44 %	\$	\$ 88,887	98.44 %
2008	2006	21.88	84,776	64	84,712	83,662	98.69	518	84,180	99.37
2007	2005	21.40	81,627	114	81,513	80,617	98.76	677	81,294	99.73
2006	2004	29.43	78,877	279	78,598	77,798	98.63	690	78,488	99.86
2005	2003	28.43	74,195	200	73,995	72,967	98.34	979	73,946	99.93
2004	2002	26.60	68,598	153	68,445	67,532	98.45	880	68,412	99.95
2003	2001	25.30	64,187	632	63,555	63,118	98.33	418	63,536	99.97
2002	2000	28.90	61,521	196	61,325	60,526	98.38	787	61,313	99.98
2001	1999	26.90	55,878	184	55,694	54,782	98.04	903	55,685	99.98
2000	1998	26.70	54,017	198	53,819	52,840	97.82	971	53,811	99.99

## TOWN OF SOUTHLINGTON, CONNECTICUT

## RATIOS OF OUTSTANDING DEBT BY TYPE

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

Fiscal Year	Governmental Activities		Business-Type Activities		Total Primary Government	Percentage of Taxable Assessed Value	Percentage of Personal Income	Debt Per Capita
	General Obligation Bonds	Capital Leases	Sewer					
2009	\$ 59,584	\$ 137	\$	\$	59,721	1.52 %	4.35 %	\$ 1,413.51
2008	48,596	271			48,867	1.26	3.57	1,159.58
2007	43,466	399			43,865	1.15	3.19	1,038.25
2006	47,362	524			47,886	1.80	3.50	1,138.06
2005	38,581				38,581	1.49	2.84	924.69
2004	41,259				41,259	1.59	3.07	996.67
2003	29,945				29,945	1.18	2.25	731.38
2002	32,875				32,875	1.56	2.62	817.24
2001	35,866				35,866	1.74	2.89	902.79
2000	19,991				19,991	1.00	2.00	513.68

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

**TOWN OF SOUTHTON, CONNECTICUT**  
**RATIOS OF GENERAL BONDED DEBT OUTSTANDING**

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

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Percentage of Actual Property Value</u>	<u>Debt Per Capita</u>
2009	\$ 59,584	1.06 %	\$ 1,410.27
2008	48,596	0.88	1,153.15
2007	43,466	0.79	1,028.81
2006	47,362	1.25	1,125.60
2005	38,581	1.04	924.69
2004	41,259	1.12	996.67
2003	29,945	0.83	731.38
2002	32,875	1.09	817.24
2001	35,866	1.22	902.79
2000	19,991	0.70	513.68

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

- 1 See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property on page for property value data
- 2 Population data can be found in the Schedule of Demographic and Economic Statistics Table 12

## TOWN OF SOUTHTON, CONNECTICUT

## SCHEDULE OF DEBT LIMITATION

JUNE 30, 2009

(In Thousands)

Total tax collections (including interest and lien fees) received by Treasurer for current fiscal year					\$ <u>90,274</u>
Base					\$ <u><u>90,274</u></u>
	<b>General Purpose</b>	<b>Schools</b>	<b>Sewers</b>	<b>Urban Renewal</b>	<b>Pension Deficit</b>
Debt limitation:					
2-1/4 times base	\$ 203,117	\$	\$	\$	\$
4-1/2 times base		406,233			
3-3/4 times base			338,528		
3-1/4 times base				293,391	
3 times base					270,822
Total debt limitation	<u>203,117</u>	<u>406,233</u>	<u>338,528</u>	<u>293,391</u>	<u>270,822</u>
Indebtedness:					
Bonds payable	19,384	30,889	9,311		
Bonds authorized - unissued	2,865	16,527	14,620		
Grant commitments		(1,446)			
Total indebtedness	<u>22,249</u>	<u>45,970</u>	<u>23,931</u>	<u>-</u>	<u>-</u>
Debt Limitation in Excess of Outstanding and Authorized Debt	\$ <u><u>180,868</u></u>	\$ <u><u>360,263</u></u>	\$ <u><u>314,597</u></u>	\$ <u><u>293,391</u></u>	\$ <u><u>270,822</u></u>

Note 1: In no case shall total indebtedness exceed seven times annual receipts from taxation of \$631.9 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.

## TOWN OF SOUTHBINGTON, CONNECTICUT

## LEGAL DEBT MARGIN INFORMATION

## LAST TEN FISCAL YEARS

(In Thousands)

	FISCAL YEAR									
	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
Debt limitation	\$ 631,918	\$ 596,100	\$ 575,500	\$ 555,200	\$ 518,100	\$ 479,100	\$ 449,600	\$ 434,800	\$ 387,450	\$ 383,600
Total net debt applicable to limit	<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>	<u>31,362</u>	<u>35,866</u>	<u>19,990</u>
Legal Debt Margin	<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>	<u>\$ 403,438</u>	<u>\$ 351,584</u>	<u>\$ 363,610</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	<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>	<u>7.21%</u>	<u>9.26%</u>	<u>5.21%</u>

Source: Comprehensive Annual Financial Report - Schedule of Debt Limitation

Note: See Table 10 for calculation of current year debt limitation

**TOWN OF SOUTHLINGTON, 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>
2009	42,250	\$ 32,517	\$ 1,373,843,250	42.0	6,904	7.00 %
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 %
2002	40,227	31,226	1,256,128,302	38.0	6,730	3.80 %
2001	39,728	31,226	1,240,546,528	38.0	6,755	2.90 %
2000	38,917	25,656	998,454,552	38.6	6,746	2.00 %

## Source:

- (1) State of Connecticut Department of Public Health as of July 1st of Prior Year
- (2) State of Connecticut, Department of Economic and Development  
CT Town Profiles 1999 through 2009
- (3) Personal Income = Population times Per Capita Personal Income
- (4) State of Connecticut, Department of Economic and Community Development, CT Town Profiles
- (5) Town of Southington, Board of Education
- (6) State of Connecticut Department of Labor website Annual Averages. For 2009, June 2009 is utilized as an estimate. Next year it will be replaced with the Annual Average.



## TOWN OF SOUTHLINGTON, CONNECTICUT

## PRINCIPAL EMPLOYERS

2009 AND 2000

Employer	Nature of Business	2009			2000		
		Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Hartford Insurance Group	Insurance	1,700	1	6.90%	1,650	1	7.77%
Town of Southington	Municipality	1,202	2	4.88%	1,046	3	4.93%
Hospital of Central CT: Bradley Memorial Hospital	Hospital	429	3	1.74%			
Yarde Metals	Manufacturing	381	4	1.55%	260	5	1.22%
Southington Care Center	Health Care Practice	309	5	1.25%			
Smith's Medical (Medex Inc.)	Manufacturing	282	6	1.14%			
The Home Depot	Retail Chain	222	7	0.90%	380	4	1.79%
Price Chopper	Retail Chain	222	8	0.90%			
Wal-Mart	Retail Chain	213	9	0.86%			
Stop & Shop	Retail Chain	172	10	0.70%			
Ideal Forging Corp.	Manufacturing				180	6	0.85%
Lori Lock Corporation	Security Equipment				150	7	0.71%
J J Ryan Corporation	Manufacturing				120	8	0.57%
Johnson & Johnson Medical	Manufacturing				1,250	2	5.89%
Economy Spring and Stamping	Manufacturing				100	9	0.47%
Les Care Kitchens	Manufacturing				100	10	0.47%
Total		5,132		20.82%	5,236		24.67%

FY 2000 Labor Force 21,226

FY 2009 Labor Force 24,648

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

**TOWN OF SOUTHTON, CONNECTICUT**  
**FULL-TIME-EQUIVALENT TOWN GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS**

<b>Function/Program</b>	<b>Full-Time Equivalent Employees as of June 30, 2009</b>									
	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>	<b>2000</b>
General government	57	57	55	52	50	49	49	49	50	51
Police	85	85	79	79	77	76	77	74	78	78
Fire	33	32	33	32	32	32	32	32	32	31
Public works	37	37	37	35	34	33	33	32	32	32
Parks and recreation	13	13	13	13	12	12	12	12	10	10
Library and Barnes	19	19	18	18	18	18	18	18	18	18
Education	904	907	890	871	858	856	855	849	811	809
Sewer plant and office	12	13	13	12	12	12	12	12	12	13
<b>Total</b>	<b>1,160</b>	<b>1,163</b>	<b>1,138</b>	<b>1,112</b>	<b>1,093</b>	<b>1,088</b>	<b>1,088</b>	<b>1,078</b>	<b>1,043</b>	<b>1,042</b>

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Source: Town of Southington Finance Department and Board of Education records.  
 Town utilized Department of Labor reports as of June 30th.  
 Board of Education provided 2002 to 2009 numbers. Prior data from Southington Bonding Official Statement.

**TOWN OF SOUTHLINGTON, CONNECTICUT**  
**OPERATING INDICATORS BY FUNCTION/PROGRAM**

**LAST TEN FISCAL YEARS**

**FISCAL YEAR**

<b>Function\Program</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>	<b>2000</b>
General government:										
Building permits issued	1,181	1,311	1,464	1,541	1,701	1,594	1,343	1,191	1,254	1,280
Police:										
Physical arrests	971	1,247	1,265	967	1,049	2,462	1,565	1,267	1,488	1,355
Parking violations	1,123	500	892	785	362	492	331	601	517	435
Traffic violations	9,014	8,923	8,009	7,435	6,607	4,149	4,252	4,673	7,355	7,155
Fire:										
Emergency responses/Fire calls	1,911	2,083	2,058	1,927	1,940	2,036	2,068	1,941	1,808	1,810
Inspections	2,805	1,775	2,381	2,313	2,642	2,170	2,700	3,211	2,908	2,314
Refuse collection:										
Average refuse collected (tons per day)	131	146	153	126	117	118	110	102	114	118
Average recyclables collected (tons per day)	11	10	8	11	11	12	11	10	11	11
Other public works:										
Street resurfacing (miles)	4	5	4	5	4	4	5	7	5	7
Library:										
Total volumes loaned/Combined lending	651,120	572,071	439,685	321,596	307,911	276,957	260,399	253,951	220,237	253,137
Water:										
New connections	112	212	127	236	133	171	97	130	188	210
Average daily consumption (thousands of gallons)	3,929	3,887	4,002	3,950	3,612	3,710	3,760	3,815	3,830	3,870
Wastewater:										
Average daily sewage treatment (thousands of gallons)	5,030	4,690	4,900	5,200	4,420	4,700	4,250	3,620	4,250	4,040

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									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	23	21	21	21	21	20	20	20	20	20
Fire stations	4	4	4	4	4	4	4	4	4	4
Other public works:										
Streets (miles)	197	196	195	194	193	190	188	187	187	186
Streetlights	4,011	4,011	3,973	3,945	3,692	3,692	3,692	3,692	3,692	3,680
Traffic signals	6	5	5	5	5	5	5	5	5	5
Parks and recreation:										
Acreage	351	351	351	351	351	351	295	243	243	243
Parks	10	10	10	10	10	10	9	7	7	7
Swimming Pools	2	2	2	2	2	2	2	2	2	2
Tennis Courts	10	10	10	10	10	11	11	11	11	11
Water:										
Water mains (miles)	195	193	190	190	190	190	189	188	187	183
Fire hydrants	1,345	1,301	1,268	1,268	1,260	1,245	1,225	1,214	1,198	1,168
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)	138	137	137	136	135	133	132	131	131	130
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.