



STATE OF CONNECTICUT

OFFICE OF POLICY AND MANAGEMENT

OFFICE OF THE SECRETARY

August 7, 2017

Dear Ms. Lane,

On August 2nd, the Governor directed the Office of Policy and Management to produce a series of reports on the fiscal health of municipalities (please see attached).

To that end, I am requesting updated information on your municipality's fund balance. We have historic data already reported to our office, which we have included below. We are looking for estimates of your General Fund's total fund balance and unassigned fund balance for as of June 30, 2017. In addition, we are requesting projections of your municipality's General Fund total fund balance and unassigned fund balance as of June 30, 2018, based on the assumptions from your adopted FY 18 budget.

NEWINGTON

General Fund

	<u>Total Fund Balance</u>	<u>Unassigned Fund Balance per GASB 54</u>
FY 15 Actual	21,369,000	15,999,000
FY 16 Actual	21,956,000	14,981,000
FY 17 Estimated	20,320,000	14,360,000
FY 18 Projected (based on adopted municipal budget)	17,862,000	8,752,000

Finally, please provide any supplemental information about the potential impact of a continuing state budget impasse on your community's finances, such as contingency plans to utilize fund balance, issue supplemental taxes or reduce spending.

Please email the requested information to Michael Izadi on my staff at [michael.izadi@ct.gov](mailto:michael.izadi@ct.gov) by August 16, 2017.

Sincerely,

Benjamin Barnes  
Secretary

Cc: Ann J. Harter, Director Of Finance  
Michael Izadi, Office of Policy and Management  
Kerry Kelley, Office of Policy and Management

**APPENDIX G**  
**TOWN OF NEWINGTON**  
**SUMMARY OF UNASSIGNED FUND BALANCE**

	June 30, 2016 <u>Per Audit</u>	June 30, 2017 <u>Estimated</u>	June 30, 2018 <u>Projected</u>
General Fund Balance:			
Fund Balance	\$17,481,640	\$15,066,006	\$13,066,006
LESS: Assigned to Subsequent Fiscal Year	<u>2,500,000</u>	<u>2,000,000</u> *	<u>1,190,463</u>
Unassigned Fund Balance	14,981,640	13,066,006 **	11,875,543
LESS: Minimum Financial Cushion to Retain (@ 10% of next budget)		<u>11,585,896</u>	<u>11,875,543</u>
Remaining Projected Unassigned Fund Balance (i.e. Available for future appropriation)		1,480,110	0

\*/ Equals the amount of fund balance applied to the FY 2017-18 budget.

\*\*/ Estimated unassigned fund balance equals 11.3% of the FY 2017-18 Budget, or approximately 6 weeks of the Town's average expenditures.

**DEFINITIONS:**

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

Assigned Fund Balance - For the General Fund this includes amounts constrained for the intent to be used for a specific purpose by Town Council or a governing board/ body/official that has been delegated authority to assign amounts by the Town Charter.

Unassigned Fund Balance - This represents fund balance in the General Fund in excess of nonspendable, restricted, committed and assigned fund balance. In recent years, Newington has maintained a balance of between 10% of General Fund expenditures as a financial cushion against unplanned circumstances affecting the Town's revenues or expenditures.

*SOURCE: Town of Newington, Comprehensive Annual Financial Report*