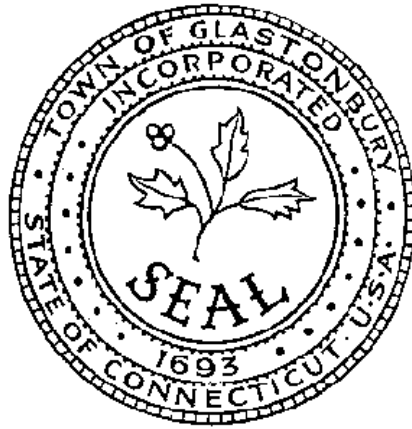


TOWN OF GLASTONBURY, CONNECTICUT



COMPREHENSIVE ANNUAL FINANCIAL REPORT

**For the Fiscal Year
July 1, 2016 to June 30, 2017**

Prepared By:
Financial Administration
and
Accounting Divisions

**TOWN OF GLASTONBURY, CONNECTICUT
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
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 JUNE 30, 2017**

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Introductory Section



Town of Glastonbury

2155 MAIN STREET • P.O. BOX 6523 • GLASTONBURY, CONNECTICUT 06033-6523

December 15, 2017

Town Council
Board of Finance
Glastonbury, Connecticut

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants. Pursuant to the requirement, issued herein is the comprehensive annual financial report of the Town of Glastonbury for the fiscal year ended June 30, 2017.

This report consists of management's representation concerning the financial statements of the Town of Glastonbury. 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 Glastonbury 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 Glastonbury's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Town of Glastonbury's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. Management asserts that, to the best of its knowledge and belief, this financial report is complete and reliable in all material respects.

The Town of Glastonbury'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 Glastonbury for the fiscal year ended June 30, 2017 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 unmodified opinion that the Town of Glastonbury's financial statements for the fiscal year ended June 30, 2017 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 Glastonbury was part of broader state and federally mandated "single audits" designed to meet the special needs of state and federal grantor agencies. The standards governing the federal and state single audit engagements required the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal and state awards. These reports are available in the Town of Glastonbury's separately issued Single Audit Reports.

Generally accepted accounting practices require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Town of Glastonbury's MD&A can be found immediately following the independent auditors' report.

PROFILE OF THE GOVERNMENT

The Town of Glastonbury, incorporated as a Town in May of 1693, is located about eight miles southeast of Hartford and is bordered on the north mainly by the towns of East Hartford and Manchester, on the east by the towns of Bolton and Hebron, on the south by the towns of Marlborough, East Hampton and Portland, and on the west by the towns of Cromwell, Rocky Hill and Wethersfield. Glastonbury is approximately 53 square miles in area with an estimated population of 34,678 as of June 2017.

Glastonbury is strategically located adjacent to Connecticut Routes 2 and 3, both four-lane limited access highways providing direct access to interstate highways 84 and 91. Bradley International Airport is 20 miles northwest of the Town.

Glastonbury is a suburb of Hartford with a diverse development base and a rich history as a Connecticut River Valley town. Approximately 61% of the total land area is zoned for residential development, 12% for commercial and industrial development, and 27% is flood zone or open space.

The Town provides a full range of services including: General Government, Community Development, Administrative Services, Public Safety, Physical Services, Sanitation, Human Services, Leisure/Culture and Education.

Economy and Factors Affecting Financial Condition

Glastonbury is located in a region with a divergent economic base. Its citizens' income is derived from major insurance firms, prime government contractors, commercial/industrial firms, retail, and service industries. The 2011-2015 American Fact Finder published by the U.S. Census Bureau indicates that Glastonbury's median family income was \$123,368 compared to the State's \$89,031. The median age of a Glastonbury resident is approximately 43.8 years comparable to the State of Connecticut at 40.0 years.

Glastonbury's unemployment rate ranks better than the region. The Town's unemployment rate was 3.1% as of August 2017 as compared to the State of Connecticut at 4.8%. Glastonbury's unemployment rate decreased approximately 1.4% from September 2016 when the unemployment rate was 3.6%.

The net taxable Grand List of October 1, 2016 was \$3.97 billion, representing an increase of 1.39% from 2015. This increase generated an additional \$1.987 million in tax revenue for the 2017/2018 budget. This is the third consecutive year of strong growth in the tax base since 2007 and appears to signal an improving economy. Individually real estate values increased approximately \$27 million or 0.78%, personal property values increased 10.25% and the motor vehicle list increased 4%.

The area real estate market continues on a path of stabilization and appreciation, as it has done for three consecutive years now. Residential sales increased by 19.7%, and the average sales price increased 3.5% as compared to the prior period. New residential construction permits decreased 16% year-over-year, as a market-dominant 59-lot subdivision entered its second year and fewer individual lots became available. In addition, the ongoing successful development of the Gateway property continues to have a significant positive influence on the grand list, both in creating value on the real estate segment as well as adding value to the taxable business personal property portion of the grand list.

On a state and local scale, markets for new residential properties increased slightly in demand for new home construction. Although residential construction has slowed from the 2005-2006 peak period of the market, the Town has continued to maintain a minimal inventory of vacant new homes, with used home sales remaining fairly strong. In summary, the housing market continues on the moderating trend which

has been in effect since the market adjustment in 2008. Likewise, on the commercial side there is relatively little vacancy within retail and office properties.

The Town's economic base continues to expand modestly. There has been gradual growth in the Town Center. A retail building on Main Street and Welles Street has completed construction and two of the three tenant spaces are now occupied by a pet store and a restaurant. Another site on Hebron Avenue has been constructed and two retail/service businesses are now in operation at this location. The Goodwill Store on Main Street completed its exterior renovation project. A restaurant has been constructed and is now open for business on Rankin Road. The McDonald's restaurant completed their rebuild on Main Street. A new restaurant is now open and in full operation.

Glastonbury One, formerly called the Glastonbury Mews, is currently under construction at House Street and Hebron Ave. A 145 apartment unit development with a mix of townhomes, one- bedrooms and two- bedrooms will be developed. The Tannery, formerly known as Flanagan's Landing, is under construction on New London Turnpike. This development will consist of 250 apartments, along with a restaurant and an amenity building. The Monaco Ford Dealership on New London Turnpike also had a ribbon cutting ceremony to celebrate the completion of a 1,600 sf addition to their facility.

The Gateway Medical campus continues to grow now occupying eight constructed buildings. An additional building is currently under construction, another has received town approvals, and yet two other buildings are in the process of constructing approved modifications. Recently, another building received approvals for an expansion.

Overall, the Town is confident that Glastonbury's strong economic base will continue to attract high quality development and redevelopment projects for many years into the future.

Management Policies

Management adheres to the following policies to manage financial stability and strength of the Town. These policies have helped during budgetary challenges to meet increasing demands and taxpayer expectations with current economic trends and market influences.

- **Budgetary Control** - Expenditures may not legally exceed budgeted appropriations at the object code level. The Town Manager can authorize budget transfers within a department when the amount is \$5,000 or less and does not include additional staffing or the acquisition of capital items deleted in prior budgets. Other transfers require Board of Finance and/or Town Council approval. Transfers between departments may be made only in the last three months of the fiscal year. Monthly expenditures are reviewed with the Board of Finance and requested transfers are reviewed and justified.
- **Debt Policy** - The Town Council and Board of Finance have enacted a policy whereby debt shall not exceed three and one half percent (3.5%) of the respective year full value Grand List. Additionally, annual Debt Service shall not exceed 10% of the respective year budget. For 2017, actual debt service expenditures represented approximately 5.7% of actual expenditures. The ratio of net bonded debt to assessed valuation and the amount of net bonded debt per capita are useful indicators of the Town's debt position to municipal management, citizens and investors.

Applicable data with regard to debt at the end of the 2017 fiscal year is represented as follows:

Bonded Debt	Premium on Bonds	Total	Ratio of Debt to Assessed Value (70% of Market)	Ratio of Debt to 10/1/14 Market Value	Bonded Debt Per Capita
\$51,735,000	\$2,396,000	\$54,131,000	.91%	1.14%	\$1,953

While the above ratios indicate a relationship of total debt obligations to the local tax base, it is important to recognize that there are other sources utilized to meet debt service requirements. State grants received as specific partial offsets to school building debt and other local revenues generated from the bonded projects themselves, such as sanitary sewer assessments, also serve to reduce the direct impact of debt service on the property tax.

Outstanding general obligation bonds at June 30, 2017 totaled \$51,735,000. Changes in bond indebtedness are detailed in Note 8 of this report. The Town is rated AAA by Standard & Poor's and Aaa by Moody's. It is the policy of the Town to protect these ratings by adhering to sound financial policies and decisions.

- **Use of Fund Balance** - The Town Council has enacted a Policy that the Town's Unassigned Fund Balance shall meet a minimum of 12% of the respective year combined Town, Education and Debt & Transfer budget. At June 30, 2017, in accordance with GASB 54, the Town's General Fund unassigned fund balance represented 15.4% of expenditures and 15.4% of revenues.
- **Cash Management** - The Town's Investment Portfolio Policies and Procedures apply to all financial assets of the Town, excluding pension and Other Post Employment Benefit (OPEB) Trust funds. The primary objective of each investment transaction is to protect principal followed by maintaining sufficient liquidity to meet cash flow needs, and finally, attain the maximum yield possible taking into account the investment risk constraints and cash flow requirements. Upon recommendation of the Board of Finance, investments are allowed in any financial institution approved by the Town Manager that meets the State of Connecticut definition of a "qualified public depository". Additional information on the Town's cash and investment policy can be found in the financial statements in Note 4. The Town monitors the financial health of the approved financial institutions by reviewing the quarterly risk based capital ratios and collateral requirements report as defined by Connecticut Statutes.
- **Pension Trust Fund** - Investment of the Pension Trust Fund portfolio is composed of stocks, bonds and real estate investments. The current investment strategy allows for 65% in stocks and 35% in bonds. The Board of Finance reviews the fund performance quarterly to monitor adherence to the Investment Policy Statement guidelines. Over the last few years the actuarial valuation assumptions have been reviewed and revised accordingly. Most specifically, the investment rate of return has been reduced over the years from 8.75% to 6.875% (effective with the 7/1/16 valuation). Recognizing the budget impact of the investment rate of return reduction on the actuarially determined contribution, the Town used a phased in approach over a number of years to minimize its effect on the Town's operating budget.
- **Technology Replacement Schedule** - The Town maintains a comprehensive schedule for replacement of computers and servers and review of software. Annually funds are included in the operating budget at a relatively consistent level to maintain systems and upgrades as necessary.
- **Loss Control** - The Town has a highly successful loss control program for its workers' compensation and property and casualty insurance. The Director of Finance and Director of Human Resources are jointly responsible for the risk management function. Semiannually,

department directors must report on losses within their area of responsibility, the preventative action taken to correct the situation and any training provided to their employees to mitigate losses. Safety and risk management training is made available by the insurance providers and is used on a recurring basis. As in the past, the department and division directors focus on loss control prevention. These efforts have further improved the Towns' loss control program and strengthened the accountability of management staff for reduction in overall Worker's Compensation costs. The Town participates in the Connecticut Interlocal Risk Management Pool (CIRMA) for town and education coverage.

Factors Affecting the 2016/17 Budget

A continuing challenge when considering the Town's budget is the appropriate balance between operational requirements, the appropriate level of service to meet the needs and expectations of the community, and ongoing taxes. Glastonbury is highly dependent on tax revenues with 89% of its budgeted revenues derived from property taxes and delinquent charges. For the 2016/17 budget, the 2015 Grand List increased 1.1% generating approximately \$1.65 million in additional tax revenue. The adopted expenditure budget for 2016/17 increased 2.16%. Offset by the revenue generated from grand list growth, the mill rates increased 0.83% from 36.1 to 36.4 for real estate and personal property, and decreased 4.16% for motor vehicles from 36.1 to 34.6.

The Town conservatively budgets non-tax revenues with respect to building permit fees, investment income and Town Clerk conveyance fees, which comprises the majority of the non-tax revenue sources exclusive of grants. State revenues represent approximately 6.1% of the Town's overall revenues. The Town's budget process is considerably early when compared to the timing of the State's budget schedule. This forces the Town to estimate State grants at current funding levels or most current "best guess" estimates when its budget is presented, and in most cases even adopted in late March. Historically, the Town has not been adversely affected by this practice.

Historically, actual tax collection rates have exceeded 99%, the assumption used to set the mill rate. In 2014, 2015 and 2016 the collection rates were 99.41%, 99.42, and 99.55 respectively. The Town completed the 2017 fiscal year with a 99.45% collection rate.

The Town continued to face many of the same challenges on the expenditure side of the budget for 2016-2017 as it has in prior years. The combined Town, Debt & Transfers and Education budget remained at \$14.3 million. Below highlight some of the challenges.

- Town Operations increased 2.16% or \$849 thousand and is best characterized as a "maintenance budget". Goals and objectives were to:
 - Continue the Town's highly successful land acquisition and preservation program as opportunities present.
 - Evaluate and implement opportunities for multi-town programs and projects to achieve improved service delivery and cost efficiencies as applicable.
 - Continue long history of devoting prudent attention to the community's long-term budget and financial management.
 - Continuously support and improve the downtown business community through a variety of actions including traffic management, parking accessibility, walkability, streetscape aesthetics, and redevelopment.
 - Continue to focus on energy efficiency and alternate energy tools and resources for town operations.
 - Ensure the long-term stability of the Town's pension fund through careful, ongoing review of actuarial and investment assumptions, investment portfolio management, ongoing benefit plan design, and related review activities.

- Make a concerted effort to evaluate Town facilities and ensure spaces are conducive to diverse community activities and properly accommodate the evolving needs of our residents and staff.
- Identify new and improved methodologies for enhancing communication with residents and business owners in the community.
- Foster activities at the Riverfront Boathouse and Riverfront Community Center to further strengthen the link between the riverfront and the downtown business community.

There were no new programs or services and full-time head count remained flat.

- Since 2008, the Town's contribution to the pension plan has increased due to two factors: the decline in market values in 2008 and the systematically planned decrease in the rate of return assumption from 8.75% to 6.875% in the current budget. To help mitigate these increases, the Town has effectively been implementing changes to the investments and administration of the pension plan as well as implementing pension plan design changes such as increased employee contributions and the implementation of a new pension plan for new hires.
- The Education budget increased \$2.1 million or 2.11% over the previous year. Glastonbury Public Schools is responsible for the education of approximately 5,900 students from Pre-Kindergarten through Grade 12.

In summary, management, the Town Council and Board of Finance are extremely proactive in addressing budget policy and the various internal and external factors that affect the Town's budget and finances.

Long Range Financial Planning

Glastonbury has a highly successful Capital Improvement Program through which its goal is to maintain the Town's infrastructure and make improvements to and/or add community facilities to enhance the Town's overall image and services it provides to Town residents.

The Town's annual Capital Improvement Program (CIP) results in a five-year plan of acquisition, new construction, and repair and replacement of municipal facilities and equipment. The Program consists of a planning process and a budgetary process. Requests are prepared by Town Departments, Boards and Commissions, and are submitted to the Town Council in a five-year planning document prepared by the Town Manager and presented to the Town Council and Board of Finance by February 1. This document sets forth in priority order the suggested implementation of projects based on the needs of the community. Both boards complete their reviews and recommendations in mid-March as part of the annual budget process.

The Town's Capital Improvement Program policy outlines the purpose of the program to identify future capital needs over a multi-year period and recommends the means to finance them. The Town currently maintains a Capital Reserve that funds many of the capital and nonrecurring items on a cash basis. Other sources of funding include grants, donations and long-term financing if authorized by the voters.

In addition to identifying the type of capital items to be included in the capital program, the Town Council also sets the goals and limits with regard to reserves and authorizations. This policy, the Capital Improvement Program Criteria, reviewed annually and modified as needed by the Town Council, sets forth the following goals and guidelines:

- Establishes a goal of maintaining an available balance in the Capital Reserve of \$1,000,000, except as needed to meet emergencies;
- Requires the Town Manager to develop a financing plan for recommended projects that includes the source of funding and, as applicable, debt service projections and the mill rate impact of issued debt for the projects;
- Sets the referendum threshold for cash-funded projects that exceed 2% of the Town's current adopted Town, Education, and Debt Transfer budget, rounded to the next highest \$50,000; and,

- Provides funding for capital improvements when public referendum is not practical or in the best interests of the community. This would include:
 - Exigent circumstances affecting the health or safety of the community;
 - Grant funding and donations which reduce the net project cost below the threshold;
 - Care and maintenance of Town buildings and infrastructure; and,
 - Projects of a recurring nature that may be funded on an annual basis for which cumulative funding could exceed the threshold.

Glastonbury is well known for its successful land acquisition and preservation program. The program is funded through appropriations and bond authorizations approved at referendum. Since 1988, \$26 million has been approved at referendum for land acquisition and preservation. Through this program, the Town has acquired approximately 1,500 acres of which over 95% is currently allocated to open space, outdoor recreation, natural resource preservation, agriculture, historic preservation, river access and similar uses. A number of acquisitions were purchased with funding assistance from the State of Connecticut and the Nature Conservancy. At June 30, 2017 the Town has a balance of approximately \$5.5 million available for future land purchases. A referendum in the amount of \$3 million for the Land Acquisition reserve was approved in November 2017. The Town currently has agreements in place to purchase 700+ acres of open space land for \$15 million of which \$10 million will be funded through a State grant with the Town responsible for the balance.

The Town continues the practice of funding major projects, new and ongoing, from cash resources to minimize the issuance of debt to finance projects. The capital transfer from the General Fund to the Capital Reserve Fund for 2016-2017 was \$5,000,000. Funding in 2016-2017 remained the same at \$5,000,000.

Projects in the Capital Improvement Program funded on a cash basis during 2016 totaled \$6.4 million and were for various improvements to Town infrastructure and buildings, disaster preparedness, a new building for the Facilities/Maintenance Department and various school improvements.

Looking forward to 2017/2018 the Town Council appropriated a total of \$9.6 million for current year funding through the annual appropriation to the Capital Reserve, Sewer Sinking funds and grants. Some major projects approved for funding include bridge replacement, heavy machinery and equipment, improvements to Town Hall, improvements to Town roads, sidewalks and Town infrastructure, boiler replacement at Town buildings, energy efficiency projects, and various other building improvements. In addition to the \$5 million funding from the General Fund, the CIP program takes advantage of significant grant resources as applicable.

The Town continues to evaluate proposals for purchase and development of all or a portion of the remaining 55 ± acres of the town-owned Gateway Corporate area. This process will focus on a number of factors including purchase price, demand for public services, ongoing net tax benefits, and long-term viability of concepts.

Award

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2016, which represents the twenty-seventh consecutive year this award has been received. In order to be awarded a Certificate of Achievement, the Town published an easily readable and efficiently organized comprehensive annual financial report. This report satisfies both accounting principles generally accepted in the United States of America and applicable legal requirements.

A Certificate of Achievement for Excellence is valid for a period of one year only. It is the Town's opinion that the current report continues to conform to the Certificate of Achievement for Excellence in Financial Reporting Program requirements. The 2017 report will be submitted to GFOA to determine its eligibility for the certificate program.

Acknowledgments

The preparation of this report could not be accomplished without the efficient and dedicated services of the entire staff of the Administrative Services Department. I would like to express my sincere appreciation to Nina Cousins, Controller, who, through her dedication, commitment and attention to detail, contributes significantly to the preparation of these financial statements. Also, a thank you and much appreciation to the Town Manager, Town Council and Board of Finance, for their ongoing support of sound financial management.

Respectfully submitted

A handwritten signature in cursive script that reads "Julie B. Twilley".

Julie Twilley, CPA
Director of Finance & Administrative Services

PRINCIPAL OFFICIALS

Town Council

Stewart (Chip) Beckett III, Chairman
Whit Osgood, Vice Chairman
Jill Barry
Karen Boisvert
Lawrence Byar
Kurt Cavanaugh
William Finn
Thomas Gullotta
Cara Keefe

Board of Finance

Jared Soper, Chairman
Constantine, Vice Chairman
Walter Cusson
James McIntosh
Michael Toppi
James Zeller

Town Administration

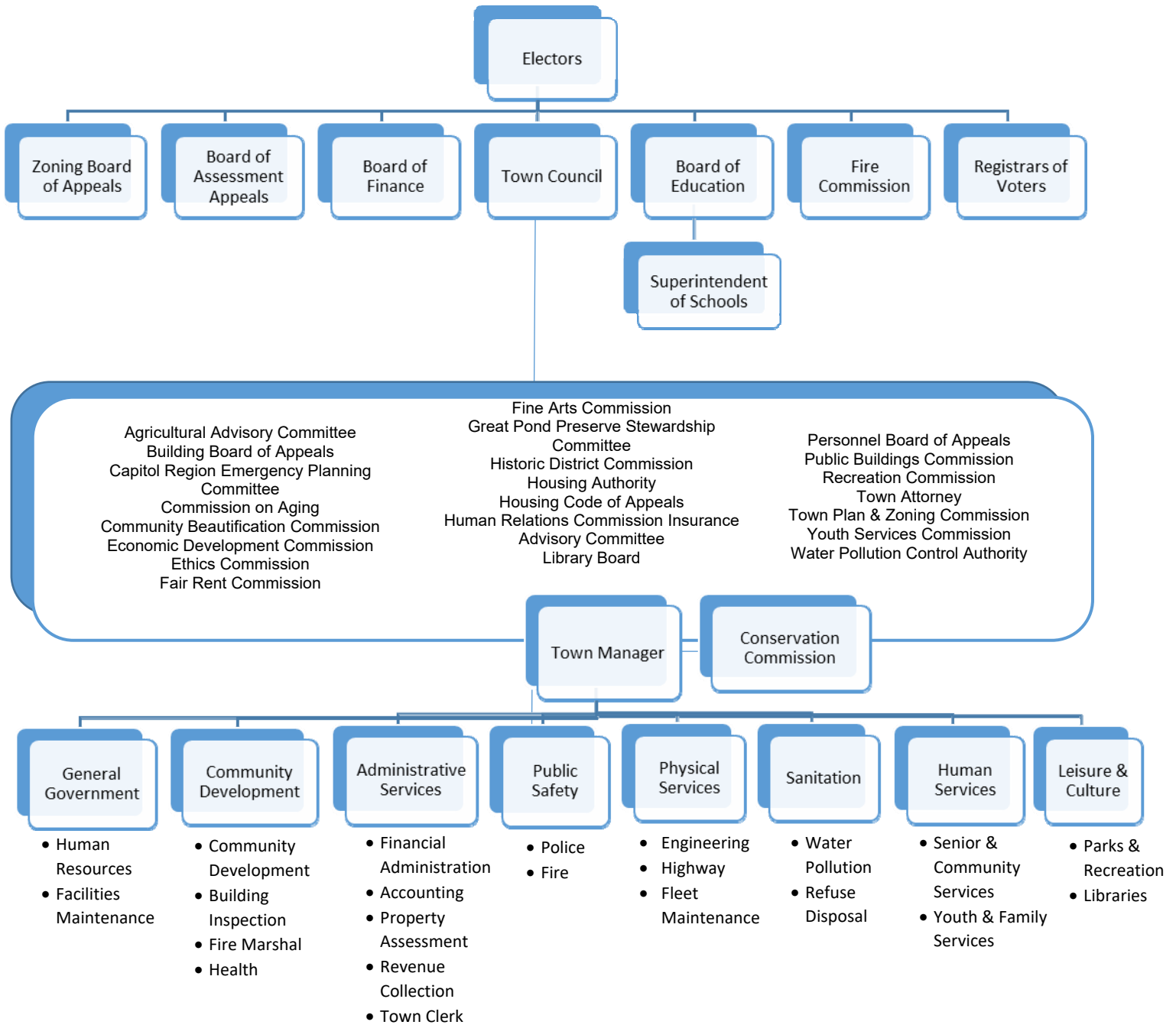
Richard J. Johnson, Town Manager
Thomas Sweeney, Director of Police Services
Greg Simmons, Interim Director of Finance
Daniel Pennington, Town Engineer/Manager of Physical Services
Khara Dodds, Director of Planning & Land Use Services
Sherri Tanguay, Director of Human Resources

Board of Education

Susan Karp, Chairman
Jeremy Grieveson Vice Chairman
Douglas Foyle, Ph.D., Secretary
Rosemary Coggeshall
Eric George
Chittaranjan Sahay, Ph.D.
Lillian Tanksi
Julie Thompson

Dr. Alan Bookman, Superintendent
Rosemary Tralli, Ph.D., Assistant Superintendent, Curriculum & Instruction
Matthew Dunbar, Assistant Superintendent, Personnel & Administration
Karen Bonfiglio, Finance Manager

Glastonbury Staff Organizational Chart





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Town of Glastonbury
Connecticut**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2016

Executive Director/CEO

Financial Section

BlumShapiro

Accounting | Tax | Business Consulting

Independent Auditors' Report

To the Town Council and Board of Finance
Town of Glastonbury, Connecticut

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Glastonbury, Connecticut, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Town of Glastonbury, Connecticut's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Glastonbury, Connecticut, as of June 30, 2017 and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 11 to the financial statements, during the fiscal year ended June 30, 2017, the Town adopted new accounting guidance, GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 14, the budgetary comparison information on page 59 and the pension and OPEB schedules on pages 60 through 69 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Glastonbury, Connecticut's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we do not express an opinion or provide any assurance on them.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of the Town of Glastonbury, Connecticut, as of and for the year ended June 30, 2016 (not presented herein), and have issued our report thereon dated November 29, 2016, which contained unmodified opinions on the respective financial statements of the governmental activities, each major fund and the aggregate remaining fund information. The accompanying General Fund balance sheet as of June 30, 2016 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the 2016 financial statements. The accompanying General Fund balance sheet has been subjected to the auditing procedures applied in the audit of the 2016 basic financial statements and certain additional procedures including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the General Fund balance sheet is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2016.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2017 on our consideration of the Town of Glastonbury, Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the Town of Glastonbury, Connecticut's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Glastonbury, Connecticut's internal control over financial reporting and compliance.

Blum, Shapiro & Company, P.C.

West Hartford, Connecticut
December 15, 2017

Town of Glastonbury, Connecticut Management's Discussion and Analysis - Unaudited June 30, 2017

This discussion and analysis of the Town of Glastonbury, Connecticut's financial performance provides an overview of the Town's financial activities for the fiscal year ended June 30, 2017. It should be read in conjunction with the letter of transmittal and the Town's financial statements that follow this section.

Financial Highlights

- On a government-wide basis, the assets of the Town of Glastonbury exceeded its liabilities resulting in a total net position at the close of the fiscal year of \$242.3 million. Of the Town's total net position at June 30, 2017, \$12.4 million, or 5.1%, is unrestricted and may be used to meet the Town's ongoing obligations to citizens and creditors.
- On a government-wide basis, during the year, the Town's net position increased by \$0.95 million or .4%, from \$241.4 million to \$242.3 million. Government-wide expenses were \$190.0 million, while revenues were \$191.0 million. While there was an overall surplus of \$3.3 million in governmental fund operations, the change or increase in net position of \$0.95 million is attributable to the overall management of Town operations in a fiscally responsible manner.
- At the close of the year, the Town of Glastonbury's governmental funds reported, on a current financial resources basis, combined ending fund balances of \$55.9 million, an increase of \$3.3 million from the prior fiscal year. Of the total \$55.9 million fund balance as of June 30, 2017, \$24.1 million is available for spending at the Town's discretion and represents the combined unassigned balance in the General Fund and other major and nonmajor governmental funds. The deficit in the Capital and Nonrecurring Expenditures Fund will be eliminated upon the receipt of final grant reimbursements.
- At the end of the current fiscal year, the total fund balance for the General Fund alone was \$26.7 million, a decrease of approximately \$0.4 million from the prior fiscal year. Of that total fund balance, \$24.3 million is unassigned. The unassigned General Fund balance at year-end represents 15.4% of total General Fund expenditures and transfers out (\$158.1 million on a budget basis).
- The Town of Glastonbury's total bonded indebtedness decreased \$6.8 million during the fiscal year. There was no additional long-term financing during the year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town of Glastonbury's basic financial statements. The basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, 3) notes to the financial statements. This report also contains supplementary information and a statistical section. The statistical section provides comparisons of selected information beginning with fiscal year 2008 and running through the current year.

Government-Wide Financial Statements

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

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

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

Activities of the Town of Glastonbury encompass the Town's basic services and include governmental and community services, administration, public safety, health and welfare, sewage treatment operations and education. Property taxes, charges for services and state and federal grants finance most of these activities.

The government-wide financial statements (statement of net position and statement of activities) can be found on pages 15-16.

Fund Financial Statements

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

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

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

The Town of Glastonbury maintains 27 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Special Assessment Fund, Capital Reserve Projects Fund, and the Land Acquisition Fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated schedule as other nonmajor governmental funds. Nonmajor governmental funds for the Town of Glastonbury which are classified as special revenue funds include the Sewer Operating Fund, Dog Fund, Grants and Contracts, Police Forfeited Property, Special Gifts/Grants, Historic Documents/Preservation, School Cafeteria, Education Grants, various library trust funds, Connecticut Card, Police Private Duty, Camp Sunrise, Recreation Activities, Insurance Reserve, Riverfront Park Operations and Planetarium funds. Nonmajor funds which are classified as capital projects funds include the Minnechaug Golf Fund, Town Aid, Sewer Sinking Projects, Capital and Nonrecurring Expenditures, Gateway Project, Riverfront Park Project, and the Magnet School. Individual fund data for each of these nonmajor governmental funds is provided in the combining balance sheet and in the combining statement of revenues, expenditures and changes in fund balances.

The Town of Glastonbury adopts an annual budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with the authorized budget. The statement of revenues, expenditures and changes in budgetary fund balance on a budgetary basis can be found on page 59.

The basic governmental fund financial statements (balance sheet and statement of revenues, expenditures and changes in fund balances can be found on pages 17-20.

Internal Service Fund. The Town is self-insured for its health insurance benefits. Employer and employee contributions, stop loss reimbursements, claims and administrative costs for employee health benefits are accounted for in this internal service fund. The basic financial statements of this fund can be found on pages 21-23.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The Town has one pension trust fund, one other post-employment benefit trust fund and two agency funds. The basic fiduciary fund financial statements can be found on pages 24-25.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 26-58 of this report.

Certain required supplementary information is reported concerning the Town of Glastonbury's progress in funding its obligation to provide pension benefits and other post-employment benefits to its employees. This information can be found within the Schedule of Changes in Net Pension Liability and Related Ratios, Schedule of Employer Contributions-Pension, Schedule of Investment Returns-Pension, Schedule of the Town's Proportionate Share of the Net Pension Liability-Teachers Retirement Plan, Schedule of Funding Progress-OPEB, Schedule of Changes in Net OPEB Liability and Related Ratios, Schedule of Employer Contributions-OPEB, and Schedule of Investment Returns-OPEB on pages 60-69 of this report.

Additional required supplementary information on comparative data for the general fund budgeted revenues and expenditures is shown on page 59.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position and an important determinant of its ability to finance services in the future. The Town of Glastonbury Governmental Activities assets exceeded liabilities by \$242.3 million on June 30, 2017.

Table 1 - Net Position
(in thousands)

	Governmental Activities	
	<u>2017</u>	<u>2016</u>
Current and other assets	\$ 74,607	\$ 69,670
Capital assets, net of accumulated depreciation	297,205	302,907
Total assets	<u>371,812</u>	<u>372,577</u>
Deferred outflows of resources		
Deferred charge on refunding	2,118	2,696
Change in pension actuarial experience	1,783	2,524
Change in pension assumptions	2,335	
Net Change in pension investment experience	3,443	12,467
Total deferred outflows of resources	<u>9,679</u>	<u>17,687</u>
Long-term liabilities outstanding	126,426	138,612
Other liabilities	12,026	9,093
Total liabilities	<u>138,452</u>	<u>147,705</u>
Deferred inflows of resources		
Advance tax payments	204	479
Change in pension assumptions	498	696
Total deferred inflows of resources	<u>702</u>	<u>1,175</u>
Net Position:		
Net investment in capital assets	229,962	228,343
Restricted	9	9
Unrestricted	<u>12,366</u>	<u>13,032</u>
Total Net Position	<u>\$ 242,337</u>	<u>\$ 241,384</u>

By far the largest portion of the Town of Glastonbury's net position (95%) reflects its investment in capital assets (such as land, buildings, machinery, equipment and infrastructure), less accumulated depreciation and any related debt used to acquire those assets that are still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town of Glastonbury's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Table 2 - Changes in Net Position
(in thousands)

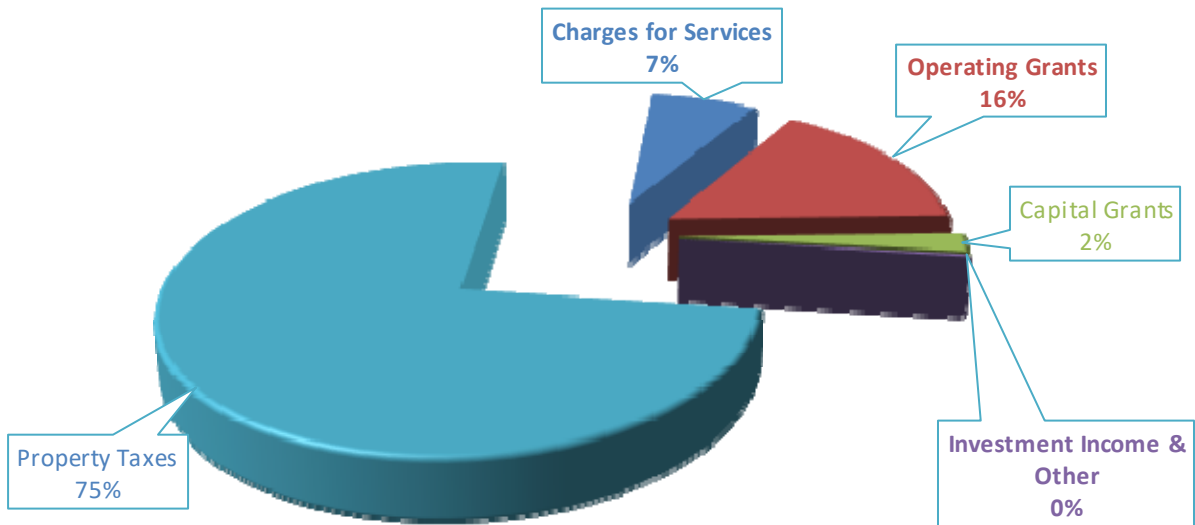
	Governmental Activities	
	2017	2016
Revenues:		
Program revenues:		
Charges for services	\$ 12,983	\$ 12,466
Operating grants and contributions	30,742	22,428
Capital grants and contributions	4,120	2,319
General revenues:		
Property taxes	142,549	140,297
Grants and contributions not restricted to specific programs	147	139
Investment income and other	424	935
Total revenues	<u>190,965</u>	<u>178,584</u>
Expenses:		
General government/services	4,929	4,502
Community development	1,960	1,796
Administrative services	7,446	6,822
Public safety	14,357	14,053
Physical services	12,274	11,033
Sanitation	3,890	4,119
Human services	3,030	3,262
Leisure/culture	8,878	8,340
Education	130,869	122,930
Interest on long-term debt	2,379	2,586
Total expenses	<u>190,012</u>	<u>179,443</u>
Change in Net Position	953	(859)
Net Position, Beginning	<u>241,384</u>	<u>242,243</u>
Net Position, Ending	<u>\$ 242,337</u>	<u>\$ 241,384</u>

Glastonbury's net position increased \$0.95 million during the fiscal year. This increase is attributable to the overall management of Town operations in a fiscally responsible manner.

Governmental Activities

Approximately 74.6% of the revenues were derived from property taxes, followed by 16.1% from operating grants and contributions, 6.8% from charges for services, 2.2% from capital grants and contributions, and the remaining 0.3% from investment earnings and grants and contributions.

REVENUES BY SOURCE - GOVERNMENTAL ACTIVITIES 2017



Major revenue factors included:

- Property tax revenues recorded for fiscal year 2017 totaled \$142.5 million, which represents an increase of 1.6% or \$2.2 million over 2016 tax revenues. The tax increase for the 2016/17 budget was 1.26%. This increase, combined with the estimated growth in the grand list of 1.1%, generated approximately \$3.1 million in additional tax revenue. Other positive factors included an unanticipated increase in the supplemental motor vehicle tax billing that was originally budgeted at \$0.95 million and generated \$1.3 million. In addition, the actual tax collection rate exceeded the assumed rate, 99.45% versus 99.1%, respectively.
- Investment income decreased \$0.51 million or 54.7%, primarily due to fluctuations in the fair value of long-term investments. Unrealized investment income of \$0.31 million in 2016 was offset by unrealized investment loss of \$0.34 million in 2017.
- Charges for services increased \$0.52 million, primarily due to a gain on the disposal of capital assets.
- Operating grants and contributions increased \$8.3 million or 37.2% primarily due to the increase in the State payment for the teacher's retirement system which increased \$8.2 million in FY2017.
- Capital grants and contributions increased \$1.8 million or 77.7% primarily due to receipt of final grant reimbursements for the Magnet School.

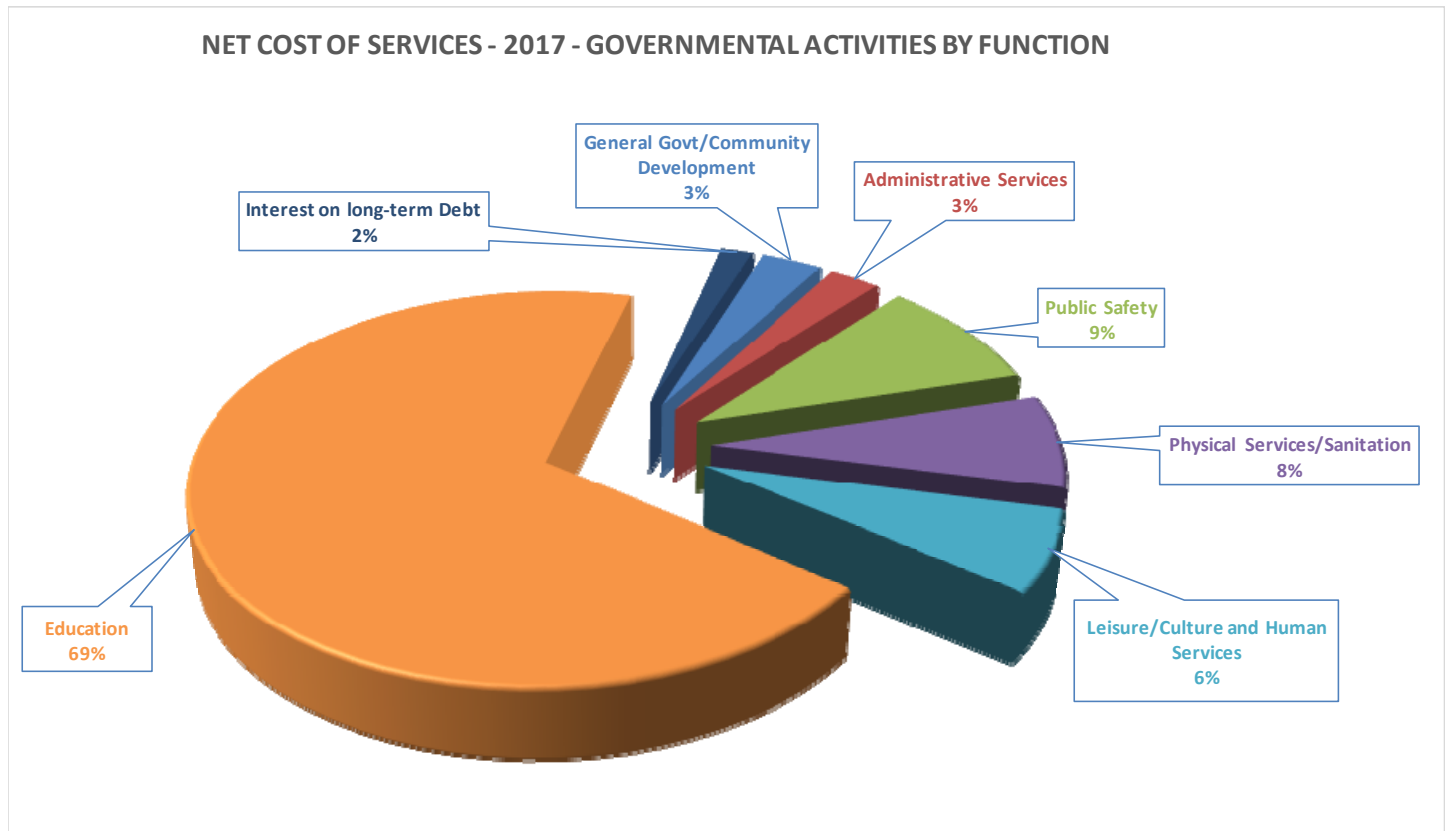
With respect to governmental activities, 68.9% of the Town's expenses related to education. Physical services and sanitation accounted for 8.5%, public safety accounted for 7.6%, leisure and culture, comprised of parks and recreation and library services, accounted for 4.7% and administrative services, which includes finance, accounting, revenue collection, assessment, town clerk, property and casualty insurances, legal costs and information technology accounted for 3.9% of expenses. The remaining

6.4% relates to general government, community development, human services and interest on long-term debt.

Overall, expenses increased \$10.6 million or 5.9% over the prior year. Major expenditure factors include:

- Physical services expenses increased \$1.2 million or 10.9%, primarily due to depreciation expense on capital assets.
- Education expenses increased \$7.9 million or 6.4%. The primary reason for this increase is the \$8.2 million increase in the State of Connecticut’s contribution to the State Teachers Retirement System on behalf of the Town.
- All other increases are primarily a result of contract and nonaffiliated wage increases and increased pension costs.

The following chart presents the net cost of services for the Town’s major functions – General Government/Community Services, Administrative Services, Public Safety, Physical Services/Sanitation, Leisure/Culture and Human Services, Education and Interest on long term debt.



Financial Analysis of the Government’s Funds

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

Governmental Funds. The focus of the Town of Glastonbury's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Town of Glastonbury's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

- As of June 30, 2017, the Town of Glastonbury's governmental funds reported combined ending fund balances of \$55.9 million, an increase of \$3.3 million over the previous year. Approximately \$31.8 million of this total is nonspendable, restricted, committed or assigned, indicating it is not available for new spending as it is primarily to liquidate contracts and purchase orders or is legally restricted for other purposes. Approximately \$24.1 million of fund balance is unassigned comprised of the net of the General Fund balance of \$24.3 million and deficit offsets in the Capital and Nonrecurring Expenditures Fund of \$0.2 million. The deficit in the Capital and Nonrecurring Expenditures Fund will be eliminated upon the receipt of final grant reimbursements.

General Fund

The General Fund is the primary operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$24.3 million while total fund balance reached \$26.7 million.

The Town's General Fund balance decreased \$0.41 million during the current fiscal year. Key factors that contributed to the financial outcome are as follows:

- Overall, on a budget basis, General Fund revenues exceeded estimates by \$1.5 million.
- Licenses and permits exceeded budget estimates by approximately \$0.5 million due to building permit revenue received during the year for major development projects within Town.
- The sale of the former Board of Education offices at 232 Williams Street generated a one-time revenue of \$0.5 million.
- Conveyance taxes exceeded budget estimates by \$0.3 million due to increased activity.
- General Fund expenditures came in \$1.8 million under budget. \$1.1 million of this variance relates to Board of Education savings of \$0.95 million in the current year and \$0.15 million in prior years, which will be carried over and appropriated in FY2017 in accordance with State statutes. Much of the savings were throughout various departments and were attributable to savings in wages and benefits achieved through attrition and staff vacancies in various departments.
- The original General Fund budget included a \$0.575 million reduction in fund balance and that amount was increased during the year by \$3.2 million. The increase was comprised of \$2.7 million transferred to the Land Acquisition Fund for the pending purchase of 700+ acres of open space land, \$0.43 million in encumbrances and capital carry forwards from FY2016, and \$0.15 million of unexpended education funds carried forward from FY2016.
- It should be noted that not included in the operations at June 30, 2017 is approximately \$0.44 million in encumbrances and capital carry forwards attributable to commitments and capital purchases not made in the current year and \$1.1 million attributable to unexpended education funds authorized to be carried over to the following fiscal year. These items are classified as assigned amounts in the General Fund.

At the close of the fiscal year, the Town's other governmental funds reported, on a current financial resource basis, combined ending fund balances of \$29.2 million, representing an increase of \$3.7 million from the prior fiscal year. Changes in the Town's other major funds are highlighted as follows:

Special Assessment Fund

The Special Assessment Fund accounts for the collection of sewer assessments levied against properties connected to the Town's sewer system. This reserve is dedicated to infrastructure improvements of the sewer system. This fund completed the fiscal year with a \$0.4 million deficit. Income was generated primarily from sewer connection assessments collected during the year of \$0.1 million, investment income of \$0.22 million and accrual of an unrealized investment loss of \$0.21 million. Annually, realized investment income generated in this fund is transferred to the Sewer Operating Fund to offset debt service costs related to the Clean Water Fund note repayment to the State of Connecticut. This note funded recent improvements to the Water Pollution Control facility. In addition, \$0.25 million was allocated for sewer infrastructure improvement projects.

Capital Reserve Projects Fund

This fund accounts for activity of capital expenditures exclusive of projects approved at referendum for bond financing. Projects accounted for in this fund are appropriated annually as part of the budget process and financed through the annual General Fund appropriation to the Capital Reserve, grants, and sewer assessment or user fees. During the year, the Town expended \$6.4 million for various capital projects and improvements. The fund balance increased \$0.8 million for a total of \$7.5 million at year end, all of which is committed for capital and infrastructure purposes.

Land Acquisition Fund

The Land Acquisition Fund is used to account for appropriations and expenditures approved through the referendum process for land purchases through the Town's Reserve for Land Acquisition. Fund balance increased \$2.3 million, primarily due to a transfer of \$2.7 million from the General Fund for a pending purchase of open space land.

General Fund Budgetary Highlights

The difference between the original budget and the final amended expenditure budget was \$4.1 million. The original budget was amended by actions recommended by the Board of Finance and approved by the Town Council following public hearings. The major additional appropriations approved during the year are summarized below:

- Increased education appropriations by \$0.97 million to reflect the receipt of special education excess costs, transportation grants and community use custodial fee reimbursements.
- Increased transfers to the Land Acquisition Fund by \$2.7 million for the pending open space land purchase.
- Increased expenditures for encumbrances, capital outlay, and education unexpended fund carryovers from the prior fiscal year in the amount of \$0.43 million.

During the year, actual revenues on a budgetary basis were \$157.7 million which exceeded budgetary estimates by \$1.45 million. Significant contributions to this increase were unanticipated revenues from the following sources; proceeds from the sale of property of \$0.56 million, licenses and permits of \$0.5 million in excess of estimates, and conveyance tax collections of \$0.3 million in excess of estimates.

Actual expenditures and transfers out on a budgetary basis totaled \$158.1 million, which is approximately \$1.8 million less than the amended budget of \$159.9 million. Significant contributions to this variance are \$1.1 million in savings by the Board of Education and various savings across all other departments of the Town.

Capital Asset and Debt Administration

Capital Assets. The Town of Glastonbury’s investment in capital assets for its governmental activities as of June 30, 2017, amounted to \$519.0 million on a gross basis and \$297.2 million net of accumulated depreciation. This investment in capital assets includes land, buildings, land improvements, machinery and equipment, computer software, park facilities, roads, sewers and bridges. The net increase in the Town of Glastonbury’s investment in capital assets before depreciation for the fiscal year was \$5.6 million.

**Table 4 - Capital Assets (Gross)
(in thousands)**

	Governmental Activities	
	2017	2016
Land	\$ 44,556	\$ 44,183
Development rights	2,231	2,231
Construction in progress	1,757	2,158
Land improvements	41,136	39,875
Building and improvements	226,136	223,596
Machinery and equipment	51,050	49,371
Computer software	589	589
Infrastructure	151,560	151,414
Total	\$ 519,015	\$ 513,417

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

- Major projects capitalized from Construction in Progress (CIP) during the year included: expansion and improvement of the regional police dispatch center, new windows at Gideon Welles School, restoration of the riverbank at Riverfront Park, and new gym flooring at Smith Middle School. Major additions to CIP include the Town Center improvements and bridge rehabilitation projects.
- The increase in Machinery and Equipment of approximately \$1.7 million relates to the purchase of major heavy equipment for the Highway, Parks, and Sanitation departments in addition to the upgrades to the dispatch center.

Additional information on the Town of Glastonbury’s capital assets can be found at Note 6 of this report. Capital project expenditures can be found on pages 99-102.

Long-Term Debt.

At the end of the current fiscal year, the Town of Glastonbury had total bonded debt outstanding of \$51.7 million. 100% of this debt is backed by the full faith and credit of the Town government. The Town of Glastonbury maintains a AAA rating from Standard and Poor's and an Aaa rating from Moody's Investors Service.

The overall statutory debt limit for the Town of Glastonbury is equal to seven times annual receipts from taxation or \$995 million. As of June 30, 2017, the Town's recorded long-term debt of \$51.7 million is well below its statutory debt limits.

The Town did not issue long term debt during the year and has bond anticipation notes outstanding in the amount of \$1.65 million.

Additional information on the Town of Glastonbury's long-term debt can be found in Note 8 of this report.

Economic Factors

The Town of Glastonbury is well positioned to handle various economic conditions. Glastonbury receives a relatively small amount of State aid and, therefore, is more insulated from the impact of State revenue shortfalls than many other cities and towns in Connecticut. Even with an overwhelming reliance on property taxes and other revenues affected by current economic conditions, the Town has been able to adjust expenditures accordingly while maintaining services during these difficult economic conditions.

Requests for Information

The financial report is designed to provide a general overview of the Town of Glastonbury's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance and Administrative Services at 2155 Main Street, Glastonbury, CT 06033.

Basic Financial Statements

TOWN OF GLASTONBURY, CONNECTICUT
STATEMENT OF NET POSITION
JUNE 30, 2017

	<u>Governmental Activities</u>
Assets:	
Current assets:	
Cash and cash equivalents	\$ 50,722,496
Receivables, net of allowance of \$226,650	3,999,753
Inventory	218,537
Investments	19,636,321
Other assets	30,170
Total current assets	<u>74,607,277</u>
Noncurrent assets:	
Capital assets not being depreciated	48,543,614
Capital assets being depreciated, net of accumulated depreciation	<u>248,661,629</u>
Total noncurrent assets	<u>297,205,243</u>
Total assets	<u>371,812,520</u>
Deferred Outflows of Resources:	
Deferred charge on refunding	2,117,596
Change in pension actuarial experience	1,782,794
Change in pension assumptions	2,335,086
Change in pension investment earnings, net	3,443,339
Total deferred outflows of resources	<u>9,678,815</u>
Liabilities:	
Current liabilities:	
Accounts payable and accrued liabilities	8,732,510
Due to developers for escrow deposits	676,073
Due to others for escrow deposits	166,611
Bond anticipation notes payable	1,650,000
Unearned revenue	406,384
Accrued interest payable	393,469
Noncurrent liabilities due within one year	<u>7,795,356</u>
Total current liabilities	19,820,403
Noncurrent liabilities due in more than one year	<u>118,630,903</u>
Total liabilities	<u>138,451,306</u>
Deferred Inflows of Resources:	
Advance tax payments	203,989
Change in pension actuarial experience	<u>498,494</u>
Total deferred inflows of resources	<u>702,483</u>
Net Position:	
Net investment in capital assets	229,961,836
Restricted for:	
Trust funds, nonspendable	8,527
Unrestricted	<u>12,367,183</u>
Total Net Position	<u>\$ 242,337,546</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF GLASTONBURY, CONNECTICUT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense)</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Revenue and Changes in Net Position</u>
					<u>Total</u>
Governmental activities:					
General government services	\$ 4,928,237	\$ -	\$ 1,240,657	\$ -	\$ (3,687,580)
Community development	1,958,525	1,074,711	-	-	(883,814)
Administrative services	7,446,025	3,695,960	-	-	(3,750,065)
Public safety	14,356,673	593,244	236,002	208,160	(13,319,267)
Physical services	12,274,493	27,275	20,053	1,646,393	(10,580,772)
Sanitation	3,890,002	3,496,380	25,540	-	(368,082)
Human services	3,030,255	222,347	172,640	-	(2,635,268)
Leisure/culture	8,877,849	1,919,109	35,145	160,592	(6,763,003)
Education	130,869,093	1,954,154	29,011,507	2,104,395	(97,799,037)
Interest on long-term debt	2,379,319	-	-	-	(2,379,319)
Total	\$ 190,010,471	\$ 12,983,180	\$ 30,741,544	\$ 4,119,540	(142,166,207)
			General revenues:		
			Property taxes		142,548,603
			Grants and contributions not restricted to specific programs		146,980
			Unrestricted investment earnings		423,716
			Total general revenues		<u>143,119,299</u>
			Change in net position		953,092
			Net Position at Beginning of Year		<u>241,384,454</u>
			Net Position at End of Year		<u>\$ 242,337,546</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF GLASTONBURY, CONNECTICUT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2017**

	General Fund	Special Assessment Fund	Capital Reserve Projects Fund	Land Acquisition	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 25,252,709	\$ 3,827,990	\$ 6,984,060	\$ 2,239,308	\$ 6,865,106	\$ 45,169,173
Receivables, net of allowances for collection losses	1,296,697	492,894	-	-	393,205	2,182,796
Inventory	197,871	-	-	-	20,666	218,537
Investments	6,130,973	9,671,318	1,745,102	559,536	1,529,392	19,636,321
Other assets	20,757	-	-	-	9,413	30,170
Total Assets	<u>\$ 32,899,007</u>	<u>\$ 13,992,202</u>	<u>\$ 8,729,162</u>	<u>\$ 2,798,844</u>	<u>\$ 8,817,782</u>	<u>\$ 67,236,997</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Accounts payable and other payables	\$ 4,493,445	\$ -	\$ 1,197,399	\$ -	\$ 1,335,567	\$ 7,026,411
Due to developers for escrow deposits	676,073	-	-	-	-	676,073
Due to others for escrow deposits	96,833	69,778	-	-	-	166,611
Bond anticipation notes	-	-	-	1,650,000	-	1,650,000
Unearned revenue	46,564	-	-	-	359,820	406,384
Total liabilities	<u>5,312,915</u>	<u>69,778</u>	<u>1,197,399</u>	<u>1,650,000</u>	<u>1,695,387</u>	<u>9,925,479</u>
Deferred inflows of resources:						
Unavailable revenue - property taxes	706,532	-	-	-	-	706,532
Unavailable revenue - special assessments	-	464,753	-	-	46,817	511,570
Unavailable revenue - other	-	-	-	-	2,419	2,419
Advance tax payments	223,849	-	-	-	-	223,849
Total deferred inflows of resources	<u>930,381</u>	<u>464,753</u>	<u>-</u>	<u>-</u>	<u>49,236</u>	<u>1,444,370</u>
Fund balances:						
Nonspendable	218,628	-	-	-	38,606	257,234
Restricted	-	-	-	-	2,170,965	2,170,965
Committed	-	13,457,671	7,531,763	1,148,844	5,114,429	27,252,707
Assigned	2,121,442	-	-	-	-	2,121,442
Unassigned	24,315,641	-	-	-	(250,841)	24,064,800
Total fund balances	<u>26,655,711</u>	<u>13,457,671</u>	<u>7,531,763</u>	<u>1,148,844</u>	<u>7,073,159</u>	<u>55,867,148</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 32,899,007</u>	<u>\$ 13,992,202</u>	<u>\$ 8,729,162</u>	<u>\$ 2,798,844</u>	<u>\$ 8,817,782</u>	<u>\$ 67,236,997</u>

(Continued on next page)

TOWN OF GLASTONBURY, CONNECTICUT
BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2017

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

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

Fund balances - total governmental funds (Exhibit III)	\$ 55,867,148
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Governmental capital assets	\$ 519,015,117	
Less accumulated depreciation	<u>(221,809,874)</u>	
Net capital assets		297,205,243

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

Property tax and assessment receivables greater than 60 days	1,240,383	
Interest receivable on property taxes	319,000	
Interest receivable on sewer assessments	36,000	
Deferred outflow - change in pension actuarial experience	1,782,794	
Deferred outflow - change in assumptions	2,335,086	
Deferred outflow - change in pension investment earnings	<u>3,443,339</u>	
		9,156,602

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

5,309,179

Long-term liabilities and deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds:

Bonds payable	(51,735,000)
Bond premium, net of amortization	(2,395,806)
Deferred charges on refunding	2,117,596
Clean Water loans payable	(13,580,197)
Interest payable on bonds	(393,469)
Compensated absences	(4,483,658)
Net pension liability	(51,280,576)
Deferred inflow - change in actuarial assumptions	(498,494)
OPEB obligation	<u>(2,951,022)</u>

Net Position of Governmental Activities (Exhibit I)	<u>\$ 242,337,546</u>
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The accompanying notes are an integral part of the financial statements

TOWN OF GLASTONBURY, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	General Fund	Special Assessment Fund	Capital Reserve Projects Fund	Land Acquisition	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:						
Property taxes, interest and lien fees	\$ 142,041,710	\$ -	\$ -	\$ -	\$ -	\$ 142,041,710
Licenses and permits	1,447,584	-	-	-	-	1,447,584
Intergovernmental	9,719,044	-	-	-	6,118,553	15,837,597
Charges for services	1,855,146	87,594	-	-	6,419,945	8,362,685
Investment income (loss)	410,843	216,476	-	19,148	102,662	749,129
Unrealized investment income (loss)	(84,495)	(214,030)	(13,389)	(219)	(25,267)	(337,400)
Other revenues	1,640,843	72	-	-	577,607	2,218,522
State payment for teacher's retirement system	18,586,525	-	-	-	-	18,586,525
Total revenues	<u>175,617,200</u>	<u>90,112</u>	<u>(13,389)</u>	<u>18,929</u>	<u>13,193,500</u>	<u>188,906,352</u>
Expenditures:						
Current:						
General government	2,943,450	-	-	-	-	2,943,450
Community development	1,881,332	-	-	-	-	1,881,332
Administrative services	6,784,987	-	-	-	279,690	7,064,677
Public safety	12,774,935	-	-	-	531,046	13,305,981
Physical services	6,734,016	-	-	-	-	6,734,016
Sanitation	732,410	-	-	-	1,832,732	2,565,142
Human services	2,792,577	-	-	-	7,623	2,800,200
Leisure/culture	5,172,573	-	-	-	1,592,502	6,765,075
Education	101,370,626	-	-	-	3,880,414	105,251,040
State payment for teacher's retirement system	18,586,525	-	-	-	-	18,586,525
Debt service	8,984,959	-	-	-	1,148,679	10,133,638
Capital outlay	-	-	6,379,552	405,178	1,508,173	8,292,903
Total expenditures	<u>168,758,390</u>	<u>-</u>	<u>6,379,552</u>	<u>405,178</u>	<u>10,780,859</u>	<u>186,323,979</u>
Revenues over (under) Expenditures	<u>6,858,810</u>	<u>90,112</u>	<u>(6,392,941)</u>	<u>(386,249)</u>	<u>2,412,641</u>	<u>2,582,373</u>
Other Financing Sources (Uses):						
Sale of general capital assets	679,670	-	-	-	-	679,670
Transfers in	-	-	7,437,500	2,725,000	5,941,476	16,103,976
Transfers out	<u>(7,945,000)</u>	<u>(471,476)</u>	<u>(250,000)</u>	<u>-</u>	<u>(7,437,500)</u>	<u>(16,103,976)</u>
Total other financing sources (uses)	<u>(7,265,330)</u>	<u>(471,476)</u>	<u>7,187,500</u>	<u>2,725,000</u>	<u>(1,496,024)</u>	<u>679,670</u>
Net Change in Fund Balances	(406,520)	(381,364)	794,559	2,338,751	916,617	3,262,043
Fund Balances at Beginning of Year	<u>27,062,231</u>	<u>13,839,035</u>	<u>6,737,204</u>	<u>(1,189,907)</u>	<u>6,156,542</u>	<u>52,605,105</u>
Fund Balances at End of Year	<u>\$ 26,655,711</u>	<u>\$ 13,457,671</u>	<u>\$ 7,531,763</u>	<u>\$ 1,148,844</u>	<u>\$ 7,073,159</u>	<u>\$ 55,867,148</u>

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TOWN OF GLASTONBURY, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2017

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 of the following:

Net change in fund balances - total governmental funds (Exhibit IV) \$ 3,262,043

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	\$ 6,830,029	
Depreciation expense	(12,446,358)	
Capital contributions	160,592	
Disposals	<u>(246,044)</u>	
		(5,701,781)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Property taxes and assessments collected after 60 days	534,293	
Interest income on property taxes	(35,000)	
Interest income on sewer assessments	<u>26,000</u>	
		525,293

Deferred outflow - change in pension actuarial experience		1,782,794
Deferred outflow - change in assumptions		(190,364)
Deferred outflow - change in pension investment earnings		<u>(9,024,028)</u>

The issuance of long-term debt (e.g., bonds) 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, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt.

Change in accrued interest	49,679	
Principal payments on bonds	6,835,000	
Principal payments on Clean Water loans payable	867,647	
Principal payments on notes payable	45,000	
Change in bond premium	535,006	
Change in deferred charge on refunding	(578,013)	
Change in pension liability	4,208,574	
Deferred inflow - change in actuarial assumptions	196,699	
Change in OPEB liability	<u>(402,646)</u>	
		11,756,946

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 governmental funds.

Change in long-term compensated absences		97,127
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The net expense of certain activities of internal service funds is reported in governmental activities		<u>(1,554,938)</u>
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Change in Net Position of Governmental Activities (Exhibit II)		<u>\$ 953,092</u>
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The accompanying notes are an integral part of the financial statements

TOWN OF GLASTONBURY, CONNECTICUT
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
JUNE 30, 2017

	Governmental Activities
	Internal Service Fund
Assets:	
Current assets:	
Cash and cash equivalents	\$ 5,553,323
Accounts receivable, net	1,461,957
Total current assets	<u>7,015,280</u>
Liabilities:	
Current liabilities:	
Claims payable	1,450,656
Administration expense payable	255,445
Total current liabilities	<u>1,706,101</u>
Net Position:	
Unrestricted	<u>\$ 5,309,179</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF GLASTONBURY, CONNECTICUT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION -
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2017**

	Governmental Activities Internal Service Fund
Operating Revenues:	
Employer contributions	\$ 14,108,570
Employee contributions	4,328,062
Total operating revenues	<u>18,436,632</u>
Operating Expenses:	
Claims incurred	17,850,694
Administration	2,152,863
Total operating expenses	<u>20,003,557</u>
Operating Income (Loss)	(1,566,925)
Nonoperating Revenues:	
Investment income	<u>11,987</u>
Change in Net Position	(1,554,938)
Net Position at Beginning of Year	<u>6,864,117</u>
Net Position at End of Year	<u>\$ 5,309,179</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF GLASTONBURY, CONNECTICUT
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2017**

	Governmental Activities Internal Service Fund
Cash Flows from Operating Activities:	
Receipts from customers and users	\$ 17,290,541
Claims paid	(17,621,641)
Payments for administration	<u>(2,109,510)</u>
Net cash provided by (used in) operating activities	<u>(2,440,610)</u>
Cash Flows from Investing Activities:	
Investment income (loss)	<u>11,987</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(2,428,623)
Cash and Cash Equivalents - Beginning of Year	<u>7,981,946</u>
Cash and Cash Equivalents - End of Year	<u>\$ 5,553,323</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:	
Operating income (loss)	\$ (1,566,925)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:	
(Increase) decrease in accounts receivable	(1,146,091)
Increase (decrease) in claims payable	229,053
Increase (decrease) in administration payable	<u>43,353</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ (2,440,610)</u>

The accompanying notes are an integral part of the financial statements

TOWN OF GLASTONBURY, CONNECTICUT
STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS
JUNE 30, 2017

	Pension and Other Employee Benefit Trust Funds	Agency Funds
	<u> </u>	<u> </u>
Assets:		
Cash and cash equivalents	\$ 1,057,867	\$ 1,097,494
Investments, at fair value:		
Mutual funds	138,836,762	-
Total assets	<u>139,894,629</u>	<u>1,097,494</u>
Liabilities:		
Due to student groups	-	1,053,045
Due to others	-	44,449
Total liabilities	<u>-</u>	<u>1,097,494</u>
Net Position:		
Restricted for Pension and OPEB Benefits	<u>\$ 139,894,629</u>	<u>\$ -</u>

The accompanying notes are an integral part of the financial statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Town of Glastonbury, Connecticut (the Town) was incorporated in 1693. The Town operates under the Town Manager/Town Council/Board of Finance form of government and provides the following services: General Government, Community Development, Administrative Services, Public Safety, Physical Services, Sanitation, Human Services, Leisure/Culture and Education. The accompanying financial statements conform to accounting principles generally accepted in the United States of America as applicable to governments.

The following is a summary of the more significant accounting policies used by the Town.

Accounting principles generally accepted in the United States of America require that the reporting entity include 1) the primary government, 2) organizations for which the primary government is financially accountable and 3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The criteria provided in Governmental Accounting Standards Board Statement Codification Section 2100 have been considered, and there are no agencies or entities which should be presented with the Town.

B. Basis of Presentation

The financial statements of 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 of the Town's accounting policies are described below.

Government-Wide and Fund Financial Statements

The government-wide financial statements (the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Town. For the most part, the effect of interfund activity has been removed from these statements.

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

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. However, agency funds, unlike other fiduciary funds, report only assets and liabilities and do not have a measurement focus and follow the accrual basis of accounting. 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 an enforceable legal claim exists and when levied for. 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.

Property taxes, when levied for, intergovernmental revenue, when eligibility requirements are met, licenses, charges for services and interest associated with the current fiscal period, are all considered to be susceptible to accrual (measurable) and so have been recognized as revenues of the current fiscal period, if available. All other revenue items are considered to be measurable and available only when cash is received by the Town, or specifically identified.

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, pension and other post-employment benefits, pollution remediation and claims and judgments, are recorded only when payment is due (matured).

The Town reports the following major governmental funds:

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

The *Special Assessment Fund - Sewer Sinking Fund* accounts for the financing of public improvements of services deemed to benefit the properties against which special assessments are levied.

The *Capital Reserve Projects Fund* accounts for various projects funded by the Capital and Nonrecurring Expenditure Fund.

The *Land Acquisition Fund* accounts for various land acquisitions.

The Town reports the following internal service fund:

The *Self-Insurance Reserve Fund* accounts for risk financing activities for medical and dental insurance benefits under GASB Statement No. 10.

**TOWN OF GLASTONBURY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

Additionally, the Town reports the following fiduciary fund types:

The *Pension and Other Employee Benefit Trust Funds* account for the accumulation of resources to be used for retirement benefits and other post-employment benefits.

Agency Funds account for monies held as a custodian for student groups and employees of the Town.

The effect of interfund activity has been eliminated from the government-wide financial statements.

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 all taxes.

C. Cash and Cash Equivalents

The Town considers all highly liquid investments and those with original maturities of three months or less when purchased to be cash equivalents.

D. Investments

Investments in real estate funds, collective trusts and the pooled separate account of the net assets are stated at fair value of the respective funds. Certificates of deposit are stated at fair market value. The Connecticut State Treasurer's Short-Term Investment Fund is an investment pool managed by the State of Connecticut Office of the State Treasurer. Investments must be made in instruments authorized by Connecticut General Statutes 3-27c through 3-27e. Investment guidelines are adopted by the State Treasurer. The fair value of the position in the pool is the same as the value of the pool shares.

E. Inventories

All inventories are valued at the lower of cost or market using the first-in/first-out (FIFO) method. Inventories of donated commodities are stated at fair market value. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

F. 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."

**TOWN OF GLASTONBURY, CONNECTICUT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2017**

G. Capital Assets

Capital assets include land, land development rights, land improvements, buildings, equipment, computer software and infrastructure assets (such as roads, bridges and sidewalks) and are reported in the government-wide financial statements. Capital assets are defined by the Town as assets with an estimated useful life in excess of one year and an initial, individual cost of more than \$5,000 for machinery and equipment and computer software, \$25,000 for land improvements, \$50,000 for buildings and \$250,000 for infrastructure. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition 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 asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant and equipment of the Town are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Land improvements	20
Buildings and improvements	50
Machinery and equipment	5-20
Computer software	5
Infrastructure	20-40

In the governmental fund financial statements, capital outlay (assets) are reported as expenditures and no depreciation is recognized.

H. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period or periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town reports a deferred charge on refunding and deferred outflows related to pension in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. A deferred outflow of resources related to pension results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees).

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period or periods and so will not be recognized as an inflow of resources (revenue) until that time. The Town reports a deferred inflow of resources for advance property tax collections and deferred inflows of resources related to pensions in the government-wide statement of net position. Advance property tax

**TOWN OF GLASTONBURY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

collections represent taxes inherently associated with a future period. This amount is recognized during the period in which the revenue is associated. A deferred inflow of resources related to pension results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees). Also, for governmental funds, the Town reports unavailable revenue, which arises only under the modified accrual basis of accounting. The governmental funds report unavailable revenues from several sources: property taxes, special assessments, and other. These amounts are deferred and recognized as an inflow of resources (revenue) in the period during which the amounts become available.

I. Compensated Absences

Employees accumulate vacation and sick leave hours for subsequent use or for payment upon termination, death or retirement. Sick leave and vacation leave expenditures are recognized in the governmental fund financial statements in the current year to the extent they have matured (that is, only the amounts of reimbursable unused vacation leave or sick leave payable to employees who had terminated their employment as of the end of the fiscal year are recognized.) Amounts are typically liquidated by the general fund.

Vacation and sick leave expenses to be paid in future periods are accrued when earned by employees in the government-wide financial statements.

J. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

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, and debt service payments, are reported as debt service expenditures.

K. Pension Accounting

Pension trust fund

Employee contributions are recognized in the period in which the contributions are due. Employer contributions to the plan are recognized when due, and the Town has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.

**TOWN OF GLASTONBURY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

Net pension liability

The net pension liability is measured as the portion of the actuarial present value of projected benefits that is attributed to past periods of employee service (total pension liability), net of the pension plan's fiduciary net position. The pension plan's fiduciary net position is determined using the same valuation methods that are used by the pension plan for purposes of preparing its statement of fiduciary net position. The net pension liability is measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year, consistently applied from period to period.

Funding policy

The Town funds the contributions to its pension plan based on the actuarial required valuations, at the Board of Finance's discretion.

L. OPEB Accounting

OPEB trust fund

Employer contributions are recognized in the period in which the contributions are due, and the Town has made a formal commitment to provide the contributions.

Governmental funds/Governmental activities

In governmental funds, expenditures are recognized when they are paid or are expected to be paid with current available resources. In governmental activities, expense is recognized based on actuarially required contributions. The net OPEB obligation, the cumulative difference between annual OPEB cost and the Town's contributions to the plan since July 1, 2008, is calculated on an actuarial basis consistent with the requirements of GASB Statement No. 45. The OPEB obligation is recorded as a noncurrent liability in the government-wide financial statements.

Funding policy

The Town makes annual contributions based on the actuaries' recommendation, at the Board of Finance's discretion.

M. Appropriations Continued in Force

Appropriations continued in force represent unperformed contracts for goods or services. Approved purchase orders, contracts and other commitments for the expenditure of resources are recorded as supplemental appropriations to the following year's budget. Appropriations continued in force do not constitute expenditures or liabilities.

N. Fund Equity and Net Position

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

Net Investment in Capital Assets

This category includes all capital assets, including infrastructure, less accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets.

**TOWN OF GLASTONBURY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

Restricted Net Position

These amounts are restricted to specific purposes when constraints placed on the use of resources are either (a) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position

This category represents the net position of the Town that is not restricted for any project or other purpose by third parties.

In the fund financial statements, the Town reported the following governmental fund balances:

Nonspendable Fund Balance

These amounts cannot be spent because they are not in spendable form or because they are legally or contractually required to be maintained.

Restricted Fund Balance

These amounts are restricted to specific purposes when constraints placed on the use of resources are either (a) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance

This represents amounts constrained for a specific purpose by a government using its highest level of decision-making authority. The Glastonbury Town Council is the highest level of decision making authority for the Town and can commit fund balance through the adoption of a resolution prior to the end of the fiscal year. Once adopted the limitation imposed by the resolution remains in place until similar action is taken to remove or revise the limitation.

Assigned Fund Balance

This represents amounts constrained to be used for a specific purpose by the Town Council upon recommendation of the Board of Finance and, as applicable, in accordance with policy and procedures outlined in the Town Charter.

Unassigned Fund Balance

The residual amount not allocated to any other fund balance category in the General Fund and any residual deficit balance of any other governmental funds.

When both restricted and unrestricted amounts are available for use, it is the Town's practice to use restricted resources first. Additionally, the Town would first use committed, then assigned, and lastly unassigned.

O. Property Taxes

Property taxes are assessed as of October 1 and levied for on the following July 1. Taxes are overdue on August 1. Interest at the rate of 1-1/2% per month accrues on all overdue taxes. Assessments for real and personal property, excluding motor vehicles, are computed at 70% of appraised market value. If real estate taxes are unpaid as of June 30 following the payable date, a lien is placed on the property.

All trade and property tax receivables are shown net of an allowance for uncollectibles.

P. Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses and expenditures during the reporting period. Actual results could differ from those estimates.

2. BUDGETS AND BUDGETARY ACCOUNTING

The Town establishes its General Fund budget in accordance with the provisions of its Charter and the Connecticut General Statutes. The budget is adopted in accordance with accounting principles generally accepted in the United States of America, except that certain on-behalf payments are not recognized for budgetary purposes.

The budget reflected in the financial statements was adopted at the Final Budget Hearing. Supplemental appropriations require approval of the Council and Board of Finance in accordance with Charter provisions. Transfers and supplemental appropriations were approved during the year in accordance with the provisions of the Town's Charter and the Connecticut General Statutes.

Annual operating budgets are prepared and employed for management control only in the General Fund. Therefore, only the General Fund has a statement of revenues, expenditures and changes in fund balance - budget and actual included in the basic financial statements. Unexpended appropriations of the General Fund lapse at fiscal year-end. While project and object budgets are not legally adopted for the Capital Projects Funds, they are employed as a management tool and do not lapse at year-end.

Each year the Town adopts a five-year Capital Improvement Program. The program has two processes: a planning process and a budgetary process. Annually, the Town Council is provided with a five-year planning document which prioritizes the implementation of projects based on community needs. The Town Council evaluates the plan and establishes its priorities, as well as the years for project implementation. Thereafter, the Town Manager revises the plan to include the budgetary funding recommendations for the next fiscal year and forwards the document to the Board of Finance for its review as part of the annual budgetary process.

Expenditures may not legally exceed budgeted appropriations at the object level. Budget transfers within a department can be authorized by the Town Manager when the amount is less than \$5,000 within any department and does not include additional staffing or monies to acquire capital items deleted in prior budgets. Transfers greater than \$5,000 within departments must be approved by the Board of Finance. Other transfers between departments require Council and Board of Finance approval. However, such transfers may occur only after April 1 of the fiscal year. For the year ended June 30, 2017, supplemental appropriations in the amount of \$4,105,305 were approved by the Council and the Board of Finance.

**TOWN OF GLASTONBURY, CONNECTICUT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2017**

3. DEFICIT FUND EQUITY

The following funds had a deficit fund balance at June 30, 2017:

Capital Projects:		
Capital and Nonrecurring Expenditures	\$	250,841

Deficits in the Capital and Nonrecurring Expenditures Fund will be funded by additional grants and donations.

4. CASH, CASH EQUIVALENTS AND INVESTMENTS

Deposits

The Town has a policy that deposits may be maintained only in financial institutions which are approved by the Board of Finance and Town Council. Town policy follows the State of Connecticut requirements that each depository maintain segregated collateral in an amount equal to a defined percentage of its public deposits based on the bank’s risk-based capital ratio.

Investments

The Town does not have a custodial credit risk policy for investments. The Town does have a policy for investments, but does not have a policy for related credit risk for debt securities. Town policy for eligible investments is governed by State of Connecticut statutes which, in general, allow the Town to invest in obligations of the United States or United States government-sponsored corporations, or in any state or other tax-exempt political subdivision under certain conditions. Funds may also be deposited in the State Treasurer’s Short-Term Investment Fund. Trust funds may also be invested in corporate bonds and securities and commercial paper.

The Town’s investment policy for its pension funds states the investments shall be allocated in a manner designed to provide a long-term investment return greater than the actuarial assumption, maximize investment return commensurate with appropriate levels of risk, and comply with the Employee Retirement Income Security Act of 1974 in investing the funds in a manner consistent with ERISA’s fiduciary standards. The Town has targeted the following as part of its long-term asset allocation strategy:

<u>Asset Class</u>	<u>Min. Weight</u>	<u>Max. Weight</u>
Money Market	0.00%	5.00%
Fixed Income	25.00%	40.00%
Domestic Equities	25.00%	40.00%
International Equities	15.00%	30.00%
Real Estate	0.00%	7.50%
Other	0.00%	7.50%

Concentration of Credit Risk

This is the risk of loss due to the magnitude of a government’s investment in a single issuer. The Town’s policy is to diversify use of investment instruments to avoid incurring unreasonable risks inherent in overinvesting in specific instruments, individual financial institutions or maturities.

**TOWN OF GLASTONBURY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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The Town may invest any portion of its portfolio in U.S. Treasury obligations, U.S. government agency securities and instrumentalities of government-sponsored corporations, or certificates of deposit with commercial banks or savings and loan associations. A maximum of 35% of the portfolio may be invested in repurchase agreements for overnight sweep only. Up to 50% of the portfolio may be invested in a cooperative liquid asset securities system. To further diversify by financial institution, no more than 33% of the total certificates of deposit may be invested with any one financial institution.

Deposit Custodial Credit Risk

This is the risk that, in the event of a bank failure, the Town will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$22,562,435 of the Town's bank balance of \$30,601,834 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 20,133,436
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name	<u>2,428,999</u>
Total Amount Subject to Custodial Credit Risk	<u>\$ 22,562,435</u>

Custodial Credit-Investments Risk

This is the risk that in the event of the failure of the counterparty (such as a broker-dealer) to a transaction, the Town will not be able to recover the value of its investment or collateral securities that are in the possession of another party. As indicated above, State statutes limit the investment options of cities and towns. The Town has an investment policy that allows the same type of investments as State statutes. Due to the types of investments owned by the Town and pension plans, the Town does not have custodial credit risk for investments.

Interest Rate Risk

This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Town's policy is to mitigate interest rate risk by structuring the Town's portfolio so that securities mature to meet the Town's cash requirements, thereby avoiding the need to sell securities on the open market prior to their maturity, and by investing primarily in shorter-term securities unless it is anticipated that long-term securities can be held to maturity without jeopardizing liquidity requirements.

<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>
Certificates of deposit	*	\$ 19,636,250	\$ <u>3,242,556</u>	\$ <u>16,393,694</u>	\$ <u>-</u>
Other Investments:					
Mutual funds	N/A	130,860,051			
Limited partnerships	N/A	<u>7,976,782</u>			
Total Investments		<u>\$ 158,473,083</u>			

N/A - Not Applicable

* Subject to coverage by Federal Depository Insurance and Collateralization

**TOWN OF GLASTONBURY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

At June 30, 2017, the Town’s cash equivalents amounted to \$22,730,441. The State of Connecticut Short-Term Investment Fund (STIF), is a 2a-7 like pool. The value of the position in the pool is the same as the value of the pool shares. Regulatory oversight for STIF is provided quarterly by the Investment Advisory Council and the Treasurer’s Cash Management Board.

	<u>Standard & Poor’s</u>
State of Connecticut Short-Term Investment Fund (STIF)	AAAm
Wells Fargo Money Market	*
Bank of America Money Market	*

Fair Value Measurement

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements); followed by quoted prices in inactive markets or for similar assets or with observable inputs (Level 2 measurements); and the lowest priority to unobservable inputs (Level 3 measurements). The Town has the following recurring fair value measurements as of June 30, 2017:

	<u>June 30, 2017</u>	<u>Fair Value Measurements Using</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Mutual funds	\$ 130,860,051	\$ 130,860,051	\$ -	\$ -
Limited partnerships	<u>7,976,782</u>	<u>-</u>	<u>-</u>	<u>7,976,782</u>
Total	<u>\$ 138,836,833</u>	<u>\$ 130,860,051</u>	<u>\$ -</u>	<u>\$ 7,976,782</u>

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Commercial and residential mortgage-backed securities classified in Level 3 are valued using discounted cash flow techniques. Collateralized debt obligations classified in Level 3 are valued using consensus pricing.

Limited partnerships investments classified in Level 3 are valued using either a discounted cash flow or market comparable companies technique.

**TOWN OF GLASTONBURY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

5. FUND RECEIVABLES

Receivables at June 30, 2017, including the applicable allowances for collection losses, are as follows:

	<u>General Fund</u>	<u>Special Assessment Fund</u>	<u>Nonmajor and Other Funds</u>	<u>Total</u>
Property taxes *	\$ 1,114,632	\$ -	\$ -	\$ 1,114,632
Assessments and user charges	-	529,282	1,631,094	2,160,376
Allowance for collection losses	<u>(161,000)</u>	<u>(53,000)</u>	<u>(12,650)</u>	<u>(226,650)</u>
Net taxes and assessments receivable	953,632	476,282	1,618,444	3,048,358
Intergovernmental	22,970	-	236,718	259,688
Other receivables	<u>320,095</u>	<u>16,612</u>	<u>-</u>	<u>336,707</u>
Net Receivables	<u>\$ 1,296,697</u>	<u>\$ 492,894</u>	<u>\$ 1,855,162</u>	<u>\$ 3,644,753</u>

* Interest on delinquent taxes are not included

6. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2017 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	\$ 44,182,886	\$ 391,498	\$ 18,676	\$ 44,555,708
Development rights	2,231,097	-	-	2,231,097
Construction in progress	<u>2,157,505</u>	<u>5,070,953</u>	<u>5,471,649</u>	<u>1,756,809</u>
Total capital assets not being depreciated	<u>48,571,488</u>	<u>5,462,451</u>	<u>5,490,325</u>	<u>48,543,614</u>
Capital assets being depreciated:				
Land improvements	39,875,352	1,260,750	-	41,136,102
Buildings and improvements	223,596,347	2,726,806	186,766	226,136,387
Machinery and equipment	49,371,312	2,884,781	1,206,091	51,050,002
Computer software	588,774	-	-	588,774
Infrastructure	<u>151,414,080</u>	<u>146,158</u>	<u>-</u>	<u>151,560,238</u>
Total capital assets being depreciated	<u>464,845,865</u>	<u>7,018,495</u>	<u>1,392,857</u>	<u>470,471,503</u>
Less accumulated depreciation for:				
Land improvements	12,700,806	1,950,838	-	14,651,644
Buildings and improvements	62,649,594	4,387,576	186,766	66,850,404
Machinery and equipment	22,942,438	2,757,075	960,047	24,739,466
Computer software	382,094	63,062	-	445,156
Infrastructure	<u>111,835,397</u>	<u>3,287,807</u>	<u>-</u>	<u>115,123,204</u>
Total accumulated depreciation	<u>210,510,329</u>	<u>12,446,358</u>	<u>1,146,813</u>	<u>221,809,874</u>
Total capital assets being depreciated, net	<u>254,335,536</u>	<u>(5,427,863)</u>	<u>246,044</u>	<u>248,661,629</u>
Governmental Activities Capital Assets, Net	<u>\$ 302,907,024</u>	<u>\$ 34,588</u>	<u>\$ 5,736,369</u>	<u>\$ 297,205,243</u>

**TOWN OF GLASTONBURY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

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

Governmental Activities:	
General government	\$ 174,143
Community development	17,650
Administrative services	42,678
Public safety	752,722
Physical services	3,644,102
Sanitation	1,269,094
Human services	196,261
Leisure / culture	1,208,574
Education	<u>5,141,134</u>
 Total Depreciation Expense - Governmental Activities	 <u>\$ 12,446,358</u>

A. Construction Commitments

The Town has the following construction commitments as of June 30, 2017:

	<u>Project Authorization</u>	<u>Expended to June 30, 2017</u>	<u>Outstanding Construction Commitments</u>
Riverfront Park	\$ 19,800,000	\$ 19,617,712	\$ 116,466
Capital Reserve Projects:			
Bridge Replacement/Rehabilitation	2,650,000	710,653	1,655,555
Town Center Traffic/Street Improvement	2,125,000	909,547	1,204,233
Town Hall Improvements	1,655,283	929,847	259,577
Griswold/House Street Realignment	1,475,000	1,210,537	184,713
Gideon Welles Window Replacement	1,743,842	1,622,939	95,146
Minnechaug Golf Course Improvement	387,500	278,770	50,317
Town Facilities Shop/Storage	1,045,000	728,185	29,029
Dam Maintenance/Replacement	185,000	92,573	20,997
Parks Facility Renovation/Expansion	642,500	463,483	17,395
Hebron Ave/House St Improvements	275,000	184,681	14,033
Library Windows/Lighting/Interior	165,000	120,821	12,071
Main Street Traffic Signals	<u>2,836,000</u>	<u>2,793,279</u>	<u>11,626</u>
 Total	 <u>\$ 34,985,125</u>	 <u>\$ 29,663,027</u>	 <u>\$ 3,671,158</u>

The commitments are being financed with capital reserve fund monies, general obligation bonds, private donations, and state and federal grants.

**TOWN OF GLASTONBURY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

7. INTERFUND TRANSFERS

Interfund transfers during the year ended June 30, 2017 were as follows:

	Transfer In			Total
	Capital Reserve Projects Fund	Land Acquisition Funds	Nonmajor Governmental Funds	
Transfers out:				
General Fund	\$ -	\$ 2,725,000	\$ 5,220,000	\$ 7,945,000
Special Assessment Fund	-	-	471,476	471,476
Capital Reserve Projects Fund	-	-	250,000	250,000
Nonmajor Governmental Funds	7,437,500	-	-	7,437,500
Total Transfers In	<u>\$ 7,437,500</u>	<u>\$ 2,725,000</u>	<u>\$ 5,941,476</u>	<u>\$ 16,103,976</u>

Transfers are used to move resources from the General Fund and Special Assessment Fund to nonmajor funds and from nonmajor funds to the Capital Reserve Projects Fund. As projects are closed, revenues in excess of expenditures are transferred back to the resource funds. The General Fund may also transfer amounts to the Capital and Nonrecurring Fund or directly to Capital Projects.

8. LONG-TERM LIABILITIES

A summary of changes in long-term obligations during the year ended June 30, 2017 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
General obligation bonds	\$ 58,570,000	\$ -	\$ 6,835,000	\$ 51,735,000	\$ 6,810,000
Premium on bonds	2,930,812	-	535,006	2,395,806	-
Clean Water loans payable	14,447,844	-	867,647	13,580,197	885,160
Notes payable	45,000	-	45,000	-	-
Compensated absences	4,580,785	302,629	399,756	4,483,658	100,196
Pension liability	55,489,150	-	4,208,574	51,280,576	-
OPEB obligation	2,548,376	402,646	-	2,951,022	-
Total Long-Term Liabilities	<u>\$ 138,611,967</u>	<u>\$ 705,275</u>	<u>\$ 12,890,983</u>	<u>\$ 126,426,259</u>	<u>\$ 7,795,356</u>

With the exception of the Clean Water Fund Loan, all long-term liabilities are generally liquidated by the General Fund.

Clean Water Fund debt repayment will be through user fees, allocation of investment income from Sewer Sinking Fund and General Fund, as applicable.

**TOWN OF GLASTONBURY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

General obligation bonds currently outstanding are as follows:

	<u>Original Amount</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Beginning Balance</u>	<u>Decreases</u>	<u>Ending Balance</u>
General obligation bonds:							
Schools:							
School bonds	\$ 1,000,000	04/15/09	04/15/29	2.00-4.50%	\$ 500,000	\$ 50,000	\$ 450,000
Refunding bonds	7,370,000	04/15/09	08/01/21	2.00-5.00%	2,790,000	760,500	2,029,500
Refunding bonds	19,555,000	11/15/10	05/15/25	2.00-5.00%	11,618,000	1,383,000	10,235,000
School bonds	2,715,000	11/15/11	05/15/26	2.00-3.00%	2,095,000	155,000	1,940,000
Refunding bonds	11,675,000	06/27/12	06/30/26	2.00-5.00%	10,275,000	868,000	9,407,000
Refunding bonds	6,385,000	05/15/14	08/01/28	2.00-5.00%	4,942,000	1,105,150	3,836,850
Total schools					<u>32,220,000</u>	<u>4,321,650</u>	<u>27,898,350</u>
General purpose:							
Improvement bonds	7,000,000	04/15/09	04/15/29	2.00-4.50%	3,500,000	350,000	3,150,000
Refunding bonds	2,135,000	04/15/09	08/01/21	2.00-5.00%	880,000	214,500	665,500
Refunding bonds	8,995,000	11/15/10	05/15/25	2.00-5.00%	5,337,000	642,000	4,695,000
Land	3,680,000	11/15/11	05/15/26	2.00-3.00%	2,900,000	195,000	2,705,000
Refunding bonds	2,870,000	06/27/12	06/30/26	2.00-5.00%	2,425,000	217,000	2,208,000
Improvement bonds	8,950,000	10/10/13	10/01/33	3.00-4.625%	8,595,000	355,000	8,240,000
Refunding bonds	3,095,000	05/15/14	08/01/28	2.00-5.00%	2,713,000	539,850	2,173,150
Total general purpose					<u>26,350,000</u>	<u>2,513,350</u>	<u>23,836,650</u>
Total general obligation bonds					<u>\$ 58,570,000</u>	<u>\$ 6,835,000</u>	<u>\$ 51,735,000</u>

Annual debt service requirements to maturity for general obligation bonds and loans are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 6,810,000	\$ 1,835,661	\$ 8,645,661
2019	6,420,000	1,614,068	8,034,068
2020	5,125,000	1,402,267	6,527,267
2021	5,100,000	1,224,474	6,324,474
2022	4,975,000	1,013,599	5,988,599
2023-2027	17,585,000	2,649,608	20,234,608
2028-2032	4,660,000	655,723	5,315,723
2033-2034	1,060,000	49,021	1,109,021
	<u>\$ 51,735,000</u>	<u>\$ 10,444,421</u>	<u>\$ 62,179,421</u>

The Clean Water Fund loans have an interest rate of 2% and the annual debt service requirements to maturity are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 885,160	\$ 263,519	\$ 1,148,679
2019	903,026	245,653	1,148,679
2020	921,253	227,426	1,148,679
2021	939,848	208,831	1,148,679
2022	958,818	189,861	1,148,679
2023-2027	5,092,321	651,074	5,743,395
2028-2030	3,879,771	140,607	4,020,378
	<u>\$ 13,580,197</u>	<u>\$ 1,926,971</u>	<u>\$ 15,507,168</u>

The note payable for acquisition of land was payable in three annual installments of \$45,000.

**TOWN OF GLASTONBURY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

A. Bond Anticipation Notes Payable

Bond anticipation notes totaling \$1,265,000, which were issued to temporarily finance land acquisitions, matured in August 2016. During August 2016, bond anticipation notes totaling \$1,240,000 were issued with an interest rate of 0.49%, which matured on May 1, 2017. At that time, additional notes were issued in the amount of \$1,650,000, due November 1, 2017, with an interest rate of 1.09%, for land purchases.

Bond anticipation note transactions for the year ended June 30, 2017 were as follows:

Outstanding, July 1, 2016	\$ 1,265,000
New borrowings	2,890,000
Repayments	<u>(2,505,000)</u>
Outstanding, June 30, 2017	\$ <u><u>1,650,000</u></u>

B. Bonds Authorized But Unissued

The bonds authorized and unissued at June 30, 2017 are \$5,230,000 for land/open space.

C. Prior Year's Debt Defeasance

In prior years, the Town defeased certain bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the basic financial statements. At June 30, 2017, the Town's portion of the defeased bonds outstanding, but removed from the Town's government-wide financial statements was approximately \$1,200,000. The balance in escrow was \$1,238,061.

D. Debt Limitation

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

<u>Category</u>	<u>Debt Limit</u>	<u>Indebtedness</u>	<u>Balance</u>
General purpose	\$ 319,788,297	\$ 30,160,750	\$ 289,627,547
Schools	639,576,594	28,454,250	611,122,344
Sewers	532,980,495	13,580,197	519,400,298
Urban Renewal	461,916,429	-	461,916,429
Pension deficit	426,384,396	-	426,384,396

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation (\$995 million).

Indebtedness, in accordance with State statutes, includes long-term debt outstanding in addition to the amount of bonds authorized and unissued against which bond anticipation notes are issued and outstanding.

**TOWN OF GLASTONBURY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

9. FUND BALANCE

The components of fund balance for the governmental funds at June 30, 2017 are as follows:

	General Fund	Special Assessment Fund	Capital Reserve Projects Fund	Land Acquisition	Nonmajor Governmental Funds	Total
Fund balances:						
Nonspendable:						
Prepaid items	\$ 20,757	\$ -	\$ -	\$ -	\$ 9,413	\$ 30,170
Inventory	197,871	-	-	-	20,666	218,537
Required to be retained in perpetuity	-	-	-	-	8,527	8,527
Restricted for:						
Law enforcement acquisitions	-	-	-	-	263,285	263,285
Education	-	-	-	-	488,923	488,923
Road construction and maintenance	-	-	-	-	594,394	594,394
Library acquisitions	-	-	-	-	198,809	198,809
Riverfront community center	-	-	-	-	196,141	196,141
Human services programs	-	-	-	-	24,946	24,946
Parks and recreation	-	-	-	-	255,525	255,525
Public safety programs	-	-	-	-	61,358	61,358
Other programs	-	-	-	-	87,584	87,584
Committed to:						
Town facility improvements	-	-	2,332,273	-	-	2,332,273
School improvements	-	-	563,096	-	-	563,096
Regional dispatch center	-	-	157,021	-	-	157,021
Street improvements and realignment	-	-	1,916,343	-	-	1,916,343
Land acquisition	-	-	117,689	1,148,844	-	1,266,533
Bridge and dam replacement/maintenance	-	-	2,032,327	-	-	2,032,327
Sewer infrastructure	-	13,457,671	-	-	2,071,844	15,529,515
Sewer plant operations	-	-	-	-	771,458	771,458
Other capital projects	-	-	304,284	-	46,436	350,720
Police private duty	-	-	-	-	511,014	511,014
Camp Sunrise	-	-	-	-	26,083	26,083
Recreation programs	-	-	-	-	915,020	915,020
Insurance reserve	-	-	-	-	365,838	365,838
Riverfront Park operations	-	-	-	-	198,971	198,971
Planetarium operations	-	-	-	-	33,868	33,868
Golf course maintenance	-	-	108,730	-	173,897	282,627
Assigned to:						
Subsequent year's budget	575,000	-	-	-	-	575,000
Capital outlay in subsequent year	228,378	-	-	-	-	228,378
Education surplus carried to subsequent year	1,103,706	-	-	-	-	1,103,706
Continued appropriations	214,358	-	-	-	-	214,358
Unassigned	24,315,641	-	-	-	(250,841)	24,064,800
Total Fund Balance	\$ 26,655,711	\$ 13,457,671	\$ 7,531,763	\$ 1,148,844	\$ 7,073,159	\$ 55,867,148

Significant encumbrances of \$4,022,944 and \$165,130 are included in the Capital Reserve Projects Fund and nonmajor funds, respectively, at June 30, 2017.

10. EMPLOYEE RETIREMENT PLAN

A. Pension Trust Fund

The Town of Glastonbury is the administrator of a single-employer Public Employee Retirement System (PERS) established and administered by the Town to provide pension benefits to substantially all full-time employees. Excluded from this plan are Highway, Fleet Maintenance, Facilities and Sanitation employees hired after January 1, 2013, unaffiliated Town employees hired after June 1, 2013 and certified personnel of the Board of Education who are covered under the State Teachers' Retirement System. Both the employer and the employee are obligated to contribute to this plan. The PERS is a defined benefit pension plan and is considered to be part of the Town's financial reporting entity and is included in the Town's financial reports as a Pension Trust Fund. Stand-alone reports are not available.

**TOWN OF GLASTONBURY, CONNECTICUT
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The management and administration of the pension plan is vested with the Town Manager. The Town Council has the power to make reasonable rules and regulations for carrying out the provision of the plan, as well as to authorize revisions and amendments to plan provisions.

Plan Description and Benefits Provided

The Plan provides retirement, disability and death benefits to Plan members and their beneficiaries. Employees are eligible to participate in the Plan upon the completion of one year of continuous service. Connecticut General Statutes assign the authority to the Town to create and amend Plan benefit provisions by ordinance or resolution. Under the Plan, all employees, except police, are partially vested after 5 years of service. All Plan members are 100% vested after 10 years of service. Plan members receive a retirement benefit when they retire at normal retirement age, which may vary by group. The Plan also provides early retirement options at a reduced retirement benefit, which may also vary by employee group.

The benefit formula for most divisions is 1.75% of final earnings up to \$15,000 plus 2.25% of final earnings in excess of \$15,000 multiplied by years of credited service. Other divisions range from 2.00% to 2.50% of final earnings multiplied by years of credited service. For non-affiliated employees hired after June 1, 2013 the benefit formula is 1.5% of final earnings multiplied by years of credited service up to a maximum of 30 years. For police officers hired after January 1, 2013 there is a 35-year maximum on years of credited service. The defined benefit pension plan was closed to two bargaining unit groups effective January 1, 2013. These employees participate in a Defined Contribution plan.

Plan membership consisted of the following at July 1, 2016, the date of the latest actuarial valuation:

Retirees, disabled and beneficiaries currently receiving benefits	316
Terminated employees entitled to benefits but not yet receiving them	110
Current plan members	<u>439</u>
Total	<u><u>865</u></u>

Summary of Significant Accounting Policies

Basis of Accounting

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

Method Used to Value Investments

Investments are reported at fair value. Securities traded on a national exchange are valued at the last reported sales price. Investment income is recognized as earned.

Contributions

Participants are required to contribute a percent of payroll, which varies by group. For 2017, the contribution rates for the following employee groups were 5.75% for all unaffiliated Town employees and Housing Authority employees; 4.75% for Board of Education employees; 6.50% for highway employees; 6.75% for Wastewater/Building Maintenance employees; 6.00% for dispatchers; and 7.75% for Police.

**TOWN OF GLASTONBURY, CONNECTICUT
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Administrative costs of the Plan are financed through investment earnings.

Funding Policy

The employee contribution rate to the Plan varies by division. The Town has a funding policy whereby contributions will be based on the Actuarially Determined Contribution (ADC) provided annually as part of the annual actuarial valuation. The Town is required to contribute the amount necessary to finance the benefits for its employees. Benefits are fixed by, and may be amended by, union negotiations.

Investments

Investment Policy

The pension plan’s policy in regard to the allocation of investment of assets is established by and may be amended by the Board of Finance by a majority vote of its members. It is the policy of the Board that plan assets be invested in accordance with sound investment practices that emphasize the fundamentals of long-term investing. Consistent with this effort assets shall be guided to achieve a long-term return that meets or exceeds the actuarial target of the plan, maintains sufficient liquidity to meet the obligations of the Plan, diversify the assets of the Plan in order to reduce risk, achieve investment results over the long-term that compare favorably with those of other pension plans, professionally managed portfolios and appropriate market indexes and prudently manage the inherent investment risks related to the achievement of investment objectives. The following was the Board’s adopted asset allocation target per their adopted policy as of June 30, 2017:

<u>Asset Class</u>	<u>Target Allocation</u>
Money Market	0.00 %
Domestic Equities	32.50
International Equities	24.00
Fixed Income	32.50
Real Estate	5.00
Inflation Protection	<u>6.00</u>
Total	<u><u>100.00</u> %</u>

Rate of Return

For the year ended June 30, 2017, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 12.43%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**TOWN OF GLASTONBURY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

Net Pension Liability of the Town

The components of the net pension liability of the Town at June 30, 2017 were as follows:

Total pension liability	\$ 187,359,615
Plan fiduciary net position	<u>(136,079,039)</u>
Town's Net Pension Liability	<u>\$ 51,280,576</u>
Plan fiduciary net position as a percentage of the total pension liability	72.63%

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2017, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increases	Graded salary growth with ultimate rate of 3.0% to 6.50%
Investment rate of return	6.875% for Non-hybrid plan, and 5.000% for Hybrid plan, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2000 Combined Healthy Mortality Table, with static projection per Scale AA (15 years beyond the valuation date for nonannuitants and 7 years beyond for annuitants) and RP-2000 Disabled Mortality tables for males and females.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2017 (see the discussion of the pension plan's investment policy) are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Broad U.S. Equities	5.15 %
Core Fixed Income	2.66
Developed Foreign Equities	5.88
Non-U.S. Fixed Income	1.60
Private Real Estate Property	3.85
Emerging Market Equities	8.14
Inflation-Indexed Bonds	1.95
Core Bonds	2.56
Commodities	3.02

**TOWN OF GLASTONBURY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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Discount Rate

The discount rate used to measure the total pension liability was 6.875%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Town contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances as of June 30, 2016	\$ 175,930,957	\$ 120,441,807	\$ 55,489,150
Changes for the year:			
Service cost	3,976,246	-	3,976,246
Interest on total pension liability	12,330,029	-	12,330,029
Effect of plan changes	11,568	-	11,568
Effect of economic/demographic gains or losses	2,217,622	-	2,217,622
Effect of assumptions changes or inputs	550,555	-	550,555
Employer contributions	-	6,325,363	(6,325,363)
Member contributions	-	1,705,360	(1,705,360)
Net investment income (loss)	-	15,358,365	(15,358,365)
Benefit payments, including refund to employee contributions	(7,657,362)	(7,657,362)	-
Administrative expenses	-	(94,494)	94,494
Net changes	<u>11,428,658</u>	<u>15,637,232</u>	<u>(4,208,574)</u>
Balances as of June 30, 2017	<u>\$ 187,359,615</u>	<u>\$ 136,079,039</u>	<u>\$ 51,280,576</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Town, calculated using the discount rate of 6.875%, as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.875%) or 1 percentage point higher (7.875%) than the current rate:

	1% Decrease (5.875%)	Current Discount Rate (6.875%)	1% Increase (7.875%)
Town's Net Pension Liability	\$ 77,222,880	\$ 51,280,576	\$ 33,845,398

**TOWN OF GLASTONBURY, CONNECTICUT
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JUNE 30, 2017**

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2017, the Town recognized pension expense of \$9,351,688. At June 30, 2017, the Town reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	<u>Outflows of Resources</u>	<u>Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,782,794	\$ 498,494
Changes of assumptions	2,335,086	-
Net difference between projected and actual earning on pension plan investments	<u>3,443,339</u>	<u>-</u>
Total	<u>\$ 7,561,219</u>	<u>\$ 498,494</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending June 30,

2018	\$ 3,083,373
2019	3,083,371
2020	1,564,446
2021	(722,742)
2022	54,277

B. Teacher Retirement

Plan Description

Teachers, principals, superintendents or supervisors engaged in service of public schools are provided with pensions through the Connecticut State Teachers' Retirement System, a cost sharing multiple-employer defined benefit pension plan administered by the Teachers Retirement Board. Chapter 167a of the State Statutes grants authority to establish and amend the benefit terms to the Teachers Retirement Board. The Teachers Retirement Board issues a publicly available financial report that can be obtained at www.ct.gov.

Benefit Provisions

The plan provides retirement, disability and death benefits. Employees are eligible to retire at age 60 with 20 years of credited service in Connecticut, or 35 years of credited service including at least 25 years of service in Connecticut.

Normal Retirement

Retirement benefits for employees are calculated as 2% of the average annual salary times the years of credited service (maximum benefit is 75% of average annual salary during the 3 years of highest salary).

**TOWN OF GLASTONBURY, CONNECTICUT
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Early Retirement

Employees are eligible after 25 years of credited service including 20 years of Connecticut service, or age 55 with 20 years of credited service including 15 years of Connecticut service with reduced benefit amounts.

Disability Retirement

Employees are eligible for service-related disability benefits regardless of length of service. Five years of credited service is required for nonservice-related disability eligibility. Disability benefits are calculated as 2% of average annual salary times credited service to date of disability, but not less than 15% of average annual salary, nor more than 50% of average annual salary.

Contributions

Per Connecticut General Statutes Section 10-183z (which reflects Public Act 79-436 as amended), contribution requirements of active employees and the State of Connecticut are approved, amended and certified by the State Teachers Retirement Board and appropriated by the General Assembly.

Employer (School Districts)

School District employers are not required to make contributions to the plan.

The statutes require the State of Connecticut to contribute 100% of each school districts' required contributions, which are actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of the benefits earned by employees during the year, with any additional amount to finance any unfunded accrued liability.

Employees

Effective July 1, 1992, each teacher is required to contribute 6% of salary for the pension benefit.

Pension Liabilities, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2017, the Town reports no amounts for its proportionate share of the net pension liability, and related deferred outflows and inflows, due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the Town were as follows:

Town's proportionate share of the net pension liability	\$	-
State's proportionate share of the net pension liability associated with the Town		<u>170,434,778</u>
Total	\$	<u>170,434,778</u>

The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. At June 30, 2017, the Town has no proportionate share of the net pension liability.

**TOWN OF GLASTONBURY, CONNECTICUT
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For the year ended June 30, 2017, the Town recognized pension expense and revenue of \$18,586,525 in Exhibit II for on-behalf amounts for the benefits provided by the State.

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2016, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increase	3.25-6.50%, including inflation
Investment rate of return	8.00%, net of pension plan investment expense, including inflation

Mortality rates were based on the RPH-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale, and further adjusted to grade in increased rates (5% for females and 8% for males) over age 80 for the period after service retirement and for dependent beneficiaries as well as for active members. The RPH-2014 Disabled Mortality Table projected to 2017 with Scale BB is used for the period after disability retirement.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2010 - June 30, 2015.

For teachers who retired prior to September 1, 1992, pension benefit adjustments are made in accordance with increases in the Consumer Price Index, with a minimum of 3% and a maximum of 5% per annum.

For teachers who were members of the Teachers' Retirement System before July 1, 2007 and retire on or after September 1, 1992, pension benefit adjustments are made that are consistent with those provided for Social Security benefits on January 1 of the year granted, with a maximum of 6% per annum. If the return on assets in the previous year was less than 8.5%, the maximum increase is 1.5%.

For teachers who were members of the Teachers' Retirement System after July 1, 2007, pension benefit adjustments are made that are consistent with those provided for Social Security benefits on January 1 of the year granted, with a maximum of 5% per annum. If the return on assets in the previous year was less than 11.5%, the maximum increase is 3%, and if the return on the assets in the previous year was less than 8.5%, the maximum increase is 1.0%.

**TOWN OF GLASTONBURY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimates of arithmetic real rates of return for each major class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Large Cap U.S. equities	21.0%	7.3%
Developed non-U.S. equities	18.0%	7.5%
Emerging markets (non-U.S.)	9.0%	8.6%
Core fixed income	7.0%	1.7%
Inflation linked bond fund	3.0%	1.3%
Emerging market bond	5.0%	4.8%
High yield bonds	5.0%	3.7%
Real estate	7.0%	5.9%
Private equity	11.0%	10.9%
Alternative investments	8.0%	0.7%
Liquidity fund	6.0%	0.4%
Total	<u>100.0%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 8.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that State contributions will be made at the actuarially determined contribution rates in the future years. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The Town’s proportionate share of the net pension liability is \$-0- and, therefore, the change in the discount rate would only impact the amount recorded by the State of Connecticut.

Other Information

Additional information is included in the required supplementary information section of the financial statements. A schedule of contributions is not presented as the Town has no obligation to contribute to the plan.

11. OTHER POSTEMPLOYMENT BENEFITS

In addition to providing pension benefits, the Town instituted a policy providing 40% to 50% of certain health care benefits for retired employees. Substantially all of the Town’s employees may become eligible for those benefits, if they retire under a normal retirement or with disability.

A. Benefits

From an accrual accounting perspective, the cost of postemployment healthcare benefits, like the cost of pension benefits, generally should be associated with the periods in which the cost occurs, rather than in the future year when it will be paid. The Town recognizes the cost of postemployment healthcare in the year when the employee services are received, discloses the accumulated liability from prior years, and provides information useful in assessing potential demands on the Town’s future cash flows. Recognition of the liability accumulated from prior years will be phased in over 30 years, commencing with the 2009 liability.

B. Plan Description

The Town provides postemployment benefits for certain employees for current and future health and life insurance benefit expenses through a single-employer defined benefit plan. A bi-annual actuarial valuation is made to determine whether the contributions are sufficient to meet the plan obligations. The latest actuarial valuation was made July 1, 2015. The post-retirement plan does not issue stand-alone financial reports.

Management of the post employment benefits plan is vested with the Town Manager and Director of Finance. Policy oversight is provided by the Board of Finance.

The contribution requirements of plan members and the Town are established and may be amended by the Town. The Town determines the required contribution using the Projected Unit Credit Method.

Membership in the plan consisted of the following at July 1, 2015, the date of the last actuarial valuation.

Retirees and beneficiaries currently receiving benefits	149
Active plan members	<u>906</u>
 Total	 <u><u>1,055</u></u>

The Town’s annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The actuarial accrued liability was calculated based on the actuarial valuation as of July 1, 2015 and is estimated to be \$14,156,000. The Town’s contributions represent payments made for premiums for insured individuals on a pay-as-you-go method.

**TOWN OF GLASTONBURY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation was as follows:

Three-Year Trend Information

<u>Fiscal Year End</u>	<u>Annual OPEB Cost (AOC)</u>	<u>Actual Contribution</u>	<u>Percentage of AOC Contributed</u>	<u>Net OPEB Obligation (Asset)</u>
6/30/2015	\$ 1,542,828	\$ 1,381,616	89.6%	\$ 2,425,568
6/30/2016	1,645,194	1,522,386	92.5%	2,548,376
6/30/2017	1,327,887	925,241	69.7%	2,951,022

OPEB Obligation

Annual required contribution	\$ 1,321,393
Interest on net OPEB obligation	178,386
Adjustment to annual required contribution	<u>(171,892)</u>
Annual OPEB cost	1,327,887
Contributions made	<u>925,241</u>
Change in net OPEB Obligation	402,646
Net OPEB Obligation, July 1, 2016	<u>2,548,376</u>
Net OPEB Obligation, June 30, 2017	<u><u>\$ 2,951,022</u></u>

Schedule of Funding Progress

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
7/1/2013	\$ 1,405,000	\$ 15,478,000	\$ (14,073,000)	9.08%	\$ 64,192,000	21.92%
7/1/2015	2,486,000	14,156,000	(11,670,000)	17.56%	68,158,000	17.12%

The schedules of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, present multi-year trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the AALs for benefits.

**TOWN OF GLASTONBURY, CONNECTICUT
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Investments

Investment Policy

OPEB Benefits Plan’s policy in regard to the allocation of invested assets is established and may be amended by the Board of Finance by a majority vote of its members. It is the policy of the Board of Finance to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes.

Rate of Return

For the year ended June 30, 2017, the annual money-weighted rate of return on investments, net of investment expense, was 10.80%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested

Net OPEB Liability of the Town

During the year, the Town implemented GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans* (OPEB). This Statement requires the net OPEB liability to be measured as the total OPEB liability, less the amount of the OPEB plan’s fiduciary net position. The components of the net OPEB liability of the Town at June 30, 2017, were as follows:

Total OPEB liability	\$ 17,333,059
Plan fiduciary net position	<u>3,815,590</u>
Net OPEB Liability	<u>\$ 13,517,469</u>
Plan fiduciary net position as a percentage of the total OPEB liability	22.01%

The Town’s net OPEB liability will be required to be recorded on the government-wide financial statement of net position at June 30, 2018.

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of July 1, 2015 using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.70%
Salary increases	3.50%, average, including inflation
Investment rate of return	7.00%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	8.02% for 2017, decreasing to an ultimate rate of 4.50% over 58 years

Mortality rates were based on the RP-2000 Combined Healthy and Disabled Mortality, Male and Female, with generational projection per Scale AA.

The plan has not had a formal actuarial experience study performed.

**TOWN OF GLASTONBURY, CONNECTICUT
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The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset as of June 30, 2017 are summarized in the following table:

	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Intermediate Bonds	30.00 %	2.16 %
U.S. Equity Market	35.00	5.15
Global Equity	25.00	5.51
U.S. Inflation-Indexed Bonds	<u>10.00</u>	1.95
Total	<u><u>100.00 %</u></u>	

Discount Rate

The discount rate used to measure the total OPEB liability was 6.91%, an increase from the prior year rate of 6.85%. The projection of cash flows used to determine the discount rate assumed that Town contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the Town, as well as what the Town's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.91%) or 1 percentage point higher (7.91%) than the current discount rate:

	<u>1% Decrease (5.91%)</u>	<u>Current Discount Rate (6.91%)</u>	<u>1% Increase (7.91%)</u>
Net OPEB Liability	\$ 15,759,045	\$ 13,517,469	\$ 11,634,693

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the net OPEB liability of the Town, as well as what the Town's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (7.02% decreasing to 4.5%) or 1 percentage point higher (9.02% decreasing to 4.5%) than the current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
Net OPEB Liability	\$ 11,085,820	\$ 13,517,469	\$ 16,519,792

**TOWN OF GLASTONBURY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

12. PENSION AND OPEB COMBINING SCHEDULES

Pension and OPEB Combining Statement of Net Position

	<u>Pension Trust Fund</u>	<u>OPEB Trust Fund</u>	<u>Total Trust Funds</u>
Assets:			
Cash and cash equivalents	\$ 1,039,984	\$ 17,883	\$ 1,057,867
Investments, at fair value:			
Mutual funds	<u>135,039,055</u>	<u>3,797,707</u>	<u>138,836,762</u>
Total assets	<u>136,079,039</u>	<u>3,815,590</u>	<u>139,894,629</u>
Net Position:			
Restricted for Pension and OPEB Benefits	<u>\$ 136,079,039</u>	<u>\$ 3,815,590</u>	<u>\$ 139,894,629</u>

Pension and OPEB Combining Statement of Changes in Net Position

	<u>Pension Trust Fund</u>	<u>OPEB Trust Fund</u>	<u>Total Trust Funds</u>
Additions:			
Contributions:			
Employer	\$ 6,325,363	\$ 925,241	\$ 7,250,604
Employee	<u>1,705,360</u>	<u>-</u>	<u>1,705,360</u>
Total contributions	<u>8,030,723</u>	<u>925,241</u>	<u>8,955,964</u>
Investment income:			
Net change in fair value of investments	12,970,831	283,036	13,253,867
Interest and dividends	<u>2,428,058</u>	<u>89,664</u>	<u>2,517,722</u>
	15,398,889	372,700	15,771,589
Less investment expenses:			
Investment management fees	<u>40,524</u>	<u>-</u>	<u>40,524</u>
Net investment income	<u>15,358,365</u>	<u>372,700</u>	<u>15,731,065</u>
Total additions	<u>23,389,088</u>	<u>1,297,941</u>	<u>24,687,029</u>
Deductions:			
Benefit payments	7,657,362	696,124	8,353,486
Administration fees	<u>94,494</u>	<u>3,897</u>	<u>98,391</u>
Total deductions	<u>7,751,856</u>	<u>700,021</u>	<u>8,451,877</u>
Change in Net Position	15,637,232	597,920	16,235,152
Net Position at Beginning of Year	<u>120,441,807</u>	<u>3,217,670</u>	<u>123,659,477</u>
Net Position at End of Year	<u>\$ 136,079,039</u>	<u>\$ 3,815,590</u>	<u>\$ 139,894,629</u>

13. DEFINED CONTRIBUTION PLAN

The Town established a defined contribution plan for certain employee groups. Employees are eligible to participate after completing one year of service as follows:

Highway/Fleet Maintenance

For employees hired after January 1, 2013 the Town contributes 6.5% of wages and the employee contributes up to 6.5%.

Sanitation/Facilities

For employees hired after January 1, 2013 the Town contributes 6.5% of wages with a mandatory employee contribution of 4% with a 6.5% maximum.

Unaffiliated Town

For employees hired after June 1, 2013 the Town contributes 3% of wages and the employees contribute a minimum of 2% with a maximum of 3%.

The vesting schedules vary by employee group, but employees are fully vested after ten years of service.

Employees have the right to self-direct their contributions in the defined contribution plan among the investment options offered by the plan administrator as selected by the Town.

During the fiscal year ended June 30, 2017, employees contributed \$50,595 and the Town contributed a matching employer contribution of \$65,007. Covered payroll totaled \$1,665,370.

14. RISK MANAGEMENT

The Town maintains insurance to provide for losses of property or the results of litigation. The Town is a member of the CIRMA Liability, Automobile, Property pool program, which includes 151 members. Premiums were paid by the Town and Board of Education in the amount of \$606,284 and \$448,687, respectively, for the LAP pool program and for excess liability coverage during the fiscal year ended June 30, 2017. The insurance policy provisions cover general business liabilities and umbrella liability, as well as various other coverages. There are various deductibles dependent on the type of coverage. There were no significant reductions from the previous year in insurance coverages during the fiscal year ended June 30, 2017. All policy deductibles and uninsured losses are funded by insurance accounts included under Administrative Services in the General Fund. The Town had no settlements which exceeded insurance coverage for the fiscal years ended June 30, 2015, 2016 or 2017.

Additionally, the Town is a member of 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 212 members in the Workers' Compensation Pool. The coverage is subject to an incurred loss retrospective rating plan, and losses incurred in the coverage periods for each fiscal year will be evaluated at 18, 30 and 42 months after the effective date of coverage. The deposit contribution (premium) paid for the year ended June 30, 2017 was \$1,140,996, inclusive of the Board of Education. The contribution (premium) is subject to payroll audit at the close of the coverage period. CIRMA's Workers' Compensation Pool retains up to \$750,000 per occurrence. Claims over \$750,000 are reinsured.

**TOWN OF GLASTONBURY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

Town health benefits are provided through an Internal Service Fund. The Health Insurance Reserve Fund accounts for medical claim activity and service fees on a self-insured basis. Town liability is limited through the purchase of Individual Stop Loss (ISL) and Aggregate Stop Loss (ASL) coverage that caps the Town’s liability annually to \$175,000 per participant and 120%/125% of total expected claims, respectively. Anthem, Connecticare and Delta Dental are the Town’s medical providers and they each administer payment of claims directly to the providers. The Town works with a consultant to analyze claims, calculate the incurred but not reported (IBNR) claims liability at year end and advise the Town on all health insurance related issues throughout the year. The Town adheres to a conservative reserve policy that, at a minimum, requires the Town to maintain a reserve level that will meet the total of the difference between the maximum liability and amounts budgeted, the incurred but not reported claims and ten percent (10%) of budgeted health care premiums. Approval of the Town Council is required for the use of any excess reserves and is limited to offset future health related costs.

The following is a schedule of changes in the aggregate liabilities for claims:

	<u>Liability July 1,</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Liability June 30,</u>
2016 - 2017	\$ 1,221,603	\$ 17,850,694	\$ 17,621,641	\$ 1,450,656
2015 - 2016	1,039,751	17,703,377	17,521,525	1,221,603

Premiums are paid into the Self-Insurance Reserve Fund by all other funds and are available to pay claims, claim reserves and administrative costs of the program. All liabilities are expected to be paid within one year.

15. OPERATING LEASES

The Town has several operating leases for various computer equipment for use at various schools. The leases are classified as operating leases, which do not give rise to property rights or lease obligations. In most cases, management expects leases will be renewed or replaced by other leases in the normal course of business.

Rental expense for all operating leases for the year ended June 30, 2017 was \$594,605.

The following is a schedule of future payments on operating leases:

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2018	\$ 669,314
2019	624,057
2020	280,052
2021	<u>32,897</u>
	<u>\$ 1,606,320</u>

16. COMMITMENTS AND CONTINGENCIES

The Town is currently a defendant in a number of lawsuits. Management and legal counsel believe that the ultimate resolution of these matters will not have a material adverse effect on the financial statements of the Town.

The Town has received state and federal grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for any expenditure disallowed under terms of the grant. Based on prior experience, Town management believes such disallowances, if any, will not be material.

17. SUBSEQUENT EVENTS

On November 1, 2017, the Town issued \$1,650,000 of bond anticipation notes with an interest rate of 1.09% and a maturity date of July 26, 2018.

Required Supplementary Information

TOWN OF GLASTONBURY, CONNECTICUT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGETARY BASIS - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property taxes	\$ 141,825,612	\$ 141,825,612	\$ 142,041,710	\$ 216,098
Licenses and permits	956,200	956,200	1,447,584	491,384
Intergovernmental	8,807,118	9,767,389	9,719,044	(48,345)
Charges for services	1,589,350	1,608,150	1,855,146	246,996
Unrealized loss	-	-	(84,495)	(84,495)
Investment income	275,000	275,000	410,843	135,843
Other revenue	1,824,461	1,824,461	2,320,513	496,052
Total revenues	<u>155,277,741</u>	<u>156,256,812</u>	<u>157,710,345</u>	<u>1,453,533</u>
Expenditures:				
Current:				
General government	3,178,714	2,995,871	2,943,450	52,421
Community development	1,876,666	1,908,466	1,881,332	27,134
Administrative services	6,449,580	6,941,823	6,784,987	156,836
Public safety	12,869,886	12,932,963	12,774,935	158,028
Physical services	6,648,424	6,752,142	6,734,016	18,126
Sanitation	767,192	768,745	732,410	36,335
Human services	2,974,002	2,899,905	2,792,577	107,328
Leisure/culture	5,316,366	5,328,799	5,172,573	156,226
Contingency	175,000	-	-	-
Education	101,341,911	102,474,332	101,370,626	1,103,706
Debt service	9,210,000	9,010,000	8,984,959	25,041
Total expenditures	<u>150,807,741</u>	<u>152,013,046</u>	<u>150,171,865</u>	<u>1,841,181</u>
Excess of revenues over expenditures	<u>4,470,000</u>	<u>4,243,766</u>	<u>7,538,480</u>	<u>3,294,714</u>
Other Financing Sources (Uses):				
Transfers in				
Use of fund balance	575,000	3,701,234	-	(3,701,234)
Transfers out	(5,045,000)	(7,945,000)	(7,945,000)	-
Total other financing uses	<u>(4,470,000)</u>	<u>(4,243,766)</u>	<u>(7,945,000)</u>	<u>(3,701,234)</u>
Net Change in Fund Balance	\$ <u>-</u>	\$ <u>-</u>	(406,520)	\$ <u>(406,520)</u>
Budgetary Fund Balance at Beginning of Year			<u>27,062,231</u>	
Budgetary Fund Balance at End of Year			\$ <u>26,655,711</u>	

TOWN OF GLASTONBURY, CONNECTICUT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
LAST FOUR FISCAL YEARS *

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Total pension liability:				
Service cost	\$ 3,202,640	\$ 3,546,691	\$ 3,830,151	\$ 3,976,246
Interest	10,850,500	11,234,997	11,748,111	12,330,029
Effect of plan changes	-	-	(26,085)	11,568
Effect of economic/demographic gains or losses	-	(711,983)	(316,829)	2,217,622
Effect of assumption changes or inputs	-	927,997	2,408,881	550,555
Benefit payments, including refunds of member contributions	<u>(6,386,200)</u>	<u>(6,801,280)</u>	<u>(7,173,284)</u>	<u>(7,657,362)</u>
Net change in total pension liability	7,666,940	8,196,422	10,470,945	11,428,658
Total pension liability - beginning	<u>149,596,650</u>	<u>157,263,590</u>	<u>165,460,012</u>	<u>175,930,957</u>
Total pension liability - ending	<u>157,263,590</u>	<u>165,460,012</u>	<u>175,930,957</u>	<u>187,359,615</u>
Plan fiduciary net position:				
Contributions - employer	5,771,396	6,001,585	6,118,624	6,325,363
Contributions - member	1,675,096	1,627,914	1,631,107	1,705,360
Net investment income (loss)	17,267,726	1,126,546	(1,510,983)	15,358,365
Benefit payments, including refunds of member contributions	<u>(6,386,200)</u>	<u>(6,801,280)</u>	<u>(7,158,404)</u>	<u>(7,657,362)</u>
Administrative expense	<u>(141,637)</u>	<u>(204,307)</u>	<u>(152,285)</u>	<u>(94,494)</u>
Net change in plan fiduciary net position	18,186,381	1,750,458	(1,071,941)	15,637,232
Plan fiduciary net position - beginning	<u>101,576,909</u>	<u>119,763,290</u>	<u>121,513,748</u>	<u>120,441,807</u>
Plan fiduciary net position - ending	<u>119,763,290</u>	<u>121,513,748</u>	<u>120,441,807</u>	<u>136,079,039</u>
Net Pension Liability - Ending	<u>\$ 37,500,300</u>	<u>\$ 43,946,264</u>	<u>\$ 55,489,150</u>	<u>\$ 51,280,576</u>
Plan fiduciary net position as a percentage of the total pension liability	76.15%	73.44%	68.46%	72.63%
Covered-employee payroll	\$ 24,455,208	\$ 27,153,582	\$ 26,362,701	\$ 27,677,315
Net pension liability as a percentage of covered-employee payroll	153.34%	161.84%	210.48%	185.28%

*Note: This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

**TOWN OF GLASTONBURY, CONNECTICUT
SCHEDULE OF EMPLOYER CONTRIBUTIONS
PENSION
LAST TEN FISCAL YEARS**

	<u>2008</u>	<u>2009</u>	<u>2010</u>
Actuarially determined contribution	\$ 1,861,408	\$ 2,371,688	\$ 5,054,637
Contributions in relation to the actuarially determined contribution	<u>1,861,408</u>	<u>2,371,688</u>	<u>4,002,757</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,051,880</u>
Covered-employee payroll	21,518,447	23,390,208	24,409,943
Contributions as a percentage of covered-employee payroll	8.65%	10.14%	16.40%

Notes to Schedule

Valuation date: July 1, 2016
Measurement date: June 30, 2017

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Projected unit credit
Amortization method	Level percent, closed, 16 years remaining
Asset valuation method	Market value
Inflation	2.75%
Salary increases	Graded by age from 6.50% to 3.00%
Investment rate of return	6.875% for Non-Hybrid plan, 5.000% for Hybrid plan
Retirement age	

Age 65 for non-police; age 55 for police with 25 years of service hired on or after January 1, 2013; age 55 for police with 20 years of service hired before January 1, 2013

Mortality
Healthy: RP-2000 Mortality Table for employees and healthy annuitants, with separate male and female rates, with generational projection per Scale AA
Disabled: RP-2000 Disabled Mortality Table for males and females

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$	4,930,505	\$ 4,753,626	\$ 5,130,000	\$ 5,771,396	\$ 6,001,585	\$ 6,118,624	\$ 6,325,363
	<u>4,782,742</u>	<u>4,753,626</u>	<u>5,130,000</u>	<u>5,771,396</u>	<u>6,001,585</u>	<u>6,118,624</u>	<u>6,325,363</u>
\$	<u>147,763</u>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	24,923,408	25,346,833	26,408,569	24,455,208	27,153,582	26,362,701	27,677,315
	19.19%	18.75%	19.43%	23.60%	22.10%	23.21%	22.85%

**TOWN OF GLASTONBURY, CONNECTICUT
SCHEDULE OF INVESTMENT RETURNS
PENSION
LAST FOUR FISCAL YEARS**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Annual money-weighted rate of return, net of investment expense	16.50%	0.92%	(1.2%)	12.43%

TOWN OF GLASTONBURY, CONNECTICUT
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS RETIREMENT PLAN
LAST THREE FISCAL YEARS*

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Town's proportion of the net pension liability	0.00%	0.00%	0.00%
Town's proportionate share of the net pension liability	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the Town	<u>120,207,941</u>	<u>130,053,006</u>	<u>170,434,778</u>
Total	<u>\$ 120,207,941</u>	<u>\$ 130,053,006</u>	<u>\$ 170,434,778</u>
Town's covered-employee payroll	\$ 46,123,485	\$ 47,748,108	\$ 47,896,842
Town's proportionate share of the net pension liability as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	61.51%	59.50%	52.26%

*Note: This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

Notes to Schedule

Changes in benefit terms	None
Changes of assumptions	During 2016, rates of withdrawal, disability, retirement, mortality and assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience. These assumptions were recommended as part of the Experience Study for the System for the five-year period ended June 30, 2015. During 2011, rates of withdrawal, retirement and assumed rates of salary increases were adjusted to reflect actual and anticipated experience. These assumptions were recommended as part of the Experience Study for the System for the five-year period ended June 30, 2010.
Actuarial cost method	Entry age
Amortization method	Level percent of salary, closed
Remaining amortization period	20.4 years
Asset valuation method	4-year smoothed market
Investment rate of return	8.50%, net of investment related expense

**TOWN OF GLASTONBURY, CONNECTICUT
SCHEDULES OF FUNDING PROGRESS - OPEB**

Schedule of Funding Progress

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
<i>Retiree Medical Program</i>						
7/1/2011	\$ 537,000	\$ 16,558,000	\$ (16,021,000)	3.2%	\$ 62,606,000	25.59%
7/1/2013	1,405,000	15,478,000	(14,073,000)	9.1%	64,192,000	21.92%
7/1/2015	2,486,000	14,156,000	(11,670,000)	17.6%	68,158,000	17.12%

TOWN OF GLASTONBURY, CONNECTICUT
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
LAST FISCAL YEAR*

	<u>2017</u>
Total OPEB liability:	
Service cost	\$ 514,970
Interest	1,141,882
Changes of assumptions	(124,569)
Benefit payments	<u>(696,124)</u>
Net change in total OPEB liability	836,159
Total OPEB liability - beginning	<u>16,496,900</u>
Total OPEB liability - ending	<u>17,333,059</u>
Plan fiduciary net position:	
Contributions - employer	925,241
Net investment income	372,700
Benefit payments	(696,124)
Administrative expense	<u>(3,897)</u>
Net change in plan fiduciary net position	597,920
Plan fiduciary net position - beginning	<u>3,217,670</u>
Plan fiduciary net position - ending	<u>3,815,590</u>
Net OPEB Liability - Ending	<u>\$ 13,517,469</u>
Plan fiduciary net position as a percentage of the total OPEB liability	22.01%
Covered-employee payroll	\$ 68,158,459
Net OPEB liability as a percentage of covered-employee payroll	19.83%

*Note: This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available

**TOWN OF GLASTONBURY, CONNECTICUT
SCHEDULE OF EMPLOYER CONTRIBUTIONS
OPEB
LAST TEN FISCAL YEARS**

	<u>2008</u>	<u>2009</u>	<u>2010</u>
Actuarially determined contribution (1)	\$ -	\$ 1,151,000	\$ 1,212,300
Contributions in relation to the actuarially determined contribution	<u>-</u>	<u>768,460</u>	<u>775,900</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ 382,540</u>	<u>\$ 436,400</u>
Covered-employee payroll	\$ N/A	\$ N/A	\$ N/A
Contributions as a percentage of covered-employee payroll	N/A	N/A	N/A

(1) Actuarially Determined Contributions prior to fiscal year ending June 30, 2017 is based on the Annual Required Contribution (ARC) calculated in accordance with GASB No. 45

Notes to Schedule

Valuation date: July 1, 2015

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Projected unit credit
Amortization method	Level percentage of payroll, closed
Amortization period	22 years
Asset valuation method	Market value
Inflation	2.70%
Healthcare cost trend rates	8.02% - 4.50%, over 58 years
Salary increases	3.50%, average, including inflation
Investment rate of return	7.00%, net of pension plan investment expense, including inflation
Retirement age	In the 2015 actuarial valuation, expected retirement ages of general employees were adjusted to more closely reflect actual experience
Mortality	RP-2000 Combined Healthy and Disabled Mortality, Male and Female, with generational projection per Scale AA.

Other Information:

The results of the 2015 actuarial valuation reflect a modification to benefit terms that increased retiree copayments for prescription drugs. The results of the 2013 actuarial valuation reflect the addition of vision benefits.

<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$ 1,264,000	\$ 1,330,000	\$ 1,478,000	\$ 1,556,000	\$ 1,528,458	\$ 1,634,197	\$ 1,321,393
<u>814,000</u>	<u>1,220,000</u>	<u>1,141,000</u>	<u>1,088,000</u>	<u>1,381,616</u>	<u>1,522,386</u>	<u>925,241</u>
\$ <u>450,000</u>	\$ <u>110,000</u>	\$ <u>337,000</u>	\$ <u>468,000</u>	\$ <u>146,842</u>	\$ <u>111,811</u>	\$ <u>396,152</u>
\$ N/A	\$ N/A	\$ 62,606,000	\$ 62,606,000	\$ 64,192,394	\$ 64,192,394	\$ 68,158,459
N/A	N/A	1.82%	1.74%	2.15%	2.37%	1.36%

**TOWN OF GLASTONBURY, CONNECTICUT
SCHEDULE OF INVESTMENT RETURNS
OPEB
LAST FISCAL YEAR***

2017

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

10.80%

*Note: This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available

Supplemental, Combining and Individual Fund Statements and Schedules

General Fund

GENERAL FUND

The General Fund is the principal fund of the Town and is used to account for all activities of the Town, except those required to be accounted for in another fund. The General Fund accounts for the normal recurring activities of the Town (i.e., general government, community development, administrative services, public safety, physical services, sanitation, human services, leisure/culture, education, etc.). These activities are funded principally by property taxes, user fees and grants from other governmental units.

TOWN OF GLASTONBURY, CONNECTICUT
GENERAL FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
ASSETS		
Cash and cash equivalents	\$ 25,252,709	\$ 19,723,015
Receivables, net:		
Property taxes (net of allowance of \$161,000 in 2017 and \$146,000 in 2016)	953,632	724,076
Intergovernmental	22,970	22,944
Other	320,095	372,900
Inventory	197,871	202,268
Investments	6,130,973	11,629,827
Other assets	<u>20,757</u>	<u>14,999</u>
Total Assets	<u>\$ 32,899,007</u>	<u>\$ 32,690,029</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE		
Liabilities:		
Accounts and other payables	\$ 4,493,445	\$ 3,550,942
Due to other funds		
Due to developers for escrow deposits	676,073	812,874
Due to others for escrow deposits	96,833	119,451
Unearned revenue	46,564	140,535
Total liabilities	<u>5,312,915</u>	<u>4,623,802</u>
Deferred Inflows of Resources:		
Unavailable revenue - property taxes	706,532	516,195
Advance tax payments	223,849	487,801
Total deferred inflows of resources	<u>930,381</u>	<u>1,003,996</u>
Fund Balance:		
Nonspendable	218,628	217,267
Assigned	2,121,442	1,001,234
Unassigned	24,315,641	25,843,730
Total fund balance	<u>26,655,711</u>	<u>27,062,231</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 32,899,007</u>	<u>\$ 32,690,029</u>

**TOWN OF GLASTONBURY, CONNECTICUT
GENERAL FUND REVENUES AND OTHER FINANCING SOURCES -
BUDGETARY BASIS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
Property Taxes:				
Current levy and back taxes	\$ 141,473,612	\$ 141,473,612	\$ 141,679,632	\$ 206,020
Penalties, interest, fees	352,000	352,000	362,078	10,078
Total property taxes	<u>141,825,612</u>	<u>141,825,612</u>	<u>142,041,710</u>	<u>216,098</u>
Licenses and Permits:				
Building Inspector	550,000	550,000	975,364	425,364
Town Clerk	75,000	75,000	93,701	18,701
Physical Services	11,000	11,000	14,540	3,540
Sanitation refuse permits	265,000	265,000	281,954	16,954
Health	50,800	50,800	76,743	25,943
Fire Marshal	4,400	4,400	5,282	882
Total licenses and permits	<u>956,200</u>	<u>956,200</u>	<u>1,447,584</u>	<u>491,384</u>
Intergovernmental:				
In lieu of taxes:				
Housing Authority	185,000	185,000	194,958	9,958
ST/CT telephone access	90,000	90,000	88,868	(1,132)
Veterans exemptions	12,000	12,000	11,311	(689)
Disability exemptions	2,400	2,400	2,290	(110)
State P.I.L.O.T program	-	-	7	7
Municipal revenue sharing	754,546	754,546	754,546	-
Homeowners tax relief	150,000	150,000	134,896	(15,104)
Mashantucket Pequot	41,629	41,629	41,629	-
Town Clerk historic documents grant	5,000	5,000	5,000	-
State health grant	7,860	7,860	7,152	(708)
State library grant	1,200	1,200	-	(1,200)
Misc. state grants	-	-	18,000	18,000
Education:				
Magnet school transportation grant	-	30,400	30,400	-
Education enhancement	6,886,489	6,886,489	6,586,711	(299,778)
Special education - excess cost	-	929,871	929,871	-
Vocational agricultural	344,000	344,000	331,888	(12,112)
School construction:				
Elementary school grants P&I	129,320	129,320	-	(129,320)

(Continued on next page)

**TOWN OF GLASTONBURY, CONNECTICUT
GENERAL FUND REVENUES AND OTHER FINANCING SOURCES -
BUDGETARY BASIS - BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
Intergovernmental, Continued:				
Public safety:				
Civil preparedness	\$ 10,610	\$ 10,610	\$ 23,189	\$ 12,579
Police grants	10,000	10,000	189,083	179,083
Volunteer ambulance reimbursement	30,510	30,510	23,730	(6,780)
Regional dispatch	-	-	208,160	208,160
CRRA Resource recovery	18,500	18,500	-	(18,500)
Human Services:				
YFSB state grant	27,754	27,754	26,253	(1,501)
Housing Authority resident services	49,022	49,022	59,824	10,802
Dial-A-Ride Grant	51,278	51,278	51,278	-
Total intergovernmental	<u>8,807,118</u>	<u>9,767,389</u>	<u>9,719,044</u>	<u>(48,345)</u>
Charges for Services:				
Community development:				
Planning and zoning	12,000	12,000	17,039	5,039
Notary services	200	200	440	240
Revenue collections				
Notary services	-	-	2,230	2,230
Town Clerk:				
Recording fees	185,800	185,800	203,881	18,081
Conveyance tax	575,000	575,000	891,147	316,147
Notary services	2,100	2,100	2,328	228
Education:				
Community services	46,000	64,800	33,722	(31,078)
Physical services:				
Refuse dumping fees	195,000	195,000	178,293	(16,707)
Bulky waste fill	50,000	50,000	3,037	(46,963)
Sewer inspection fees	2,000	2,000	556	(1,444)
Subdivision OT inspection	1,000	1,000	-	(1,000)
Human Services:				
Senior services	55,000	55,000	61,170	6,170
Nutrition program	35,000	35,000	36,842	1,842
Community center rentals	90,000	90,000	93,085	3,085
Parks and recreation:				
Program fees	212,950	212,950	210,580	(2,370)
Public safety:				
Public safety - police	71,000	71,000	82,506	11,506
Fire watch services	4,000	4,000	280	(3,720)
Health soil tests	1,300	1,300	283	(1,017)
Library:				
Library fines	50,000	50,000	35,657	(14,343)
Notary services	1,000	1,000	2,070	1,070
Total charges for services	<u>1,589,350</u>	<u>1,608,150</u>	<u>1,855,146</u>	<u>246,996</u>

(Continued on next page)

**TOWN OF GLASTONBURY, CONNECTICUT
GENERAL FUND REVENUES AND OTHER FINANCING SOURCES -
BUDGETARY BASIS - BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
Investment income:				
Unrealized loss	\$	\$	\$ (84,495)	\$ (84,495)
Investment income	275,000	275,000	410,843	135,843
Total investment income	<u>275,000</u>	<u>275,000</u>	<u>326,348</u>	<u>51,348</u>
Other Revenues:				
Land rentals	158,190	158,190	157,059	(1,131)
Land sales	-	-	558,038	558,038
Insurance claims reimbursed	40,000	40,000	147,310	107,310
Health insurance reimbursements	836,371	836,371	677,485	(158,886)
Attorney fees reimbursed	12,000	12,000	24,292	12,292
Auction sales	25,000	25,000	121,632	96,632
Miscellaneous	15,000	15,000	53,601	38,601
Purchasing card rebates	5,000	5,000	4,009	(991)
Education:				
Student activities	3,500	3,500	-	(3,500)
Tuition - other towns	24,000	24,000	5,190	(18,810)
Vo-Ag tuition	550,000	550,000	422,607	(127,393)
Physical services:				
Sales	3,500	3,500	1,823	(1,677)
Refuse recycling sales	62,750	62,750	51,796	(10,954)
Utilities reimbursed	-	-	10,356	10,356
Human services:				
YFSB programs	33,400	33,400	31,200	(2,200)
Clinical fees	750	750	50	(700)
Library:				
Trustee account	45,000	45,000	43,716	(1,284)
Miscellaneous	10,000	10,000	10,349	349
Total other revenues	<u>1,824,461</u>	<u>1,824,461</u>	<u>2,320,513</u>	<u>496,052</u>
Total revenues	<u>155,277,741</u>	<u>156,256,812</u>	<u>157,710,345</u>	<u>1,453,533</u>
Other Financing Sources:				
Transfers in:				
Use of fund balance	<u>575,000</u>	<u>3,701,234</u>	<u>-</u>	<u>(3,701,234)</u>
Total	<u>\$ 155,852,741</u>	<u>\$ 159,958,046</u>	<u>157,710,345</u>	<u>\$ (2,247,701)</u>

Budgetary expenditures are different than GAAP expenditures because:

State of Connecticut on-behalf contributions to the Connecticut
State Teachers' Retirement System for Town teachers are not budgeted 18,586,525

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

\$ 176,296,870

**TOWN OF GLASTONBURY, CONNECTICUT
GENERAL FUND EXPENDITURES AND OTHER FINANCING USES -
BUDGETARY BASIS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
General Government				
Town Council:				
Wages - part-time	\$ 23,120	\$ 7,746	\$ 7,746	\$ -
Office supplies	4,000	2,500	1,783	717
Operating supplies	2,500	1,544	1,114	430
Training and dues	675	675	25	650
Contributory grants	72,500	69,081	69,080	1
Pensions	1,769	1,769	592	1,177
Data processing	190	190	-	190
Legal/advertising	6,500	6,500	3,969	2,531
Printing/reproduction	5,000	5,000	4,989	11
Professional services	30,000	30,000	28,632	1,368
Total town council	146,254	125,005	117,930	7,075
Town Manager:				
Wages - full-time	320,670	325,594	325,593	1
Wages - part-time	5,180	3,458	1,485	1,973
Wages - other	2,000	3,298	3,297	1
Office supplies	7,065	7,065	6,292	773
Operating supplies	2,500	2,500	1,481	1,019
Training and dues	5,500	5,500	5,288	212
Employee related insurance	44,935	44,935	44,526	409
Pension	81,785	81,785	81,278	507
Technology use charges	3,970	3,970	3,818	152
Vehicle maintenance	2,067	2,067	1,792	275
Equipment maintenance	800	800	222	578
Legal/advertising	10,000	4,200	4,200	-
Printing/reproduction	15,000	11,392	11,391	1
Office equipment/furniture	-	1,500	1,489	11
Professional services	30,000	40,455	38,240	2,215
Total town manager	531,472	538,519	530,392	8,127
Human Resources:				
Wages - full-time	240,000	237,890	237,889	1
Wages - part-time	35,000	36,159	36,159	-
Wages - other	750	1,104	1,103	1
Office supplies	4,300	5,201	5,200	1
Training and dues	11,100	5,289	2,912	2,377
Employee related insurance	38,308	44,119	44,118	1
Pension	41,458	41,458	38,613	2,845
Data processing	8,500	8,196	7,917	279
Technology use charges	2,118	2,118	2,060	58
Equipment maintenance	500	500	467	33
Legal/advertising	40,000	10,656	10,656	-
Printing/reproduction	1,000	1,000	790	210
Professional services	8,000	8,000	5,811	2,189
Programs	47,500	39,250	36,944	2,306
Recruitment	27,000	27,000	26,966	34
Office equipment and furniture	-	16,500	16,479	21
Total human resources	505,534	484,440	474,084	10,356

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TOWN OF GLASTONBURY, CONNECTICUT
GENERAL FUND EXPENDITURES AND OTHER FINANCING USES -
BUDGETARY BASIS - BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
General Government, continued				
Facilities Maintenance:				
Wages - full-time	\$ 909,485	\$ 716,837	\$ 716,836	\$ 1
Wages - part-time	160,000	150,223	150,223	-
Wages - other	60,000	53,724	53,489	235
Office supplies	4,500	4,500	3,515	985
Operating supplies	8,900	6,198	6,198	-
Training and dues	8,230	8,230	3,227	5,003
Contractual services	4,000	4,000	4,000	-
Employee related insurance	198,179	198,179	198,178	1
Pension	233,555	214,357	214,357	-
Data processing	5,000	5,000	4,070	930
Technology use charges	2,975	2,975	2,905	70
Vehicle maintenance	12,220	6,855	5,869	986
Equipment maintenance	2,720	2,720	2,147	573
Facilities maintenance	139,210	186,890	186,890	-
Printing/reproduction	350	255	230	25
Uniforms	10,000	10,000	8,685	1,315
Utilities/communication	204,030	210,345	210,345	-
Vehicles and trucks	27,100	27,100	27,100	-
Improvements - land and buildings	5,000	39,519	22,780	16,739
Total facilities maintenance	<u>1,995,454</u>	<u>1,847,907</u>	<u>1,821,044</u>	<u>26,863</u>
Total general government	<u>3,178,714</u>	<u>2,995,871</u>	<u>2,943,450</u>	<u>52,421</u>
Community Development				
Community Development:				
Wages - full-time	319,360	308,690	308,057	633
Wages - part-time	8,000	3,700	3,074	626
Office supplies	3,820	4,320	2,939	1,381
Training and dues	3,850	7,920	7,919	1
Employee related insurance	64,646	64,646	64,646	-
Pension	59,277	56,762	54,136	2,626
Technology use charges	820	820	803	17
Vehicle maintenance	1,464	1,464	1,328	136
Legal/advertising	3,700	3,700	3,492	208
Office equipment/furniture	1,250	980	964	16
Professional services	1,300	1,300	1,300	-
Total community development	<u>467,487</u>	<u>454,302</u>	<u>448,658</u>	<u>5,644</u>

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TOWN OF GLASTONBURY, CONNECTICUT
GENERAL FUND EXPENDITURES AND OTHER FINANCING USES -
BUDGETARY BASIS - BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
Community Development, continued				
Building Inspection:				
Wages - full-time	\$ 297,490	\$ 308,250	\$ 308,250	\$ -
Wages - part-time	2,180	2,180	884	1,296
Office supplies	4,000	5,182	5,181	1
Training and dues	1,650	850	700	150
Employee related insurance	67,923	67,923	67,922	1
Pension	79,845	79,845	78,941	904
Data processing	11,533	11,533	10,020	1,513
Technology use charge	1,450	1,450	1,392	58
Vehicle maintenance	2,820	2,820	2,087	733
Legal/advertising	2,600	2,218	2,124	94
Printing/reproduction	800	800	459	341
Office equip/furniture	1,815	1,815	1,111	704
Total building inspection	<u>474,106</u>	<u>484,866</u>	<u>479,071</u>	<u>5,795</u>
Fire Marshal:				
Wages - full-time	172,775	173,248	173,247	1
Wages - part-time	18,500	-	-	-
Wages - other	7,500	9,163	9,163	-
Office supplies	1,300	1,425	1,349	76
Operating supplies	1,500	2,155	2,032	123
Training and dues	2,000	2,025	1,964	61
Employee related insurance	24,123	34,994	34,993	1
Pension	55,398	53,815	53,814	1
Technology use charges	600	600	596	4
Vehicle maintenance	2,260	4,081	4,080	1
Equipment maintenance	300	300	160	140
Uniforms	2,000	1,195	1,089	106
Utilities/communication	2,210	2,210	1,495	715
Total fire marshal	<u>290,466</u>	<u>285,211</u>	<u>283,982</u>	<u>1,229</u>

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TOWN OF GLASTONBURY, CONNECTICUT
GENERAL FUND EXPENDITURES AND OTHER FINANCING USES -
BUDGETARY BASIS - BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
Community Development, continued				
Health:				
Wages - full-time	\$ 391,760	\$ 389,710	\$ 389,670	\$ 40
Wages - part-time	33,200	34,744	34,744	-
Office supplies	3,500	3,500	2,180	1,320
Operating supplies	1,100	1,100	1,045	55
Training and dues	2,375	2,375	2,073	302
Employee related insurance	90,640	96,215	96,214	1
Pension	102,187	102,187	101,455	732
Technology use charges	1,550	1,550	1,541	9
Vehicle maintenance	840	951	950	1
Equipment maintenance	100	100	-	100
Printing/reproduction	600	600	365	235
Professional services	6,800	3,275	525	2,750
Programs	7,855	13,880	6,760	7,120
Utilities and communications	960	960	-	960
Machinery & equipment	-	30,000	30,000	-
Office equipment and furniture	1,140	2,940	2,099	841
Total health	<u>644,607</u>	<u>684,087</u>	<u>669,621</u>	<u>14,466</u>
Total community development	<u>1,876,666</u>	<u>1,908,466</u>	<u>1,881,332</u>	<u>27,134</u>
Administrative Services				
Financial Administration:				
Wages - full-time	677,415	704,652	704,651	1
Wages - part-time	33,500	33,350	33,350	-
Wages - other	5,000	2,086	2,085	1
Office supplies	7,225	6,179	5,642	537
Operating supplies	1,500	1,000	766	234
Training and dues	22,365	16,562	16,561	1
Employee related insurance	125,426	131,386	131,385	1
Pension	185,135	185,356	185,356	-
Data processing	106,760	108,890	108,847	43
Technology use charges	32,365	29,150	29,137	13
Equipment maintenance	22,300	15,125	13,708	1,417
Legal/advertising	8,500	5,500	5,437	63
Printing/reproduction	2,500	2,500	2,091	409
Professional services	4,200	5,647	5,647	-
Utilities and communications	2,700	2,700	1,443	1,257
Office equipment and furniture	67,450	81,750	31,822	49,928
Total financial administration	<u>1,304,341</u>	<u>1,331,833</u>	<u>1,277,928</u>	<u>53,905</u>

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TOWN OF GLASTONBURY, CONNECTICUT
GENERAL FUND EXPENDITURES AND OTHER FINANCING USES -
BUDGETARY BASIS - BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
Administrative Services, continued				
Accounting:				
Wages - full-time	\$ 281,000	\$ 272,939	\$ 272,939	\$ -
Wages - part-time	4,125	1,910	1,909	1
Wages - other	6,000	1,844	1,844	-
Office supplies	8,000	8,000	6,806	1,194
Training and dues	5,100	5,100	3,214	1,886
Contractual services	30,000	30,000	22,354	7,646
Employee related insurance	19,340	29,108	29,108	-
Pension	76,866	75,159	74,788	371
Data processing	9,500	4,073	4,073	-
Technology use charge	1,750	1,750	1,711	39
Equipment maintenance	300	300.00	-	300
Office equipment and furniture	-	39,688	-	39,688
Total accounting	<u>441,981</u>	<u>469,871</u>	<u>418,746</u>	<u>51,125</u>
Property Assessment:				
Wages - full-time	350,895	344,403	344,402	1
Wages - other	2,000	270	270	-
Office supplies	7,100	6,329	6,268	61
Training and dues	6,000	4,730	4,331	399
Employee related insurance	84,084	81,805	81,805	-
Pension	107,990	107,990	106,403	1,587
Data processing	15,800	15,800	14,773	1,027
Technology use charges	1,430	1,433	1,432	1
Printing and reproduction	1,700	1,697	1,413	284
Professional services	12,000	788	-	788
Office furniture and equipment	1,390	1,390	1,204	186
Total property assessment	<u>590,389</u>	<u>566,635</u>	<u>562,301</u>	<u>4,334</u>
Revenue Collection:				
Wages - full-time	246,000	237,738	237,737	1
Wages - other	-	353	353	-
Office supplies	31,590	31,325	29,636	1,689
Training and dues	2,165	1,808	1,241	567
Contractual services	18,500	12,614	12,614	-
Employee related insurance	43,953	43,953	43,952	1
Pension	66,233	66,233	64,540	1,693
Data processing	8,910	9,175	9,175	-
Technology use charges	1,650	1,654	1,653	1
Equipment maintenance	4,150	4,150	4,030	120
Printing/reproduction	21,100	18,810	18,810	-
Office furniture and equipment	-	2,652	2,652	-
Total revenue collection	<u>444,251</u>	<u>430,465</u>	<u>426,393</u>	<u>4,072</u>

(Continued on next page)

TOWN OF GLASTONBURY, CONNECTICUT
GENERAL FUND EXPENDITURES AND OTHER FINANCING USES -
BUDGETARY BASIS - BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
Administrative Services, continued				
Town Clerk:				
Wages - full-time	\$ 271,580	\$ 272,879	\$ 272,878	\$ 1
Wages - part-time	1,205	895	894	1
Wages - other	-	410	405	5
Office supplies	8,900	7,296	7,277	19
Training and dues	4,650	4,650	4,642	8
Contractual services	5,000	5,000	5,000	-
Employee related insurance	57,276	57,276	57,275	1
Pension	83,644	83,644	83,411	233
Data processing	53,640	54,560	54,540	20
Technology use charges	2,410	2,410	2,339	71
Equipment maintenance	7,220	5,775	5,774	1
Printing/reproduction	4,500	4,500	4,500	-
Professional services	7,000	7,000	6,991	9
Office equipment and furniture	2,780	3,510	3,407	103
Total town clerk	509,805	509,805	509,333	472
Voter Registration:				
Wages - part-time	83,750	91,750	91,018	732
Wages - other	32,785	18,137	16,432	1,705
Office supplies	10,950	10,950	10,708	242
Training and dues	5,780	5,780	4,633	1,147
Pensions	7,134	7,134	6,641	493
Technology use charges	940	975	974	1
Equipment maintenance	8,500	6,000	5,970	30
Printing/reproduction	8,000	8,000	6,361	1,639
Office equipment and furniture	1,140	10,253	1,046	9,207
Total voter registration	158,979	158,979	143,783	15,196
Legal Services:				
Contractual services	15,000	57,490	57,490	-
Prof. Town Attorney - prior	25,000	12,737	12,736	1
Prof. Town Attorney - primary	169,500	363,697	363,696	1
Prof. Town Attorney - labor	40,500	83,658	83,658	-
Total legal services	250,000	517,582	517,580	2
Probate Court:				
Office supplies	14,000	10,215	10,214	1
Operating supplies	7,600	745	745	-
Data processing	3,700	3,700	3,297	403
Equipment maintenance	500	500	78	422
Total probate court	25,800	15,160	14,334	826

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TOWN OF GLASTONBURY, CONNECTICUT
GENERAL FUND EXPENDITURES AND OTHER FINANCING USES -
BUDGETARY BASIS - BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
Administrative Services, continued				
Insurance and Pensions:				
Training and dues	\$ 2,700	\$ -	\$ -	-
Casualty insurance	534,990	606,285	606,284	1
Employee related insurance	1,855,134	1,855,134	1,855,133	1
Pensions	17,930	130,396	130,395	1
OPEB reserve	222,180	222,180	222,180	-
Claims, service, retroactive charges	60,000	78,254	51,353	26,901
Professional services	24,600	49,244	49,244	-
Programs	6,500	-	-	-
Total insurance and pensions	<u>2,724,034</u>	<u>2,941,493</u>	<u>2,914,589</u>	<u>26,904</u>
Total administrative services	<u>6,449,580</u>	<u>6,941,823</u>	<u>6,784,987</u>	<u>156,836</u>
Public Safety				
Police:				
Wages - full-time	6,355,120	6,262,325	6,262,324	1
Wages - part-time	103,660	69,814	69,814	-
Wages - other	485,000	692,659	692,659	-
Office supplies	14,370	14,370	14,329	41
Operating supplies	62,000	51,851	51,850	1
Training and dues	50,000	50,000	49,275	725
Contractual services	21,180	21,180	19,825	1,355
Employee related insurance	1,030,049	1,030,049	1,030,049	-
Pensions	2,637,936	2,650,574	2,650,573	1
Data processing	66,665	46,430	46,339	91
Technology use charges	22,042	22,008	21,747	261
Vehicle maintenance	136,550	136,550	134,548	2,002
Equipment maintenance	111,925	105,506	103,756	1,750
Facilities maintenance	40,145	35,802	35,802	-
Printing/reproduction	5,680	5,680	4,775	905
Uniforms	70,000	70,000	67,268	2,732
Utilities/communication	129,500	116,896	116,896	-
Office equipment/furniture	88,000	88,000	30,317	57,683
Vehicles and trucks	195,000	189,559	189,558	1
Machinery & equipment	50,000	50,000	39,166	10,834
Improvements land and buildings	-	5,325	5,325	-
Total police	<u>11,674,822</u>	<u>11,714,578</u>	<u>11,636,195</u>	<u>78,383</u>
Volunteer Ambulance:				
Vehicle maintenance	9,270	70	-	70
Facilities maintenance	7,210	7,210	5,174	2,036
Utilities/communication	13,250	13,250	11,830	1,420
Total volunteer ambulance	<u>29,730</u>	<u>20,530</u>	<u>17,004</u>	<u>3,526</u>

(Continued on next page)

TOWN OF GLASTONBURY, CONNECTICUT
GENERAL FUND EXPENDITURES AND OTHER FINANCING USES -
BUDGETARY BASIS - BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
Public Safety, continued				
Fire:				
Wages - full-time	\$ 57,425	\$ 57,550	\$ 57,550	\$ -
Wages - part-time	226,965	222,513	222,512	1
Wages - units	210,000	174,000	172,795	1,205
Wages - other	1,560	1,703	1,702	1
Office supplies	3,550	3,550	2,728	822
Operating supplies	65,955	67,059	64,130	2,929
Training and dues	15,750	15,750	15,320	430
Contractual services	25,800	26,897	26,897	-
Contractual - fire watch	4,000	2,349	1,320	1,029
Employee related insurance	16,166	16,167	16,166	1
Pensions	51,400	51,400	49,433	1,967
Data processing	12,005	10,639	10,390	249
Technology use charges	755	755	754	1
Vehicle maintenance	57,544	84,634	84,633	1
Equipment maintenance	44,770	44,770	43,843	927
Facilities maintenance	41,155	32,990	32,989	1
Printing/reproduction	250	250	250	-
Uniforms	5,500	5,439	5,257	182
Utilities/communication	192,300	183,188	183,188	-
Office equipment and furniture	9,135	9,135	8,241	894
Vehicles & trucks	60,000	120,000	60,000	60,000
Machinery and equipment	31,500	35,268	31,374	3,894
Improvements-land and buildings	1,000	1,000	-	1,000
Total fire	<u>1,134,485</u>	<u>1,167,006</u>	<u>1,091,472</u>	<u>75,534</u>
Civil Preparedness:				
Wages - part-time	21,000	21,000	21,000	-
Office supplies	265	265	-	265
Pensions	1,530	1,607	1,607	-
Technology use charges	600	600	596	4
Vehicle maintenance	1,112	1,389	1,389	-
Programs	1,300	1,384	1,384	-
Utilities/communication	3,960	3,522	3,256	266
Office equipment and furniture	1,082	1,082	1,032	50
Total civil preparedness	<u>30,849</u>	<u>30,849</u>	<u>30,264</u>	<u>585</u>
Total public safety	<u>12,869,886</u>	<u>12,932,963</u>	<u>12,774,935</u>	<u>158,028</u>

(Continued on next page)

TOWN OF GLASTONBURY, CONNECTICUT
GENERAL FUND EXPENDITURES AND OTHER FINANCING USES -
BUDGETARY BASIS - BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
Physical Services				
Engineering:				
Wages - full-time	\$ 900,180	\$ 932,922	\$ 932,922	\$ -
Wages - part-time	33,000	39,214	39,213	1
Wages - other	7,000	5,849	5,816	33
Office supplies	5,000	2,729	2,729	-
Operating supplies	4,500	3,412	3,412	-
Training and dues	9,000	7,541	7,541	-
Employee related insurance	145,987	157,278	157,278	-
Pensions	252,366	252,366	252,001	365
Data processing	48,500	45,560	45,559	1
Technology use charges	2,440	2,440	2,433	7
Vehicle maintenance	6,548	5,905	5,904	1
Equipment maintenance	11,200	6,412	6,412	-
Printing/reproduction	700	700	-	700
Professional services	15,000	2,464	2,464	-
Uniforms	1,200	1,200	430	770
Office equipment and furniture	3,940	21,033	21,032	1
Vehicles and equipment	26,010	26,000	25,944	56
Machinery and equipment	18,000	18,000	17,620	380
Total engineering	<u>1,490,571</u>	<u>1,531,025</u>	<u>1,528,710</u>	<u>2,315</u>
Highway:				
Wages - full-time	1,505,800	1,544,010	1,544,010	-
Wages - part-time	40,780	24,433	24,433	-
Wages - other	195,000	255,426	255,426	-
Drainage materials	54,700	44,341	44,341	-
Grounds/roadside material	29,000	5,520	5,520	-
Highway materials	160,000	112,078	112,078	-
Office supplies	2,690	2,690	1,813	877
Operating supplies	16,250	11,722	11,714	8
Snow and ice materials	310,000	334,525	334,518	7
Traffic control supplies	40,000	26,398	26,119	279
Training and dues	6,000	3,282	3,282	-
Contractual service	231,000	253,437	253,436	1
Employee related insurance	294,975	308,577	308,576	1
Pensions	487,017	487,017	478,686	8,331
Technology use charges	1,220	1,220	1,219	1
Vehicle maintenance	219,200	248,591	248,590	1
Equipment maintenance	3,200	3,200	1,986	1,214
Printing/reproduction	750	-	-	-
Uniforms	10,200	11,193	11,193	-
Utilities/communication	127,900	168,560	168,560	-
Vehicles and trucks	260,700	235,932	235,754	178
Data processing	450	450	-	450
Office equipment/furniture	1,140	1,140	1,059	81
Machinery and equipment	18,500	18,500	18,493	7
Total highway	<u>4,016,472</u>	<u>4,102,242</u>	<u>4,090,806</u>	<u>11,436</u>

(Continued on next page)

TOWN OF GLASTONBURY, CONNECTICUT
GENERAL FUND EXPENDITURES AND OTHER FINANCING USES -
BUDGETARY BASIS - BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
Physical Services, continued				
Fleet Maintenance:				
Wages - full-time	\$ 436,635	\$ 438,620	\$ 438,620	\$ -
Wages - part-time	95,500	92,453	90,876	1,577
Wages - other	22,000	33,713	33,713	-
Office supplies	1,460	829	776	53
Operating supplies	7,225	5,632	5,631	1
Training and dues	4,975	140	140	-
Contractual services	225,675	174,955	174,954	1
Employee related insurance	82,664	84,832	84,831	1
Pensions	169,014	169,734	169,734	-
Data processing	5,700	5,700	4,603	1,097
Technology use charges	900	900	874	26
Vehicle maintenance	9,603	11,785	11,785	-
Equipment maintenance	9,000	5,906	5,893	13
Facilities maintenance	17,280	17,280	16,954	326
Printing/reproduction	500	500	-	500
Uniforms	5,100	5,306	5,306	-
Utilities/communication	46,550	38,552	38,551	1
Office equipment and furniture	1,600	2,700	2,326	374
Machinery and equipment	-	2,000	1,595	405
Vehicles and trucks	-	27,338	27,338	-
Total fleet maintenance	<u>1,141,381</u>	<u>1,118,875</u>	<u>1,114,500</u>	<u>4,375</u>
Total physical services	<u>6,648,424</u>	<u>6,752,142</u>	<u>6,734,016</u>	<u>18,126</u>
Sanitation				
Refuse Disposal:				
Wages - full-time	145,545	148,297	148,297	-
Wages - part-time	160,000	156,500	150,376	6,124
Wages - other	12,000	9,248	8,252	996
Office supplies	1,580	1,580	1,208	372
Operating supplies	2,000	2,000	1,552	448
Repair and maintenance supplies	900	900	589	311
Training and dues	2,900	2,900	509	2,391
Contractual services	244,700	237,923	237,922	1
Employee related insurance	34,784	34,784	34,575	209
Pension	66,408	66,408	65,597	811
Data processing	1,500	1,500	114	1,386
Technology use charges	675	675	670	5
Vehicle maintenance	45,800	35,816	34,160	1,656
Equipment maintenance	5,000	5,000	4,592	408
Facilities maintenance	3,400	3,400	3,121	279
Printing/reproduction	3,500	3,500	2,968	532
Uniforms	4,500	4,500	3,527	973
Utilities/communication	9,500	9,500	7,266	2,234
Machinery and equipment	17,000	17,000	-	17,000
Office equipment and furniture	-	2,000	1,901	99
Improvements-land and building	5,500	25,314	25,214	100
Total refuse disposal	<u>767,192</u>	<u>768,745</u>	<u>732,410</u>	<u>36,335</u>
Total sanitation	<u>767,192</u>	<u>768,745</u>	<u>732,410</u>	<u>36,335</u>

(Continued on next page)

TOWN OF GLASTONBURY, CONNECTICUT
GENERAL FUND EXPENDITURES AND OTHER FINANCING USES -
BUDGETARY BASIS - BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
Human Services				
Contributory grants	\$ 32,577	\$ 32,577	\$ 32,577	\$ -
Youth and Family Services:				
Wages - full-time	797,525	778,049	778,048	1
Wages - part-time	90,000	76,244	76,244	-
Office supplies	9,500	9,500	7,182	2,318
Operating supplies	750	750	556	194
Training and dues	9,500	9,500	5,570	3,930
Employee related insurance	137,621	137,621	137,621	-
Pensions	221,841	221,841	217,119	4,722
Technology use charges	3,695	3,695	3,688	7
Vehicle maintenance	2,142	2,142	996	1,146
Equipment maintenance	1,700	1,700	729	971
Facilities maintenance	8,095	10,895	10,714	181
Printing/reproduction	2,000	2,000	1,455	545
Professional services	13,200	13,200	8,905	4,295
Programs	49,000	46,700	43,206	3,494
Utilities/communications	17,400	17,400	14,044	3,356
Office equipment and furniture	22,260	24,560	12,973	11,587
Improvements - land and building	-	18,000	2,000	16,000
Total youth and family services	1,386,229	1,373,797	1,321,050	52,747
Senior and Community Services:				
Wages - full-time	601,850	561,190	548,943	12,247
Wages - part-time	297,500	273,944	273,943	1
Wages - other	4,000	-	-	-
Office supplies	17,000	17,000	15,262	1,738
Training and dues	10,400	6,110	5,735	375
Contractual services	-	990	990	-
Employee related insurance	127,713	127,713	127,713	-
Pensions	208,237	208,237	201,178	7,059
Data processing	1,000	1,000	480	520
Technology use charges	5,976	5,976	5,862	114
Vehicle maintenance	31,980	31,980	29,811	2,169
Equipment maintenance	10,000	10,000	1,653	8,347
Facilities maintenance	21,750	25,300	24,091	1,209
Printing/reproduction	2,800	2,800	2,294	506
Programs	110,000	114,500	108,700	5,800
Vehicles & trucks	-	4,000	-	4,000
Machinery & equipment	-	10,000	-	10,000
Utilities/communication	98,150	82,651	82,650	1
Office equipment and furniture	6,840	10,140	9,645	495
Total senior and community services	1,555,196	1,493,531	1,438,950	54,581
Total human services	2,974,002	2,899,905	2,792,577	107,328

(Continued on next page)

**TOWN OF GLASTONBURY, CONNECTICUT
GENERAL FUND EXPENDITURES AND OTHER FINANCING USES -
BUDGETARY BASIS - BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
Leisure/Culture				
Parks and Recreation:				
Wages - full-time	\$ 1,515,385	\$ 1,529,561	\$ 1,529,560	\$ 1
Wages - part-time	436,962	438,207	438,206	1
Wages - other	85,000	67,298	67,297	1
Grounds/roadside materials	92,000	96,500	94,108	2,392
Office supplies	11,500	11,808	11,808	-
Operating supplies	850	872	872	-
Repair and maintenance supplies	45,000	33,073	33,073	-
Training and dues	5,600	5,824	5,824	-
Contractual services	138,500	143,730	143,729	1
Employee related insurance	285,049	298,248	298,247	1
Pensions	480,098	475,342	475,342	-
Data processing	12,000	8,473	8,121	352
Technology use charges	5,450	5,450	5,326	124
Vehicle maintenance	102,934	104,662	104,661	1
Equipment maintenance	500	500	39	461
Facilities maintenance	7,900	7,900	7,496	404
Legal and advertising	15,000	5,796	-	5,796
Printing/reproduction	1,200	1,200	1,200	-
Programs	31,678	31,678	30,165	1,513
Uniforms	11,870	11,870	10,036	1,834
Utilities/communication	144,050	150,534	150,534	-
Office equipment and furniture	-	4,900	4,196	704
Vehicles and trucks	38,000	38,000	916	37,084
Machinery and equipment	94,250	89,350	89,141	209
Improvements - land and buildings	26,500	58,427	6,329	52,098
Total parks and recreation	<u>3,587,276</u>	<u>3,619,203</u>	<u>3,516,226</u>	<u>102,977</u>
Welles-Turner Library:				
Wages - full-time	651,505	622,272	622,272	-
Wages - part-time	248,000	245,739	242,295	3,444
Wages - other	1,000	1,000	-	1,000
Office supplies	12,000	12,000	11,237	763
Operating supplies	6,500	6,500	5,699	801
Training and dues	5,000	5,000	2,463	2,537
Books/media	270,000	270,000	258,284	11,716
Employee related insurance	122,091	122,091	122,090	1
Pensions	176,287	176,287	170,225	6,062
Data processing	60,750	60,795	60,795	-
Technology use charges	9,827	9,827	9,630	197
Equipment maintenance	2,900	2,900	2,007	893
Facilities maintenance	21,390	22,953	22,953	-
Printing/reproduction	2,500	892	-	892
Programs	10,000	10,000	5,851	4,149
Utilities/communication	89,500	89,500	81,210	8,290
Office equipment and furniture	6,840	6,840	6,356	484
Improvements-land and building	18,000	30,000	17,980	12,020
Total Welles-Turner Library	<u>1,714,090</u>	<u>1,694,596</u>	<u>1,641,347</u>	<u>53,249</u>

(Continued on next page)

TOWN OF GLASTONBURY, CONNECTICUT
GENERAL FUND EXPENDITURES AND OTHER FINANCING USES -
BUDGETARY BASIS - BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
Leisure/Culture, continued				
South Glastonbury Library:				
Contributory grants	\$ 7,500	\$ 7,500	\$ 7,500	\$ -
East Glastonbury Library:				
Contributory grants	7,500	7,500	7,500	-
Total leisure/culture	5,316,366	5,328,799	5,172,573	156,226
Debt Service				
General Town	3,400,542	3,410,248	3,410,248	-
Education	5,506,358	5,496,652	5,496,651	1
Sewers	175,000	-	-	-
Temporary notes	104,500	79,500	63,367	16,133
Administrative costs	23,600	23,600	14,693	8,907
Total debt service	9,210,000	9,010,000	8,984,959	25,041
Contingency	175,000	-	-	-
Board of Education				
Instruction:				
Art	1,180,094	1,156,955	1,160,081	(3,126)
Basic Education	14,953,624	14,783,767	14,527,505	256,262
Language Arts	4,306,323	4,164,211	4,117,579	46,632
Mathematics	2,639,819	2,561,834	2,549,236	12,598
Science	3,446,491	3,339,018	3,342,157	(3,139)
History/Social Science	2,201,829	2,099,449	2,097,046	2,403
Career/Vocational Education	1,523,423	1,478,491	1,499,475	(20,984)
P.A.C.E.	640,692	627,622	627,625	(3)
Foreign Languages & ELL	4,273,239	4,114,787	4,062,132	52,655
Health/physical education	1,954,207	1,960,987	1,955,727	5,260
Music	1,654,601	1,635,104	1,637,628	(2,524)
Special Education	12,243,307	13,319,031	13,024,989	294,042
Agriscience & Technology	296,731	248,765	242,685	6,080
Total instruction	51,314,380	51,490,021	50,843,865	646,156
Special Services/Instruction:				
School Counseling	2,806,359	2,848,496	2,838,570	9,926
Health Services	783,672	783,658	775,095	8,563
Libraries/Media Centers	1,326,421	1,268,717	1,270,021	(1,304)
Program and Staff Development	836,900	836,900	583,992	252,908
Athletics and Clubs	1,644,093	1,661,060	1,679,463	(18,403)
Elementary Administration	3,003,094	2,875,697	2,839,083	36,614
Secondary Administration	2,295,003	2,761,059	2,733,638	27,421
Systemwide Support Services	2,881,419	2,812,610	2,775,677	36,933
Technology Support Services	3,967,041	3,905,253	4,418,539	(513,286)
Total special services/instruction	19,544,002	19,753,450	19,914,078	(160,628)

(Continued on next page)

TOWN OF GLASTONBURY, CONNECTICUT
GENERAL FUND EXPENDITURES AND OTHER FINANCING USES -
BUDGETARY BASIS - BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
Board of Education, continued				
Support Services/Operations:				
Operations/Maintenance	\$ 6,123,691	\$ 6,174,758	\$ 6,547,231	\$ (372,473)
Utilities	2,340,822	2,340,822	2,020,741	320,081
Pupil Transportation	3,567,671	3,626,059	3,485,516	140,543
Total support services/operations	<u>12,032,184</u>	<u>12,141,639</u>	<u>12,053,488</u>	<u>88,151</u>
Community Services:				
Community Services	<u>350,994</u>	<u>374,794</u>	<u>332,704</u>	<u>42,090</u>
Fringe Benefits	<u>18,100,351</u>	<u>18,561,078</u>	<u>18,226,491</u>	<u>334,587</u>
Unexpended education fund		<u>153,350</u>		<u>153,350</u>
Total Board of Education	<u>101,341,911</u>	<u>102,474,332</u>	<u>101,370,626</u>	<u>1,103,706</u>
Total expenditures	<u>150,807,741</u>	<u>152,013,046</u>	<u>150,171,865</u>	<u>1,841,181</u>
Other Financing Uses				
Transfers out:				
Capital reserve fund	5,000,000	5,000,000	5,000,000	-
Dog fund	45,000	45,000	45,000	-
Land acquisition fund	-	2,725,000	2,725,000	-
Sewer operating fund	-	175,000	175,000	-
Total operating transfers out	<u>5,045,000</u>	<u>7,945,000</u>	<u>7,945,000</u>	<u>-</u>
Total Expenditures and Other Financing Uses	<u>\$ 155,852,741</u>	<u>\$ 159,958,046</u>	158,116,865	<u>\$ 1,841,181</u>
Budgetary expenditures are different than GAAP expenditures because:				
State of Connecticut on-behalf contributions to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted			<u>18,586,525</u>	
Total Expenditures and Other Financing Uses as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds - Exhibit IV			<u>\$ 176,703,390</u>	

Nonmajor Governmental Funds

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special Revenue Funds account for and report the proceeds of specific revenue sources (other than major capital projects) that are restricted by law or committed by the highest level of administrative action to expenditures for specified purposes other than debt service or capital outlay.

Sewer Operating Fund

To account for the operations of the Water Pollution treatment plant. Sewer use fees are set by the Water Pollution Control Authority. Proceeds are used to operate and maintain the facility and pay debt service for Clean Water Fund loans.

Dog Fund

To account for the operation of animal control. Financing is provided by license fees, fines and a state grant.

Grants and Contracts Fund

To account for certain state, federal or private grants that are restricted to use for specified programs or activities.

Police Forfeited Property

To account for the proceeds of property confiscated by the Town's Police Department. Such property confiscation is pursuant to 21 USC 88 of the Federal Comprehensive Drug Abuse Prevention and Control Act of 1970.

Special Gifts/Grants Fund

To account for gifts from the public designated for specific purposes.

Historic Documents/Preservation

To account for the portion of property recording fees designated for use by the Town Clerk.

School Cafeteria Fund

To account for the operation of the public school lunch program. Funding is provided from the sale of food, federal and state grants, and USDA food donations.

Education Grants Fund

To account for state and federal educational grants received through the State Department of Education.

Library Funds

To account for monies received from private donors for the acquisition of books, materials and other related library services.

Connecticard

To account for monies provided by the State as reimbursement for excess borrowing of books by citizens of other municipalities.

Police Private Duty

To account for revenues and expenditures related to services provided by the police department on a contractual basis.

Camp Sunrise

To account for a summer day camp program designed to meet the special needs of both physically and emotionally handicapped children. Financing is provided by state grant, tuition and private donations.

Recreation Activities

To account for program activities administered by the Parks and Recreation Department that are funded by participation fees.

Insurance Reserve Fund

To account for monies in reserve for insurance purposes.

Riverfront Park Operations Fund

To account for the operation of Riverfront Park facilities, including the boathouse, boat storage and boat launch. Operations are funded by usage fees.

Planetarium

To account for the operation of the planetarium at the Glastonbury / East Hartford Magnet School, which is funded by participation fees.

NONMAJOR GOVERNMENTAL FUNDS

Capital Projects Funds

These funds account for financial resources to be used for the acquisition or construction of major capital facilities. The projects are authorized by the Town Council, Board of Finance and citizen referendum pursuant to the "Criteria for the Capital Improvement Program." This program is funded by a combination of debt, Capital and Nonrecurring Expenditures Fund (CNR), Sewer Assessment Fund and grant revenues. The Town adopted criteria that established a continuing appropriation of tax funding into the CNR Fund.

Minnechaug Golf

To account for costs of maintaining the Town owned golf course. Revenues are generated through lease payments from the contracted administrator and expenditures are for course maintenance and improvement.

Town Aid

To account for improvement to existing Town roads. Funding is provided through a state grant program.

Sewer Sinking Projects

To account for various projects funded by the Special Assessments Fund.

Capital and Nonrecurring Expenditures

To account for the funds set aside for future capital improvements. The funding is provided by the General Fund. On the approval of the annual capital improvement program, resources are transferred to the Capital Reserve Projects Fund.

Gateway Project

To account for costs associated with the Gateway Project.

Riverfront Park

To account for the costs of construction and equipment for a public park along the Connecticut River.

Magnet School

This fund accounts for the activity related to construction of the Glastonbury/East Hartford Magnet School. Substantially all costs will be reimbursed to the Town through the State School Construction Program.

**TOWN OF GLASTONBURY, CONNECTICUT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2017**

	Special Revenue Funds							Education Grants Fund
	Sewer Operating Fund	Dog Fund	Grants and Contracts	Police Forfeited Property	Special Gifts/ Grants Fund	Historic Documents/ Preservation	School Cafeteria Fund	
ASSETS								
Cash and cash equivalents	\$ 1,829,614	\$ 32,293	\$ 17,818	\$ 263,285	\$ 292,396	\$ 74,910	\$ 371,200	\$ 70,059
Receivables	69,096	61	-	-	-	-	88,109	56,250
Due from other funds	-	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	20,666	-
Investments	457,165	8,069	4,452	-	71,577	18,718	-	-
Other	-	-	-	-	-	-	-	-
Total Assets	\$ 2,355,875	\$ 40,423	\$ 22,270	\$ 263,285	\$ 363,973	\$ 93,628	\$ 479,975	\$ 126,309
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES								
Liabilities:								
Accounts and other payables	\$ 67,818	\$ 15,210	\$ 3,640	\$ -	\$ 13,126	\$ 9,496	\$ -	\$ 5,465
Due to other funds	-	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-	120,844
Total liabilities	67,818	15,210	3,640	-	13,126	9,496	-	126,309
Deferred Inflows of Resources:								
Unavailable revenue - special assessments	46,817	-	-	-	-	-	-	-
Unavailable revenue - other	-	-	-	-	-	-	-	-
Total deferred inflows of resources	46,817	-	-	-	-	-	-	-
Fund Balances:								
Nonspendable	-	-	-	-	-	-	20,666	-
Restricted	-	25,213	18,630	263,285	350,847	84,132	459,309	-
Committed	2,241,240	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
Total fund balances	2,241,240	25,213	18,630	263,285	350,847	84,132	479,975	-
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 2,355,875	\$ 40,423	\$ 22,270	\$ 263,285	\$ 363,973	\$ 93,628	\$ 479,975	\$ 126,309

(Continued on next page)

**TOWN OF GLASTONBURY, CONNECTICUT
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2017**

	Special Revenue Funds							
	Library Funds	Connecticard	Police Private Duty	Camp Sunrise	Recreation Activities	Insurance Reserve Fund	Riverfront Park Operations Fund	Planetarium Fund
ASSETS								
Cash and cash equivalents	\$ 109,706	\$ 43,925	\$ 353,191	\$ 29,793	\$ 810,293	\$ 292,701	\$ 239,844	\$ 33,868
Receivables	-	-	80,391	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-
Investments	27,412	10,976	88,252	7,419	202,468	73,137	-	-
Other	-	-	-	-	9,413	-	-	-
Total Assets	\$ 137,118	\$ 54,901	\$ 521,834	\$ 37,212	\$ 1,022,174	\$ 365,838	\$ 239,844	\$ 33,868
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES								
Liabilities:								
Accounts and other payables	\$ 6,250	\$ 2,528	\$ 8,401	\$ 11,129	\$ 97,741	\$ -	\$ 40,873	\$ -
Due to other funds	-	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-	-
Total liabilities	6,250	2,528	8,401	11,129	97,741	-	40,873	-
Deferred Inflows of Resources:								
Unavailable revenue - special assessments	-	-	-	-	-	-	-	-
Unavailable revenue - other	-	-	2,419	-	-	-	-	-
Total deferred inflows of resources	-	-	2,419	-	-	-	-	-
Fund Balances:								
Nonspendable	8,527	-	-	-	9,413	-	-	-
Restricted	122,341	52,373	-	-	-	-	-	-
Committed	-	-	511,014	26,083	915,020	365,838	198,971	33,868
Unassigned	-	-	-	-	-	-	-	-
Total fund balances	130,868	52,373	511,014	26,083	924,433	365,838	198,971	33,868
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 137,118	\$ 54,901	\$ 521,834	\$ 37,212	\$ 1,022,174	\$ 365,838	\$ 239,844	\$ 33,868

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**TOWN OF GLASTONBURY, CONNECTICUT
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2017**

	<u>Capital Projects</u>								<u>Totals</u>
	<u>Minnechaug Golf Fund</u>	<u>Town Aid</u>	<u>Sewer Sinking Projects</u>	<u>Capital and Nonrecurring Expenditures</u>	<u>Gateway Project</u>	<u>Riverfront Park</u>	<u>Magnet School</u>	<u>Eliminations</u>	
ASSETS									
Cash and cash equivalents	\$ 145,902	\$ 725,899	\$ 481,700	\$ -	\$ 37,153	\$ 65,852	\$ 543,704	\$ -	\$ 6,865,106
Receivables	6,939	-	-	92,359	-	-	-	-	393,205
Due from other funds	-	-	-	-	-	152,193	-	(152,193)	-
Inventory	-	-	-	-	-	-	-	-	20,666
Investments	36,457	155,338	120,362	47,969	9,283	54,483	135,855	-	1,529,392
Other	-	-	-	-	-	-	-	-	9,413
Total Assets	\$ 189,298	\$ 881,237	\$ 602,062	\$ 140,328	\$ 46,436	\$ 272,528	\$ 679,559	\$ (152,193)	\$ 8,817,782
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES									
Liabilities:									
Accounts and other payables	\$ 15,401	\$ 286,843	\$ -	\$ -	\$ -	\$ 72,087	\$ 679,559	\$ -	\$ 1,335,567
Due to other funds	-	-	-	152,193	-	-	-	(152,193)	-
Unearned revenue	-	-	-	238,976	-	-	-	-	359,820
Total liabilities	15,401	286,843	-	391,169	-	72,087	679,559	(152,193)	1,695,387
Deferred Inflows of Resources:									
Unavailable revenue - special assessments	-	-	-	-	-	-	-	-	46,817
Unavailable revenue - other	-	-	-	-	-	-	-	-	2,419
Total deferred inflows of resources	-	-	-	-	-	-	-	-	49,236
Fund Balances:									
Nonspendable	-	-	-	-	-	-	-	-	38,606
Restricted	-	594,394	-	-	-	200,441	-	-	2,170,965
Committed	173,897	-	602,062	-	46,436	-	-	-	5,114,429
Unassigned	-	-	-	(250,841)	-	-	-	-	(250,841)
Total fund balances	173,897	594,394	602,062	(250,841)	46,436	200,441	-	-	7,073,159
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 189,298	\$ 881,237	\$ 602,062	\$ 140,328	\$ 46,436	\$ 272,528	\$ 679,559	\$ (152,193)	\$ 8,817,782

**TOWN OF GLASTONBURY, CONNECTICUT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2017**

	Special Revenue Funds							
	Sewer Operating Fund	Dog Fund	Grants and Contracts	Police Forfeited Property	Special Gifts/ Grants Fund	Historic Documents/ Preservation	School Cafeteria Fund	Education Grants Fund
Revenues:								
Intergovernmental	\$ 25,540	\$ -	\$ 35,285	\$ -	\$ -	\$ -	\$ 630,071	\$ 1,916,041
Charges for services	2,867,054	23,514	-	-	-	15,879	1,437,959	-
Investment income	16,975	316	-	-	-	-	-	-
Unrealized investment loss	(6,816)	(109)	(50)	-	(1,322)	(250)	-	-
Other revenues	8,180	-	-	29,043	146,980	-	54,676	-
Total revenues	<u>2,910,933</u>	<u>23,721</u>	<u>35,235</u>	<u>29,043</u>	<u>145,658</u>	<u>15,629</u>	<u>2,122,706</u>	<u>1,916,041</u>
Expenditures:								
Administrative services	-	-	-	-	221,224	16,424	-	-
Public safety	-	63,486	22,269	13,391	-	-	-	-
Sanitation	1,832,732	-	-	-	-	-	-	-
Human services	-	-	7,623	-	-	-	-	-
Leisure/culture	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	1,962,298	1,916,041
Debt service	1,148,679	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	<u>2,981,411</u>	<u>63,486</u>	<u>29,892</u>	<u>13,391</u>	<u>221,224</u>	<u>16,424</u>	<u>1,962,298</u>	<u>1,916,041</u>
Revenues over (under) Expenditures	<u>(70,478)</u>	<u>(39,765)</u>	<u>5,343</u>	<u>15,652</u>	<u>(75,566)</u>	<u>(795)</u>	<u>160,408</u>	<u>-</u>
Other Financing Sources (Uses):								
Transfers in	391,476	45,000	-	-	-	-	-	-
Transfers out	(315,000)	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>76,476</u>	<u>45,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	5,998	5,235	5,343	15,652	(75,566)	(795)	160,408	-
Fund Balance at Beginning of Year	2,235,242	19,978	13,287	247,633	426,413	84,927	319,567	-
Fund Balance at End of Year	<u>\$ 2,241,240</u>	<u>\$ 25,213</u>	<u>\$ 18,630</u>	<u>\$ 263,285</u>	<u>\$ 350,847</u>	<u>\$ 84,132</u>	<u>\$ 479,975</u>	<u>\$ -</u>

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**TOWN OF GLASTONBURY, CONNECTICUT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2017**

	Special Revenue Funds							
	Library Funds	Connecticard	Police Private Duty	Camp Sunrise	Recreation Activities	Insurance Reserve Fund	Riverfront Park Operations Fund	Planetarium Fund
Revenues:								
Intergovernmental	\$ -	\$ 10,845	\$ -	\$ 24,300	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	457,902	48,238	1,346,802	-	184,293	21,582
Investment income	1,205	406	-	150	-	2,755	1,426	-
Unrealized investment loss	(535)	(188)	(1,317)	(115)	(2,876)	(1,012)	(679)	-
Other revenues	-	-	-	1,170	-	61,188	-	-
Total revenues	<u>670</u>	<u>11,063</u>	<u>456,585</u>	<u>73,743</u>	<u>1,343,926</u>	<u>62,931</u>	<u>185,040</u>	<u>21,582</u>
Expenditures:								
Administrative services	-	-	-	-	-	42,042	-	-
Public safety	-	-	431,900	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-	-
Human services	-	-	-	-	-	-	-	-
Leisure/culture	45,342	22,922	-	70,592	1,256,797	-	196,849	-
Education	-	-	-	-	-	-	-	2,075
Debt service	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	<u>45,342</u>	<u>22,922</u>	<u>431,900</u>	<u>70,592</u>	<u>1,256,797</u>	<u>42,042</u>	<u>196,849</u>	<u>2,075</u>
Revenues over (under) Expenditures	<u>(44,672)</u>	<u>(11,859)</u>	<u>24,685</u>	<u>3,151</u>	<u>87,129</u>	<u>20,889</u>	<u>(11,809)</u>	<u>19,507</u>
Other Financing Sources (Uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(44,672)	(11,859)	24,685	3,151	87,129	20,889	(11,809)	19,507
Fund Balance at Beginning of Year	175,540	64,232	486,329	22,932	837,304	344,949	210,780	14,361
Fund Balance at End of Year	<u>\$ 130,868</u>	<u>\$ 52,373</u>	<u>\$ 511,014</u>	<u>\$ 26,083</u>	<u>\$ 924,433</u>	<u>\$ 365,838</u>	<u>\$ 198,971</u>	<u>\$ 33,868</u>

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**TOWN OF GLASTONBURY, CONNECTICUT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2017**

	<u>Capital Projects</u>								
	<u>Minnechaug Golf Fund</u>	<u>Town Aid</u>	<u>Sewer Sinking Projects</u>	<u>Capital and Nonrecurring Expenditures</u>	<u>Gateway Project</u>	<u>Riverfront Park</u>	<u>Magnet School</u>	<u>Eliminations</u>	<u>Totals</u>
Revenues:									
Intergovernmental	\$ -	\$ 460,888	\$ -	\$ 949,624	\$ -	\$ -	\$ 2,065,959	\$ -	\$ 6,118,553
Charges for services	16,722	-	-	-	-	-	-	-	6,419,945
Investment income	1,351	6,169	-	70,370	217	1,322	-	-	102,662
Unrealized investment loss	(551)	(3,554)	(236)	(4,646)	(77)	(934)	-	-	(25,267)
Other revenues	-	-	-	183,317	20,053	73,000	-	-	577,607
Total revenues	<u>17,522</u>	<u>463,503</u>	<u>(236)</u>	<u>1,198,665</u>	<u>20,193</u>	<u>73,388</u>	<u>2,065,959</u>	<u>-</u>	<u>13,193,500</u>
Expenditures:									
Administrative services	-	-	-	-	-	-	-	-	279,690
Public safety	-	-	-	-	-	-	-	-	531,046
Sanitation	-	-	-	-	-	-	-	-	1,832,732
Human services	-	-	-	-	-	-	-	-	7,623
Leisure/culture	-	-	-	-	-	-	-	-	1,592,502
Education	-	-	-	-	-	-	-	-	3,880,414
Debt service	-	-	-	-	-	-	-	-	1,148,679
Capital outlay	21,391	628,231	48,014	-	-	801,834	8,703	-	1,508,173
Total expenditures	<u>21,391</u>	<u>628,231</u>	<u>48,014</u>	<u>-</u>	<u>-</u>	<u>801,834</u>	<u>8,703</u>	<u>-</u>	<u>10,780,859</u>
Revenues over (under) Expenditures	<u>(3,869)</u>	<u>(164,728)</u>	<u>(48,250)</u>	<u>1,198,665</u>	<u>20,193</u>	<u>(728,446)</u>	<u>2,057,256</u>	<u>-</u>	<u>2,412,641</u>
Other Financing Sources (Uses):									
Transfers in	-	-	570,000	5,000,000	-	750,000	-	(815,000)	5,941,476
Transfers out	-	-	-	(7,937,500)	-	-	-	815,000	(7,437,500)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>570,000</u>	<u>(2,937,500)</u>	<u>-</u>	<u>750,000</u>	<u>-</u>	<u>-</u>	<u>(1,496,024)</u>
Net Change in Fund Balances	(3,869)	(164,728)	521,750	(1,738,835)	20,193	21,554	2,057,256	-	916,617
Fund Balance at Beginning of Year	177,766	759,122	80,312	1,487,994	26,243	178,887	(2,057,256)	-	6,156,542
Fund Balance at End of Year	<u>\$ 173,897</u>	<u>\$ 594,394</u>	<u>\$ 602,062</u>	<u>\$ (250,841)</u>	<u>\$ 46,436</u>	<u>\$ 200,441</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,073,159</u>

Fiduciary Funds

FIDUCIARY FUNDS

Fiduciary Funds are used to account for assets held in a trust capacity for others, and include Agency Funds.

Trust Funds

Trust funds account for the accumulation of resources for retirement benefits and other post-employment benefits.

Pension Trust Fund

To account for the accumulation of resources to be used for retirement benefits.

OPEB Trust Fund

To account for the accumulation of resources to be used for other post-employment benefits.

Agency Funds

Agency funds are custodial in nature (assets equal liabilities). The Town's Agency Funds are listed below:

Student Activity Fund

To account for monies from various self-funding school activity funds.

Education Dependent Care Fund

To account for dependent care reimbursement accounts maintained for Board of Education employees.

TOWN OF GLASTONBURY, CONNECTICUT
COMBINING STATEMENT OF FIDUCIARY NET POSITION - TRUST FUNDS
JUNE 30, 2017

	<u>Pension Trust Fund</u>	<u>OPEB Trust Fund</u>	<u>Total Trust Funds</u>
Assets:			
Cash and cash equivalents	\$ 1,039,984	\$ 17,883	\$ 1,057,867
Investments, at fair value:			
Mutual funds	<u>135,039,055</u>	<u>3,797,707</u>	<u>138,836,762</u>
Total assets	<u>136,079,039</u>	<u>3,815,590</u>	<u>139,894,629</u>
Net Position:			
Restricted for Pension and OPEB Benefits	<u>\$ 136,079,039</u>	<u>\$ 3,815,590</u>	<u>\$ 139,894,629</u>

**TOWN OF GLASTONBURY, CONNECTICUT
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - TRUST FUNDS
 FOR THE YEAR ENDED JUNE 30, 2017**

	Pension Trust Fund	OPEB Trust Fund	Total Trust Funds
Additions:			
Contributions:			
Employer	\$ 6,325,363	\$ 925,241	\$ 7,250,604
Employee	1,705,360	-	1,705,360
Total contributions	<u>8,030,723</u>	<u>925,241</u>	<u>8,955,964</u>
Investment income:			
Net change in fair value of investments	12,970,831	283,036	13,253,867
Interest and dividends	2,428,058	89,664	2,517,722
	<u>15,398,889</u>	<u>372,700</u>	<u>15,771,589</u>
Less investment expenses:			
Investment management fees	40,524	-	40,524
Net investment income	<u>15,358,365</u>	<u>372,700</u>	<u>15,731,065</u>
Total additions	<u>23,389,088</u>	<u>1,297,941</u>	<u>24,687,029</u>
Deductions:			
Benefit payments	7,657,362	696,124	8,353,486
Administration fees	94,494	3,897	98,391
Total deductions	<u>7,751,856</u>	<u>700,021</u>	<u>8,451,877</u>
Change in Net Position	15,637,232	597,920	16,235,152
Net Position at Beginning of Year	<u>120,441,807</u>	<u>3,217,670</u>	<u>123,659,477</u>
Net Position at End of Year	<u>\$ 136,079,039</u>	<u>\$ 3,815,590</u>	<u>\$ 139,894,629</u>

**TOWN OF GLASTONBURY, CONNECTICUT
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2017**

	<u>Balance July 1, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2017</u>
Student Activity Fund				
Assets:				
Cash and cash equivalents	\$ <u>1,020,597</u>	\$ <u>1,573,593</u>	\$ <u>1,541,145</u>	\$ <u>1,053,045</u>
Liabilities:				
Due to student groups	\$ <u>1,020,597</u>	\$ <u>1,573,593</u>	\$ <u>1,541,145</u>	\$ <u>1,053,045</u>
Education Dependent Care Fund				
Assets:				
Cash and cash equivalents	\$ <u>42,473</u>	\$ <u>108,500</u>	\$ <u>106,524</u>	\$ <u>44,449</u>
Liabilities:				
Due to others	\$ <u>42,473</u>	\$ <u>108,500</u>	\$ <u>106,524</u>	\$ <u>44,449</u>
Total Agency Funds				
Assets:				
Cash and cash equivalents	\$ <u>1,063,070</u>	\$ <u>1,682,093</u>	\$ <u>1,647,669</u>	\$ <u>1,097,494</u>
Liabilities:				
Due to student groups	\$ 1,020,597	\$ 1,573,593	\$ 1,541,145	\$ 1,053,045
Due to others	<u>42,473</u>	<u>108,500</u>	<u>106,524</u>	<u>44,449</u>
Total Liabilities	\$ <u>1,063,070</u>	\$ <u>1,682,093</u>	\$ <u>1,647,669</u>	\$ <u>1,097,494</u>

Other Schedules

**TOWN OF GLASTONBURY, CONNECTICUT
SCHEDULE OF REPORT OF TAX COLLECTOR
FOR THE YEAR ENDED JUNE 30, 2017**

Grand List	Due Date	Uncollected Taxes July 1, 2016	Lawful Corrections		Transfers to Suspense	Adjusted Uncollected Taxes Receivable	Collections				Uncollected Taxes June 30, 2017
			Additions	Deductions			Taxes Paid	Interest	Lien Fees	Total	
10/1/15	7/1/16	\$ 142,530,893	\$ 310,519	\$ 597,335	\$ -	\$ 142,244,077	\$ 141,459,736	\$ 228,013	\$ 3,264	\$ 141,691,013	\$ 784,341
10/1/14	7/1/15	626,293	29,265	106,766	152,642	396,150	299,150	61,724	1,944	362,818	97,000
10/1/13	7/1/14	72,928	16,797	80,045	-	9,680	(44,388) *	15,466	120	(28,802) *	54,068
10/1/12	7/1/13	51,836	6,899	75,535	-	(16,800) *	(64,516) *	6,175	24	(58,317) *	47,716
10/1/11	7/1/12	37,940	18,593	-	-	56,533	6,103	4,746	24	10,873	50,430
10/1/10	7/1/11	40,421	1,564	-	-	41,985	1,564	1,599	-	3,163	40,421
10/1/09	7/1/10	22,676	831	-	-	23,507	832	992	-	1,824	22,675
10/1/08	7/1/09	9,113	1,002	-	-	10,115	1,003	1,370	-	2,373	9,112
10/1/07	7/1/08	8,869	1,489	-	-	10,358	1,489	1,934	-	3,423	8,869
10/1/06	7/1/07	-	984	-	-	984	984	587	-	1,571	-
10/1/05	7/1/06	-	166	-	-	166	166	256	-	422	-
10/1/04	7/1/05	-	255	-	-	255	255	539	-	794	-
10/1/03	7/1/04	-	522	-	-	522	522	834	-	1,356	-
10/1/02	7/1/03	-	-	-	-	-	-	-	-	-	-
10/1/01	7/1/02	-	676	-	-	676	676	-	-	676	-
TOTAL		\$ 143,400,969	\$ 389,562	\$ 859,681	\$ 152,642	\$ 142,778,208	\$ 141,663,576	\$ 324,235	\$ 5,376	\$ 141,993,187	\$ 1,114,632

* Note: Amounts are negative in the years indicated above as a result of court settlements in the current year.

**TOWN OF GLASTONBURY, CONNECTICUT
 SCHEDULE OF SEWER CONNECTION CHARGES COLLECTIBLE
 FOR THE YEAR ENDED JUNE 30, 2017**

<u>Collectible July 1, 2016</u>	<u>Additions and Deductions</u>	<u>Total Collectible</u>	<u>Charges Collected</u>	<u>Interest</u>	<u>Liens</u>	<u>Total Collected</u>	<u>Collectible June 30, 2017</u>
\$ <u>144,830</u>	\$ <u>467,202</u>	\$ <u>612,032</u>	\$ <u>82,750</u>	\$ <u>10,400</u>	\$ <u>120</u>	\$ <u>93,270</u>	\$ <u>529,282</u>

**TOWN OF GLASTONBURY, CONNECTICUT
SCHEDULE OF EXPENDITURES AND ENCUMBRANCES
COMPARED WITH APPROPRIATIONS
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2017**

	<u>Appropriations</u>	<u>Current Appropriations</u>	<u>Transfers and Closed Projects</u>	<u>Adjusted Appropriations June 30, 2017</u>
Reserve Fund:				
General Government:				
Academy Reuse	\$ 2,221,238	\$ -	\$ -	2,221,238
Town Buildings Security	150,000	80,000	-	230,000
Planimetric/Topographic Map Update	138,800	-	(1,759)	137,041
Disaster Preparation/Recovery Resources	700,000	150,000	-	850,000
Multi-Town Dispatch Center	710,000	-	7,810	717,810
Police Lockers	-	150,000	-	150,000
Fiber Optic Network	1,117,000	-	-	1,117,000
Land Acquisition Fund	1,253,639	-	-	1,253,639
Town Facilities Shop/Storage	1,045,000	-	-	1,045,000
Town-Owned Building Demolition	50,000	-	-	50,000
Property Revaluation	1,139,000	135,000	-	1,274,000
RCC Replacement Floor	75,000	-	-	75,000
Townwide Boiler/HVAC Replacement	25,000	200,000	(1,677)	223,323
Youth and Family Building Improvements	125,000	-	-	125,000
Document Management System	50,000	175,000	-	225,000
Town Hall Improvements	1,370,283	285,000	-	1,655,283
Townwide Roof Replacement	625,000	-	-	625,000
Clean Renewable Energy	1,171,044	95,000	-	1,266,044
	<u>11,966,004</u>	<u>1,270,000</u>	<u>4,374</u>	<u>13,240,378</u>
Physical Services:				
Dam Maintenance/Replacement	35,000	150,000	-	185,000
Bridge Replacement/Rehabilitation	315,000	2,390,000	(55,000)	2,650,000
Addison Road Bridge	1,398,420	-	(3,348)	1,395,072
Hebron Avenue Trail Fencing	-	-	35,000	35,000
Griswold/House Street Realignment	1,725,000	-	(250,000)	1,475,000
Naubuc Avenue Bridge	127,431	-	-	127,431
Parking/Access Drive Improvement	-	200,000	-	200,000
Sidewalk Construction	19,840	250,000	-	269,840
Tryon Street Drainage	242,000	-	(1,026)	240,974
Road Overlay	7,342	900,000	-	907,342
Griswold Street Paving	789,200	-	(57,452)	731,748
Main Street Paving	862,600	-	(13,990)	848,610
Heavy Equipment	510,200	725,000	(112,010)	1,123,190
Renovation and Site Restoration	1,559,720	-	-	1,559,720
Town Center Traffic/Street Improvements	1,340,000	535,000	250,000	2,125,000
Main Street Traffic Signals	2,836,000	-	-	2,836,000
Hebron Avenue/House Street Improvements	275,000	-	-	275,000
Total	<u>12,042,753</u>	<u>5,150,000</u>	<u>(207,826)</u>	<u>16,984,927</u>
Parks and Recreation:				
Outdoor Pool/Park Development	-	75,000	-	75,000
Bikeways/Bikepaths	900,000	-	55,000	955,000
Backup Generator-Boathouse	175,000	-	(15,307)	159,693
Minnechaug Golf Improvements	250,000	137,500	-	387,500
Parks Facility Renovation/Expansion	567,500	75,000	-	642,500
Riverfront Park Extension	640,214	-	163,759	803,973
Library Upgrade/Redesign	-	100,000	-	100,000
Library Windows	-	165,000	-	165,000
Salmon Brook Park Study	15,000	-	-	15,000
Cider Mill	80,000	-	-	80,000
Open Space Access	500,000	-	-	500,000
Winter Hill	100,000	-	-	100,000
Library Space Planning	50,000	-	-	50,000
Total	<u>3,277,714</u>	<u>552,500</u>	<u>203,452</u>	<u>4,033,666</u>

(Continued on next page)

SCHEDULE 3

	<u>Expended to July 1, 2016</u>	<u>Current Expenditures</u>	<u>Expended to June 30, 2017</u>	<u>Encumbrances June 30, 2017</u>	<u>Designated for Capital Expenditures June 30, 2017</u>
\$	2,219,420	\$ 84	\$ 2,219,504	\$ -	\$ 1,734
	150,631	78,099	228,730	-	1,270
	137,041	-	137,041	-	-
	406,321	260,139	666,460	89,432	94,108
	59,850	500,939	560,789	20,478	136,543
	-	56,316	56,316	116,029	(22,345)
	1,050,774	3,533	1,054,307	42,021	20,672
	1,135,950	-	1,135,950	-	117,689
	647,161	81,024	728,185	29,029	287,786
	50,000	-	50,000	-	-
	986,549	169,113	1,155,662	136,756	(18,418)
	75,000	-	75,000	-	-
	11,443	157,818	169,261	2,600	51,462
	-	125,000	125,000	-	-
	33,299	214	33,513	-	191,487
	740,319	189,528	929,847	259,577	465,859
	499,881	3,244	503,125	-	121,875
	994,539	775	995,314	10,179	260,551
	<u>9,198,178</u>	<u>1,625,826</u>	<u>10,824,004</u>	<u>706,101</u>	<u>1,710,273</u>
	-	92,573	92,573	20,997	71,430
	246,768	463,885	710,653	1,655,555	283,792
	1,394,519	-	1,394,519	-	553
	-	-	-	-	35,000
	1,153,901	56,636	1,210,537	184,713	79,750
	127,426	-	127,426	-	5
	-	11,999	11,999	-	188,001
	-	46,089	46,089	-	223,751
	240,974	-	240,974	-	-
	-	906,125	906,125	-	1,217
	729,737	2,010	731,747	-	1
	769,447	-	769,447	-	79,163
	509,919	611,304	1,121,223	-	1,967
	1,427,019	-	1,427,019	-	132,701
	406,416	503,131	909,547	1,204,233	11,220
	2,682,127	111,152	2,793,279	11,626	31,095
	-	184,681	184,681	14,033	76,286
	<u>9,688,253</u>	<u>2,989,585</u>	<u>12,677,838</u>	<u>3,091,157</u>	<u>1,215,932</u>
	-	3,600	3,600	-	71,400
	894,578	35,606	930,184	8,526	16,290
	159,692	-	159,692	-	1
	27,183	251,587	278,770	50,317	58,413
	434,495	28,988	463,483	17,395	161,622
	640,140	135,432	775,572	1,233	27,168
	-	40,322	40,322	-	59,678
	-	120,821	120,821	12,071	32,108
	-	-	-	-	15,000
	29,388	10,263	39,651	-	40,349
	322,171	15,250	337,421	1,000	161,579
	85,919	591	86,510	-	13,490
	39,485	-	39,485	-	10,515
	<u>2,633,051</u>	<u>642,460</u>	<u>3,275,511</u>	<u>90,542</u>	<u>667,613</u>

**TOWN OF GLASTONBURY, CONNECTICUT
SCHEDULE OF EXPENDITURES AND ENCUMBRANCES
COMPARED WITH APPROPRIATIONS (CONTINUED)
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2017**

	<u>Appropriations</u>	<u>Current Appropriations</u>	<u>Transfers and Closed Projects</u>	<u>Adjusted Appropriations June 30, 2017</u>
Reserve Fund, Continued				
Education:				
HVAC/Boilers K-6	\$ 2,281,189	\$ -	\$ -	2,281,189
Energy Audit - All Schools	312,500	-	-	312,500
GHS Pool Upgrades	250,000	-	(10,829)	239,171
Carpet Replacement - Schools	386,500	185,000	-	571,500
GHS Fieldhouse	35,000	-	-	35,000
Gideon Welles Window Replace	1,823,500	-	(79,658)	1,743,842
Schools Air Conditioning	50,000	-	-	50,000
School Code Compliance	100,000	-	75,000	175,000
GHS Kitchen Upgrades	-	50,000	-	50,000
Gym Flooring - Hopewell	-	100,000	(7,060)	92,940
GHS Football Field Turf Replacement	-	150,000	57,674	207,674
Smith Middle School Chillers	462,540	-	(7,453)	455,087
Smith Middle School Gym Floor	306,664	-	-	306,664
School Security Improvements	486,915	-	-	486,915
School Communications	285,105	-	-	285,105
GHS Auditorium Acoustics	100,000	-	-	100,000
GHS Practice Football Field	100,000	-	(27,674)	72,326
Total	<u>6,979,913</u>	<u>485,000</u>	<u>-</u>	<u>7,464,913</u>
Total reserve fund	<u>34,266,384</u>	<u>7,457,500</u>	<u>-</u>	<u>41,723,884</u>
Sewer Sinking Fund:				
WPC Energy Conservation Program	-	315,000	-	315,000
Nutmeg Pump Station	805,000	-	-	805,000
Master Sewer Study	140,000	-	-	140,000
Cider Mill Pump Station	-	105,000	-	105,000
Sewer Forced Main Evaluation	-	150,000	-	150,000
Total sinking fund	<u>945,000</u>	<u>570,000</u>	<u>-</u>	<u>1,515,000</u>
Complex Funding/Grants				
Gateway Corporate Park	888,541	-	-	888,541
Land Acquisition:				
Land/Site Costs 2009	2,233,000	-	-	2,233,000
Land/Site Costs 2012	2,000,000	2,700,000	-	4,700,000
Land/Site Costs 2016	-	3,000,000	-	3,000,000
Magnet School	36,724,250	-	-	36,724,250
Riverfront Park	19,300,000	500,000	-	19,800,000
Town Aid:				
Town Aid Improved	663,495	451,050	-	1,114,545
Town Aid Unimproved	87,993	13,950	-	101,943
Total complex funding/grants	<u>61,897,279</u>	<u>6,665,000</u>	<u>-</u>	<u>68,562,279</u>
Total	<u>\$ 97,108,663</u>	<u>\$ 14,692,500</u>	<u>\$ -</u>	<u>\$ 111,801,163</u>

(Continued on next page)

SCHEDULE 3

	<u>Expended to July 1 2016</u>	<u>Current Expenditures</u>	<u>Expended to June 30, 2017</u>	<u>Encumbrances June 30, 2017</u>	<u>Designated for Capital Expenditures June 30, 2017</u>
\$	2,217,284	\$ 10,500	\$ 2,227,784	\$ 17,227	\$ 36,178
	105,294	135,909	241,203	-	71,297
	230,903	8,268	239,171	-	-
	331,603	230,037	561,640	99	9,761
	26,077	4,006	30,083	-	4,917
	1,127,897	495,042	1,622,939	95,146	25,757
	23,554	22,396	45,950	-	4,050
	-	61,285	61,285	17,566	96,149
	-	32,139	32,139	5,106	12,755
	-	92,940	92,940	-	-
	-	-	-	-	207,674
	455,087	-	455,087	-	-
	279,505	27,159	306,664	-	-
	486,915	-	486,915	-	-
	285,105	-	285,105	-	-
	13,884	2,000	15,884	-	84,116
	72,326	-	72,326	-	-
	<u>5,655,434</u>	<u>1,121,681</u>	<u>6,777,115</u>	<u>135,144</u>	<u>552,654</u>
	<u>27,174,916</u>	<u>6,379,552</u>	<u>33,554,468</u>	<u>4,022,944</u>	<u>4,146,472</u>
	-	47,790	47,790	-	267,210
	752,442	-	752,442	-	52,558
	112,480	-	112,480	4,820	22,700
	-	224	224	-	104,776
	-	-	-	-	150,000
	<u>864,922</u>	<u>48,014</u>	<u>912,936</u>	<u>4,820</u>	<u>597,244</u>
	888,184	(20,053)	868,131	-	20,410
	1,868,451	359,049	2,227,500	5,500	-
	-	46,129	46,129	-	4,653,871
	-	-	-	-	3,000,000
	36,099,712	8,703	36,108,415	-	615,835
	18,815,878	801,834	19,617,712	116,466	65,822
	-	599,810	599,810	6,325	508,410
	-	28,421	28,421	-	73,522
	<u>57,672,225</u>	<u>1,823,893</u>	<u>59,496,118</u>	<u>128,291</u>	<u>8,937,870</u>
\$	<u>85,712,063</u>	\$ <u>8,251,459</u>	\$ <u>93,963,522</u>	\$ <u>4,156,055</u>	\$ <u>13,681,586</u>

Statistical Section

STATISTICAL SECTION

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 GLASTONBURY, CONNECTICUT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

	FISCAL YEAR			
	2008	2009	2010	2011
Governmental Activities:				
Net investment in capital assets	\$ 159,396,788	\$ 167,909,894	\$ 170,298,270	\$ 184,735,191
Restricted			1,991,580	1,985,169
Unrestricted	<u>39,508,307</u>	<u>37,313,643</u>	<u>39,130,713</u>	<u>34,981,661</u>
Total Governmental Activities				
Net Position	<u>\$ 198,905,095</u>	<u>\$ 205,223,537</u>	<u>\$ 211,420,563</u>	<u>\$ 221,702,021</u>

* Fiscal Year 2014 was restated for opening pension liability for GASB 68.

TABLE 1

FISCAL YEAR					
2012	2013	2014*	2015	2016	2017
\$ 205,117,516	\$ 215,532,264	\$ 220,913,819	\$ 225,203,554	\$ 228,343,977	\$ 229,961,836
1,890,376	1,771,533	8,527	8,527	8,527	8,527
<u>36,407,601</u>	<u>40,289,893</u>	<u>15,576,198</u>	<u>17,031,058</u>	<u>13,031,950</u>	<u>12,367,183</u>
<u>\$ 243,415,493</u>	<u>\$ 257,593,690</u>	<u>\$ 236,498,544</u>	<u>\$ 242,243,139</u>	<u>\$ 241,384,454</u>	<u>\$ 242,337,546</u>

TOWN OF GLASTONBURY, CONNECTICUT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

	FISCAL YEAR			
	2008	2009	2010	2011
Expenses:				
Governmental activities:				
General government services	\$ 2,505,352	\$ 3,407,468	\$ 2,850,139	\$ 2,761,913
Community development	1,820,941	1,878,328	1,898,166	1,718,967
Administrative services	5,110,205	5,720,224	4,897,820	4,914,647
Public safety	10,089,029	10,529,537	11,161,476	11,095,871
Physical services	11,206,577	10,220,379	10,725,354	11,795,662
Sanitation	2,452,632	3,871,059	2,001,502	2,479,712
Human services	2,610,765	2,781,794	2,949,719	2,893,617
Leisure/culture	5,860,202	6,073,062	6,587,422	6,340,605
Education	113,372,530	97,415,606	101,986,906	101,682,170
Interest on long-term debt	3,925,038	3,755,506	3,535,834	3,593,388
Total governmental activities expenses	<u>158,953,271</u>	<u>145,652,963</u>	<u>148,594,338</u>	<u>149,276,552</u>
Program Revenues:				
Governmental activities:				
Charges for services:				
Community development	1,155,890	734,501	751,483	607,781
Administrative services	2,307,838	2,142,999	1,872,512	1,851,704
Public safety	594,714	574,486	400,506	444,204
Physical services	33,081	139,243	24,546	52,443
Sanitation	2,465,899	2,406,040	2,562,231	2,734,348
Human services	135,549	170,246	191,292	188,111
Leisure/culture	1,145,823	1,278,173	1,384,702	1,379,937
Education	2,125,904	2,131,968	2,402,528	2,526,003
Operating grants and contributions	40,674,367	17,694,988	18,687,878	18,579,189
Capital grants and contributions	5,991,587	5,373,474	6,709,085	3,546,352
Total governmental activities program revenues	<u>56,630,652</u>	<u>32,646,118</u>	<u>34,986,763</u>	<u>31,910,072</u>
Net Expenses	<u>(102,322,619)</u>	<u>(113,006,845)</u>	<u>(113,607,575)</u>	<u>(117,366,480)</u>
General Revenues and Other				
Changes in Net Position:				
Governmental activities:				
Property taxes	111,316,445	115,906,389	118,985,878	122,557,674
Grants and contributions not restricted to specific programs	219,259	379,688	106,606	144,370
Unrestricted investment earnings	2,732,401	1,276,871	560,468	420,914
Gain (loss) on sale of capital assets	-	1,672,339	-	(66,020)
Capital contributions	-	-	-	4,591,000
Total governmental activities	<u>114,268,105</u>	<u>119,235,287</u>	<u>119,652,952</u>	<u>127,647,938</u>
Change in Net Position	<u>\$ 11,945,486</u>	<u>\$ 6,228,442</u>	<u>\$ 6,045,377</u>	<u>\$ 10,281,458</u>

TABLE 2

FISCAL YEAR						
2012	2013	2014	2015	2016	2017	
\$ 3,016,304	\$ 3,063,739	\$ 2,437,457	\$ 2,773,267	\$ 4,501,967	\$ 4,928,237	
1,795,016	1,795,599	1,768,601	1,740,867	1,796,427	1,958,525	
4,845,717	5,074,835	6,173,038	6,474,631	6,822,060	7,446,025	
11,531,769	11,615,297	12,915,490	12,669,044	14,053,008	14,356,673	
13,689,502	12,167,088	10,471,157	10,975,918	11,032,856	12,274,493	
3,436,259	3,640,404	3,214,383	3,638,913	4,119,041	3,890,002	
2,968,749	2,968,337	3,021,292	3,034,591	3,261,539	3,030,255	
6,811,418	6,822,187	7,075,241	7,740,493	8,339,722	8,877,849	
108,177,159	108,886,522	113,857,497	116,887,944	122,929,957	130,869,093	
3,477,580	3,201,363	3,268,620	2,900,598	2,585,718	2,379,319	
<u>159,749,473</u>	<u>159,235,371</u>	<u>164,202,776</u>	<u>168,836,266</u>	<u>179,442,295</u>	<u>190,010,471</u>	
721,745	899,667	732,127	663,062	1,292,517	1,074,711	
1,926,586	2,217,092	2,003,566	2,046,272	2,381,040	3,695,960	
405,770	630,516	772,016	537,679	756,727	593,244	
15,591	22,142	27,517	31,578	33,222	27,275	
3,204,166	3,470,123	3,481,680	3,575,444	3,919,616	3,496,380	
185,135	194,984	214,226	209,169	217,714	222,347	
1,423,334	1,458,981	1,514,392	1,585,442	1,754,512	1,919,109	
2,397,613	2,502,054	2,408,524	2,159,117	2,110,809	1,954,154	
21,258,861	23,982,010	23,396,762	20,754,777	22,428,207	30,741,544	
23,284,200	5,712,086	9,657,006	4,494,322	2,318,625	4,119,540	
<u>54,823,001</u>	<u>41,089,655</u>	<u>44,207,816</u>	<u>36,056,862</u>	<u>37,212,989</u>	<u>47,844,264</u>	
<u>(104,926,472)</u>	<u>(118,145,716)</u>	<u>(119,994,960)</u>	<u>(132,779,404)</u>	<u>(142,229,306)</u>	<u>(142,166,207)</u>	
125,688,970	128,517,167	134,371,417	136,885,474	140,296,610	142,548,603	
105,650	119,354	178,093	204,483	138,808	146,980	
373,024	305,276	469,352	499,031	935,203	423,716	
-	2,873,616	1,379,604	(38,297)	-	-	
472,300	509,500	-	-	-	-	
<u>126,639,944</u>	<u>132,324,913</u>	<u>136,398,466</u>	<u>137,550,691</u>	<u>141,370,621</u>	<u>143,119,299</u>	
<u>\$ 21,713,472</u>	<u>\$ 14,179,197</u>	<u>\$ 16,403,506</u>	<u>\$ 4,771,287</u>	<u>\$ (858,685)</u>	<u>\$ 953,092</u>	

**TOWN OF GLASTONBURY, CONNECTICUT
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)**

	FISCAL YEAR			
	2008	2009	2010	2011*
General fund:				
Nond spendable	\$ -	\$ -	\$ -	\$ 266,034
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	3,366,844
Unassigned	-	-	-	15,958,589
Reserved	532,947	274,528	340,646	-
Unreserved/undesignated	<u>19,037,173</u>	<u>19,351,109</u>	<u>17,663,217</u>	<u>-</u>
Total General Fund	<u>\$ 19,570,120</u>	<u>\$ 19,625,637</u>	<u>\$ 18,003,863</u>	<u>\$ 19,591,467</u>
All other governmental funds:				
Nond spendable	\$ -	\$ -	\$ -	\$ 40,855
Restricted	-	-	-	1,985,169
Committed	-	-	-	19,096,641
Assigned	-	-	-	83,849
Unassigned	-	-	-	(6,888,970)
Reserved	23,410,393	7,819,483	4,147,109	-
Unreserved, reported in:				
Special revenue funds	14,001,002	16,526,499	18,119,821	-
Capital projects funds	<u>(25,943,492)</u>	<u>(23,283,881)</u>	<u>(20,973,885)</u>	<u>-</u>
Total All Other Governmental Funds	<u>\$ 11,467,903</u>	<u>\$ 1,062,101</u>	<u>\$ 1,293,045</u>	<u>\$ 14,317,544</u>

* In fiscal year 2011, the Town implemented GASB Statement No. 54, which requires fund balance to be reported as nond spendable, restricted, committed, assigned or unassigned. See Notes to the Financial Statements for definitions of each type of fund balance.

TABLE 3

							FISCAL YEAR					
2012		2013		2014		2015		2016		2017		
\$	256,476	\$	252,167	\$	223,188	\$	223,564	\$	217,267	\$	218,628	
	-		-		-		-		-		-	
	-		-		-		-		-		-	
	2,386,401		2,323,703		1,045,142		1,143,003		1,001,234		2,121,442	
	15,890,555		21,881,949		25,648,081		24,339,992		25,843,730		24,315,641	
	-		-		-		-		-		-	
	-		-		-		-		-		-	
\$	18,533,432	\$	24,457,819	\$	26,916,411	\$	25,706,559	\$	27,062,231	\$	26,655,711	
\$	51,779	\$	38,797	\$	65,774	\$	58,498	\$	37,797	\$	38,606	
	1,881,849		1,772,533		5,143,573		3,995,838		2,263,358		2,170,965	
	20,323,177		20,045,428		21,130,041		24,751,335		26,488,882		27,252,707	
	124,452		142,073		-		-		-		-	
	(989,284)		(3,842,280)		(3,046,633)		(3,132,404)		(3,247,163)		(250,841)	
	-		-		-		-		-		-	
	-		-		-		-		-		-	
	-		-		-		-		-		-	
\$	21,391,973	\$	18,156,551	\$	23,292,755	\$	25,673,267	\$	25,542,874	\$	29,211,437	

**TOWN OF GLASTONBURY, CONNECTICUT
REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - GOVERNMENTAL FUNDS
LAST TEN YEARS
(Modified Accrual Basis of Accounting)**

	FISCAL YEAR			
	2008	2009	2010	2011
Revenues:				
Property taxes	\$ 111,518,677	\$ 115,923,084	\$ 119,227,409	\$ 123,041,929
Licenses and permits	1,267,583	888,429	918,526	789,486
Intergovernmental	17,233,644	17,083,763	18,514,524	15,141,206
Charges for services	6,562,254	6,687,260	6,755,094	7,146,269
Investment income	2,732,401	1,276,871	560,468	420,914
Unrealized investment income (loss)	-	-	-	-
Other	3,062,169	4,063,994	2,326,548	2,165,241
State payment for teacher's retirement system	28,791,494	6,321,000	6,568,000	6,834,000
Total revenues	<u>171,168,222</u>	<u>152,244,401</u>	<u>154,870,569</u>	<u>155,539,045</u>
Expenditures:				
Current:				
General government	2,415,826	2,551,501	2,694,876	2,711,663
Community development	1,772,040	1,863,995	1,809,662	1,821,437
Administrative services	5,438,076	5,700,454	5,237,657	5,610,331
Public safety	9,613,355	9,930,590	10,147,475	10,706,853
Physical services	5,538,185	5,889,862	6,007,171	6,216,519
Sanitation	2,198,330	2,401,026	2,433,602	2,191,813
Human services	2,346,629	2,576,246	2,629,351	2,700,551
Leisure/culture	5,314,273	5,567,234	5,771,463	5,908,807
Education	82,878,171	87,672,746	91,082,690	93,380,504
State payment for teacher's retirement system	28,791,494	6,321,000	6,568,000	6,834,000
Capital outlay	21,953,650	29,490,912	11,117,292	10,570,574
Debt service:				
Principal	6,871,875	6,960,000	7,225,000	7,430,000
Interest	3,997,548	3,921,655	3,537,160	3,443,890
Total expenditures	<u>179,129,452</u>	<u>170,847,221</u>	<u>156,261,399</u>	<u>159,526,942</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(7,961,230)</u>	<u>(18,602,820)</u>	<u>(1,390,830)</u>	<u>(3,987,897)</u>
Other Financing Sources (Uses):				
Issuance of bonds	-	8,000,000	-	-
Issuance of refunding bonds	-	9,505,000	-	28,550,000
Payment to escrow agent	-	(9,941,099)	-	(31,174,780)
Premiums on bonds issued	-	578,154	-	2,624,780
Issuance of notes	-	110,480	-	18,600,000
Transfers in	15,247,454	12,562,803	9,523,517	8,589,017
Transfers out	(15,247,454)	(12,562,803)	(9,523,517)	(8,589,017)
Sale of general capital assets	-	-	-	-
Total other financing sources	<u>-</u>	<u>8,252,535</u>	<u>-</u>	<u>18,600,000</u>
Net Change in Fund Balances	(7,961,230)	(10,350,285)	(1,390,830)	14,612,103
Fund Balance at Beginning of Year	<u>38,999,253</u>	<u>31,038,023</u>	<u>20,687,738</u>	<u>19,296,908</u>
Fund Balance at End of Year	<u>\$ 31,038,023</u>	<u>\$ 20,687,738</u>	<u>\$ 19,296,908</u>	<u>\$ 33,909,011</u>
Debt Service as a Percentage to Noncapital Expenditures	6.87%	7.66%	7.41%	7.30%

TABLE 4

		FISCAL YEAR					
		2012	2013	2014	2015	2016	2017
\$	126,040,914	\$ 128,472,632	\$ 133,909,658	\$ 137,088,886	\$ 140,255,321	\$ 142,041,710	
	884,941	1,042,305	1,062,965	1,014,893	1,655,217	1,447,584	
	35,237,827	20,054,747	20,679,938	15,017,466	14,080,414	15,837,597	
	7,591,533	7,893,389	7,980,340	7,843,594	8,774,124	8,362,685	
	373,024	305,276	463,305	485,238	613,267	749,129	
	-	-	-	-	308,089	(337,400)	
	2,353,983	2,716,551	2,402,865	2,504,856	2,417,701	2,218,522	
	9,010,000	9,462,000	11,477,065	9,019,032	10,420,522	18,586,525	
	<u>181,492,222</u>	<u>169,946,900</u>	<u>177,976,136</u>	<u>172,973,965</u>	<u>178,524,655</u>	<u>188,906,352</u>	
	2,713,125	2,763,750	2,843,420	2,934,917	2,952,448	2,943,450	
	1,829,362	1,762,554	1,748,810	1,699,054	1,738,682	1,881,332	
	5,605,900	5,838,088	6,132,621	6,385,266	6,717,279	7,064,677	
	11,021,324	11,119,389	12,253,110	12,033,001	13,061,288	13,305,981	
	8,588,617	6,371,239	6,478,656	6,812,516	6,531,451	6,734,016	
	2,309,070	2,320,431	2,386,174	2,379,895	2,632,481	2,565,142	
	2,726,637	2,867,048	2,791,127	2,785,624	2,971,784	2,800,200	
	6,145,720	6,110,748	6,263,893	6,600,388	6,732,036	6,765,075	
	95,474,089	96,695,236	99,527,578	102,324,041	104,490,362	105,251,040	
	9,010,000	9,462,000	11,477,065	9,019,032	10,420,522	18,586,525	
	26,358,103	14,400,310	18,361,870	8,172,844	9,076,654	8,292,903	
	6,702,765	7,433,613	7,680,811	7,772,816	7,419,642	7,754,319	
	3,494,755	3,161,900	3,268,620	2,900,598	2,585,718	2,379,319	
	<u>181,979,467</u>	<u>170,306,306</u>	<u>181,213,755</u>	<u>171,819,992</u>	<u>177,330,347</u>	<u>186,323,979</u>	
	<u>(487,245)</u>	<u>(359,406)</u>	<u>(3,237,619)</u>	<u>1,153,973</u>	<u>1,194,308</u>	<u>2,582,373</u>	
	6,395,000	-	8,950,000	-	-	-	
	14,545,000	-	9,480,000	-	-	-	
	(16,633,344)	-	(9,694,079)	-	-	-	
	2,196,983	-	380,454	-	-	-	
	-	-	135,000	-	-	-	
	10,692,734	10,195,410	4,653,977	6,915,987	13,186,305	16,103,976	
	(10,692,734)	(10,195,410)	(4,653,977)	(6,915,987)	(13,186,305)	(16,103,976)	
	-	3,048,371	1,581,040	16,687	30,971	679,670	
	<u>6,503,639</u>	<u>3,048,371</u>	<u>10,832,415</u>	<u>16,687</u>	<u>30,971</u>	<u>679,670</u>	
	6,016,394	2,688,965	7,594,796	1,170,660	1,225,279	3,262,043	
	<u>33,909,011</u>	<u>39,925,405</u>	<u>42,614,370</u>	<u>50,209,166</u>	<u>51,379,826</u>	<u>52,605,105</u>	
\$	<u>39,925,405</u>	<u>42,614,370</u>	<u>50,209,166</u>	<u>51,379,826</u>	<u>52,605,105</u>	<u>55,867,148</u>	
	6.55%	6.80%	6.76%	6.49%	5.95%	5.65%	

TOWN OF GLASTONBURY, CONNECTICUT
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
(000's)
LAST TEN FISCAL YEARS

Fiscal Year	Real Property		Motor Vehicles	Personal Property	Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property							
2008	\$ 2,313,289	\$ 414,084	\$ 258,099	\$ 117,658	\$ 12,857	\$ 3,090,273	35.80	\$ 6,104,016	50.63
2009	3,148,987	549,819	262,712	126,478	13,045	4,074,951	28.35	5,830,109	69.89
2010	3,179,188	559,147	247,547	139,798	21,171	4,104,509	29.05	5,953,642	68.94
2011	3,193,843	565,348	252,094	135,804	21,154	4,125,935	29.65	5,782,669	71.35
2012	3,208,186	577,160	263,823	137,609	21,378	4,165,400	30.05	5,717,775	72.85
2013	3,223,394	576,116	280,615	150,642	23,154	4,207,613	30.50	5,742,992	73.27
2014	2,821,228	581,418	277,944	151,740	23,784	3,808,546	35.10	5,441,509	69.99
2015	2,835,226	581,095	286,310	151,423	21,465	3,832,589	35.65	5,749,529	66.66
2016	2,856,856	592,180	284,873	162,926	25,530	3,871,305	36.10	5,895,699	65.66
2017	2,877,461	600,371	290,299	173,164	25,133	3,916,162	36.40	5,953,139 *	65.78

* This figure includes real estate, personal property and motor vehicle estimated actual values. Motor vehicle is shown separately due to the different mil rate.

Source: Town Assessor's office

Note: By state law, property is assessed at 70% of actual value with periodic revaluation of real property.

Note: The Town has no overlapping governments

TABLE 6

**TOWN OF GLASTONBURY, CONNECTICUT
PRINCIPAL TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO**

Taxpayer	2017			2008		
	Taxable Assessed Value	Rank	Percentage of Gross Taxable Assessed Grand List	Taxable Assessed Value	Rank	Percentage of Gross Taxable Assessed Grand List
Connecticut Light & Power	\$ 34,938,630	1	0.89%	\$ 26,509,240	1	0.85%
Flanders Somerset LLC et al	23,254,100	2	0.59%	24,704,400	2	0.79%
Massachusetts Mutual Life Ins. Co.	17,646,800	3	0.45%	19,643,500	3	0.63%
Realty Associates Fund IX LP	16,466,200	4	0.42%			
Connecticut Natural Gas Corp.	15,936,410	5	0.41%			
Bixmor Residual Shoppes at Fox Run LLC	14,825,300	6	0.38%			
SHP V Glastonbury LLC	14,345,180	7	0.37%			
VII-HII Glastonbury Blvd LLC	14,097,630	8	0.36%			
Claremont Glastonbury Suites LLC	11,477,700	9	0.29%	12,089,300	7	0.39%
Gateway Medical Associates LLC	11,234,000	10	0.29%			
Alecta Pensionsforsakring omseidig co				16,522,000	4	0.53%
Grunberg 628 Hebron LLC				14,329,470	5	0.46%
BCIA New England Holdings, LLC				13,160,100	6	0.42%
PRA Glastonbury LLC				12,054,500	8	0.39%
Winding Brook LLC				9,905,850	9	0.32%
CE Glastonbury LLC				9,026,200	10	0.29%
	\$ <u>174,221,950</u>		<u>4.45%</u>	\$ <u>157,944,560</u>		<u>5.07%</u>

Source: Town Assessor's office

**TOWN OF GLASTONBURY, CONNECTICUT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>Taxes Levied for the Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy</u>		<u>Collections in Subsequent Years</u>	<u>Total Collections to Date</u>	
		<u>Amount</u>	<u>Percentage of Levy</u>		<u>Amount</u>	<u>Percentage of Levy</u>
2008	\$ 111,163,102	\$ 110,641,815	99.53 %	\$ 526,800	\$ 111,168,615	100.00 %
2009	115,587,894	114,581,091	99.13	910,060	115,491,151	99.92
2010	118,936,203	117,896,533	99.13	927,897	118,824,430	99.91
2011	122,201,916	121,393,374	99.34	762,203	122,155,577	99.96
2012	125,090,309	124,429,404	99.47	565,976	124,995,380	99.92
2013	128,299,243	127,582,218	99.44	605,666	128,187,884	99.91
2014	133,617,305	132,828,872	99.41	493,705	133,322,577	99.78
2015	136,682,892	135,894,309	99.42	554,627	136,448,936	99.83
2016	139,990,757	139,364,464	99.55	299,150	139,663,614	99.77
2017	142,244,077	141,459,736	99.45	-	141,459,736	99.45

Source: Town Revenue Collection office and Finance office

**TOWN OF GLASTONBURY, CONNECTICUT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

Fiscal Year	General Bonded Debt (000's)			Percentage of Actual Taxable Value of Property ⁽⁴⁾	Per Capita ⁽⁵⁾	Other Governmental Activities Debt (000's)		Total Primary Government (000's)	Debt as a Percentage of Actual Taxable Value of Property ⁽⁵⁾	Debt Per Capita ⁽⁵⁾
	General Obligation Bonds ⁽¹⁾	Premium on Bonds	Total			Clean Water Fund Notes Payable ⁽²⁾	Term Notes Payable ⁽³⁾			
2008	\$ 89,020	\$ 856	\$ 89,876	1.47%	\$ 2,720	\$ -	\$ 227	\$ 90,103	1.48%	\$ 2,727
2009	89,990	1,301	91,291	1.57%	2,750	-	110	91,401	1.57%	2,753
2010	82,765	1,168	83,933	1.41%	2,517	-	83	84,016	1.41%	2,519
2011	76,010	3,369	79,379	1.37%	2,303	18,535	55	97,969	1.69%	2,842
2012	76,220	5,197	81,417	1.42%	2,336	17,750	28	99,195	1.73%	2,846
2013	69,615	4,611	74,226	1.29%	2,139	16,949	-	91,175	1.59%	2,628
2014	71,940	4,031	75,971	1.40%	2,207	16,132	135	92,238	1.70%	2,679
2015	65,085	3,466	68,551	1.19%	1,972	15,298	90	83,939	1.46%	2,415
2016	58,570	2,931	61,501	1.04%	1,769	14,448	45	75,994	1.29%	2,186
2017	51,735	2,396	54,131	0.91%	1,561	13,580	-	67,711	1.14%	1,953

⁽¹⁾ Town only issues general obligation bonds and has no overlapping debt.

⁽²⁾ Represents 2% 20-year loan with the State of Connecticut Clean Water Fund program to finance upgrades to the wastewater treatment plant in June 2011.

⁽³⁾ Represents relatively short-term notes for the acquisition of various land parcels.

⁽⁴⁾ See Table 5 for taxable property value data.

⁽⁵⁾ See Table 11 for population data.

**TOWN OF GLASTONBURY, CONNECTICUT
SCHEDULE OF DEBT LIMITATION
FOR THE YEAR ENDED JUNE 30, 2017**

Tax Base:	
Total tax collections (including interest and lien fees)	\$ 141,993,237
Reimbursement of Revenue Loss from Tax Relief for the Elderly	<u>134,895</u>
Total Base	<u>\$ 142,128,132</u>

	<u>General Purpose</u>	<u>Schools</u>	<u>Sewer</u>	<u>Urban Renewal</u>	<u>Pension Deficit</u>
Debt Limitation:					
2 1/4 times base	\$ 319,788,297	\$ -	\$ -	\$ -	\$ -
4 1/2 times base	-	639,576,594	-	-	-
3 3/4 times base	-	-	532,980,495	-	-
3 1/4 times base	-	-	-	461,916,429	-
3 times base	-	-	-	-	426,384,396
Total limitations	<u>319,788,297</u>	<u>639,576,594</u>	<u>532,980,495</u>	<u>461,916,429</u>	<u>426,384,396</u>
Indebtedness:					
Bonds outstanding	23,280,750	28,454,250	-	-	-
Authorized and unissued	5,230,000	-	-	-	-
Bond anticipation notes	1,650,000	-	-	-	-
Clean Water Fund notes	-	-	13,580,197	-	-
Construction grants	-	-	-	-	-
Total indebtedness	<u>30,160,750</u>	<u>28,454,250</u>	<u>13,580,197</u>	<u>-</u>	<u>-</u>
Debt Limitation in Excess of Outstanding and Authorized Debt	<u>\$ 289,627,547</u>	<u>\$ 611,122,344</u>	<u>\$ 519,400,298</u>	<u>\$ 461,916,429</u>	<u>\$ 426,384,396</u>

Note: In no event shall total indebtedness exceed seven times the base for debt limitation computation \$ 994,896,924

See Notes to the Financial Statements for further information and explanation on the Town's indebtedness at June 30, 2017.

**TOWN OF GLASTONBURY, CONNECTICUT
 LEGAL DEBT MARGIN INFORMATION
 LAST TEN FISCAL YEARS**

	FISCAL YEAR			
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Debt limit	\$ 779,786,049	\$ 807,411,521	\$ 835,494,023	\$ 859,972,099
Total net debt applicable to limit	<u>128,294,036</u>	<u>120,939,376</u>	<u>113,332,765</u>	<u>105,703,742</u>
Legal Debt Margin	<u>\$ 651,492,013</u>	<u>\$ 686,472,145</u>	<u>\$ 722,161,258</u>	<u>\$ 754,268,357</u>
Total net debt applicable to the limit as a percentage of debt limit	16.45%	14.98%	13.56%	12.29%

TABLE 10

FISCAL YEAR					
2012	2013	2014	2015	2016	2017
\$ 881,587,371	\$ 900,743,193	\$ 938,369,383	\$ 960,676,976	\$ 982,829,946	\$ 994,896,924
<u>99,423,346</u>	<u>105,349,500</u>	<u>91,986,430</u>	<u>84,275,977</u>	<u>76,922,844</u>	<u>72,195,197</u>
<u>\$ 782,164,025</u>	<u>\$ 795,393,693</u>	<u>\$ 846,382,953</u>	<u>\$ 876,400,999</u>	<u>\$ 905,907,102</u>	<u>\$ 922,701,727</u>
11.28%	11.70%	9.80%	8.77%	7.83%	7.26%

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

Fiscal Year	Population ⁽¹⁾	Median Family Income ⁽²⁾	Per Capita Personal Income ⁽²⁾	Median Age ⁽²⁾	Educational Attainment		School Enrollment ⁽³⁾	Unemployment Rate ⁽⁴⁾
					High School	Bachelors Degree		
2008	33,039	N/A	N/A	N/A	N/A	N/A	7,094	4.4%
2009	33,201	119,821	47,766	39.8	93.7%	55.0%	7,118	5.6%
2010	33,353	120,351	47,833	39.8	93.7%	55.0%	7,029	5.8%
2011	34,467	N/A	N/A	40.9	97.0%	56.4%	6,868	6.5%
2012	34,860	124,057	49,324	42.0	96.4%	57.3%	6,768	5.8%
2013	34,698	124,493	50,484	42.1	96.4%	59.3%	6,571	5.6%
2014	34,427	123,003	51,179	42.7	96.7%	59.3%	6,385	4.7%
2015	34,754	125,030	52,928	43.6	96.4%	61.0%	6,169	3.8%
2016	34,768	126,188	55,679	43.9	96.2%	61.2%	6,094	3.6%
2017	34,678	129,648	57,709	43.9	96.3%	61.9%	5,923	3.5%

Sources:

⁽¹⁾ State of Connecticut Department of Public Health

⁽²⁾ U.S. Census Bureau, American Fact Finder

⁽³⁾ Town of Glastonbury Board of Education

⁽⁴⁾ State of Connecticut Department of Labor

TABLE 12

**TOWN OF GLASTONBURY, CONNECTICUT
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

Name	Nature of Business	2017			2008		
		Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Town of Glastonbury	Government	1000-4999	1	16.13%	1,102	1	7.23%
Healthtrax Inc.	Health Clubs	1000-4999	2	16.13%			
Fiserv (was Open Solutions)	Data Processing	250-499	3	2.02%	420	3	2.75%
United Financial Bancorp Inc	Financial Services	250-499	4	2.02%			
Home Depot	Home Centers	100-249	5	0.94%			
Super Stop & Shop	Grocers-Retail	100-249	6	0.94%	290	4	1.90%
Salmon Brook Center	Nursing Home	100-249	7	0.94%	200	5	1.31%
Tca Consulting Group	Employment contractors	100-249	8	0.94%			
Smith Brothers Insurance LLC	Insurance	100-249	9	0.94%			
Whole Foods Market	Grocers-Retail	100-249	10	0.94%			
CIGNA Insurance Company	Insurance				150	6	0.98%
IKON/Office Solutions	Office Equipment				420	2	2.75%
Bank of America Business Capital	Financial Services				130	7	0.85%
AMICA	Insurance				124	8	0.81%
Nabisco/Kraft	Wholesale Distributor				100	9	0.66%
AeroMed	Environmental Control				70	10	0.46%
				<u>41.93%</u>	<u>3,006</u>		<u>19.71%</u>
Total Town Employment			est	<u>18,601</u>		est	<u>15,250</u>

Source: 2017 data - Connecticut Department of Labor and Connecticut Economic Resources Center, Inc.
2008 data - Glastonbury Community Development Department and Bond Official Statement Telephone Survey

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

	FISCAL YEAR									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General government										
Town Manager	2.0	2.0	2.0	2.0	2.0	2.0	2.0	3.0	3.0	3.0
Human Resources	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	3.0
Facilities Maintenance	16.9	16.9	16.9	17.2	17.2	17.2	17.2	17.2	18.5	13.0
Community Development										
Community Development	6.0	6.0	5.5	5.5	5.5	5.5	4.5	4.5	4.5	4.5
Building Inspection	5.0	5.0	5.0	4.0	4.5	4.5	4.5	4.5	4.0	4.0
Fire Marshal	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.0
Health	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.0
Administrative Services										
Financial Administration	9.2	8.5	8.5	8.5	8.5	8.5	8.5	9.5	8.5	8.0
Accounting	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Property Assessment	5.5	5.5	5.5	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Revenue Collection	4.5	4.5	4.5	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Town Clerk	4.8	4.8	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Registrar of Voters	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3
Public Safety										
Police	76.5	77.0	77.0	77.0	77.0	77.0	77.0	77.0	77.0	75.0
Fire	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Physical Services										
Engineering	12.5	12.0	12.5	12.5	12.5	13.0	13.0	13.0	13.0	12.5
Highway	23.5	23.5	22.5	22.5	22.5	22.5	22.5	22.5	23.0	22.0
Fleet Maintenance	13.9	13.9	8.9	8.9	8.9	8.9	8.2	8.2	8.2	6.0
Sanitation										
Water Pollution	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0
Refuse Disposal	7.1	7.1	7.1	6.1	6.1	6.1	6.1	6.1	6.1	2.0
Human Services										
Youth & Family Services	14.0	14.0	14.0	14.0	14.0	14.0	13.1	13.1	13.1	12.0
Senior & Community Services	16.6	16.1	16.1	16.1	16.1	16.1	16.8	16.8	16.8	9.0
Leisure/Culture										
Parks & Recreation	24.7	24.9	24.3	24.3	24.3	24.3	23.8	23.8	23.8	22.0
Welles-Turner Library	17.7	17.7	17.7	17.7	17.7	15.6	15.6	15.6	15.6	10.0
Education	<u>813.4</u>	<u>818.0</u>	<u>807.9</u>	<u>788.1</u>	<u>809.2</u>	<u>824.6</u>	<u>823.2</u>	<u>814.3</u>	<u>806.8</u>	<u>801.0</u>
Total	<u>1,103.1</u>	<u>1,106.7</u>	<u>1,089.2</u>	<u>1,066.7</u>	<u>1,088.3</u>	<u>1,102.1</u>	<u>1,098.3</u>	<u>1,091.4</u>	<u>1,084.2</u>	<u>1,044.3</u>

Source: Town and Board of Education budgets

Note: Full-time equivalents do not include seasonal employees.

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

	FISCAL YEAR									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Building/Community Development										
Alterations - residential/commercial	617	699	780	717	972	574	1,575	1,523	1,956	1,990
Number of subdivisions approved	6	2	3	-	6	4	-	3	5	4
New residential dwellings	57	36	43	44	47	21	19	15	25	25
New commercial buildings	4	7	4	4	2	2	4	-	8	7
Fire Marshal										
Fire investigations completed	120	123	168	116	130	81	91	63	43	26
Assembly occupancy inspections	266	223	188	202	156	265	278	300	236	467
Health										
Routine inspections	1,026	592	793	971	1,414	1,100	914	996	967	995
Complaint inspections	201	158	165	220	145	173	113	142	76	223
Financial Administration										
Percent of taxes to total revenue	88.70%	88.60%	89.60%	89.90%	90.60%	90.60%	91.10%	90.80%	91.60%	90.90%
Property Assessment										
Grand list accounts	52,087	53,029	52,526	52,836	53,027	53,467	53,480	53,690	53,657	53,794
Adjusted grand list accounts	2,466	2,407	2,122	2,368	2,211	2,418	2,342	2,566	3,337	3,153
Revenue Collection										
Collection rate	99.53%	99.13%	99.13%	99.34%	99.47%	99.44%	99.41%	99.42%	99.55%	99.45%
# of real estate tax bills	13,883	13,739	13,782	13,774	13,782	13,844	13,871	13,874	13,945	13,935
# of motor vehicle tax bills	31,372	31,534	31,780	31,877	31,908	31,839	31,756	32,126	31,883	31,661
# of personal property tax bills	2,118	2,144	2,139	2,086	2,120	2,123	2,165	2,190	2,210	2,198
# of supplemental motor vehicle bills	5,083	4,841	4,296	4,551	4,654	4,993	5,157	4,953	5,068	5,466
Police										
Uniform strength	56	56	55	57	56	52	57	56	59	55
Dispatches for service	20,417	20,718	20,459	17,145	19,223	20,030	18,726	18,264	18,162	17,662
Emergency time response	4:27 min	4:56 min	4:38 min	4:40 min	5:28 min	4:59 min	4:37 min	4:32 min	4:34 mins	4:56 mins
Average police response time (all calls)	6:03 min	6:14 min	6:18 min	6:30 min	6:36 min	6:08 min	6:14 min	5:56 min	6:13 mins	6:05 mins
Total crimes / FBI uniform crime index	449	396	454	437	428	363	385	292	440	592
Total medical calls	1,654	1,652	1,630	1,663	1,637	1,614	1,707	1,859	2,195	2,293
Total animal control calls	984	904	880	860	809	729	699	627	761	646
Total motor vehicle accidents	854	786	762	806	779	932	888	874	766	911
Physical arrests	630	564	467	536	563	596	572	475	429	519
Parking violations	229	171	192	82	152	137	131	96	117	75
Traffic violations	1,797	1,945	1,816	965	1,414	1,761	2,056	1,601	1,575	1,604
Fire										
Uniform strength	124	120	115	111	111	114	111	115	116	120
Full time	2	1	-	1	1	1-2	2	2	2	2
Emergency incidents	912	981	951	1,139	1,295	950	858	851	870	851
Structure fires	134	53	53	17	34	35	25	15	13	8
Fire training hours	7,366	7,923	5,960	6,870	7,777	7,800	7,379	7,053	6,449	6,946
Engineering										
Right of way permits	313	328	234	295	253	209	270	416	296	340
Sanitation sewer permits	69	40	39	38	63	36	31	42	50	59
Highway										
Snow routes	21	21	21	21	21	21	21	21	21	21
Road miles plowed	23,577	44,256	32,057	45,335	13,766	36,200	50,007	47,812	25,400	32,627
Lane miles paved/street resurfacing	18	13	15	11	9	18	12	15	11	14
Catch basins cleaned	3,000	710	345	273	237	215	250	360	365	357
Water Pollution Control										
Average daily treatment flow (gal/day)	2,210,000	2,330,000	2,200,000	2,140,000	2,290,000	2,200,000	2,147,315	2,070,000	2,030,000	1,970,000
Gallons of sludge disposed	3,500,784	3,431,000	3,304,000	3,022,500	2,977,500	2,312,000	2,184,000	2,246,000	2,359,500	2,576,500
Refuse Disposal										
Annual tons of solid waste collected	2,388	2,083	1,933	2,024	1,864	2,087	1,622	1,595	1,600	1,574
Vehicles at hazard waste collection	603	452	535	441	421	563	457	427	411	442
Permits issued	6,239	7,377	6,374	6,252	6,475	6,450	6,897	7,135	7,350	7,254
Senior & Community Services										
Senior center participation	38,037	41,059	43,909	44,372	43,759	33,392	30,428	30,210	31,879	34,006
Outreach clients	1,048	1,084	1,337	1,401	1,454	1,467	1,480	1,216	1,245	1,641
Dial-A-Ride participation	23,962	20,888	21,356	20,169	20,243	19,633	24,151	24,688	22,687	18,963
Youth & Family Services										
Clinical clients	921	1,285	1,232	1,184	1,076	1,183	1,094	1,085	1,175	1,453
Youth program participation	11,036	9,690	11,972	10,530	10,397	10,748	8,944	1,875	928	914
Parks & Recreation										
Program participation registrations	93,981	91,743	96,683	92,540	92,920	88,668	84,325	79,205	87,405	88,064
Fields maintained	53	53	53	53	54	54	54	54	54	54
Rounds of golf played	13,006	16,392	18,544	16,763	13,594	15,599	13,010	14,229	15,394	11,655
Hours of athletic field use	39,277	38,300	45,714	47,077	46,267	43,596	45,576	43,441	45,389	43,942
Library										
Library transactions	567,145	567,440	560,689	335,729	481,960	470,070	452,381	403,943	382,471	342,785
Self check library transactions	37,316	96,465	38,509	35,898	36,277	28,204	17,433	18,640	305,976	294,985

Source(s): Various Town Departments

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

	FISCAL YEAR									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Fire										
Stations	4	4	4	4	4	4	4	4	4	4
Front-line equipment	23	21	21	21	21	20	20	13	21	21
Fire hydrants	706	708	708	708	709	709	709	711	775	775
Highway										
Storm drains	6,500	5,647	5,647	5,791	5,808	5,813	5,813	5,838	5,838	5,838
Street miles - center line	223	219	219	222	222	222	222	222	222	222
Expressways (miles)	13	13	13	13	13	13	13	13	13	13
Residential streets (miles)	193	169	169	172	172	172	172	172	172	172
Total street lights	1,003	1,003	1,003	1,003	1,003	1,003	1,003	1,003	1,003	1,003
Traffic signals	17	19	19	19	19	19	19	19	19	19
Bridges	15	16	16	16	16	16	16	16	16	16
Water Pollution Control										
Number of sanitary sewer miles	101	101	101	102	102	102	102	102	105	105
Senior & Community Services										
Community center	1	1	1	1	1	1	1	1	1	1
Natural gas sedan	-	1	1	1	1	1	2	3	2	2
Dial-A-Ride Buses										
Vans - Diesel	5	6	6	6	6	2	2	2	1	1
CNG	1	1	1	1	1	4	3	3	5	5
Parks & Recreation										
Number of golf holes	9	9	9	9	9	9	9	9	9	9
Parks	12	12	12	12	12	12	12	12	12	12
Athletic fields	53	53	53	53	54	54	54	54	54	54
Swimming pools	3	3	3	3	3	3	3	3	3	3
Welles-Turner Library										
Libraries	3	3	3	3	3	3	3	3	3	3

Source(s): Various Town Departments