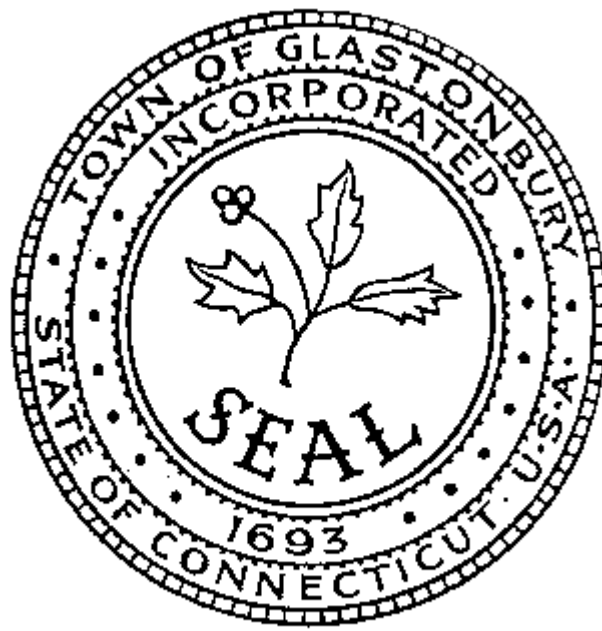


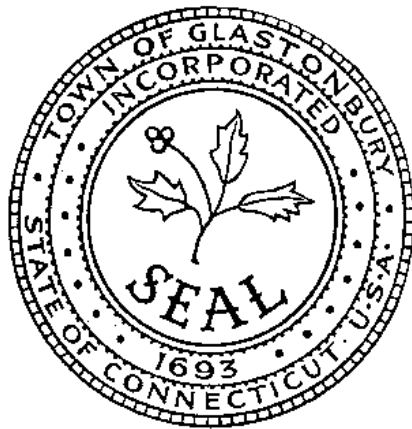
# TOWN OF GLASTONBURY, CONNECTICUT



## COMPREHENSIVE ANNUAL FINANCIAL REPORT Year Ended June 30, 2019



# TOWN OF GLASTONBURY, CONNECTICUT



## COMPREHENSIVE ANNUAL FINANCIAL REPORT

**For the Fiscal Year  
July 1, 2018 to June 30, 2019**

Prepared By:  
Financial Administration  
and  
Accounting Divisions



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## **Introductory Section**







# *Town of Glastonbury*

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

December 18, 2019

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, Connecticut (the Town) for the fiscal year ended June 30, 2019.

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 RSM US, LLP, 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, 2019 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 unmodified opinions that the Town of Glastonbury's financial statements for the fiscal year ended June 30, 2019 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 approximately eight miles southeast of Hartford and is bordered on the north 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 a population of 34,575.

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. Connecticut Transit provides bus service to and from Hartford and surrounding towns.

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 diverse economic base. Its citizens' income is derived from major insurance firms, prime government contractors, commercial/industrial firms, retail and service industries. The American Fact Finder published by the U.S. Census Bureau indicates that Glastonbury's median family income was \$135,791 in 2017, compared to the State's \$93,800. The median age of a Glastonbury resident was 45.8 years in 2017, compared to the State's 40.8 years.

Glastonbury's unemployment rate ranks better than the region. The Town's unemployment rate was 2.5% as of July 2019 as compared to the State of Connecticut at 3.6%. Glastonbury's unemployment rate decreased approximately one-half of a percent from July 2018 when the unemployment rate was 3%.

The net taxable Grand List of October 1, 2018 was \$4.23 billion, representing an increase of 1.2% from 2017. This continues the strong pattern of growth in the grand list since 2007 and strengthens the solid tax base in Glastonbury. Individually, the real estate segment increased 0.91%, the personal property segment increased 5.27%, and the motor vehicle list increased 2.48% over the net 2017 totals.

In 2018, the area real estate market continued on a path of stabilization, as it has done for five consecutive years. Growth in the volume of residential sales climbed from 531 to 541 (1.9%) over the previous grand list period. In addition, the average sales price increased from \$346,666 to \$362,487 (4.6%), capping a steady improvement in year over year growth. This vigorous result is generally consistent with similar local towns and it is primarily attributed to an improved regional economy, limited supply and low interest rates.

Key indicators of sustained growth included new home permits issued and the number of home renovations and additions. New home construction remained steady with 38 for this year – a slight decrease from 42 permits last year. Permits for residential alterations increased from 354 to 432 projects, a 22% increase. These figures indicate further signs of continued growth and confidence in the residential market.

The commercial rental market remained stable and occupancy rates remained high. The local commercial market saw a 150-unit apartment complex completed on Hebron Ave. Work was also completed at the Center Village complex which was enlarged by 32,000 sq. ft. to provide more affordable housing in town. Additionally, numerous other commercial developments are underway.

The personal property sector increased by a healthy 5.27% with the largest growth being split evenly amongst established companies reinvesting in new assets, and businesses new to town (primarily restaurants). Eleven of the new ventures added \$2.55 million in assessment value. Overall personal property reporting shows continued reinvestment and upgrading of equipment by existing businesses. The median business account assessment increased from \$7,500 to \$10,000. The continued growth in personal property is directly related to the Town's overall strong business climate.

The Town's economic base remains strong with private investments continuously being made through new development projects. In the Town Center, former commercial properties are being revitalized into new shopping and destination opportunities for the Town and the region. Construction activity continues at 2941-2955 Main Street where the former Pond House and Colonnade banquet facility were located. When complete, this location will consist of a total of 32,000 sq. ft. of retail, restaurant, office, and personal service uses. Heading south on Main Street, construction has started on a new Edge Fitness that will be located behind the existing Chili's restaurant. This facility will contain a total of 30,000 sq. ft. with an 8,000 sq. ft. mezzanine.

Naubuc Avenue has experienced new economic growth as well. Construction is in progress to develop 10 townhomes at 25 Naubuc Avenue. Two additional 3,000 sq. ft. medical office buildings were recently approved at the intersection of Naubuc Avenue and Putnam Boulevard. Land clearing has begun at this location. The house located at 244 Naubuc Avenue underwent significant renovation. It has been converted to a hair/body salon. Another house at 467 Naubuc Avenue received approvals for a conversion to a professional office. Not too far away from this location in the Somerset Square area, a 131-room AC Marriot hotel was recently approved.

The Hebron Avenue area has also been very active in terms of new development. Construction is underway at the intersection of Sycamore Street and Hebron Avenue. This revitalization effort will consist of approximately 19,000 sq. ft. of retail, office and restaurant use. Down the street from this development on Sycamore Street, a 4,000 sq. ft. medical office building will also be developed. In addition, plans are in the works for new development on Hebron Avenue around the Town's newly constructed roundabouts. There is a plan for a three-story, mixed use building at 311 Hebron Avenue. This building will contain retail/restaurant and office uses with residential on the second and third floors. Gottfried and Somberg also have plans in the works to redevelop their location at the corner of Sycamore Street and Linden Street to construct a new office building of 10,000 sq. ft.

Growth is happening in the industrial sector as well on Sequin Drive. A new 10,000 sq. ft. building was just completed at 80 Sequin Drive. A new 7,500 sq. ft. building just received land use approvals adjacent to this development at 108 Sequin Drive.

Glastonbury's market for daycare centers is also growing. In 2018, Educational Playcare opened its doors at 1193 Hebron Avenue. Educational Playcare is the site of the former Aloha Daycare. The company is already working to expand its operations. Educational Playcare purchased the church next to the daycare and will be renovating it to use for its daycare services. The company received land use approvals and construction is underway. Another 10,000 sq. ft. daycare facility was approved on Oak Street across from the Stop and Shop supermarket center and construction has started at this location as well. This year, the Town's first farm brewery also opened in Glastonbury off of Dug Road.

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 two and one half percent (2.5%) of the respective year’s full value Grand List. Additionally, annual Debt Service shall not exceed 10% of the respective year’s budget. For 2019, actual debt service expenditures represented approximately 5.2% of actual expenditures. 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.

Applicable data with regard to debt at the end of the 2019 fiscal year is represented as follows:

Bonded Debt	Amount (GO Bonds And Premiums)	Ratio of Debt to Assessed Value (70% of Present Market)	Ratio of Debt To Market Value	Bonded Debt Per Capita
Bonded debt	\$42,744,328	1.01%	0.71%	\$1,236

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, 2019 totaled \$42,744,328. 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, 2019, in accordance with Governmental Accounting Standards Board (GASB) Statement No. 54, the Town’s General Fund unassigned fund balance represented 17.62% of general fund expenditures and 16.67% of general fund 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 protecting principal followed by maintaining sufficient liquidity to meet cash flow needs, and finally, attaining 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 in the Connecticut General Statutes Section 26-382.

- **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 6.5% (effective with the 7/1/18 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 Administrative Services and the Director of Human Resources are jointly responsible for the risk management function. Semiannually, department directors must report to the Town Manager 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. 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 2018/19 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 92.6% of its budgeted revenues derived from property taxes and delinquent charges.

For the 2018/19 budget, the 2017 Grand List increased 5.38% as a result of state mandated property revaluation. When growth in the Grand List is considered exclusive of the property revaluation process, the Grand List would have grown 0.95%. The Grand List grew from \$3.95 billion to \$4.18 billion, and the 0.95% increase brought \$1.37 million in new tax revenue.

For FY 2017-2018, a two-tier mill rate was enacted of 37.45 mills for real estate (RE) and personal property (PP) and 32 mills for motor vehicles (MV). When the 37.45 and 32 mills are considered on a weighted average, a 37.04 single mill rate results (referred to as “normalized”). For FY2019, the State Legislature increased the maximum mill rate for motor vehicles to 40. This signaled a return to a single mill rate for RE, PP, and MV. A mill rate of 36 mills was adopted for FY2019. A decrease from 37.04 mills (normalized) to 36 mills resulted from the 5.38% increase in the grand list through state mandated property revaluation.

Historically, actual tax collection rates have exceeded 99.1%, the assumption used to set the mill rate. In 2016, 2017, and 2018 the collection rates were 99.55%, 99.45%, and 99.48% respectively. The Town completed the 2019 fiscal year with a 99.51% collection rate.

The Town conservatively budgets non-tax revenues with respect to building permit fees, investment income and Town Clerk conveyance fees, which comprise the majority of the non-tax revenue sources, exclusive of grants.

Intergovernmental revenue is the largest non-tax revenue account and represents approximately 4.3% of the Town's overall revenues in the FY 2019 budget. The Town's budget process is considerably early when compared to the timing of the State's budget schedule. This requires management to project future funding levels based on economic indicators at the time the budget is presented, and in most cases, even adopted in late March. However, during the FY 2019 budget process, intergovernmental revenue was fairly well defined in that the motor vehicle grant and municipal revenue sharing (combined \$2.086m) would likely not be funded, ECS funding would likely be sustained at prior year levels, and a new state Stabilization Grant was being developed that would bring Glastonbury approximately \$300,000. In the end, budgeted revenues were largely in-line with actual revenues received.

The Town continued to face many of the same challenges on the expenditure side of the budget for FY 2018-2019 as it had in prior years. The FY 2018-2019 budget for Town Operations increased 3.59% or \$1.46m. This budget was designed to incorporate the short and long term goals of the Town, which can be summarized as follows:

- Restore, as possible, funding reductions enacted in the 2017-2018 fiscal year.
- 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.
- Maintain Glastonbury's long history of devoting prudent attention to the community's long-term budget and financial management.
- Support and promote ongoing improvements to 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 and related cost savings.
- 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.

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 6.5%. 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 separate pension plan for new hires.

The final Education budget increased \$1.97 million or 1.91% over the previous year. Glastonbury Public Schools is responsible for the education of approximately 5,800 students from 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 been highly successful in the use of its Capital Improvement Program 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, and 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 of each year. This document sets forth 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, \$29 million has been approved at referendum for land acquisition and preservation. Through this program, the Town has acquired approximately 1,650 acres of which over 90% 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, 2019, the Town has a balance of approximately \$8.2 million available for future land purchases, of which \$5.0 million is encumbered for the potential purchase of land, of 542 +/- acres, from the Metropolitan District. The Town currently has agreements in place to purchase 542+/- acres of open space land for \$8 million, of which \$1 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 in the 2018-19 fiscal year was \$5,750,000 and for the 2019-20 fiscal year is \$6,000,000.

For the 2018-19 fiscal year, the projects included bridge replacement, improvements to Town roads, sidewalks and Town infrastructure, air conditioning for school buildings, energy efficiency projects, and various other building improvements.

Looking forward to 2019-2020, the Town Council appropriated a total of \$10.17 million for current year funding, including \$9.707 million for Capital Reserve Fund and \$461k for Town Aid Road. The funding is available through the annual appropriation to the Capital Reserve, Sewer Sinking funds and grants. Some major projects approved for funding include improvements to Town roads, sidewalks, the Glastonbury High School Cafeteria and Field House, air conditioning for school buildings, and various other building improvements. In addition to the \$6.0 million of funding from the General Fund, the Capital Improvement Plan program takes advantage of significant grant resources, as applicable.

The Town continues to evaluate proposals for purchase and development of the remaining two parcels, approximately 11 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**

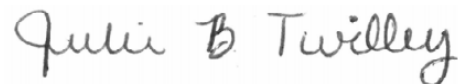
The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2018, which represents the twenty-ninth consecutive year this award has been received. In order to be awarded a Certificate of Achievement, the Town published an easy to read 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 2019 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 appreciation to Nina Cousins and Narae McManus, Controllers, who, through their dedication, commitment and attention to detail, contributed significantly to its preparation. I would also like to thank the Town Manager, Town Council and Board of Finance, for their ongoing support of sound financial management.

Respectfully submitted



Julie B. Twilley, CPA  
Director of Finance and Administrative Services



**Town of Glastonbury, Connecticut**

**Principal Town Officials  
June 30, 2019**

---

**Town Council**

Thomas P. Gullotta, Chairman	Jacob (Jake) McChesney
Lawrence Niland, Vice Chairman	Mary LaChance
Deborah Carroll	Whit C. Osgood
Stewart (Chip) Beckett III	George Norman
Kurt P. Cavanaugh	

**Board of Finance**

Constantine Constantine, Chairman	James McIntosh
Jared Soper, Vice Chairman	Jennifer Sanford
Walter Cusson	James Zeller

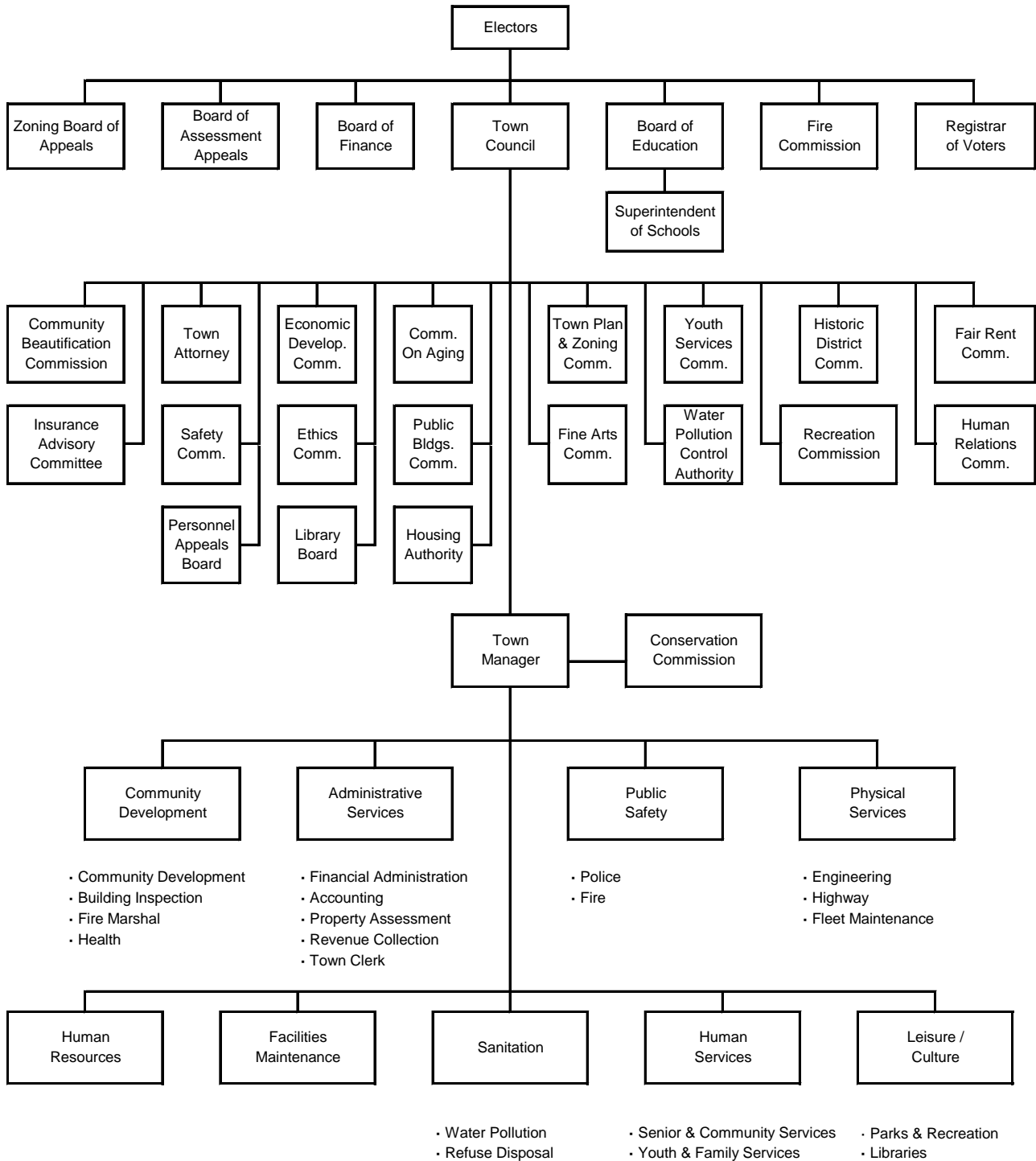
**Administration**

Town Manager	Richard J. Johnson
Chief of Police	Marshall Porter
Director of Finance and Administrative Services	Julie B. Twilley
Town Engineer/Manager of Physical Services	Daniel A. Pennington
Director of Planning and Land Use Services	Khara Dodds
Director of Human Resources	Sherri Tanguay

**Board of Education**

Susan Karp, Chairman	Jeremy Grieveson
Douglas C. Foyle, Ph.D., Vice Chairman	David Peniston, Jr.
Julie Thompson, Secretary	Chittaranjan Sahay, Ph.D.
Rosemary Coggeshall	Lillian Tanksi
Superintendent of Schools	Dr. Alan B. Bookman
Assistant Superintendent, Curriculum & Instruction	Rosemary Tralli, Ph.D.
Assistant Superintendent, Personnel & Administration	Matthew Dunbar
Finance Manager	Karen Bonfiglio

# Organization 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, 2018**

*Christopher P. Morrill*

Executive Director/CEO

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**Financial Section**





RSM US LLP

## Independent Auditor's Report

To the Town Council and the 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 (the Town) as of and for the fiscal year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Town'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.

### Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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 auditor considers internal control relevant to the Town'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 reasonable 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, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

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

### *Supplementary Information*

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

The combining and individual fund financial statements and other schedules are the responsibility of management and were derived from and relates 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 fund financial statements and other schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections, as listed in the table of contents, 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.

The Town of Glastonbury Connecticut's basic financial statements for the year ended June 30, 2018 (not presented herein), were audited by other auditors whose report thereon dated January 24, 2019, expressed unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining information.

The report of the other auditors dated January 24, 2019, stated that the General Fund balance sheet as of and for the year ended June 30, 2018 were subjected to the auditing procedures applied in the audit of the 2018 basic financial statements and certain additional auditing procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those basic financial statements or the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and, in their opinion, was fairly stated in all material respects in relation to the financial statements as a whole for the year ended June 30, 2018 are presented for purposes of additional analysis and are not a required part of the basic financial statements.



**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2019 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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's internal control over financial reporting and compliance.

*RSM US LLP*

New Haven, Connecticut  
December 18, 2019

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**Town of Glastonbury, Connecticut**  
**Management's Discussion and Analysis – Unaudited**  
**June 30, 2019**

This discussion and analysis of the Town of Glastonbury, Connecticut's (the Town) financial performance provides an overview of the Town's financial activities for the fiscal year ended June 30, 2019. 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 and deferred outflows of the Town exceeded its liabilities and deferred inflows resulting in total net position at the close of the fiscal year of \$238 million. Of the Town's total net position at June 30, 2019, \$2.0 million, or 0.9%, 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 \$4.5 million or 1.9%, from \$234 million to \$238 million. Government-wide expenses were \$183 million, while revenues were \$187 million. The increase in net position of \$4.5 million is attributable to the overall management of Town operations in a fiscally responsible manner.
- At the close of the year, the Town's governmental funds reported, on a current financial resources basis, combined ending fund balances of \$60.7 million, an increase of \$8.0 million from the prior fiscal year. Of the total \$60.7 million fund balance as of June 30, 2019, \$27.3 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 \$29.2 million, an increase of approximately \$3.5 million from the prior fiscal year. Of that total fund balance, \$27.6 million is unassigned. The unassigned General Fund balance at year-end represents 16.9% of total General Fund expenditures and transfers out (\$163.5 million on a budget basis).
- The Town's total bonded indebtedness decreased \$3.9 million during the fiscal year. The Town issued \$2,735,000 of General Obligation Bonds and \$3,800,000 of General Obligation Refunding bonds during the year.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, 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 2010 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 the Town's assets and deferred outflows and liabilities and deferred inflows, with the difference reported as net position. One can think of the Town's net position - the difference between assets and deferred outflows and liabilities and deferred inflows - 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.

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 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 17-18.

### **Fund Financial Statements**

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

**Governmental Funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of 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 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, Capital and Nonrecurring Expenditures 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, 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 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 67.

The basic governmental fund financial statements (balance sheet and statement of revenues, expenditures and changes in fund balances) can be found on pages 19-22.

**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 23-25.

**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 (OPEB) trust fund and two agency funds. The basic fiduciary fund financial statements can be found on pages 26-27.

### **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 28-66 of this report.

Certain required supplementary information is reported concerning the Town's progress in funding its obligation to provide pension benefits and OPEB 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 Changes in Net OPEB Liability and Related Ratios, Schedule of Employer Contributions- OPEB, Schedule of Investment Returns-OPEB, and Schedule of the Town's Proportionate Share of the Net OPEB Liability-Teachers Retirement Plan on pages 68-79 of this report.

Additional required supplementary information on comparative data for the general fund budgeted revenues and expenditures is shown on page 67.

## 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 Governmental Activities assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$238 million on June 30, 2019.

### Town of Glastonbury, Connecticut Summary Statement of Net Position June 30, 2019 and 2018 (In 000's)

	Governmental Activities	
	2019	2018
Current and other assets	\$ 76,919	\$ 72,223
Capital assets, net	291,476	297,255
<b>Total assets</b>	<b>368,395</b>	<b>369,478</b>
Deferred outflows of resources:		
Deferred charge on refunding	1,045	1,540
Change in pension actuarial experience	2,786	3,290
Change in pension assumptions	3,798	4,613
Net change in pension investment experience	1,374	451
Change in OPEB actuarial experience	924	1,056
Change in OPEB assumptions	508	581
Net change in OPEB investment experience	4	10
<b>Total deferred outflows of resources</b>	<b>10,439</b>	<b>11,541</b>
Long-term liabilities outstanding	132,238	134,267
Other liabilities	7,704	12,132
<b>Total liabilities</b>	<b>139,942</b>	<b>146,399</b>
Deferred inflows of resources:		
Advance tax payments	397	429
Pension related items	105	302
<b>Total deferred inflows of resources</b>	<b>502</b>	<b>731</b>
Net position:		
Net investment in capital assets	236,341	237,664
Restricted	9	9
Unrestricted (deficits)	2,040	(3,744)
<b>Total net position</b>	<b>\$ 238,390</b>	<b>\$ 233,929</b>

By far, the largest portion of the Town's net position 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'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.

The unrestricted net position is primarily attributable to the decrease in the Teachers' Retirement System Retiree Health Insurance Plan (OPEB) liability during the year.

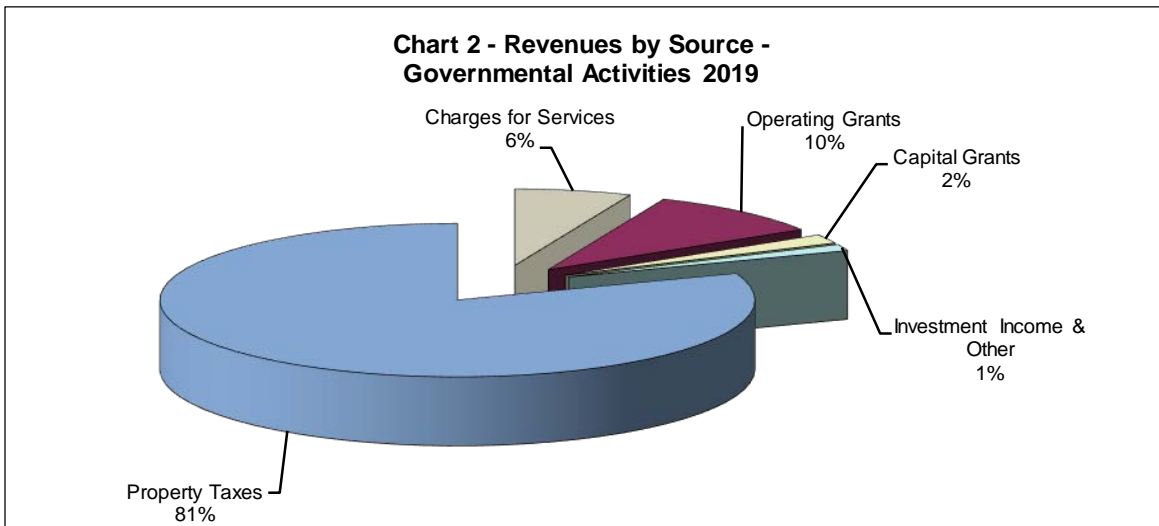
**Town of Glastonbury, Connecticut**  
**Summary Statement of Activities**  
**For the Years Ended June 30, 2019 and 2018**  
(In 000's)

	Governmental Activities	
	2019	2018
Revenues:		
Program revenues:		
Charges for services	\$ 11,857	\$ 11,206
Operating grants and contributions	18,407	32,039
Capital grants and contributions	3,521	3,332
General revenues:		
Property taxes	150,507	147,569
Grants and contributions not restricted to specific programs	257	120
Investment income and other	2,432	856
<b>Total revenues</b>	<b>186,981</b>	<b>195,122</b>
Expenses:		
General government services	3,558	4,905
Community development	2,086	1,915
Administrative services	6,574	6,522
Public safety	16,125	15,276
Physical services	11,834	11,819
Sanitation	3,960	3,789
Human services	2,962	3,094
Leisure/culture	8,399	8,463
Education	124,973	135,100
Interest on long-term debt	2,049	2,081
<b>Total expenses</b>	<b>182,520</b>	<b>192,964</b>
<b>Change in net position</b>	<b>4,461</b>	<b>2,158</b>
Net position, beginning	<b>233,929</b>	231,771
Net position, ending	<b>\$ 238,390</b>	<b>\$ 233,929</b>

Glastonbury's net position increased \$4.5 million during the fiscal year. This increase is attributable to the overall management of Town operations in a fiscally responsible manner.

## Governmental Activities

Approximately 80.5% of the revenues were derived from property taxes, followed by 9.8% from operating grants and contributions, 6.3% from charges for services, 1.9% from capital grants and contributions and the remaining 1.5% capital contributions, investment earnings and grants and contributions.



Major revenue factors included:

- Property tax revenues recorded for fiscal year 2019 totaled \$150.5 million, which represents an increase of 2.0% over 2018 tax revenues. The tax increase for the 2018/19 budget was 2.32%. This increase, combined with the estimated growth in the grand list of 0.95%, generated approximately \$1.37 million in additional tax revenue. In addition, the actual tax collection rate exceeded the assumed rate, 99.51% versus 99.1%, respectively.
- Investment income increased by \$1.6 million or 184.1%, primarily due to increases in the interest rate during the year.
- Operating grants and contributions decreased by 13.6 million or 42.5% primarily due to the decrease in the State payment for the teacher's retirement system which decreased \$13.6 million in FY2019.

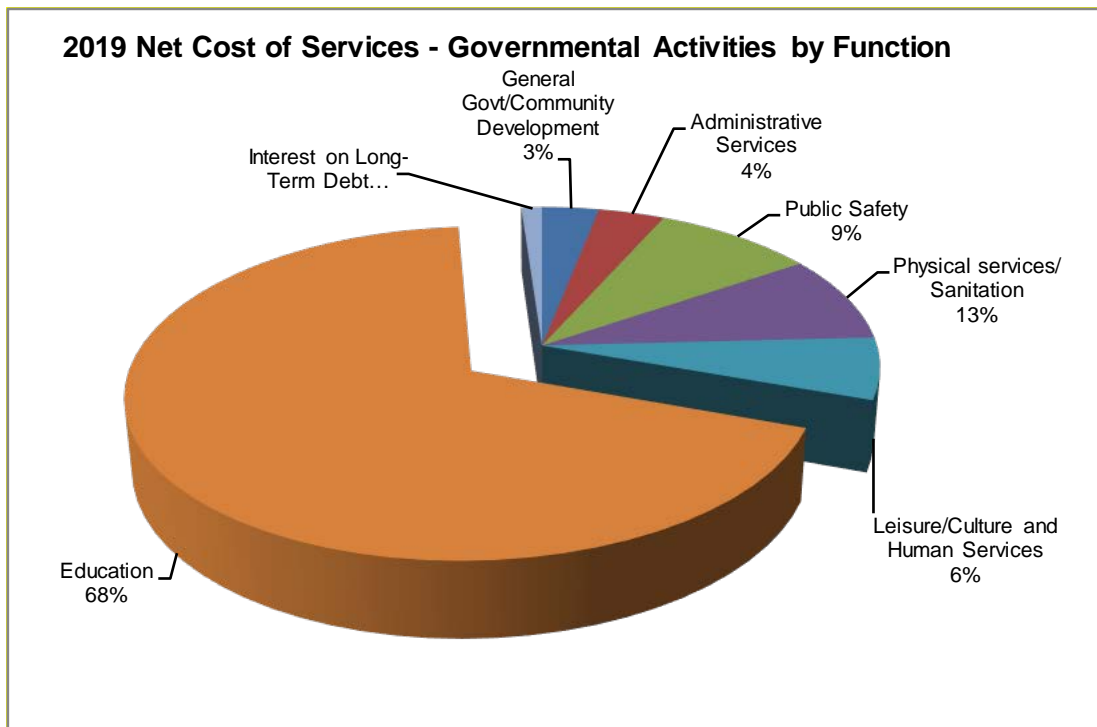


With respect to governmental activities, 68.5% of the Town's expenses are related to education. Physical services and sanitation accounted for 8.7%, public safety accounted for 8.8%, leisure and culture, comprised of parks and recreation and library services, accounted for 4.6% and administrative services, which includes finance, accounting, revenue collection, assessment, town clerk, property and casualty insurances, legal costs and information technology accounted for 3.6% of expenses. The remaining 5.8% relates to general government, community development, human services and interest on long-term debt.

Overall, expenses decreased \$10.4 million or 5.4% over the prior year. Major expenditure factors include:

- General government services expenses decreased \$1.3 million or 27.5%, primarily due to decreases in pension assumptions.
- Education expenses decreased \$10.1 million or 7.5%. The primary reason for this decrease is the \$13.6 million decrease in the State of Connecticut's contribution to the State Teachers Retirement System on behalf of the Town, offset by wage and pension increases.

Most other expenses decreased slightly due to budget restraints and cost savings. 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 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds.** The focus of the Town's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Town'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, 2019, the Town of Glastonbury's governmental funds reported combined ending fund balances of \$60.7 million, an increase of \$8.0 million over the previous year. Approximately \$33.4 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 \$27.3 million of fund balance is unassigned, comprised of the net of the General Fund balance of \$27.6 million and deficit offsets in the Capital and Nonrecurring Expenditures Fund of \$2.5 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 \$27.6 million while total fund balance reached \$29.2 million.

The Town's General Fund balance increased \$3.5 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 actual exceeded estimated revenues by \$2.5 million.
- Intergovernmental revenue actual exceeded estimated revenues by \$0.5 million, primarily due to increase in State funding for Education.
- Property taxes collected exceeded estimates by \$0.8 million.
- Investment income exceeded budget estimates by \$0.5 million, due to rising short-term interest rates during the year.
- Licenses and permits exceeded budget estimates by approximately \$0.3 million due to building permit revenue received during the year for major development projects within Town.
- General Fund expenditures came in \$1.6 million under budget. The savings were throughout various departments and were attributable to savings in wages and benefits achieved through attrition and staff vacancies in various departments.
- It should be noted that not included in the operations at June 30, 2019 is approximately \$0.26 million in encumbrances and capital carry forwards attributable to commitments and capital purchases not made in the current year and \$0.56 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.
- A repayment of \$1.4 million was made to the General Fund from the Elementary School Air Conditioning Capital Improvement Project.

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 \$9.8 million, representing an increase of \$2.6 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 \$1.1 million decrease. Income was generated primarily from sewer connection assessments collected during the year of \$0.4 million, investment income of \$0.3 million and accrual of an unrealized investment gain of \$0.2million. 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, \$1.7 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 and Nonrecurring Expenditures Fund, grants, and sewer assessment or user fees. During the year, the Town expended \$6.3 million for various capital projects and improvements. The fund balance decreased \$0.8 million for a total of \$8.1 million at year end, all of which is committed for capital and infrastructure purposes.

### **Capital and Nonrecurring Expenditures Fund**

This fund accounts for monies set aside for future capital improvements. Fund balance increased \$2.2 million. In addition to \$5.9 million transferred in from the General Fund and \$0.09 million from closed capital projects, \$2.8 million was received from state and federal grants and \$0.2 million from investment income. \$6.9 million was transferred to the Capital Reserve Projects Fund for capital expenditures. The \$0.3 million fund deficit is the result of timing differences in funding projects and receiving grant reimbursements.

### **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 \$1.6 million, due to the issuance of a general obligation bond of \$2,735,000 offset by land purchases of \$1.3 million.

### **General Fund Budgetary Highlights**

The difference between the original budget and the final amended expenditure budget was \$2.9 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 \$1.37 million to reflect the receipt of special education excess costs, transportation grants and community use custodial fee reimbursements.
- Increased appropriations for encumbrances, capital outlay, and education unexpended fund carryovers from the prior fiscal year in the amount of \$1.1 million.
- Increased appropriations by \$0.28 million to repay federal grants received in prior years in error.
- Increased appropriations by \$0.15 million to establish a contingency fund.

During the year, actual revenues on a budgetary basis were \$165.6 million which was more than budgetary estimates by \$2.5 million. Significant contributions to this increase were \$0.5 million intergovernmental revenues that were received and unanticipated revenues from the following sources; property taxes and fees of \$0.8 million in excess of estimates, licenses and permits of \$0.3 million in excess of estimates, and investment income of \$0.5 million in excess of estimates.

Actual expenditures and transfers out on a budgetary basis totaled \$163.5 million, which is approximately \$1.7 million less than the amended budget of \$165.2 million. This variance is attributable to various savings across all departments of the Town.

**Capital Asset and Debt Administration**

**Capital Assets.** The Town's investment in capital assets for its governmental activities as of June 30, 2019, amounted to \$537.8 million on a gross basis and \$291.5 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 decrease in the Town's investment in capital assets before depreciation for the fiscal year was \$5.8 million.

**Town of Glastonbury  
Capital Assets  
June 30, 2019 and 2018**

	Governmental Activities	
	2019	2018
Land	\$ 45,310	\$ 44,634
Development rights	4,109	3,331
Construction in progress	546	1,451
Land improvements	42,765	42,413
Building and improvements	230,528	229,072
Machinery and equipment	54,660	53,287
Computer software	872	872
Infrastructure	159,038	156,380
<b>Total</b>	<b>\$ 537,828</b>	<b>\$ 531,440</b>

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

- Major additions to Construction in Progress (CIP) include resurfacing a portion of Hebron Avenue, street improvements at the Hebron Avenue and House Street intersection, Parks facility renovation, air conditioning at the schools and Grange pool improvements. Completed portions of the projects have been capitalized from CIP.
- Purchase of land and development rights totaling \$1.5 million.

Additional information on the Town's capital assets can be found at Note 6 of this report.

**Long-Term Debt.** At the end of the current fiscal year, the Town had total bonded debt outstanding of \$41.0 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 is equal to seven times annual receipts from taxation or \$1.032 million. As of June 30, 2019, the Town's recorded long-term debt of \$41.0 million is well below its statutory debt limits.

The Town issued long term debt in the amount of \$6.5 million during the year and has bond anticipation notes outstanding in the amount of \$1.3 million.

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

### **Economic Factors**

The Town is well positioned to handle various economic conditions. The Town 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'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.

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## **Basic Financial Statements**





Town of Glastonbury, Connecticut

Exhibit I

Statement of Net Position  
June 30, 2019

	Primary Governmental Activities
<b>Assets</b>	
Current assets:	
Cash and cash equivalents	\$ 53,257,397
Receivables, net of allowance of \$178,828	2,979,078
Inventory	221,018
Investments	20,428,549
Other assets	32,915
<b>Total current assets</b>	<u>76,918,957</u>
Noncurrent assets:	
Capital assets not being depreciated	49,965,163
Capital assets being depreciated, net of accumulated depreciation	241,510,497
<b>Total noncurrent assets</b>	<u>291,475,660</u>
<b>Total assets</b>	<u>368,394,617</u>
<b>Deferred outflows of resources</b>	
Deferred charge on refunding	1,045,493
Deferred outflows related to OPEB	1,435,916
Deferred outflows related to Pension	7,957,096
<b>Total deferred outflows of resources</b>	<u>10,438,505</u>
<b>Liabilities</b>	
Current liabilities:	
Accounts payable and accrued liabilities	4,734,050
Due to developers for escrow deposits	681,074
Due to others for escrow deposits	218,068
Bond anticipation notes payable	1,305,000
Unearned revenue	424,601
Accrued interest payable	340,714
Noncurrent liabilities:	
Due within one year	6,167,846
Due in more than one year	126,070,036
<b>Total liabilities</b>	<u>139,941,389</u>
<b>Deferred Inflows of Resources</b>	
Advance tax payments	396,651
Deferred inflows related to pension	105,096
<b>Total deferred inflows of resources</b>	<u>501,747</u>
<b>Net Position</b>	
Net Investment in capital assets	236,341,081
Restricted for:	
Trust funds, nonexpendable	8,527
Unrestricted	2,040,378
<b>Total net position</b>	<u>\$ 238,389,986</u>

See notes to the financial statements.

Town of Glastonbury, Connecticut

Exhibit II

Statement of Activities  
For the Year Ended June 30, 2019

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Total
Primary government:					
Governmental activities:					
General government services	\$ 3,558,301	\$ -	\$ 678,903	\$ -	\$ (2,879,398)
Community development	2,086,114	1,062,130	-	-	(1,023,984)
Administrative services	6,574,031	1,414,436	6,000	-	(5,153,595)
Public safety	16,125,146	761,697	404,205	227,541	(14,731,703)
Physical services	11,833,440	309,673	-	3,217,551	(8,306,216)
Sanitation	3,959,994	4,255,728	2,643	-	298,377
Human services	2,962,089	200,442	73,494	51,278	(2,636,875)
Leisure/culture	8,398,947	2,043,902	30,054	-	(6,324,991)
Education	124,973,432	1,809,190	17,211,380	24,400	(105,928,462)
Interest on long-term debt	2,048,015	-	-	-	(2,048,015)
<b>Total primary government</b>	<b>\$ 182,519,509</b>	<b>\$ 11,857,198</b>	<b>\$ 18,406,679</b>	<b>\$ 3,520,770</b>	<b>(148,734,862)</b>
General revenues:					
					150,506,963
					256,519
					2,432,123
					<u>153,195,605</u>
					4,460,743
					233,929,243
					<u>\$ 238,389,986</u>

See notes to the financial statements.

**Balance Sheet - Governmental Funds  
June 30, 2019**

	General Fund	Special Assessment Fund	Capital Reserve Projects Fund	Capital and Nonrecurring Expenditures Fund	Land Acquisition	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>							
Cash and cash equivalents	\$ 26,230,437	\$ 2,656,181	\$ 6,083,568	\$ -	\$ 2,313,601	\$ 8,145,441	\$ 45,429,228
Receivables, net of allowances for collection losses	1,444,299	503,473	-	750,085	-	281,086	2,978,943
Due from other funds	-	-	683,155	-	-	-	683,155
Inventory	202,547	-	-	-	-	18,471	221,018
Investments	6,627,877	9,769,700	1,578,869	-	600,449	1,851,654	20,428,549
Other assets	22,884	-	-	-	-	10,031	32,915
<b>Total assets</b>	<b>\$ 34,528,044</b>	<b>\$ 12,929,354</b>	<b>\$ 8,345,592</b>	<b>\$ 750,085</b>	<b>\$ 2,914,050</b>	<b>\$ 10,306,683</b>	<b>\$ 69,773,808</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)</b>							
Liabilities:							
Accounts payable and other payables	\$ 2,743,510	\$ -	\$ 279,051	\$ -	\$ -	\$ 426,489	\$ 3,449,050
Due to other funds	521,534	-	-	683,155	-	-	1,204,689
Due to developers for escrow deposits	681,074	-	-	-	-	-	681,074
Due to others for escrow deposits	108,662	109,406	-	-	-	-	218,068
Bond anticipation notes payable	-	-	-	-	1,305,000	-	1,305,000
Unearned revenue	33,943	-	-	334,249	-	56,409	424,601
<b>Total liabilities</b>	<b>4,088,723</b>	<b>109,406</b>	<b>279,051</b>	<b>1,017,404</b>	<b>1,305,000</b>	<b>482,898</b>	<b>7,282,482</b>
Deferred inflows of resources:							
Unavailable revenue - property taxes	821,530	-	-	-	-	-	821,530
Unavailable revenue - special assessments	-	486,782	-	-	-	31,878	518,660
Unavailable revenue - other	-	-	-	-	-	12,223	12,223
Advance tax payments	396,651	-	-	-	-	-	396,651
<b>Total deferred inflows of resources</b>	<b>1,218,181</b>	<b>486,782</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>44,101</b>	<b>1,749,064</b>
Fund balances (Deficits):							
Nonspendable	225,431	-	-	-	-	37,029	262,460
Restricted	-	-	-	-	-	2,035,260	2,035,260
Committed	-	12,333,166	8,066,541	-	1,609,050	7,707,395	29,716,152
Assigned	1,394,049	-	-	-	-	-	1,394,049
Unassigned	27,601,660	-	-	(267,319)	-	-	27,334,341
<b>Total fund balances (deficits)</b>	<b>29,221,140</b>	<b>12,333,166</b>	<b>8,066,541</b>	<b>(267,319)</b>	<b>1,609,050</b>	<b>9,779,684</b>	<b>60,742,262</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 34,528,044</b>	<b>\$ 12,929,354</b>	<b>\$ 8,345,592</b>	<b>\$ 750,085</b>	<b>\$ 2,914,050</b>	<b>\$ 10,306,683</b>	<b>\$ 69,773,808</b>

(Continued)

**Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position  
June 30, 2019**

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

<b>Total fund balances (Exhibit III)</b>		\$ 60,742,262
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:		
Capital assets	\$ 537,828,658	
Less accumulated depreciation	<u>(246,352,998)</u>	
<b>Net capital assets</b>		291,475,660
Other long-term assets and deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are deferred in the funds:		
Property tax and assessment receivables greater than 60 days	1,340,190	
Other receivables greater than 60 days	12,223	
Pension deferred outflows	7,957,096	
OPEB deferred outflows	1,435,916	
Deferred charges on refunding	<u>1,045,493</u>	
		11,790,918
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.		
		7,064,838
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	(41,020,000)	
Bond premium, net of amortization	(1,724,328)	
Clean Water loans payable	(11,792,011)	
Interest payable on bonds	(340,714)	
Compensated absences	(3,914,271)	
Net pension liability	(58,179,330)	
Deferred pension inflows	(105,096)	
Net OPEB liability	(15,384,353)	
Other payable	<u>(223,589)</u>	
		<u>(132,683,692)</u>
<b>Net position of governmental activities (Exhibit I)</b>		<u>\$ 238,389,986</u>

See notes to the financial statements.

**Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits) –  
Governmental Funds  
For the Year Ended June 30, 2019**

	General Fund	Special Assessment Fund	Capital Reserve Projects Fund	Capital and Nonrecurring Expenditures Fund	Land Acquisition	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues:</b>							
Property taxes, interest and liens fees	\$ 151,222,713	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 151,222,713
Licenses and permits	1,429,480	-	-	-	-	-	1,429,480
Intergovernmental	8,878,993	-	-	2,756,334	-	3,315,326	14,950,653
Charges for services	1,778,807	359,128	-	-	-	6,498,763	8,636,698
Investment income	1,317,030	304,010	-	190,450	67,092	97,443	1,976,025
Unrealized investment gain	183,370	203,887	-	-	-	-	387,257
Other revenues	739,778	1,834	-	280,069	8,016	532,959	1,562,656
State payment for teacher's retirement / health account system	6,976,796	-	-	-	-	-	6,976,796
<b>Total revenues</b>	<b>172,526,967</b>	<b>868,859</b>	<b>-</b>	<b>3,226,853</b>	<b>75,108</b>	<b>10,444,491</b>	<b>187,142,278</b>
<b>Expenditures:</b>							
<b>Current:</b>							
General government	3,280,357	-	-	-	-	-	3,280,357
Community development	2,043,759	-	-	-	-	-	2,043,759
Administrative services	6,136,354	-	-	-	-	293,553	6,429,907
Public safety	14,217,513	-	-	-	-	741,828	14,959,341
Physical services	7,053,345	-	-	-	-	-	7,053,345
Sanitation	804,153	-	-	-	-	1,834,621	2,638,774
Human services	2,760,010	-	-	-	-	-	2,760,010
Leisure/culture	5,698,826	-	-	-	-	1,647,959	7,346,785
Education	107,298,945	-	-	-	-	4,157,579	111,456,524
State payment for teacher's retirement / health account system	6,976,796	-	-	-	-	-	6,976,796
<b>Debt service:</b>							
Principal	6,400,000	-	-	-	-	903,026	7,303,026
Interest and other charges	1,753,656	-	-	-	-	245,653	1,999,309
Capital outlay	-	-	6,280,171	-	1,305,493	198,555	7,784,219
<b>Total expenditures</b>	<b>164,423,714</b>	<b>-</b>	<b>6,280,171</b>	<b>-</b>	<b>1,305,493</b>	<b>10,022,774</b>	<b>182,032,152</b>
<b>Revenues over (under) expenditures</b>	<b>8,103,253</b>	<b>868,859</b>	<b>(6,280,171)</b>	<b>3,226,853</b>	<b>(1,230,385)</b>	<b>421,717</b>	<b>5,110,126</b>
<b>Other financing sources (uses):</b>							
Issuance of bonds	-	-	-	-	2,735,000	-	2,735,000
Issuance of refunding bonds	3,800,000	-	-	-	-	-	3,800,000
Payment to escrow agent	(4,094,446)	-	-	-	-	-	(4,094,446)
Premium on bonds issued	371,983	-	-	-	17,448	-	389,431
Transfers in	1,400,000	75,258	6,933,000	5,954,085	56,500	2,260,010	16,678,853
Transfers out	(6,136,500)	(2,040,010)	(1,494,085)	(6,933,000)	-	(75,258)	(16,678,853)
Sale of general capital assets	19,322	-	-	-	-	-	19,322
<b>Total other financing sources (uses)</b>	<b>(4,639,641)</b>	<b>(1,964,752)</b>	<b>5,438,915</b>	<b>(978,915)</b>	<b>2,808,948</b>	<b>2,184,752</b>	<b>2,849,307</b>
<b>Net change in fund balances (deficits)</b>	<b>3,463,612</b>	<b>(1,095,893)</b>	<b>(841,256)</b>	<b>2,247,938</b>	<b>1,578,563</b>	<b>2,606,469</b>	<b>7,959,433</b>
Fund balances (deficits) at beginning of year	25,757,528	13,429,059	8,907,797	(2,515,257)	30,487	7,173,215	52,782,829
Fund balances (deficits) at end of year	\$ 29,221,140	\$ 12,333,166	\$ 8,066,541	\$ (267,319)	\$ 1,609,050	\$ 9,779,684	\$ 60,742,262

(Continued)

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits) -  
Governmental Funds to the Statement of Activities  
For the Year Ended June 30, 2019**

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

<b>Net change in fund balances (deficits) – total governmental funds (Exhibit IV)</b>	<b>\$ 7,959,433</b>
<p>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.</p>	
Capital outlay	6,987,249
Depreciation expense	(12,682,477)
Disposals	(83,904)
	(5,779,132)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>	
Property taxes collected after 60 days	(715,750)
Sewer assessments collected after 60 days	472,660
Other receivables collected after 60 days	12,223
	(230,867)
<p>Net deferred outflows and inflows related to pension and OPEB liabilities which are not due and payable in the current period and therefore are not reported in the funds.</p>	
	(451,166)
<p>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 issuance costs, 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 and related items.</p>	
Change in accrued interest	(26,073)
Principal payments on bonds	6,400,000
Issuance of bonds	(2,735,000)
Premiums on bonds issued	(389,431)
Issuance of refunding bonds	(3,800,000)
Payment to escrow agent	4,094,446
Principal payments on Clean Water loans payable	903,026
Amortization of bond premiums	525,903
Amortization of deferred charge on refunding	(548,536)
	4,424,335
<p>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.</p>	
Change in long-term compensated absences	297,354
Change in retainage	(223,589)
Change in pension liability	(3,004,845)
Change in OPEB liability	16,179
	(2,914,901)
<p>The net revenue of certain activities of internal service funds is reported in governmental activities</p>	
	1,453,041
<b>Change in net position of governmental activities (Exhibit II)</b>	<b>\$ 4,460,743</b>

See notes to the financial statements.

**Statement of Net Position - Proprietary Funds  
June 30, 2019**

	Governmental Activities
	<u>Internal Service Fund</u>
<hr/>	
<b>Assets</b>	
Current assets:	
Cash and cash equivalents	\$ 7,828,169
Accounts receivable, net	135
Due from other funds	<u>521,534</u>
<b>Total assets</b>	<u><u>8,349,838</u></u>
 <b>Liabilities</b>	
Current liabilities:	
Claims payable	1,092,922
Administration expense payable	<u>192,078</u>
<b>Total liabilities</b>	<u><u>1,285,000</u></u>
 <b>Net Position</b>	
Unrestricted	<u><u>\$ 7,064,838</u></u>

See notes to the financial statements.

**Statement of Revenues, Expenses and Changes in Fund Net Position -  
Proprietary Funds  
For the Year Ended June 30, 2019**

	Governmental Activities
	<u>Internal Service Fund</u>
Operating revenues:	
Employer contributions	\$ 18,619,853
Employee contributions	3,871,925
<b>Total operating revenues</b>	<u>22,491,778</u>
Operating expenses:	
Claims incurred	19,059,546
Administration	2,048,032
<b>Total operating expenses</b>	<u>21,107,578</u>
<b>Operating income</b>	1,384,200
Nonoperating revenue:	
Investment income	68,841
<b>Total nonoperating revenue</b>	<u>68,841</u>
<b>Change in net position</b>	1,453,041
Net position, beginning	<u>5,611,797</u>
Net position, ending	<u>\$ 7,064,838</u>

See notes to the financial statements.



**Statement of Cash Flows - Proprietary Funds  
For the Year Ended June 30, 2019**

	Governmental Activities
	<u>Internal Service Fund</u>
Cash flows from operating activities:	
Receipts from customers and users	\$ 22,640,522
Claims paid	(19,195,487)
Payments for administration	(2,075,093)
<b>Net cash provided by operating activities</b>	<u>1,369,942</u>
Cash flows from investing activities:	
Investment income	68,841
<b>Net cash provided by investing activities</b>	<u>68,841</u>
<b>Net increase in cash and cash equivalents</b>	1,438,783
Cash and cash equivalents:	
Beginning	<u>6,389,386</u>
Ending	<u><u>\$ 7,828,169</u></u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 1,384,200
Adjustments to reconcile operating income to net cash provided by operating activities:	
Decrease in accounts receivable	631,697
Increase in due from other funds	(482,953)
Decrease in claims payable	(135,941)
Decrease in administration payable	(27,061)
<b>Net cash provided by operating activities</b>	<u><u>\$ 1,369,942</u></u>

See notes to the financial statements.

**Statement of Fiduciary Net Position - Fiduciary Funds  
June 30, 2019**

	Pension and Other Employee Benefit Trust Funds	Agency Funds
<b>Assets</b>		
Cash and cash equivalents	\$ 1,064,895	\$ 1,464,480
Investments, at fair value:		
Mutual funds	142,982,088	-
Pooled funds	5,958,692	-
Limited partnerships	9,088,711	-
<b>Total assets</b>	<u>159,094,386</u>	<u>1,464,480</u>
<b>Liabilities</b>		
Due to student groups	-	1,416,651
Due to others	-	47,829
<b>Total liabilities</b>	<u>-</u>	<u>1,464,480</u>
<b>Net Position</b>		
Restricted for pension and OPEB benefits	<u>\$ 159,094,386</u>	<u>\$ -</u>

See notes to the financial statements.

**Statement of Changes in Fiduciary Net Position - Fiduciary Funds  
For the Year Ended June 30, 2019**

	Pension and Other Employee Benefit Trust Funds
<hr/>	
Additions:	
Contributions:	
Employer	\$ 9,488,334
Employee	1,874,604
<b>Total contributions</b>	<u>11,362,938</u>
Investment Income:	
Net change in fair value of investments	2,838,965
Interest and dividends	3,831,195
	<u>6,670,160</u>
Less investment expenses:	
Investment management fees	107,029
<b>Net investment income</b>	<u>6,563,131</u>
<b>Total additions</b>	<u>17,926,069</u>
Deductions:	
Benefit payments	10,306,662
Administration fees	143,197
<b>Total deductions</b>	<u>10,449,859</u>
<b>Change in net position</b>	7,476,210
Net position:	
Beginning of year	<u>151,618,176</u>
End of year	<u><u>\$ 159,094,386</u></u>

See notes to the financial statements.

## Town of Glastonbury, Connecticut

### Notes to Financial Statements June 30, 2019

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#### Note 1. Summary of Significant Accounting Policies

**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 (GAAP) requires 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 (GASB) Statement Codification Section 2100 have been considered, and there are no agencies or entities which should be presented with the Town.

#### **Accounting standards adopted in the current year:**

GASB Statement No. 83, *Certain Asset Retirement Obligations*, was effective for the Town beginning with its year ending June 30, 2019. The objective of this Statement is to set guidance for determining the timing and pattern of recognition for liabilities and corresponding deferred outflow of resources related to asset retirement obligations.

GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, was effective for the Town beginning with its year ending June 30, 2019. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statement related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt.

GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus.

The adoption of GASB Statement Nos. 83, 88 and 89 had no impact on the Town's financial statements.

**Basis of presentation:** The financial statements of the Town have been prepared in conformity with GAAP as applied to government units. The 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. Exceptions to this general rule are payments in lieu of taxes and other charges between certain Town functions because the elimination of these charges would distort the direct costs and program revenues reported for various functions concerned.

## Town of Glastonbury, Connecticut

### Notes to Financial Statements June 30, 2019

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#### Note 1. Summary of Significant Accounting Policies (Continued)

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 are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Agency funds have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied 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. Expenditures are generally recorded when a liability is incurred except for debt service expenditures, as well as expenditures related to compensated absences, pension obligations, landfill post-closure monitoring, claims and judgments, pollution remediation and other post-employment benefits which are recorded only when payment is due (matured).

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 OPEB, 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 Expenditures Fund.

**Town of Glastonbury, Connecticut**

**Notes to Financial Statements  
June 30, 2019**

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**Note 1. Summary of Significant Accounting Policies (Continued)**

The *Capital and Nonrecurring Expenditures Fund* accounts for the funds set aside for future capital improvements.

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.

Additionally, the Town reports the following fiduciary fund types:

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

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

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Town's internal service fund are charges to customers for medical insurance benefits. Operating expenses for internal service fund include the cost of claims and administrative expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**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.

**Investments:** Investments are stated at fair value. Certificates of deposit are stated at cost which approximates fair 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. These investments are stated at amortized cost.

**Town of Glastonbury, Connecticut**

**Notes to Financial Statements  
June 30, 2019**

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**Note 1. Summary of Significant Accounting Policies (Continued)**

**Fair value:** The Town uses fair value measurements to record fair value adjustments to certain assets and to determine fair value disclosures. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is best determined based upon quoted market prices. However, in certain instances, there are no quoted market prices for certain assets or liabilities. In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows. Accordingly, the fair value estimates may not be realized in an immediate settlement of the asset or liability.

Fair value measurements focus on exit prices in an orderly transaction (that is, not a forced liquidation or distressed sale) between market participants at the measurement date under current market conditions. If there has been a significant decrease in the volume and level of activity for the asset or liability, a change in valuation technique or the use of multiple valuation techniques may be appropriate. In such instances, determining the price at which willing market participants would transact at the measurement date under current market conditions depends on the facts and circumstances and requires the use of significant judgment.

The Town's fair value measurements are classified into a fair value hierarchy based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value.

The three categories within the hierarchy are as follows:

**Level 1:** Quoted prices in active markets for identical assets and liabilities.

**Level 2:** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, including quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, interest rates and yield curves observable at commonly quoted intervals, implied volatilities, credit spreads, and market-corroborated inputs.

**Level 3:** Unobservable inputs shall be used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flows methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgement.

**Investments measured at the net asset value (NAV):** Investments valued using the net asset value (NAV) per share (or its equivalent) as a practical expedient are considered "alternative investments" and, unlike more traditional investments, generally do not have readily obtainable market values and take the form of limited partnerships. The Town values these investments based on the partnerships' audited financial statements. If June 30 statements are available, those values are used preferentially. However, some partnerships have fiscal years ending at other than June 30. If June 30 valuations are not available, the value is progressed from the most recently available valuation taking into account subsequent calls and distributions.

**Town of Glastonbury, Connecticut**

**Notes to Financial Statements  
June 30, 2019**

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**Note 1. Summary of Significant Accounting Policies (Continued)**

**Inventories:** All inventories are valued at lower of cost or market. Inventories of donated commodities are stated at fair market value. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

**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.”

**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>Years</u>
Assets:	
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.

**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 and OPEB 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 and OPEB 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.



**Note 1. Summary of Significant Accounting Policies (Continued)**

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 pension and OPEB in the government-wide statement of net position. Advance property tax collections represent taxes inherently associated with a future period. This amount is recognized during the period in which the revenue is associated. A deferred inflow of resources related to pension and OPEB results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension and OPEB expense in a systematic and rational manner. 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.

**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.

**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.

**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.

Town of Glastonbury, Connecticut

Notes to Financial Statements

June 30, 2019

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**Note 1. Summary of Significant Accounting Policies (Continued)**

**Net OPEB liability:** The net OPEB liability is measured as the portion of the present value of projected benefit payments to be provided to current active and inactive employees that is attributed to those employees' past periods of service (total OPEB liability), less the amount of the OPEB plan's fiduciary net position. The OPEB plan's fiduciary net position is determined using the same valuation methods that are used by the OPEB plan for purposes of preparing its statement of fiduciary net position. The net OPEB 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

**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.

**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:** The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt, including gains and losses on refundings are included in this component of net position.

**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 legislations.

**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. A deficit will require future funding.

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 intact.
- **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 legislations.
- **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.

## Town of Glastonbury, Connecticut

### Notes to Financial Statements June 30, 2019

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#### Note 1. Summary of Significant Accounting Policies (Continued)

- *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.

**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, 2019 following the payable date, a lien is placed on the property.

**Accounting estimates:** The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that may affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

#### Note 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 GAAP, 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.

**Town of Glastonbury, Connecticut**

**Notes to Financial Statements  
June 30, 2019**

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**Note 2. Budgets and Budgetary Accounting (Continued)**

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, 2019, supplemental appropriations in the amount of \$2,888,214 (which included \$467,951 from the unexpended education fund) were approved by the Council and the Board of Finance.

**Note 3. Deficit Fund Equity**

The following funds had a deficit fund balance at June 30, 2019:

Capital Projects:

Capital and nonrecurring expenditures	<u>\$ 267,319</u>
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Deficits in the Capital and Nonrecurring Expenditures Fund will be funded by additional grants and donations

**Note 4. Cash, Cash Equivalents and Investments**

**Deposits:** The Town has a policy that deposits may be maintained only in financial institutions that 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 state 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 (ERISA) 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:

	Min. Weight	Max. Weight
Asset class:		
Money market	0.0%	5.0%
Fixed income	25.0%	40.0%
Domestic equities	25.0%	40.0%
International equities	15.0%	30.0%
Real estate	0.0%	7.5%
Other	0.0%	7.5%

Town of Glastonbury, Connecticut

Notes to Financial Statements  
June 30, 2019

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**Note 4. Cash, Cash Equivalents and Investments (Continued)**

**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.

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*, approximately \$27,442,000 of the Town's approximate bank balance of \$52,252,000 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 27,442,139
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name	<u>3,049,127</u>
Total amount subject to custodial credit risk	<u><u>\$ 30,491,266</u></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.

**Town of Glastonbury, Connecticut**

**Notes to Financial Statements**

**June 30, 2019**

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**Note 4. Cash, Cash Equivalents and Investments (Continued)**

Cash and cash equivalents:	
Deposits with financial institutions	\$ 55,786,772
Total cash and cash equivalents	<u>55,786,772</u>
Investments:	
General Fund:	
Certificates of deposit	6,627,877
Special Assessment Fund:	
Certificates of deposit	9,769,700
Capital Reserve Projects Fund:	
Certificates of deposit	1,578,869
Land Acquisition Fund:	
Certificates of deposit	600,449
Nonmajor governmental funds:	
Certificates of deposit	1,851,654
Total government investments	<u>20,428,549</u>
Pension Trust Funds:	
Mutual funds	142,982,088
Pooled funds	5,958,692
Limited partnerships	9,088,711
Total pension investments	<u>158,029,491</u>
Total cash, cash equivalents and investments	<u>\$234,244,812</u>

Cash, cash equivalents and investments are classified in the accompanying financial statements as follows:

	<u>Primary</u>
	<u>Government</u>
Statement of Net Position:	
Cash and cash equivalents	\$ 53,257,397
Investments	<u>20,428,549</u>
	<u>73,685,946</u>
Fiduciary Funds:	
Cash and cash equivalents	2,529,375
Investments	<u>158,029,491</u>
	<u>160,558,866</u>
Total cash, cash equivalents and investments	<u>\$234,244,812</u>

**Town of Glastonbury, Connecticut**

**Notes to Financial Statements**

**June 30, 2019**

**Note 4. Cash, Cash Equivalents and Investments (Continued)**

**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. Information about the exposure of the Town's investments to this risk using the segmented time distribution model is as follows:

Type of Investment	Credit Rating	Fair Value	Investment Maturities (Years)		
			Less Than 1 Year	1 - 10 Years	Greater Than 10 Years
Certificates of deposit	*	\$ 20,428,549	\$ 5,216,366	\$ 15,212,183	\$ -
Other investments:					
Mutual funds	N/A	142,982,088			
Pooled Funds	N/A	5,958,692			
Limited partnerships	N/A	9,088,711			
Total investments		<u>\$ 178,458,040</u>			

N/A - Not Applicable

\* Subject to coverage by federal depository insurance and collateralization.

At June 30, 2019, the Town's cash equivalents amounted to approximately \$22,958,000. 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.

	Standard & Poor's
State of Connecticut Short-Term Investment Fund (STIF)	AAAm
Wells Fargo Money Market	*
Bank of America Money Market	*

\* Not rated.

**Town of Glastonbury, Connecticut**

**Notes to Financial Statements  
June 30, 2019**

**Note 4. Cash, Cash Equivalents and Investments (Continued)**

**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, 2019:

	June 30, 2019	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Mutual funds	\$ 142,982,088	\$ 142,982,088	\$ -	\$ -
Pooled funds	5,958,692	-	5,958,692	-
Investments measured at net asset value (NAV):				
Limited partnerships	9,088,711			
Total investments	<u>\$ 158,029,491</u>	<u>\$ 142,982,088</u>	<u>\$ 5,958,692</u>	<u>\$ -</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.

The valuation method for investments measured at the NAV per share (or its equivalent) is presented on the following table.

	Fair Value	Unfunded Commitments	Redemption Frequency (if currently eligible)	Redemption Notice Period
Barings Core Property Fund LP	<u>\$ 9,088,711</u>	<u>\$ -</u>	Quarterly	60 days
Total investments measured at NAV	<u>\$ 9,088,711</u>			

**Real estate funds:** The Barings Core Property Fund (BCPF or the Fund) is a diversified, core, open-end commingled fund primarily of stabilized, income-producing, equity real estate. It is structured as a limited partnership with a private REIT subsidiary. The Fund seeks to provide attractive total returns with reduced risk. The Fund has both relative and real return objectives over the longer term: its relative performance objective is to exceed the NCREIF Fund Index-Open-End Diversified Core Equity (NFI-ODCE), and its return objective is to achieve at least a 5% real rate of return, before advisory fees. The Fund is diversified by property type and geography. It has historically provided quarterly cash flow distributions and is open to contributions and redemptions on a quarterly basis.



**Town of Glastonbury, Connecticut**

**Notes to Financial Statements  
June 30, 2019**

**Note 5. Accounts Receivables**

Receivables at June 30, 2019, including the applicable allowances for collection losses, are as follows:

	General Fund	Special Assessment Fund	Capital and Nonrecurring Expenditures Fund	Nonmajor Governmental Funds	Total
Property taxes*	\$ 1,165,147	\$ -	\$ -	\$ -	\$ 1,165,147
Assessments and use charges	-	540,882	-	70,711	611,593
Allowance for collection losses	(100,200)	(54,100)	-	(24,528)	(178,828)
Net taxes and assessments receivable	1,064,947	486,782	-	46,183	1,597,912
Intergovernmental	86,099	-	750,085	113,666	949,850
Other receivables	293,253	16,691	-	121,237	431,181
Net receivables	<u>\$ 1,444,299</u>	<u>\$ 503,473</u>	<u>\$ 750,085</u>	<u>\$ 281,086</u>	<u>\$ 2,978,943</u>

\* Interest on delinquent taxes are not included.

**Note 6. Capital Assets**

Capital asset activity for the year ended June 30, 2019 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 44,633,915	\$ 696,414	\$ 20,332	\$ 45,309,997
Development rights	3,330,707	777,994	-	4,108,701
Construction in progress	1,451,237	3,984,547	4,889,319	546,465
Total capital assets, not being depreciated	<u>49,415,859</u>	<u>5,458,955</u>	<u>4,909,651</u>	<u>49,965,163</u>
Capital assets, being depreciated:				
Land improvements	42,413,270	351,890	-	42,765,160
Buildings and improvements	229,071,525	1,456,055	-	230,527,580
Machinery and equipment	53,286,733	1,972,087	598,337	54,660,483
Computer software	872,133	-	-	872,133
Infrastructure	156,380,226	2,657,913	-	159,038,139
Total capital assets, being depreciated	<u>482,023,887</u>	<u>6,437,945</u>	<u>598,337</u>	<u>487,863,495</u>
Less accumulated depreciation for:				
Land improvements	16,659,410	2,048,245	-	18,707,655
Buildings and improvements	71,264,631	4,454,328	-	75,718,959
Machinery and equipment	27,381,294	2,818,038	514,433	29,684,899
Computer software	517,739	98,398	-	616,137
Infrastructure	118,361,880	3,263,468	-	121,625,348
Total accumulated depreciation	<u>234,184,954</u>	<u>12,682,477</u>	<u>514,433</u>	<u>246,352,998</u>
Total capital assets, being depreciated, net	<u>247,838,933</u>	<u>(6,244,532)</u>	<u>83,904</u>	<u>241,510,497</u>
Governmental activities capital assets, net	<u>\$ 297,254,792</u>	<u>\$ (785,577)</u>	<u>\$ 4,993,555</u>	<u>\$ 291,475,660</u>

**Town of Glastonbury, Connecticut**

**Notes to Financial Statements**

**June 30, 2019**

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**Note 6. Capital Assets (Continued)**

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

Governmental activities:	
General government	\$ 240,050
Community development	12,251
Administrative services	73,271
Public safety	910,795
Physical services	3,639,374
Sanitation	1,289,563
Human services	204,839
Leisure/culture	1,291,809
Education	5,020,525
Total depreciation expense - governmental activities	<u>\$ 12,682,477</u>

**Construction commitments:**

The Town has the following construction commitments as of June 30, 2019:

	Project Authorization	Expended to June 30, 2019	Outstanding Construction Commitments
Capital reserve projects:			
Police Building Windows	\$ 142,500	\$ 7,331	\$ 133,416
Town Facilities Shop/Storage	1,045,000	902,473	117,792
Bridge Replacement/Rehabilitation	3,400,000	2,748,224	102,365
Hebron Avenue/House Street Intersection	1,975,000	1,405,357	283,457
Gideon Welles HVAC/Boilers	1,403,404	155,861	1,248,000
Sewer Sinking Projects:			
Cider Mill Pump Station	1,791,000	88,594	1,562,409
Total	<u>\$ 9,756,904</u>	<u>\$ 5,307,840</u>	<u>\$ 3,447,439</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, 2019**

**Note 7. Interfund Receivable and Payable Balances**

During the course of operations, transactions are processed through a fund on behalf of another fund. Additionally, revenues received in one fund are transferred to another fund. A summary of interfund balances as of June 30, 2019 is presented below:

Receivable Fund	Payable Fund	Amount
Internal Service	General Fund	\$ 521,534
Capital Reserve Projects Fund	Capital and Nonrecurring Expenditures Fund	683,155
		<u>\$ 1,204,689</u>

The outstanding balance between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Interfund transfers during the year ended June 30, 2019 were as follows:

	Transfers In						Total
	General Fund	Special Assessment Fund	Capital Reserve Projects Fund	Capital and Nonrecurring Expenditures Fund	Land Acquisition Fund	Nonmajor Governmental Funds	
Transfers out:							
General Fund	\$ -	\$ -	\$ -	\$ 5,860,000	\$ 56,500	\$ 220,000	\$ 6,136,500
Special Assessment Fund	-	-	-	-	-	2,040,010	2,040,010
Capital Reserve Projects Fund	1,400,000	-	-	94,085	-	-	1,494,085
Capital and Nonrecurring Expenditures Fund	-	-	6,933,000	-	-	-	6,933,000
Nonmajor Governmental Funds	-	75,258	-	-	-	-	75,258
Total transfers in	<u>\$ 1,400,000</u>	<u>\$ 75,258</u>	<u>\$ 6,933,000</u>	<u>\$ 5,954,085</u>	<u>\$ 56,500</u>	<u>\$ 2,260,010</u>	<u>\$ 16,678,853</u>

Transfers are used to move resources from the General Fund and Special Assessment Fund to nonmajor funds and from nonmajor funds and the Capital and Nonrecurring Expenditures Fund 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.

**Town of Glastonbury, Connecticut**

**Notes to Financial Statements  
June 30, 2019**

**Note 8. Long-Term Liabilities**

A summary of changes in long-term obligations during the year ended June 30, 2019 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
General obligation bonds	\$ 44,925,000	\$ 6,535,000	\$ 10,440,000	\$ 41,020,000	\$ 5,155,000
Premium on bonds	1,860,800	389,431	525,903	1,724,328	-
Clean Water loans payable	12,695,037	-	903,026	11,792,011	921,253
Compensated absences	4,211,625	66,103	363,457	3,914,271	91,593
Net pension liability	55,174,485	3,004,845	-	58,179,330	-
Net OPEB liability	15,400,532	-	16,179	15,384,353	-
Other payable	-	223,589	-	223,589	-
<b>Total long-term liabilities</b>	<b>\$ 134,267,479</b>	<b>\$ 10,218,968</b>	<b>\$ 12,248,565</b>	<b>\$ 132,237,882</b>	<b>\$ 6,167,846</b>

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.

General obligation bonds currently outstanding are as follows:

Description	Original Amount	Date of Issue	Date of Maturity	Interest Rate	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
General obligation bonds:									
Schools:									
School bonds	\$ 1,000,000	04/15/09	04/15/29	2.00-4.50%	\$ 400,000	\$ -	\$ 400,000	\$ -	\$ -
Refunding bonds	7,370,000	04/15/09	08/01/21	2.00-5.00%	1,270,000	-	1,270,000	-	-
Refunding bonds	19,555,000	11/15/10	05/15/25	2.00-5.00%	8,857,000	-	1,377,000	7,480,000	1,373,000
School bonds	2,665,000	11/15/11	05/15/26	2.00-3.00%	1,765,000	-	150,000	1,615,000	150,000
Refunding bonds	11,675,000	06/27/12	06/30/26	2.00-5.00%	8,605,000	-	1,215,000	7,390,000	1,210,000
Refunding bonds	6,385,000	05/15/14	08/01/28	2.00-5.00%	2,576,000	-	728,000	1,848,000	17,800
Refunding bonds	830,000	07/26/18	06/30/26	5.00%	-	830,000	46,000	784,000	186,000
<b>Total schools</b>					<b>23,473,000</b>	<b>830,000</b>	<b>5,186,000</b>	<b>19,117,000</b>	<b>2,936,800</b>
General purpose:									
Improvement bonds	7,000,000	04/15/09	04/15/29	2.00-4.50%	2,800,000	-	2,800,000	-	-
Refunding bonds	2,135,000	04/15/09	08/01/21	2.00-5.00%	450,000	-	450,000	-	-
Refunding bonds	8,995,000	11/15/10	05/15/25	2.00-5.00%	4,053,000	-	638,000	3,415,000	637,000
Land	50,000	11/15/11	11/01/21	2.00-3.00%	20,000	-	5,000	15,000	5,000
Land	3,680,000	11/15/11	05/15/26	2.00-3.00%	2,510,000	-	195,000	2,315,000	195,000
Refunding bonds	2,870,000	06/27/12	06/30/26	2.00-5.00%	1,925,000	-	410,000	1,515,000	415,000
Improvement bonds	8,950,000	10/10/13	10/01/33	3.00-4.625%	7,865,000	-	400,000	7,465,000	425,000
Refunding bonds	3,095,000	05/15/14	08/01/28	2.00-5.00%	1,829,000	-	22,000	1,807,000	12,200
Improvement bonds	2,735,000	07/26/18	07/26/39	2.00-5.00%	-	2,735,000	-	2,735,000	135,000
Refunding bonds	2,970,000	07/26/18	06/30/26	5.00%	-	2,970,000	334,000	2,636,000	394,000
<b>Total general purpose</b>					<b>21,452,000</b>	<b>5,705,000</b>	<b>5,254,000</b>	<b>21,903,000</b>	<b>2,218,200</b>
<b>Total general obligation bonds</b>					<b>\$ 44,925,000</b>	<b>\$ 6,535,000</b>	<b>\$ 10,440,000</b>	<b>\$ 41,020,000</b>	<b>\$ 5,155,000</b>

**Town of Glastonbury, Connecticut**

**Notes to Financial Statements  
June 30, 2019**

**Note 8. Long-Term Liabilities (Continued)**

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

	Principal	Interest	Total
Fiscal Year Ending June 30:			
2020	\$ 5,155,000	\$ 1,512,155	\$ 6,667,155
2021	5,140,000	1,323,368	6,463,368
2022	5,095,000	1,099,002	6,194,002
2023	4,805,000	909,386	5,714,386
2024	4,770,000	731,214	5,501,214
2025-2029	11,495,000	1,764,477	13,259,477
2030-2034	3,860,000	482,931	4,342,931
2035- 2039	700,000	53,900	753,900
	<u>\$ 41,020,000</u>	<u>\$ 7,876,433</u>	<u>\$ 48,896,433</u>

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

	Principal	Interest	Total
Fiscal Year Ending June 30:			
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	978,172	170,508	1,148,680
2024	997,915	150,764	1,148,679
2025-2029	5,299,967	443,430	5,743,397
2030-2031	1,696,038	26,981	1,723,019
	<u>\$ 11,792,011</u>	<u>\$ 1,417,801</u>	<u>\$ 13,209,812</u>

**Bond anticipation notes payable:**

Bond anticipation notes totaling \$1,650,000, which were issued to temporarily finance land acquisitions, matured in July 2018. During July 2018, bond anticipation notes totaling \$1,305,000 were issued with an interest rate of 2.5%, which mature on July 25, 2019.

Bond anticipation note transactions for the year ended June 30, 2019 were as follows:

Outstanding, July 1, 2018	\$ 1,650,000
New borrowings	1,305,000
Repayments	<u>(1,650,000)</u>
Outstanding, June 30, 2019	<u>\$ 1,305,000</u>

**Town of Glastonbury, Connecticut**

**Notes to Financial Statements  
June 30, 2019**

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**Note 8. Long-Term Liabilities (Continued)**

**Bonds authorized but unissued:**

The bonds authorized and unissued at June 30, 2019 are \$8,190,893 for land/open space.

**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:

Category	Debt Limit	Indebtedness	Balance
General Purpose	\$ 331,772,681	\$ 31,398,893	\$ 300,373,788
Schools	663,545,363	19,117,000	644,428,363
Sewers	552,954,469	11,792,011	541,162,458
Urban Renewal	479,227,206	-	479,227,206
Pension Deficit	442,363,575	-	442,363,575

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation \$1.032 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, 2019**

**Note 9. Fund Balance (Deficits)**

The components of fund balance (deficit) for the governmental funds at June 30, 2019 are as follows:

	General Fund	Special Assessment Fund	Capital Reserve Projects Fund	Capital and Nonrecurring Expenditures Fund	Land Acquisition	Nonmajor Governmental Funds	Total
Fund balances (deficits):							
Nonspendable:							
Prepaid items	\$ 22,884	\$ -	\$ -	\$ -	\$ -	\$ 10,031	\$ 32,915
Inventory	202,547	-	-	-	-	18,471	221,018
Required to be retained in perpetuity	-	-	-	-	-	8,527	8,527
Restricted for:							
Law enforcement acquisitions	-	-	-	-	-	28,995	28,995
Education	-	-	-	-	-	743,580	743,580
Road construction and maintenance	-	-	-	-	-	458,267	458,267
Library acquisitions	-	-	-	-	-	133,375	133,375
Riverfront community center	-	-	-	-	-	142,303	142,303
Human services programs	-	-	-	-	-	14,393	14,393
Parks and recreation	-	-	-	-	-	114,669	114,669
Public safety programs	-	-	-	-	-	320,020	320,020
Other programs	-	-	-	-	-	79,658	79,658
Committed to:							
Town facility improvements	-	-	1,630,497	-	-	-	1,630,497
School improvements	-	-	1,619,599	-	-	-	1,619,599
Public safety programs	-	-	136,599	-	-	-	136,599
Land acquisition	-	-	103,214	-	1,609,050	-	1,712,264
Street improvements and realignment	-	-	1,641,885	-	-	-	1,641,885
Bridge and dam replacement/ maintenance	-	-	708,271	-	-	-	708,271
Sewer infrastructure	-	12,333,166	-	-	-	3,475,873	15,809,039
Other capital projects	-	-	340,070	-	-	46,805	386,875
Sewer plant operations	-	-	-	-	-	1,392,368	1,392,368
Police private duty	-	-	-	-	-	506,636	506,636
Camp Sunrise	-	-	-	-	-	26,729	26,729
Recreation programs	-	-	1,886,406	-	-	1,103,106	2,989,512
Insurance reserve	-	-	-	-	-	577,332	577,332
Riverfront Park operations	-	-	-	-	-	301,034	301,034
Planetarium operations	-	-	-	-	-	72,212	72,212
Golf course maintenance	-	-	-	-	-	205,300	205,300
Assigned to:							
Subsequent year's budget	575,000	-	-	-	-	-	575,000
Capital outlay in subsequent year	183,329	-	-	-	-	-	183,329
Education surplus carried to subsequent year	559,413	-	-	-	-	-	559,413
Continued appropriations	76,307	-	-	-	-	-	76,307
Unassigned	27,601,660	-	-	(267,319)	-	-	27,334,341
<b>Total fund balances (deficits)</b>	<b>\$29,221,140</b>	<b>\$12,333,166</b>	<b>\$ 8,066,541</b>	<b>\$ (267,319)</b>	<b>\$ 1,609,050</b>	<b>\$ 9,779,684</b>	<b>\$60,742,262</b>

Significant encumbrances of \$3,141,565, \$5,005,500 and 1,619,707 are included in the Capital Reserve Projects Fund, Land Acquisition Fund and nonmajor funds, respectively, at June 30, 2019.

**Town of Glastonbury, Connecticut**

**Notes to Financial Statements**

**June 30, 2019**

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**Note 10. Employee Retirement Plan**

**Pension Trust Fund**

The Town 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, Refuse, 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 (the 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.

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 2.15% 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.

Generally effective in 2013, new pension plan designs were implemented for various employee groups which includes Defined Contribution (DC), hybrid, and modified Defined Benefit (DB) plans. These new plans are effective for pension eligible full time staff hired in and around 2013.

Plan membership consisted of the following at July 1, 2018, the date of the latest actuarial valuation:

Retirees, vested beneficiaries and other inactive	337
Terminated employees	127
Actives	429
Total	<u>893</u>



Town of Glastonbury, Connecticut

Notes to Financial Statements  
June 30, 2019

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**Note 10. Employee Retirement Plan (Continued)**

**Contributions:** Participants are required to contribute a percent of payroll, which varies by group. For 2019, the contribution rates for the following employee groups were 6.75% for all unaffiliated Town employees and Housing Authority employees; 6.25% for Board of Education employees; 6.50% for highway employees; 7.00% for Wastewater/Building Maintenance employees; 6.00% for dispatchers; and 7.75% for Police.

Administrative costs of the Plan are financed through investment earnings.

**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, 2019:

Asset Class	Target Allocation
U.S. Cash	0.50%
U.S. Core Fixed Income	26.00%
U.S. Inflation-Indexed Bonds	2.00%
Global Bonds	7.50%
U.S. Equity Market	40.00%
Non-U.S. Equity	16.00%
U.S. REITs	6.00%
Commodities	2.00%
	<u>100.00%</u>

**Rate of return:** For the year ended June 30, 2019, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 4.14%. 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, 2019**

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**Note 10. Employee Retirement Plan (Continued)**

**Net pension liability of the town:** The components of the net pension liability of the Town at June 30, 2019 were as follows:

Total pension liability	\$ 211,478,583
Plan fiduciary net position	<u>(153,299,253)</u>
Town's net pension liability	<u>\$ 58,179,330</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>72.49%</u>

**Actuarial assumptions:** The total pension liability was determined by an actuarial valuation as of July 1, 2018, using the following actuarial assumptions, applied to all periods included in the measurement date of June 30, 2019:

Inflation	2.75%
Salary increases	Graded salary growth with an ultimate rate of 3.00%
Investment rate of return	6.50% for Non-hybrid plan, and 5.00% for Hybrid plan, net of pension plan investment expense, including inflation

Mortality rates for healthy annuitants was based on the RP-2000 Mortality Table for employees and healthy annuitants, with separate male and female rates, with generational projection per Scale AA. Mortality rates for disabled annuitants was based on the RP-2000 Disabled Mortality Table 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, 2019 (see the discussion of the pension plan's investment policy) are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
U.S. Cash	0.36%
U.S. Core Fixed Income	2.40%
U.S. Inflation-Indexed Bonds	1.42%
Global Bonds	0.75%
U.S. Equity Market	4.61%
Non-U.S. Equity	5.81%
U.S. REITs	5.07%
Commodities	3.07%

Town of Glastonbury, Connecticut

Notes to Financial Statements  
June 30, 2019

**Note 10. Employee Retirement Plan (Continued)**

**Discount rate:** The discount rate used to measure the total pension liability was 6.50%. 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.

**Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions:** The net pension liability was measured as of June 30, 2019, based on a July 1, 2018 actuarial valuation. The total pension liability was then rolled forward to the measurement date of June 30, 2019, utilizing update procedures incorporating the actuarial assumptions.

**Changes in the Net Pension Liability:**

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (c)
Balances as of July 1, 2018	\$ 202,019,589	\$ 146,845,104	\$ 55,174,485
Changes for the year:			
Service cost	4,215,987	-	4,215,987
Interest on total pension liability	13,355,205	-	13,355,205
Effect of plan changes	(3,313)	-	(3,313)
Effect of economic/demographic gains or losses	525,669	-	525,669
Effect of assumptions changes or inputs	812,083	-	812,083
Benefit payments	(9,446,637)	(9,446,637)	-
Employer contributions	-	7,908,372	(7,908,372)
Member contributions	-	1,874,604	(1,874,604)
Net investment income (loss)	-	6,229,061	(6,229,061)
Administrative expenses	-	(111,251)	111,251
Net changes	9,458,994	6,454,149	3,004,845
Balances as of June 30, 2019	<u>\$ 211,478,583</u>	<u>\$ 153,299,253</u>	<u>\$ 58,179,330</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 6.50%, 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 (5.50%) or 1 percentage point higher (7.50%) than the current rate:

	1% Decrease (5.50)%	Current Discount Rate (6.50)%	1% Increase (7.50)%
Town's net pension liability	<u>\$ 86,570,838</u>	<u>\$ 58,179,330</u>	<u>\$ 38,255,747</u>

Town of Glastonbury, Connecticut

Notes to Financial Statements  
June 30, 2019

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**Note 10. Employee Retirement Plan (Continued)**

**Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions:** For the year ended June 30, 2019, the Town recognized pension expense of \$11,163,304. At June 30, 2019, the Town reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,785,750	\$ 105,096
Changes of assumptions	3,797,501	-
Net difference between projected and actual earning on pension plan investments	1,373,845	-
	<u>\$ 7,957,096</u>	<u>\$ 105,096</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:	
2020	\$ 3,575,057
2021	1,287,869
2022	2,064,887
2023	924,187
	<u>\$ 7,852,000</u>

**Teachers' 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](http://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).

**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.

**Town of Glastonbury, Connecticut**

**Notes to Financial Statements**

**June 30, 2019**

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**Note 10. Employee Retirement Plan (Continued)**

**Contributions:**

*State of Connecticut*

Per Connecticut General Statutes Section 10-1832, 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. The State contributions are not currently actuarially funded. The State appropriates from the General Fund one third of the annual costs of the Plan. Administrative costs of the plan are financed by the State. Based upon Chapter 167a, Subsection D of Section 10-183t of the Connecticut statutes, it is assumed the State will pay for any long-term shortfall arising from insufficient active member contributions.

*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 / Retirees*

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

Effective January 1, 2018, the required contribution increased to 7% of pensionable salary.

**Pension liabilities, pension expense and deferred outflows of resources and deferred inflows of resources related to pensions:** At June 30, 2019, 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	152,253,528
	<u>\$ 152,253,528</u>

The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018. At June 30, 2019, the Town has no proportionate share of the net pension liability.

For the year ended June 30, 2019, the Town recognized pension expense and revenue of \$17,087,768 in Exhibit II for on-behalf amounts for the benefits provided by the State.

## Town of Glastonbury, Connecticut

### Notes to Financial Statements June 30, 2019

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#### Note 10. Employee Retirement Plan (Continued)

##### Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2018, 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.

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%.

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:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Large cap U.S. equities	21.0%	5.8%
Developed non-U.S. equities	18.0%	6.6%
Emerging Markets (non-U.S)	9.0%	8.3%
Real Estate	7.0%	5.1%
Private equity	11.0%	7.6%
Alternative investments	8.0%	4.1%
Core fixed income	7.0%	1.3%
High yield bonds	5.0%	3.9%
Emerging market bond	5.0%	3.7%
Inflation Linked Bond fund	3.0%	1.0%
Cash	6.0%	0.4%
	<u>100.0%</u>	

Town of Glastonbury, Connecticut

Notes to Financial Statements

June 30, 2019

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**Note 10. Employee Retirement Plan (Continued)**

**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 rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the net pension liability to changes in the discount rate:** The 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.

**Note 11. Other Postemployment Benefits**

In addition to providing pension benefits, the Town provides certain healthcare benefits for retired employees, under cost sharing arrangements. Substantially all of the Town's employees may become eligible for those benefits, if they retire under a normal retirement or with disability.

**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. The net OPEB liability is measured as the portion of the present value of projected benefits to be provided to current active and inactive employees that is attributed to those employees' past periods of service (total OPEB liability), less the amount of the OPEB plan's fiduciary net position.

**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, 2017. The post-retirement plan does not issue stand-alone financial report.

Management of the postemployment 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 Entry Age Normal Method.

Membership in the plan consisted of the following at July 1, 2017, valuation the date of the last actuarial valuation.

Retirees and beneficiaries currently receiving benefits	168
Active plan members	861
Total	<u>1,029</u>

Town of Glastonbury, Connecticut

Notes to Financial Statements  
June 30, 2019

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**Note 11. Other Postemployment Benefits (Continued)**

**Investments:**

**Investment policy:** OPEB 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, 2019, the annual money-weighted rate of return on investments, net of investment expense, was 6.11%. 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:** The Town's net OPEB liability was measured as of June 30, 2019 based on a July 1, 2017 actuarial valuation. The total OPEB liability was then rolled forward to the measurement date of June 30, 2019 utilizing update procedures incorporating actuarial assumptions. The components of the net OPEB liability of the Town at June 30, 2019, were as follows:

Total OPEB liability	\$ 21,179,486
Plan fiduciary net position	<u>5,795,133</u>
Town's net OPEB liability	<u><u>\$ 15,384,353</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u><u>27.36%</u></u>

**Actuarial assumptions:** The total OPEB liability was determined by an actuarial valuation as of July 1, 2017 using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.70%
Salary increases	Graded based on service for Teachers and Administrators; Graded based on age for Town
Investment rate of return	6.625%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	5.48% - 4.50% over 56 years

Mortality rates for Teachers and Administrators were based on the RP-2000 Combined Healthy Mortality Table for males and females projected forward 19 years using scale AA, with a two-year age setback. Mortality rates for all others, were based on the RP-2000 Healthy Mortality Table for males and females with full generational projection per Scale AA, with separate tables for active employees and annuitants.



Town of Glastonbury, Connecticut

Notes to Financial Statements  
June 30, 2019

**Note 11. Other Postemployment Benefits (Continued)**

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, 2019 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Intermediate bonds	30.00%	2.20%
U.S. equity market	35.00%	4.86%
Global equity	25.00%	5.23%
U.S. inflation-indexed bonds	10.00%	1.81%
	100.00%	

**Discount rate:** The discount rate used to measure the total OPEB liability was 6.625%. The OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total OPEB liability is equal to the long-term expected rate of return.

**Changes in the net OPEB liability:**

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (c)
Balances as of July 1, 2018	\$ 20,173,604	\$ 4,773,072	\$ 15,400,532
Changes for the year:			
Service cost	522,802	-	522,802
Interest on total OPEB liability	1,343,105	-	1,343,105
Benefit payments	(860,025)	(860,025)	
Employer contributions	-	1,579,962	(1,579,962)
Net investment income	-	334,069	(334,069)
Administrative expenses	-	(31,945)	31,945
Net changes	1,005,882	1,022,061	(16,179)
Balances as of June 30, 2019	\$ 21,179,486	\$ 5,795,133	\$ 15,384,353

Town of Glastonbury, Connecticut

Notes to Financial Statements  
June 30, 2019

**Note 11. Other Postemployment Benefits (Continued)**

**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 (5.625%) or 1 percentage point higher (7.625%) than the current discount rate:

	1% Decrease (5.625)%	Current Discount Rate (6.625)%	1% Increase (7.625)%
Town's net OPEB liability	\$ 17,988,051	\$ 15,384,353	\$ 13,187,102

**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 (4.48% decreasing to 4.5%) or 1 percentage point higher (6.48% decreasing to 4.5%) than the current healthcare cost trend rates:

	1% Decrease	Current Trend Rate	1% Increase
Town's net OPEB liability	\$ 12,557,031	\$ 15,384,353	\$ 18,845,228

**OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB:** For the year ended June 30, 2019, the Town recognized OPEB expense of \$1,764,862. At June 30, 2019, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Outflows of Resources	Inflows of Resources
Differences between expected and actual experience	\$ 923,603	\$ -
Changes of assumptions	507,982	-
Net difference between projected and actual earning on pension plan investments	4,331	-
	<u>\$ 1,435,916</u>	<u>\$ -</u>

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

Year ending June 30:	
2020	\$ 205,650
2021	205,650
2022	205,652
2023	205,427
2024	204,512
Thereafter	409,025
	<u>\$ 1,435,916</u>

Town of Glastonbury, Connecticut

Notes to Financial Statements  
June 30, 2019

**Note 12. Pension and OPEB Combining Schedules**

**Pension and OPEB combining statement of net position:**

	Pension Trust Fund	OPEB Trust Fund	Total Trust Funds
<b>Assets:</b>			
Cash and cash equivalents	\$ 1,062,334	\$ 2,561	\$ 1,064,895
Investments, at fair value:			
Mutual funds	137,189,516	5,792,572	142,982,088
Pooled funds	5,958,692	-	5,958,692
Limited partnerships	9,088,711	-	9,088,711
Total assets	<u>153,299,253</u>	<u>5,795,133</u>	<u>159,094,386</u>
<b>Net position:</b>			
Restricted for Pension and OPEB benefits	<u>\$ 153,299,253</u>	<u>\$ 5,795,133</u>	<u>\$ 159,094,386</u>

**Pension and OPEB combining statement of changes in net position:**

	Pension Trust Fund	OPEB Trust Fund	Total Trust Funds
<b>Additions:</b>			
<b>Contributions:</b>			
Employer	\$ 7,908,372	\$ 1,579,962	\$ 9,488,334
Employee	1,874,604	-	1,874,604
Total contributions	<u>9,782,976</u>	<u>1,579,962</u>	<u>11,362,938</u>
<b>Investment income:</b>			
Net change in fair value of investments	2,643,216	195,749	2,838,965
Interest and dividends	3,692,875	138,320	3,831,195
	<u>6,336,091</u>	<u>334,069</u>	<u>6,670,160</u>
<b>Less investment expenses:</b>			
Investment management fees	107,029	-	107,029
Net investment income	<u>6,229,062</u>	<u>334,069</u>	<u>6,563,131</u>
Total additions	<u>16,012,038</u>	<u>1,914,031</u>	<u>17,926,069</u>
<b>Deductions:</b>			
Benefits payments	9,446,637	860,025	10,306,662
Administration fees	111,252	31,945	143,197
Total deductions	<u>9,557,889</u>	<u>891,970</u>	<u>10,449,859</u>
Change in restricted net position	6,454,149	1,022,061	7,476,210
<b>Restricted net position:</b>			
Beginning of year	<u>146,845,104</u>	<u>4,773,072</u>	<u>151,618,176</u>
End of year	<u>\$ 153,299,253</u>	<u>\$ 5,795,133</u>	<u>\$ 159,094,386</u>

**Town of Glastonbury, Connecticut**

**Notes to Financial Statements**

**June 30, 2019**

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**Note 13. OPEB - Connecticut Teachers Retirement Plan**

**Plan description:** Teachers, principals, superintendents or supervisors engaged in service of public schools plus professional employees at State Schools of higher education are eligible to participate in the Connecticut State Teachers' Retirement System Retiree Health Insurance Plan (TRS-RHIP), a cost-sharing multiple-employer defined benefit OPEB plan administered by the Teachers' Retirement Board (TRB), if they choose to be covered.

Chapter 167a of the State Statutes grants authority to establish and amend the benefit terms to the TRB. TRS-RHIP issues a publicly available financial report that can be obtained at [www.ct.gov/trb](http://www.ct.gov/trb).

**Benefit provisions:** There are two types of the healthcare benefits offered through the System. Subsidized Local School District Coverage provides a subsidy paid to members still receiving coverage through their former employer and the CTRB Sponsored Medicare Supplemental Plans provide coverage for those participating in Medicare but not receiving Subsidized Local School District Coverage.

Any member who is not currently participating in Medicare Parts A & B is eligible to continue healthcare coverage with their former employer. A subsidy of up to \$110 per month for a retired member plus an additional \$110 per month for a spouse enrolled in a local school district plan is provided to the school district to first offset the retiree's share of the cost of coverage, and any remaining portion is used to offset the district's cost. The subsidy amount is set by statute and has not increased since July 1996. A subsidy amount of \$220 per month may be paid for a retired member, spouse or the surviving spouse of a member who has attained the normal retirement age to participate in Medicare, is not eligible for Part A of Medicare without cost, and contributes at least \$220 per month towards coverage under a local school district plan.

Any member who is currently participating in Medicare Parts A & B is eligible to either continue healthcare coverage with their former employer, if offered, or enroll in the plan sponsored by the System. If they elect to remain in the plan with their former employer, the same subsidies as above will be paid to offset the cost of coverage.

If a member participating in Medicare Parts A & B so elects, they may enroll in one of the CTRB Sponsored Medicare Supplemental Plans. Active members, retirees and the State pay equally toward the cost of the basic coverage (medical and prescription drug benefits). There are three choices for coverage under the CTRB Sponsored Medicare Supplemental Plans. The choices and 2017 calendar year premiums charged for each choice are shown in the table below:

• Medicare Supplement with Prescriptions	\$ 92
• Medicare Supplement with Prescriptions and Dental	136
• Medicare Supplement with Prescriptions, Dental, Vision and Hearing	141

Those participants electing vision, hearing and/or dental are required by the System's funding policy to pay the full cost of coverage for these benefits, and no liability is assumed by the plan for these benefits.

**Survivor healthcare coverage:** Survivors of former employees or retirees remain eligible to participate in the plan and continue to be eligible to receive either the \$110 monthly subsidy or participate in the TRB-Sponsored Medicare Supplemental Plans, as long as they do not remarry.

**Town of Glastonbury, Connecticut**

**Notes to Financial Statements**

**June 30, 2019**

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**Note 13. OPEB - Connecticut Teachers Retirement Plan (Continued)**

**Eligibility:**

Any member who is currently receiving a retirement or disability benefit is eligible to participate in the plan.

**Normal retirement:** 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.

**Early retirement:** Age 55 with 20 years of Credited Service including 15 years of Connecticut service, or 25 years of Credited Service including 20 years of Connecticut service.

**Contributions:**

*State of Connecticut*

Per Connecticut General Statutes Section 10-1832, 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. The State contributions are not currently actuarially funded. The State appropriates from the General Fund one third of the annual costs of the Plan. Administrative costs of the plan are financed by the State. Based upon Chapter 167a, Subsection D of Section 10-183t of the Connecticut statutes, it is assumed the State will pay for any long-term shortfall arising from insufficient active member contributions.

*Employer (School Districts)*

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

*Employees*

The cost of providing plan benefits is financed on a pay-as-go basis as follow: active teachers' pay for one third of the Plan costs through a contribution of 1.25% of their pensionable salaries, and retired teachers pay for one third of the plan costs through monthly premiums, which helps reduce the cost of health insurance for eligible retired members and dependents.

Town of Glastonbury, Connecticut

Notes to Financial Statements  
June 30, 2019

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**Note 13. OPEB - Connecticut Teachers Retirement Plan (Continued)**

**OPEB liabilities, OPEB expense, and deferred outflows of resources and deferred inflows of resources related to OPEB:** At June 30, 2019, the Town reports no amounts for its proportionate share of the net OPEB 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 OPEB liability, the related State support and the total portion of the net OPEB liability that was associated with the Town was as follows:

Town's proportionate share of the net pension liability	\$ -
State's proportionate share of the net pension liability associated with the Town	30,436,453
	<u>\$ 30,436,453</u>

The net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as June 30, 2018. At June 30, 2019, the Town has no proportionate share of the net OPEB liability.

For the year ended June 30, 2019, the Town recognized OPEB expense and (revenue) of (\$10,110,972) in Exhibit II for on-behalf amounts for the benefits provided by the State.

**Actuarial assumptions:** The total OPEB liability was determined by an actuarial valuation as of June 30, 2018, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Healthcare costs trend rate	
Pre-Medicare	5.95% decreasing to 4.75% by 2025
Medicare	5.00% decreasing to 4.75% by 2028
Salary increases	3.25-6.50%, including inflation
Investment rate of return	3.00%, net of OPEB plan investment expense, including inflation
Year fund net position will be depleted	2019

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.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2010 - June 30, 2015.

The long-term expected rate of return on plan assets is reviewed as part of the GASB Statement No. 74 valuation process. Several factors are considered in evaluating the long-term rate of return assumption, including the plan's current asset allocations and a log-normal distribution analysis using the best estimate ranges of expected future real rates of return (expected return, net investment expense and inflation) for each major asset class. The long-term expected rate of return was determined by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years. The plan is 100% invested in U.S. Treasuries (Cash Equivalents) for which the expected 10-Year Geometric Real Rate of Return is (0.27%).

**Town of Glastonbury, Connecticut**

**Notes to Financial Statements  
June 30, 2019**

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**Note 13. OPEB - Connecticut Teachers Retirement Plan (Continued)**

**Discount rate:** The discount rate used to measure the total OPEB liability was 3.87%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current member contribution rate and that contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members. No future State contributions were assumed to be made. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be depleted in 2019 and, as a result, the Municipal Bond Index Rate was used in the determination.

**Sensitivity of the net OPEB liability to changes in the healthcare cost trend rate and the discount rate:** The Town's proportionate share of the net OPEB liability is \$-0- and, therefore, the change in the healthcare cost trend rate or 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. Detailed information about the Connecticut State Teachers OPEB plan fiduciary net position is available in the separately issued State of Connecticut Comprehensive Annual Financial Report at [www.ct.gov](http://www.ct.gov).

**Note 14. 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 6.5%.

**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 years ended June 30, 2019 and 2018, employees contributed \$103,685, and 71,585, respectively and the Town contributed matching employer contributions of \$106,611 and 88,781, respectively. Covered payroll totaled \$2,809,857.

## Town of Glastonbury, Connecticut

### Notes to Financial Statements June 30, 2019

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#### Note 15. Risk Management

The Town is a member of CIRMA's Liability, Automobile, Property (LAP) pool program and as well as CIRMA's Workers' Compensation pool program. CIRMA is a not-for-profit association of Connecticut municipalities, school districts, and local public agencies established in 1980. CIRMA has 151 LAP members and 208 Workers' Compensation Pool members (not including six self-insured members). The Town maintains insurance to provide for losses of property or the results of litigation. 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, 2019. 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, 2017, 2018 or 2019.

The Workers' Compensation Pool provides statutory benefits pursuant to the provisions of the Connecticut Workers' Compensation Act. The program type is guaranteed cost effective 7/1/2018. The contribution (premium) is subject to payroll audit at the close of the coverage period. CIRMA's Workers' Compensation Pool retains \$1,000,000 per occurrence plus a \$1,000,000 annual aggregate deductible. All claims above this retention are fully reinsured.

Premiums were paid by the Town and Board of Education in the amount of \$433,393 and \$378,140 respectively, for the LAP pool program and for excess liability coverage.

The deposit contribution (premium) paid for the Workers' Compensation for the year ended June 30, 2019 was \$1,198,838, inclusive of the Board of Education.

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. 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.



**Town of Glastonbury, Connecticut**

**Notes to Financial Statements  
June 30, 2019**

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**Note 15. Risk Management (Continued)**

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

	Liability July 1,	Current Year Claims and Changes in Estimates	Claim Payments	Liability June 30,
2018 - 2019	\$ 1,228,863	\$ 19,059,546	\$ 19,195,487	\$ 1,092,922
2017 - 2018	1,450,656	16,980,273	17,202,066	1,228,863

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.

**Note 16. 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, 2019 was \$753,586.

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

Year ending June 30:	
2020	\$ 716,805
2021	742,243
2022	742,625
	<u>\$ 2,201,673</u>

**Note 17. 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.

## Town of Glastonbury, Connecticut

### Notes to Financial Statements June 30, 2019

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#### **Note 18. Accounting Standards Not Yet Effective**

The Governmental Accounting Standards Board (GASB) has issued several pronouncements that have effective dates that may impact future financial presentations. Management has not currently determined what, if any, impact implementation of the following statements may have on the financial statements.

The impact of the following accounting pronouncements are currently being assessed by the Town as to the impact to the financial statements. Other recently issued financial statements are not expected to have a material effect to the Town's financial statements.

GASB Statement No. 84, "Fiduciary Activities." This Statement established criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria is generally on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends December 31, 2019.

GASB Statement No. 87, "Leases." The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases. The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends December 31, 2020.

GASB Statement No. 90, "Majority Equity Interests, an Amendment of GASB Statements No. 14 and No. 61." The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends December 31, 2019. The requirements should be applied retroactively, except for the provisions related to (1) reporting a majority equity interest in a component unit and (2) reporting a component unit if the government acquired a 100 percent equity interest. Those provisions should be applied on a prospective basis.

GASB Statement No. 91, "Conduit Debt Obligations." The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends December 31, 2021.

Earlier application of these statements is encouraged. For original pronouncements, please visit the GASB's website, [www.gasb.org](http://www.gasb.org).

Management is in the process of determining what impact, if any, implementation of the above statements may have on the financial statements of the Town.

#### **Note 19. Subsequent Events**

On July 25, 2019, the Town issued \$1,710,000 of General Obligation Bond Anticipation Notes with an interest rate of 2.00% and a maturity date of July 24, 2020.

The Bond Anticipation notes of \$1,305,000 maturing on July 25, 2019 were paid off through the notes issued on July 25, 2019.

**Required Supplementary  
Information**



**Required Supplementary Information - Unaudited  
 Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budgetary Basis - Budget and Actual - General Fund  
 For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Property taxes	\$ 150,395,708	\$ 150,395,708	\$ 151,222,713	\$ 827,005
Licenses and permits	1,126,100	1,126,100	1,429,480	303,380
Intergovernmental	7,070,570	8,331,504	8,878,993	547,489
Charges for services	1,611,570	1,645,470	1,778,807	133,337
Unrealized (gain) loss	-	-	183,370	183,370
Investment income	800,000	800,000	1,317,030	517,030
Other revenue	771,841	771,841	759,100	(12,741)
<b>Total revenues</b>	<b>161,775,789</b>	<b>163,070,623</b>	<b>165,569,493</b>	<b>2,498,870</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	3,364,593	3,412,793	3,280,357	132,436
Community development	2,103,418	2,116,491	2,043,759	72,732
Administrative services	6,074,814	6,122,340	6,031,188	91,152
Public safety	14,085,496	14,300,607	14,073,683	226,924
Physical services	7,075,183	7,105,183	7,053,345	51,838
Sanitation	804,477	824,892	804,153	20,739
Human services	2,979,232	2,968,271	2,760,010	208,261
Leisure/culture	5,528,789	5,941,986	5,698,826	243,160
Education	105,366,982	107,393,635	106,834,222	559,413
Debt service	8,459,085	8,117,585	8,076,119	41,466
<b>Total expenditures</b>	<b>155,842,070</b>	<b>158,303,783</b>	<b>156,655,662</b>	<b>1,648,121</b>
<b>Excess of revenues over expenditures</b>	<b>5,933,719</b>	<b>4,766,840</b>	<b>8,913,831</b>	<b>4,146,991</b>
<b>Other Financing Sources (Uses):</b>				
<b>Transfers in:</b>				
Use of fund balance	575,000	1,975,000	1,400,000	(575,000)
<b>Transfers out</b>	<b>(6,508,719)</b>	<b>(6,935,219)</b>	<b>(6,850,219)</b>	<b>85,000</b>
<b>Total other financing sources (uses)</b>	<b>(5,933,719)</b>	<b>(4,960,219)</b>	<b>(5,450,219)</b>	<b>(660,000)</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ (193,379)</b>	<b>3,463,612</b>	<b>\$ 3,656,991</b>
Budgetary fund balance at beginning of year			<u>25,757,528</u>	
Budgetary fund balance at end of year			<u>\$ 29,221,140</u>	

**Required Supplementary Information - Unaudited  
Schedule of Changes in Net Pension Liability and Related Ratios Pension  
Last Six Fiscal Years\***

	2014	2015	2016	2017	2018	2019
Total pension liability:						
Service cost	\$ 3,202,640	\$ 3,546,691	\$ 3,830,151	\$ 3,976,246	\$ 4,159,188	\$ 4,215,987
Interest	10,850,500	11,234,997	11,748,111	12,330,029	12,876,054	13,355,205
Effect of plan changes	-	-	(26,085)	11,568	(33,783)	(3,313)
Effect of economic/demographic gains or losses	-	(711,983)	(316,829)	2,217,622	2,427,429	525,669
Effect of assumption changes or inputs	-	927,997	2,408,881	550,555	3,835,590	812,083
Benefit payments, including refunds of member contributions	(6,386,200)	(6,801,280)	(7,173,284)	(7,657,362)	(8,604,504)	(9,446,637)
<b>Net change in total pension liability</b>	<b>7,666,940</b>	<b>8,196,422</b>	<b>10,470,945</b>	<b>11,428,658</b>	<b>14,659,974</b>	<b>9,458,994</b>
Total pension liability - beginning	149,596,650	157,263,590	165,460,012	175,930,957	187,359,615	202,019,589
<b>Total pension liability - ending</b>	<b>157,263,590</b>	<b>165,460,012</b>	<b>175,930,957</b>	<b>187,359,615</b>	<b>202,019,589</b>	<b>211,478,583</b>
Plan fiduciary net position:						
Contributions - employer	5,771,396	6,001,585	6,118,624	6,325,363	7,137,123	7,908,372
Contributions - member	1,675,096	1,627,914	1,631,107	1,705,360	1,861,582	1,874,604
Net investment income (loss)	17,267,726	1,126,546	(1,510,983)	15,358,365	10,469,718	6,229,061
Benefit payments, including refunds of member contributions	(6,386,200)	(6,801,280)	(7,158,404)	(7,657,362)	(8,604,504)	(9,446,637)
Administrative expense	(141,637)	(204,307)	(152,285)	(94,494)	(97,854)	(111,251)
<b>Net change in plan fiduciary net position</b>	<b>18,186,381</b>	<b>1,750,458</b>	<b>(1,071,941)</b>	<b>15,637,232</b>	<b>10,766,065</b>	<b>6,454,149</b>
Plan fiduciary net position - beginning	101,576,909	119,763,290	121,513,748	120,441,807	136,079,039	146,845,104
<b>Plan fiduciary net position - ending</b>	<b>119,763,290</b>	<b>121,513,748</b>	<b>120,441,807</b>	<b>136,079,039</b>	<b>146,845,104</b>	<b>153,299,253</b>
<b>Net pension liability - ending</b>	<b>\$ 37,500,300</b>	<b>\$ 43,946,264</b>	<b>\$ 55,489,150</b>	<b>\$ 51,280,576</b>	<b>\$ 55,174,485</b>	<b>\$ 58,179,330</b>
Plan fiduciary net pension as a percentage of the total pension liability	76.15%	73.44%	68.46%	72.63%	72.69%	72.49%
Covered payroll	\$ 24,455,208	\$ 27,153,582	\$ 26,362,701	\$ 27,677,315	\$ 28,655,358	\$ 29,581,276
Net pension liability as a percentage of covered payroll	153.34%	161.84%	210.48%	185.28%	192.55%	196.68%

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

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**Town of Glastonbury, Connecticut**

**Required Supplementary Information - Unaudited  
Schedule of Employer Contributions - Pension  
Last Ten Fiscal Years**

	2010	2011	2012	2013
Actuarially determined contribution	\$ 5,054,637	\$ 4,930,505	\$ 4,753,626	\$ 5,130,000
Contributions in relation to the actuarially determined contribution	4,002,757	4,782,742	4,753,626	5,130,000
<b>Contribution deficiency (excess)</b>	<b>\$ 1,051,880</b>	<b>\$ 147,763</b>	<b>\$ -</b>	<b>\$ -</b>
Covered payroll	\$ 24,409,943	\$ 24,923,408	\$ 25,346,833	\$ 26,408,569
Contributions as a percentage of covered payroll	16.40%	19.19%	18.75%	19.43%

(1) The actuarially determined contribution was fully funded in FY2018 and included funding of 99.2% by the Town and 0.8% by an increase the actuarially determined contribution calculation.

**Notes to Schedule:**

Valuation date: July 1, 2018  
Measurement date: June 30, 2019

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percent, closed, 14 years remaining
Asset valuation method	5 years
Inflation	2.75%
Salary increases	Graded salary growth with an ultimate rate of 3.00%
Investment rate of return	6.50% 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



**RSI-3**

2014	2015	2016	2017	2018 <sup>(1)</sup>	2019
\$ 5,771,396	\$ 6,001,585	\$ 6,118,624	\$ 6,325,363	\$ 7,193,600	\$ 7,908,372
5,771,396	6,001,585	6,118,624	6,325,363	7,137,123	7,908,372
\$ -	\$ -	\$ -	\$ -	\$ 56,477	\$ -
\$ 24,455,208	\$ 27,153,582	\$ 26,362,701	\$ 27,677,315	\$ 28,655,358	\$ 29,581,276
23.60%	22.10%	23.21%	22.85%	24.91%	26.73%

to employee payroll deductions for pension costs. The increase to employee payroll deductions was made subsequent to

**Required Supplementary Information - Unaudited  
Schedule of Investment Returns - Pension  
Last Six Fiscal Years\***

	2014	2015	2016	2017	2018	2019
Annual money-weighted rate of return, net of investment expense	16.50%	0.92%	(1.20)%	12.43%	7.51%	4.14%

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

**Required Supplementary Information - Unaudited  
Schedule of the Town's Proportionate Share of the Net Pension Liability -  
Teachers Retirement Plan  
Last Five Fiscal Years\***

	2015	2016	2017	2018	2019
Town's proportion of the net pension liability	0.00%	0.00%	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	120,207,941	130,053,006	170,434,778	161,548,380	152,253,528
<b>Total</b>	<b>\$ 120,207,941</b>	<b>\$ 130,053,006</b>	<b>\$ 170,434,778</b>	<b>\$ 161,548,380</b>	<b>\$ 152,253,528</b>
Town's covered payroll	\$ 46,123,485	\$ 47,748,108	\$ 47,896,842	\$ 48,175,430	\$ 49,982,895
Town's proportionate share of the net pension liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	61.51%	59.50%	52.26%	55.93%	57.69%

**Notes to Schedule:**

Changes in benefit terms	Beginning January 1, 2018, member contribution increased from 6% to 7% of salary.
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
Actuarial cost method	Entry age
Amortization method	Level percent of salary, closed
Single equivalent amortization period	17.6 years
Asset valuation method	4-year smoothed market
Investment rate of return	8.0%, net of investment related expense

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

**Required Supplementary Information - Unaudited  
Schedule of Changes in Net OPEB Liability and Related Ratios OPEB  
Last Three Fiscal Years\***

	2017	2018	2019
Total OPEB liability:			
Service cost	\$ 514,970	\$ 490,603	\$ 522,802
Interest	1,141,882	1,207,883	1,343,105
Differences between expected and actual experience	-	1,187,489	-
Changes of assumptions	(124,569)	653,120	-
Benefit payments	(696,124)	(698,550)	(860,025)
<b>Net change in total OPEB liability</b>	<b>836,159</b>	<b>2,840,545</b>	<b>1,005,882</b>
Total OPEB liability - beginning	16,496,900	17,333,059	20,173,604
<b>Total OPEB liability - ending</b>	<b>17,333,059</b>	<b>20,173,604</b>	<b>21,179,486</b>
Plan fiduciary net position:			
Contributions - employer	925,241	1,392,915	1,579,962
Net investment income	372,700	274,274	334,069
Benefit payments	(696,124)	(698,550)	(860,025)
Administrative expense	(3,897)	(11,157)	(31,945)
<b>Net change in plan fiduciary net position</b>	<b>597,920</b>	<b>957,482</b>	<b>1,022,061</b>
Plan fiduciary net position - beginning	3,217,670	3,815,590	4,773,072
<b>Plan fiduciary net position - ending</b>	<b>3,815,590</b>	<b>4,773,072</b>	<b>5,795,133</b>
<b>Net OPEB liability - ending</b>	<b>\$ 13,517,469</b>	<b>\$ 15,400,532</b>	<b>\$ 15,384,353</b>
Plan fiduciary net OPEB as a percentage of the total OPEB liability	22.01%	23.66%	27.36%
Covered payroll	\$ 68,158,459	\$ 68,158,459	\$ 67,020,668
Net OPEB liability as a percentage of covered payroll	19.83%	22.60%	22.95%

## \*Note:

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

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**Town of Glastonbury, Connecticut**

**Required Supplementary Information - Unaudited  
Schedule of Employer Contributions - OPEB  
Last Ten Fiscal Years**

	2010	2011	2012	2013
Actuarially determined contribution	\$ 1,212,300	\$ 1,264,000	\$ 1,330,000	\$ 1,478,000
Contributions in relation to the actuarially determined contribution	775,900	814,000	1,220,000	1,141,000
<b>Contribution deficiency (excess)</b>	<b>\$ 436,400</b>	<b>\$ 450,000</b>	<b>\$ 110,000</b>	<b>\$ 337,000</b>
Covered payroll	N/A	N/A	N/A	\$ 62,606,000
Contributions as a percentage of covered payroll	N/A	N/A	N/A	1.82%

**Notes to Schedule:**

Valuation date: July 1, 2017  
Measurement date: June 30, 2019

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Amortization period	20 years
Asset valuation method	5-year smoothed market
Inflation	2.70%
Healthcare cost trend rates	5.48% - 4.50%, over 56 years
Salary increases	3.50%, average, including inflation
Investment rate of return	6.625%, net of pension plan investment expense, including inflation

**RSI-7**

	2014	2015	2016	2017	2018	2019
\$	1,556,000	\$ 1,528,458	\$ 1,634,197	\$ 1,321,393	\$ 1,392,913	\$ 1,614,992
	1,088,000	1,381,616	1,522,386	925,241	1,392,915	1,579,962
\$	468,000	\$ 146,842	\$ 111,811	\$ 396,152	\$ (2)	\$ 35,030
\$	62,606,000	\$ 64,192,394	\$ 64,192,394	\$ 68,158,459	\$ 68,158,459	\$ 67,020,668
	1.74%	2.15%	2.37%	1.36%	2.04%	2.36%

**Required Supplementary Information - Unaudited  
Schedule of Investment Returns - OPEB  
Last Three Fiscal Years\***

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	2017	2018	2019
Annual money-weighted rate of return, net of investment expense	10.80%	6.09%	6.11%

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



**Required Supplementary Information - Unaudited  
Schedule of the Town's Proportionate Share of the Net OPEB Liability -  
Teachers Retirement Plan  
Last Two Fiscal Years\***

	2018	2019
Town's proportion of the net OPEB liability	0.00%	0.00%
Town's proportionate share of the net OPEB liability	\$ -	\$ -
State's proportionate share of the net OPEB liability associated with the Town	41,580,719	30,436,453
<b>Total</b>	<b>\$ 41,580,719</b>	<b>\$ 30,436,453</b>
Town's covered payroll	\$ 48,175,430	\$ 47,141,707
Town's proportionate share of the net OPEB liability as a percentage of its covered payroll	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	1.79%	1.49%

**Notes to Schedule:**

Changes in benefit terms	<p>The Plan was amended by the Board, effective July 1, 2018, during the January 11, 2018 meeting. The Board action added the Anthem Medicare Advantage Plan to the available options under the Plan, changed the "base plan" to the Medicare Advantage Plan for the purposes of determining retiree subsidies and/or cost sharing amount(s), and introduced a two year waiting period for re-enrollment in a System sponsored healthcare plan for those who cancel their coverage or choose not to enroll in a healthcare coverage option on or after the effective date. These changes were communicated to retired members during the months leading up to a special open enrollment period that preceded the July 1, 2018 implementation date.</p>
Changes of assumptions	<p>The expected rate of return on assets was changed from 2.75% to 3.00% to better reflect the anticipated returns on cash and other high quality short-term fixed income investments.</p> <p>Based on the procedure described in GASB 75, the discount rate used to measure Plan obligations for financial accounting purposes as of June 30, 2018 was updated to equal the Municipal Bond Index Rate as of June 30, 2018. The System selected the 3.87% discount rate used to measure the TOL as of the June 30, 2018 measurement date.</p> <p>Expected annual per capita claims costs were updated to better reflect anticipated medical and prescription drug claim experience both before and after the plan change that became effective on July 1, 2018.</p> <p>The assumed age related annual percentage increases in expected annual per capita healthcare claim costs were updated to better reflect the expected differences between the Medicare Supplement and Medicare Advantage Plan amounts as part of the plan change that became effective on July 1, 2018.</p> <p>Long-term healthcare cost trend rates were updated to better reflect the anticipated impact of changes in medical inflation, utilization, leverage in the plan design, improvements in technology, and fees and charges on expected claims and retiree contributions in future periods.</p> <p>The percentage of retired members who are not currently participating in the Plan, but are expected to elect coverage for themselves and their spouses under a System-sponsored healthcare plan option in the future, was updated to better reflect anticipated plan experience.</p> <p>The participating retirees who are expected to enroll in the Medicare Supplement Plan and the Medicare Advantage Plan options, as well as the portion who are expected to migrate to the Medicare Advantage Plan over the next several years, were updated to better reflect anticipated plan experience after the plan change that became effective on July 1, 2018.</p> <p>The post-disablement mortality table was updated to extend the period of projected mortality improvements from 2017 to 2020. This change was made to better reflect anticipated post-disablement plan experience.</p> <p>The percentages of deferred vested members who will become ineligible for future healthcare benefits because they are expected to withdraw their contributions from the System was updated to better reflect anticipated plan experience.</p>
Actuarial cost method	Entry age
Amortization method	Level percent of payroll
Remaining amortization period	30 years, open
Asset valuation method	Market value of assets
Investment rate of return	4.25%, net of investment related expense including price inflation

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

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**Combining and Individual  
Fund Financial Statements and Other 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.

**General Fund  
Balance Sheets  
June 30, 2019 and 2018**

	2019	2018
<b>Assets</b>		
Cash and cash equivalents	\$ 26,230,437	\$ 24,197,516
Receivables, net:		
Property taxes (net of allowance of \$100,200 in 2019 and \$132,000 in 2018)	1,064,947	1,062,882
Intergovernmental	379,352	21,500
Other	-	476,562
Inventory	202,547	192,828
Investments	6,627,877	6,200,294
Other assets	22,884	9,876
	<u>22,884</u>	<u>9,876</u>
<b>Total assets</b>	<b>\$ 34,528,044</b>	<b>\$ 32,161,458</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balance</b>		
Liabilities:		
Accounts and other payables	2,743,510	\$ 4,442,431
Due to other funds	521,534	38,581
Due to developers for escrow deposits	681,074	771,364
Due to others for escrow deposits	108,662	123,580
Unearned revenue	33,943	34,643
<b>Total liabilities</b>	<b>4,088,723</b>	<b>5,410,599</b>
Deferred inflows of resources:		
Unavailable revenue - property taxes	821,530	740,091
Advance tax payments	396,651	253,240
<b>Total deferred inflows of resources</b>	<b>1,218,181</b>	<b>993,331</b>
Fund Balance:		
Nonspendable	225,431	202,704
Assigned	1,394,049	1,678,597
Unassigned	27,601,660	23,876,227
<b>Total fund balance</b>	<b>29,221,140</b>	<b>25,757,528</b>
<b>Total liabilities, deferred inflows of resources and fund balance</b>	<b>\$ 34,528,044</b>	<b>\$ 32,161,458</b>

**General Fund Revenues and Other Financing Sources - Budgetary Basis -  
Budget and Actual  
For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
Property taxes:				
Current levy and back taxes	\$ 150,043,708	\$ 150,043,708	\$ 150,792,782	\$ 749,074
Penalties, interest, fees	352,000	352,000	429,931	77,931
<b>Total property taxes</b>	<b>150,395,708</b>	<b>150,395,708</b>	<b>151,222,713</b>	<b>827,005</b>
Licenses and permits:				
Building Inspector	650,000	650,000	901,868	251,868
Town Clerk	75,000	75,000	84,459	9,459
Physical Services	11,000	11,000	13,975	2,975
Sanitation refuse permits	290,000	290,000	304,385	14,385
Health	95,000	95,000	118,285	23,285
Fire Marshal	5,100	5,100	6,508	1,408
<b>Total licenses and permits</b>	<b>1,126,100</b>	<b>1,126,100</b>	<b>1,429,480</b>	<b>303,380</b>
Intergovernmental:				
In lieu of taxes:				
Housing Authority	190,000	190,000	195,863	5,863
ST/CT telephone access	85,000	85,000	70,853	(14,147)
Veterans exemptions	12,000	12,000	9,756	(2,244)
Disability exemptions	2,400	2,400	2,011	(389)
Homeowners tax relief	150,000	150,000	-	(150,000)
Town Clerk historic documents grant	6,500	6,500	6,500	-
State health grant	7,500	7,500	7,990	490
State stabilization grant	281,748	281,748	385,930	104,182
Education:				
Magnet school grant	-	24,400	24,400	-
Education enhancement	5,516,478	5,516,478	5,897,871	381,393
Special education - excess cost	-	1,236,534	1,236,534	-
Vocational agricultural	331,888	331,888	324,629	(7,259)

(Continued)



**General Fund Revenues and Other Financing Sources - Budgetary Basis -  
Budget and Actual (Continued)  
For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
Intergovernmental, continued:				
Public safety:				
Civil preparedness	\$ 11,110	\$ 11,110	\$ 11,617	\$ 507
Police grants	300,000	300,000	323,295	23,295
Volunteer ambulance reimbursement	20,010	20,010	11,431	(8,579)
Tower Lease	18,000	18,000	18,000	-
Regional dispatch	-	-	227,541	227,541
Human Services:				
YFSB state grant	26,658	26,658	25,814	(844)
Housing Authority resident services	60,000	60,000	47,680	(12,320)
Dial-A-Ride Grant	51,278	51,278	51,278	-
<b>Total intergovernmental</b>	<b>7,070,570</b>	<b>8,331,504</b>	<b>8,878,993</b>	<b>547,489</b>
Charges for services:				
Community development:				
Planning and zoning	12,000	12,000	12,956	956
Notary services	250	250	-	(250)
Revenue collections:				
Notary services	-	-	785	785
Customer service:				
Notary services	-	-	2,520	2,520
Passport Processing	30,000	30,000	16,543	(13,457)
Town Clerk:				
Recording fees	185,800	185,800	174,357	(11,443)
Conveyance tax	582,100	582,100	849,705	267,605
Notary services	2,100	2,100	1,027	(1,073)
Education:				
Community services	20,000	53,900	59,629	5,729
Physical services:				
Refuse dumping fees	280,000	280,000	203,142	(76,858)
Bulky waste fill	25,000	25,000	8,996	(16,004)
Sewer inspection fees	2,000	2,000	-	(2,000)
Subdivision OT inspection	1,000	1,000	-	(1,000)
Human Services:				
Senior services	55,000	55,000	58,747	3,747
Nutrition program	35,000	35,000	32,302	(2,698)
Community center rentals	95,000	95,000	78,536	(16,464)
Parks and recreation:				
Program fees	142,000	142,000	138,981	(3,019)
Public safety:				
Public safety - police	75,000	75,000	87,297	12,297
Fire watch services	5,320	5,320	6,453	1,133
Health soil tests	2,000	2,000	3,300	1,300
Library:				
Library fines	40,000	40,000	31,966	(8,034)
Notary services	2,000	2,000	1,765	(235)
Passport Processing	20,000	20,000	9,800	(10,200)
<b>Total charges for services</b>	<b>1,611,570</b>	<b>1,645,470</b>	<b>1,778,807</b>	<b>133,337</b>

(Continued)

**General Fund Revenues and Other Financing Sources - Budgetary Basis -  
Budget and Actual (Continued)  
For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
Investment income:				
Unrealized (gain) loss	\$ -	\$ -	\$ 183,370	\$ 183,370
Investment income	800,000	800,000	1,317,030	517,030
<b>Total investment income</b>	<b>800,000</b>	<b>800,000</b>	<b>1,500,400</b>	<b>700,400</b>
Other revenues:				
Land rentals	163,252	163,252	129,468	(33,784)
Land sales	-	-	-	-
Insurance claims reimbursed	40,000	40,000	39,628	(372)
ICMA Administrative Allowance	-	-	23,383	23,383
Attorney fees reimbursed	12,000	12,000	31,121	19,121
Auction sales	35,000	35,000	19,322	(15,678)
Miscellaneous	20,000	20,000	34,226	14,226
Purchasing card rebates	5,000	5,000	6,171	1,171
Probate Court Reimbursement	-	-	2,960	2,960
Education:				
Student activities	200	200	1,033	833
Vo-Ag tuition	365,989	365,989	293,243	(72,746)
Physical services:				
Sales	3,500	3,500	3,145	(355)
Refuse recycling sales	32,750	32,750	71,971	39,221
Utilities reimbursed	-	-	8,444	8,444
Human services:				
YFSB programs	33,400	33,400	28,932	(4,468)
Clinical fees	750	750	1,925	1,175
Library:				
Trustee account	40,000	40,000	52,644	12,644
Miscellaneous	20,000	20,000	11,484	(8,516)
<b>Total other revenues</b>	<b>771,841</b>	<b>771,841</b>	<b>759,100</b>	<b>(12,741)</b>
<b>Total revenues</b>	<b>161,775,789</b>	<b>163,070,623</b>	<b>165,569,493</b>	<b>2,498,870</b>
Other financing sources:				
Transfers in:				
Use of fund balance	575,000	575,000	-	(575,000)
From Capital Projects	-	1,400,000	1,400,000	-
<b>Total other financing sources (uses)</b>	<b>575,000</b>	<b>1,975,000</b>	<b>1,400,000</b>	<b>(575,000)</b>
<b>Total</b>	<b>\$ 162,350,789</b>	<b>\$ 165,045,623</b>	<b>166,969,493</b>	<b>\$ 1,923,870</b>

Budgetary revenues are different than GAAP revenues because:

State of Connecticut on-behalf contributions to the Connecticut State

Teachers' Retirement / Health System for Town teachers are not budgeted

6,976,796

Total revenues and other financing sources as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds - Exhibit IV

\$ 173,946,289

**General Fund Expenditures and Other Financing Uses - Budgetary Basis -  
Budget and Actual  
For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
General government:				
Town council:				
Wages - part-time	\$ 23,120	\$ 22,478	\$ 7,529	\$ 14,949
Wages - other	-	642	641	1
Office supplies	4,000	4,000	2,612	1,388
Operating supplies	3,000	3,000	1,605	1,395
Training and dues	675	675	425	250
Contributory grants	72,710	72,710	66,303	6,407
Pensions	1,768	1,768	559	1,209
Data processing	200	200	-	200
Legal/advertising	6,500	6,500	4,547	1,953
Printing/reproduction	5,000	3,000	-	3,000
Professional services	31,000	54,000	31,413	22,587
Office equipment and furniture	-	4,000	3,566	434
<b>Total town council</b>	<b>147,973</b>	<b>172,973</b>	<b>119,200</b>	<b>53,773</b>
Town manager:				
Wages - full-time	335,627	347,755	347,755	-
Wages - part-time	-	2,023	2,022	1
Wages - other	10,000	7,925	7,246	679
Office supplies	7,065	7,117	7,116	1
Operating supplies	2,500	2,500	833	1,667
Training and dues	5,500	5,500	4,741	759
Employee related insurance	67,004	67,004	66,915	89
Pension	89,147	89,147	88,775	372
Technology use charges	11,384	17,746	5,746	12,000
Vehicle maintenance	2,130	2,130	1,633	497
Equipment maintenance	800	800	-	800
Legal/advertising	8,000	818	-	818
Printing/reproduction	15,000	6,752	6,751	1
Professional services	32,000	25,140	15,240	9,900
Office equipment and furniture	-	8,600	8,168	432
<b>Total town manager</b>	<b>586,157</b>	<b>590,957</b>	<b>562,941</b>	<b>28,016</b>
Human resources:				
Wages - full-time	254,645	254,645	246,975	7,670
Wages - part-time	65,000	52,144	52,143	1
Wages - other	1,000	1,217	1,217	-
Office supplies	5,000	8,114	8,114	-
Training and dues	11,100	6,492	5,337	1,155
Employee related insurance	50,360	50,360	50,283	77
Pension	260,377	260,377	251,263	9,114
Data processing	9,350	9,350	9,310	40
Technology use charges	4,347	4,347	4,334	13
Equipment maintenance	1,000	1,000	127	873
Legal/advertising	18,000	9,467	1,012	8,455
Printing/reproduction	1,000	1,248	1,248	-
Professional services	15,000	6,869	6,060	809
Programs	46,450	50,210	50,209	1
Recruitment	28,500	28,500	22,256	6,244
Office equipment and furniture	-	600	150	450
<b>Total human resources</b>	<b>771,129</b>	<b>744,940</b>	<b>710,038</b>	<b>34,902</b>

(Continued)

**General Fund Expenditures and Other Financing Uses - Budgetary Basis -  
Budget and Actual (Continued)  
For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
General government (continued):				
Facilities maintenance:				
Wages - full-time	\$ 798,626	\$ 782,252	\$ 782,251	\$ 1
Wages - part-time	153,000	191,141	191,141	-
Wages - other	60,000	51,949	51,948	1
Office supplies	4,500	4,275	4,274	1
Operating supplies	8,900	9,632	9,631	1
Training and dues	8,230	3,161	3,160	1
Contractual services	4,000	2,696	2,696	-
Employee related insurance	228,263	245,221	245,221	-
Pension	251,120	248,975	248,974	1
Data processing	5,000	3,698	3,697	1
Technology use charges	2,333	2,332	2,332	-
Vehicle maintenance	12,682	6,251	6,250	1
Equipment maintenance	3,000	1,797	1,796	1
Facilities maintenance	139,210	128,869	128,869	-
Printing/reproduction	350	-	-	-
Uniforms	10,000	8,153	8,153	-
Utilities/communication	153,660	168,846	168,846	-
Office equipment and furniture	8,960	19,997	4,262	15,735
Vehicles and trucks	-	-	-	-
Machinery and equipment	-	23,471	23,470	1
Improvements - land and buildings	7,500	1,207	1,207	-
<b>Total facilities maintenance</b>	<b>1,859,334</b>	<b>1,903,923</b>	<b>1,888,178</b>	<b>15,745</b>
<b>Total general government</b>	<b>3,364,593</b>	<b>3,412,793</b>	<b>3,280,357</b>	<b>132,436</b>
Community development:				
Community development:				
Wages - full-time	339,214	341,204	341,204	-
Wages - part-time	37,758	10,945	10,944	1
Wages - other	-	-	-	-
Office supplies	3,700	4,320	4,320	-
Training and dues	3,850	6,955	6,065	890
Employee related insurance	67,729	73,209	73,208	1
Pension	79,310	77,020	76,669	351
Technology use charges	1,205	1,205	1,205	-
Vehicle maintenance	1,500	1,500	904	596
Legal/advertising	3,700	4,800	4,251	549
Printing/reproduction	400	1,448	1,405	43
Professional services	1,300	1,300	1,300	-
Improvements - land and buildings	-	4,300	3,889	411
<b>Total community development</b>	<b>539,666</b>	<b>528,206</b>	<b>525,364</b>	<b>2,842</b>

(Continued)

**General Fund Expenditures and Other Financing Uses - Budgetary Basis -  
Budget and Actual (Continued)  
For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
Community development (continued):				
Building inspection:				
Wages - full-time	\$ 303,027	\$ 288,315	\$ 288,314	\$ 1
Wages - part-time	2,225	9,422	9,421	1
Office supplies	4,000	6,286	6,286	-
Training and dues	2,070	844	773	71
Employee related insurance	67,962	75,603	75,602	1
Pension	81,066	81,066	78,140	2,926
Data processing	13,216	11,855	11,832	23
Technology use charge	1,944	1,944	1,941	3
Vehicle maintenance	2,920	2,920	1,653	1,267
Legal/advertising	2,600	2,600	2,324	276
Printing/reproduction	1,000	1,075	1,074	1
Uniforms	1,000	1,100	1,059	41
Office equip/furniture	-	17,000	-	17,000
<b>Total building inspection</b>	<b>483,030</b>	<b>500,030</b>	<b>478,419</b>	<b>21,611</b>
Fire marshal:				
Wages - full-time	179,719	179,785	179,784	1
Wages - part-time	28,400	17,884	15,050	2,834
Wages - other	7,500	10,468	10,468	-
Office supplies	1,300	1,343	1,343	-
Operating supplies	1,500	1,500	1,455	45
Training and dues	2,000	2,000	1,860	140
Employee related insurance	41,187	42,065	42,064	1
Pension	71,218	71,218	70,317	901
Technology use charge	700	700	700	-
Vehicle maintenance	3,089	3,089	2,628	461
Equipment maintenance	300	300	-	300
Uniforms	2,000	2,001	2,001	-
Utilities/communication	1,300	1,300	1,262	38
<b>Total fire marshal</b>	<b>340,213</b>	<b>333,653</b>	<b>328,932</b>	<b>4,721</b>
Health:				
Wages - full-time	417,882	417,882	392,624	25,258
Wages - part-time	44,961	44,961	43,524	1,437
Office supplies	3,750	2,800	2,472	328
Operating supplies	1,250	1,023	1,023	-
Training and dues	2,375	1,875	1,323	552
Employee related insurance	114,516	117,391	117,390	1
Pension	134,091	134,091	131,796	2,295
Technology use charge	1,719	1,719	1,714	5
Vehicle maintenance	840	840	430	410
Equipment maintenance	100	2,120	2,068	52

(Continued)

**General Fund Expenditures and Other Financing Uses - Budgetary Basis -  
Budget and Actual (Continued)  
For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
Community development (continued):				
Health (continued):				
Printing/reproduction	\$ 600	\$ 600	\$ 521	\$ 79
Professional services	6,800	8,992	5,329	3,663
Programs	9,165	17,148	8,214	8,934
Utilities and communications	960	460	-	460
Office equipment and furniture	1,500	2,700	2,616	84
<b>Total health</b>	<b>740,509</b>	<b>754,602</b>	<b>711,044</b>	<b>43,558</b>
<b>Total community development</b>	<b>2,103,418</b>	<b>2,116,491</b>	<b>2,043,759</b>	<b>72,732</b>
Administrative services:				
Financial Administration:				
Wages - full-time	758,467	749,166	749,166	-
Wages - part-time	-	3,887	3,886	1
Wages - other	5,000	2,692	2,691	1
Office supplies	7,225	7,974	7,973	1
Operating supplies	1,500	1,053	1,053	-
Training and dues	22,365	5,590	5,589	1
Employee related insurance	155,768	175,678	175,678	-
Pension	188,918	185,436	185,436	-
Data processing	144,685	143,114	143,101	13
Technology use charges	33,585	32,745	32,745	-
Equipment maintenance	18,400	15,588	15,587	1
Legal/advertising	5,000	5,988	5,987	1
Printing/reproduction	2,500	661	661	-
Professional services	1,500	1,025	1,025	-
Utilities and communications	2,100	1,610	1,609	1
Office equipment and furniture	85,800	121,011	101,770	19,241
<b>Total financial administration</b>	<b>1,432,813</b>	<b>1,453,218</b>	<b>1,433,957</b>	<b>19,261</b>
Accounting:				
Wages - full-time	288,211	289,332	289,332	-
Wages - part-time	-	-	-	-
Wages - other	5,000	5,858	5,858	-
Office supplies	8,000	8,000	6,529	1,471
Training and dues	5,100	852	745	107
Contractual services	30,000	25,100	8,716	16,384
Employee related insurance	23,455	25,724	25,723	1
Pension	81,044	81,044	81,017	27
Data processing	4,500	4,500	4,490	10
Technology use charges	2,068	2,068	2,061	7
Office equipment and furniture	6,800	35,788	17,138	18,650
<b>Total accounting</b>	<b>454,178</b>	<b>478,266</b>	<b>441,609</b>	<b>36,657</b>

(Continued)

**General Fund Expenditures and Other Financing Uses - Budgetary Basis -  
Budget and Actual (Continued)  
For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
Administrative services (continued):				
Property Assessment:				
Wages - full-time	\$ 354,288	\$ 356,155	\$ 356,155	\$ -
Wages - other	2,000	133	51	82
Office supplies	7,100	7,100	5,749	1,351
Training and dues	6,000	3,984	3,916	68
Employee related insurance	112,380	112,380	112,367	13
Pension	122,415	122,415	121,894	521
Data processing	15,440	15,440	15,315	125
Technology use charges	1,536	1,536	1,534	2
Printing and reproduction	2,400	2,400	1,615	785
Professional services	12,000	2,195	-	2,195
<b>Total property assessment</b>	<b>635,559</b>	<b>623,738</b>	<b>618,596</b>	<b>5,142</b>
Revenue Collection:				
Wages - full-time	270,237	263,581	263,580	1
Office supplies	31,500	29,748	29,747	1
Training and dues	2,165	910	910	-
Contractual services	19,000	1,024	1,023	1
Employee related insurance	41,225	42,316	42,315	1
Pension	90,598	90,598	89,927	671
Data processing	9,080	9,080	9,025	55
Technology use charges	1,797	1,797	1,794	3
Equipment maintenance	800	800	528	272
Printing/reproduction	21,100	20,009	19,803	206
Office equipment and furniture	2,240	2,240	2,010	230
<b>Total revenue collection</b>	<b>489,742</b>	<b>462,103</b>	<b>460,662</b>	<b>1,441</b>
Town Clerk:				
Wages - full-time	282,737	279,161	262,817	16,344
Wages - part-time	1,205	1,205	1,205	-
Office supplies	8,900	9,337	9,337	-
Training and dues	4,650	4,650	4,295	355
Contractual services	6,500	6,500	6,500	-
Employee related insurance	57,876	57,876	57,813	63
Pension	107,630	107,630	106,606	1,024
Data processing	53,800	53,800	53,218	582
Technology use charges	2,600	2,600	2,592	8
Equipment maintenance	7,220	7,572	7,220	352
Printing/reproduction	4,500	4,500	4,500	-
Professional services	7,000	7,351	7,013	338
Office equipment and furniture	4,520	4,520	3,979	541
<b>Total town clerk</b>	<b>549,138</b>	<b>546,702</b>	<b>527,095</b>	<b>19,607</b>

(Continued)

**General Fund Expenditures and Other Financing Uses - Budgetary Basis -  
Budget and Actual (Continued)  
For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
Administrative services (continued):				
Voter Registration:				
Wages - part-time	\$ 92,500	\$ 92,571	\$ 92,570	\$ 1
Wages - other	24,500	27,174	27,173	1
Office supplies	8,250	12,214	12,213	1
Training and dues	5,780	5,521	5,521	-
Pensions	8,951	6,856	6,855	1
Technology use charges	940	939	938	1
Equipment maintenance	8,700	7,313	7,313	-
Printing/reproduction	11,550	9,787	9,786	1
Office equipment and furniture	-	2,800	2,799	1
<b>Total voter registration</b>	<b>161,171</b>	<b>165,175</b>	<b>165,168</b>	<b>7</b>
Legal Services:				
Contractual services	15,000	61,179	61,179	-
Prof. Town Attorney - prior	25,000	-	-	-
Prof. Town Attorney - prior (alternate)	-	26,325	26,325	-
Prof. Town Attorney - primary	219,500	222,942	222,942	-
Prof. Town Attorney - labor	40,500	28,589	28,588	1
<b>Total legal services</b>	<b>300,000</b>	<b>339,035</b>	<b>339,034</b>	<b>1</b>
Probate Court:				
Office supplies	14,000	10,818	10,818	-
Operating supplies	7,600	865	865	-
Data processing	3,700	3,188	3,059	129
Equipment maintenance	500	500	263	
Office equipment and furniture	3,800	2,833	-	2,833
<b>Total probate court</b>	<b>29,600</b>	<b>18,204</b>	<b>15,005</b>	<b>3,199</b>
Insurance and pensions:				
Training and dues	2,700	-	-	-
Casualty insurance	564,050	475,850	475,795	55
Employee related insurance	1,320,308	1,440,608	1,435,543	5,065
Pensions	17,930	32,156	32,156	-
Claims, service and retroactive charges	60,000	39,170	39,165	5
Professional services	51,125	41,615	41,615	-
Programs	6,500	6,500	5,788	712
<b>Total insurance and pensions</b>	<b>2,022,613</b>	<b>2,035,899</b>	<b>2,030,062</b>	<b>5,837</b>
<b>Total administrative services</b>	<b>6,074,814</b>	<b>6,122,340</b>	<b>6,031,188</b>	<b>91,152</b>

(Continued)



**General Fund Expenditures and Other Financing Uses - Budgetary Basis -  
Budget and Actual (Continued)  
For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
Public safety:				
Police:				
Wages - full-time	\$ 6,770,914	\$ 6,556,484	\$ 6,521,545	\$ 34,939
Wages - part-time	55,014	57,299	57,298	1
Wages - other	530,000	742,145	742,144	1
Office supplies	14,370	14,370	13,055	1,315
Operating supplies	61,900	58,900	58,900	-
Training and dues	56,000	56,000	48,039	7,961
Contractual services	27,696	30,696	28,918	1,778
Employee related insurance	1,263,187	1,271,873	1,271,873	-
Pensions	3,134,805	3,166,917	3,166,917	-
Data processing	70,901	49,832	49,832	-
Technology use charges	26,120	26,120	26,091	29
Vehicle maintenance	150,550	149,846	124,343	25,503
Equipment maintenance	130,642	121,430	121,429	1
Facilities maintenance	40,745	41,487	41,487	-
Printing/reproduction	5,680	5,680	5,049	631
Uniforms	74,155	73,413	64,739	8,674
Utilities/communication	107,100	107,100	103,446	3,654
Office equipment/furniture	75,930	190,103	156,612	33,491
Vehicles and trucks	152,600	155,600	132,975	22,625
Machinery and equipment	60,000	83,818	55,611	28,207
Improvements land and buildings	15,000	15,000	436	14,564
<b>Total police</b>	<b>12,823,309</b>	<b>12,974,114</b>	<b>12,790,739</b>	<b>183,375</b>
Volunteer ambulance:				
Facilities maintenance	7,210	7,059	4,164	2,895
Utilities/communication	12,800	12,951	12,951	-
<b>Total volunteer ambulance</b>	<b>20,010</b>	<b>20,010</b>	<b>17,115</b>	<b>2,895</b>
Fire:				
Wages - full-time	46,045	46,045	43,511	2,534
Wages - part-time	231,308	217,754	217,753	1
Wages - units	210,000	210,000	202,729	7,271
Wages - other	1,560	1,560	341	1,219
Office supplies	3,550	3,550	3,406	144
Operating supplies	68,620	66,195	60,821	5,374
Training and dues	15,940	16,079	16,079	-
Contractual services	26,320	39,898	39,898	-
Contractual - fire watch	5,320	5,320	5,115	205

(Continued)

**General Fund Expenditures and Other Financing Uses - Budgetary Basis -  
Budget and Actual (Continued)  
For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
Public safety (continued):				
Fire (continued):				
Employee related insurance	\$ 22,862	\$ 22,862	\$ 22,859	\$ 3
Pensions	40,009	42,852	42,852	-
Data processing	12,380	8,636	6,666	1,970
Technology use charges	879	879	878	1
Vehicle maintenance	76,016	109,667	109,666	1
Equipment maintenance	45,190	45,190	41,997	3,193
Facilities maintenance	42,390	42,390	39,995	2,395
Printing/reproduction	250	250	-	250
Uniforms	5,500	5,500	5,262	238
Utilities/communication	187,910	188,672	188,671	1
Office equipment and furniture	33,100	37,850	29,768	8,082
Vehicle and trucks	-	62,112	61,457	655
Machinery and equipment	124,460	89,110	86,238	2,872
Improvements-land and buildings	10,000	10,000	7,465	2,535
<b>Total fire</b>	<b>1,209,609</b>	<b>1,272,371</b>	<b>1,233,427</b>	<b>38,944</b>
Civil preparedness:				
Wages - part-time	22,000	22,000	21,000	1,000
Office supplies	265	138	22	116
Pensions	1,607	1,607	1,607	-
Data processing	810	810	809	1
Vehicle maintenance	1,126	26	-	26
Programs	1,300	900	829	71
Utilities/communication	3,960	4,087	4,087	-
Office equipment and furniture	1,500	4,544	4,048	496
<b>Total civil preparedness</b>	<b>32,568</b>	<b>34,112</b>	<b>32,402</b>	<b>1,710</b>
<b>Total public safety</b>	<b>14,085,496</b>	<b>14,300,607</b>	<b>14,073,683</b>	<b>226,924</b>
Physical services:				
Engineering:				
Wages - full-time	934,325	930,435	922,126	8,309
Wages - part-time	35,000	35,000	31,743	3,257
Wages - other	7,000	10,890	10,889	1
Office supplies	5,000	5,223	5,223	-
Operating supplies	4,500	4,500	4,324	176
Training and dues	9,000	9,000	5,614	3,386
Employee related insurance	171,496	187,684	187,684	-
Pensions	287,560	287,560	284,749	2,811
Data processing	48,500	42,561	41,449	1,112
Technology use charges	2,796	2,796	2,796	-
Vehicle maintenance	6,718	6,718	5,479	1,239
Equipment maintenance	8,700	8,700	8,390	310
Printing/reproduction	700	477	-	477
Professional services	17,000	6,751	6,750	1
Uniforms	1,200	1,200	998	202
Office equipment and furniture	6,940	6,940	6,806	134
Vehicles and trucks	3,924	3,924	-	3,924
<b>Total engineering</b>	<b>1,550,359</b>	<b>1,550,359</b>	<b>1,525,020</b>	<b>25,339</b>

(Continued)

**General Fund Expenditures and Other Financing Uses - Budgetary Basis -  
Budget and Actual (Continued)  
For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
Physical services (continued):				
Highway:				
Wages - full-time	\$ 1,506,167	\$ 1,513,949	\$ 1,513,948	\$ 1
Wages - part-time	31,380	34,407	34,406	1
Wages - other	210,000	276,466	276,466	-
Drainage materials	54,700	43,335	43,335	-
Grounds/roadside material	29,000	12,256	12,256	-
Highway materials	160,000	103,236	103,235	1
Office supplies	2,690	1,495	1,494	1
Operating supplies	19,020	14,369	14,368	1
Snow and ice materials	320,000	319,058	319,058	-
Traffic control supplies	40,000	37,590	37,590	-
Training and dues	6,000	3,234	3,234	-
Contractual service	241,000	222,151	222,150	1
Employee related insurance	373,720	373,720	373,640	80
Pensions	544,714	546,778	546,778	-
Data processing	450	-	-	-
Technology use charges	1,452	1,452	1,451	1
Vehicle maintenance	230,370	296,121	296,121	-
Equipment maintenance	3,200	1,461	1,461	-
Printing/reproduction	750	-	-	-
Uniforms	12,750	9,869	9,868	1
Utilities/communication	176,500	186,358	186,357	1
Office equipment and furniture	1,370	2,514	2,513	1
Vehicles and trucks	230,000	229,705	229,705	-
Machinery and equipment	27,500	24,467	24,467	-
Improvements (land & building)	70,000	65,995	65,995	-
<b>Total highway</b>	<b>4,292,733</b>	<b>4,319,986</b>	<b>4,319,896</b>	<b>90</b>
Fleet maintenance:				
Wages - full-time	454,201	440,907	434,855	6,052
Wages - part-time	96,000	85,386	85,386	-
Wages - other	22,000	35,570	35,570	-
Office supplies	1,460	1,460	622	838
Operating supplies	7,225	5,643	4,940	703
Training and dues	4,975	607	607	-
Contractual services	225,675	204,372	204,371	1
Employee related insurance	103,693	103,693	103,609	84
Pensions	222,073	222,073	220,110	1,963
Data processing	5,700	5,700	4,253	1,447
Technology use charges	1,000	1,000	999	1
Vehicle maintenance	9,898	9,898	8,540	1,358
Equipment maintenance	9,000	9,000	7,742	1,258
Facilities maintenance	17,621	17,621	14,606	3,015
Printing/reproduction	500	500	46	454
Uniforms	6,700	6,700	5,004	1,696

(Continued)

**General Fund Expenditures and Other Financing Uses - Budgetary Basis -  
Budget and Actual (Continued)  
For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
Physical services (continued):				
Fleet Maintenance (continued):				
Utilities/communication	\$ 43,000	\$ 53,338	\$ 53,338	\$ -
Office equipment and furniture	1,370	1,370	1,258	112
Vehicles & trucks	-	30,000	22,573	7,427
<b>Total fleet maintenance</b>	<b>1,232,091</b>	<b>1,234,838</b>	<b>1,208,429</b>	<b>26,409</b>
<b>Total physical services</b>	<b>7,075,183</b>	<b>7,105,183</b>	<b>7,053,345</b>	<b>51,838</b>
Sanitation:				
Refuse disposal:				
Wages - full-time	151,507	154,009	154,008	1
Wages - part-time	166,765	156,756	156,756	-
Wages - other	11,000	7,545	7,544	1
Office supplies	1,580	1,392	1,392	-
Operating supplies	1,800	1,364	1,364	-
Repair and maintenance supplies	700	293	292	1
Training and dues	2,900	564	563	1
Contractual services	270,000	282,034	272,924	9,110
Employee related insurance	44,309	45,703	45,703	-
Pension	84,496	83,635	83,634	1
Data processing	2,000	1,686	1,685	1
Technology use charges	675	675	673	2
Vehicle maintenance	41,565	45,607	45,606	1
Equipment maintenance	7,000	4,897	4,896	1
Facilities maintenance	2,530	2,725	2,725	-
Printing/reproduction	2,800	2,800	2,800	-
Uniforms	4,400	4,070	4,070	-
Utilities/communication	8,450	8,083	8,064	19
Machinery and equipment	-	11,600	-	11,600
Improvements-land and building	-	9,454	9,454	-
<b>Total refuse disposal</b>	<b>804,477</b>	<b>824,892</b>	<b>804,153</b>	<b>20,739</b>
<b>Total sanitation</b>	<b>804,477</b>	<b>824,892</b>	<b>804,153</b>	<b>20,739</b>
Human services:				
Contributory grants	32,577	32,577	32,577	-
Youth and family services:				
Wages - full-time	781,446	770,485	631,474	139,011
Wages - part-time	110,000	110,000	87,952	22,048
Office supplies	9,500	9,500	8,350	1,150

(Continued)

**General Fund Expenditures and Other Financing Uses - Budgetary Basis -  
Budget and Actual (Continued)  
For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
Human services (continued):				
Operating supplies	\$ 750	\$ 750	\$ 625	\$ 125
Training and dues	9,500	9,500	5,660	3,840
Employee related insurance	170,959	170,959	170,883	76
Pensions	260,253	260,253	243,560	16,693
Technology use charges	4,971	4,971	4,966	5
Vehicle maintenance	2,172	2,172	494	1,678
Equipment maintenance	1,400	1,400	-	1,400
Facilities maintenance	7,790	7,790	7,363	427
Printing/reproduction	1,500	1,500	1,009	491
Professional services	13,200	11,087	6,710	4,377
Programs	49,000	51,113	51,113	-
Utilities/communications	15,150	15,150	15,099	51
Improvements - land and building	3,500	3,500	-	3,500
<b>Total youth and family services</b>	<b>1,441,090</b>	<b>1,430,129</b>	<b>1,235,258</b>	<b>194,871</b>
Senior and community services:				
Wages - full-time	504,745	512,477	512,476	1
Wages - part-time	340,000	354,529	354,529	-
Wages - other	4,000	31	31	-
Office supplies	17,000	14,210	14,209	1
Training and dues	10,400	6,031	6,031	-
Employee related insurance	142,865	152,101	152,101	-
Pensions	197,785	197,785	197,331	454
Data processing	1,000	1,000	440	560
Technology use charges	4,890	4,890	4,881	9
Vehicle maintenance	34,440	32,406	25,730	6,676
Equipment maintenance	12,000	1,850	1,850	-
Facilities maintenance	25,790	25,790	25,518	272
Printing/reproduction	2,800	2,800	1,868	932
Programs	115,000	106,815	106,815	-
Utilities/communications	88,750	88,750	86,866	1,884
Office equipment and furniture	4,100	4,100	1,499	2,601
<b>Total senior services</b>	<b>1,505,565</b>	<b>1,505,565</b>	<b>1,492,175</b>	<b>13,390</b>
<b>Total human services</b>	<b>2,979,232</b>	<b>2,968,271</b>	<b>2,760,010</b>	<b>208,261</b>

(Continued)

**General Fund Expenditures and Other Financing Uses - Budgetary Basis -  
Budget and Actual (Continued)  
For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
Leisure/culture:				
Parks and recreation:				
Wages - full-time	\$ 1,569,862	\$ 1,584,585	\$ 1,584,585	\$ -
Wages - part-time	404,394	381,128	381,128	-
Wages - other	86,700	67,243	67,217	26
Grounds/roadside materials	93,000	97,700	93,350	4,350
Office supplies	11,000	11,000	9,868	1,132
Operating supplies	850	850	586	264
Repair and maintenance supplies	46,000	42,613	38,084	4,529
Training and dues	5,600	8,800	8,196	604
Contractual services	145,000	453,387	453,386	1
Employee related insurance	346,096	346,096	346,034	62
Pensions	554,884	554,884	546,692	8,192
Data processing	14,700	14,700	8,571	6,129
Technology use charges	6,980	6,980	6,964	16
Vehicle maintenance	107,799	131,099	131,098	1
Equipment maintenance	500	500	39	461
Facilities maintenance	8,375	8,375	8,294	81
Legal / advertising	15,000	11,800	2,171	9,629
Printing/reproduction	1,200	1,200	402	798
Programs	23,850	23,850	22,419	1,431
Uniforms	13,730	13,730	10,440	3,290
Utilities/communication	158,000	158,000	138,468	19,532
Office equipment and furniture	7,600	7,600	7,538	62
Machinery and equipment	95,000	158,953	145,879	13,074
Improvements - land and buildings	42,395	86,639	74,620	12,019
<b>Total parks and recreation</b>	<b>3,758,515</b>	<b>4,171,712</b>	<b>4,086,029</b>	<b>85,683</b>
Welles-Turner Library:				
Wages - full-time	678,698	678,698	593,525	85,173
Wages - part-time	248,000	248,000	205,733	42,267
Wages - other	1,000	1,000	-	1,000
Office supplies	12,000	12,037	12,036	1
Operating supplies	6,500	6,500	5,645	855
Training and dues	5,000	5,000	3,346	1,654
Books/media	270,000	270,000	259,034	10,966
Contractual services	-	94	94	-
Employee related insurance	114,462	114,462	114,411	51
Pensions	196,452	196,452	193,739	2,713
Data processing	67,637	67,637	66,085	1,552
Technology use charges	9,260	9,260	9,248	12
Equipment maintenance	2,900	2,900	117	2,783
Facilities maintenance	23,835	25,369	25,369	-
Printing/reproduction	2,500	835	275	560
Programs	10,000	10,000	9,703	297
Utilities/communication	83,800	83,800	77,305	6,495
Office equipment and furniture	23,230	23,230	22,132	1,098
<b>Total Welles-Turner Library</b>	<b>1,755,274</b>	<b>1,755,274</b>	<b>1,597,797</b>	<b>157,477</b>

(Continued)

**General Fund Expenditures and Other Financing Uses - Budgetary Basis -  
Budget and Actual (Continued)  
For the Year Ended June 30, 2019**

	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	-
<b>Total leisure/culture</b>	<b>5,528,789</b>	<b>5,941,986</b>	<b>5,698,826</b>	<b>243,160</b>
Debt service:				
General Town	2,920,996	2,920,996	2,896,325	24,671
Education	5,113,073	5,113,073	5,096,543	16,530
Sewers	175,000	-	-	-
Temporary notes	175,000	24,500	24,292	208
Administrative costs	75,016	59,016	58,959	57
<b>Total debt service</b>	<b>8,459,085</b>	<b>8,117,585</b>	<b>8,076,119</b>	<b>41,466</b>
Board of Education:				
Instruction:				
Art	1,131,179	1,219,067	1,120,092	98,975
Basic Education	14,732,609	14,962,228	14,599,000	363,228
Language Arts	4,246,429	4,270,783	4,189,945	80,838
Mathematics	2,650,523	2,620,963	2,642,859	(21,896)
Science	3,428,179	3,431,197	3,374,522	56,675
History/Social Science	2,261,459	2,261,423	2,230,057	31,366
Career/Vocational Education	1,558,178	1,555,260	1,499,249	56,011
P.A.C.E.	594,756	581,426	561,588	19,838
Foreign Languages & ELL	4,265,427	4,232,353	4,219,637	12,716
Health/physical education	2,010,823	2,010,823	1,995,320	15,503
Music	1,666,515	1,667,899	1,657,612	10,287
Special Education	13,358,026	14,201,882	14,846,606	(644,724)
Agriscience & Technology	291,509	261,532	277,564	(16,032)
<b>Total instruction</b>	<b>52,195,612</b>	<b>53,276,836</b>	<b>53,214,051</b>	<b>62,785</b>
Special services/instruction:				
School Counseling	3,209,702	3,075,330	3,194,309	(118,979)
Health Services	761,572	755,353	762,666	(7,313)
Libraries/Media Centers	1,298,316	1,299,428	1,232,810	66,618
Program and Staff Development	693,900	693,900	589,687	104,213
Athletics and Clubs	1,760,895	1,763,944	1,730,080	33,864

(Continued)

**General Fund Expenditures and Other Financing Uses - Budgetary Basis -  
Budget and Actual (Continued)  
For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
Board of Education (continued):				
Special services/instruction (continued):				
Elementary Administration	\$ 2,234,379	\$ 2,247,448	\$ 2,221,768	\$ 25,680
Secondary Administration	2,776,602	2,801,224	2,692,178	109,046
System-wide Support Services	2,846,213	2,776,983	2,698,835	78,148
Technology Support Services	3,393,689	3,391,989	3,883,049	(491,060)
<b>Total special services/instruction</b>	<b>18,975,268</b>	<b>18,805,599</b>	<b>19,005,382</b>	<b>(199,783)</b>
Support services/operations:				
Operations/Maintenance	6,664,634	6,955,016	6,873,336	81,680
Utilities	2,070,285	2,070,285	2,306,270	(235,985)
Pupil Transportation	3,755,269	3,703,472	3,823,995	(120,523)
<b>Total support services/operations</b>	<b>12,490,188</b>	<b>12,728,773</b>	<b>13,003,601</b>	<b>(274,828)</b>
Community services:				
Community services	369,875	401,365	361,348	40,017
Fringe benefits	21,336,039	21,449,243	20,781,889	667,354
Unexpended education fund	-	731,819	467,951	263,868
<b>Total Board of Education</b>	<b>105,366,982</b>	<b>107,393,635</b>	<b>106,834,222</b>	<b>559,413</b>
<b>Total expenditures</b>	<b>155,842,070</b>	<b>158,303,783</b>	<b>156,655,662</b>	<b>1,648,121</b>
Other financing uses:				
Transfers out:				
Capital Reserve fund	5,750,000	5,860,000	5,860,000	-
Dog Fund	45,000	45,000	45,000	-
Contingency	-	85,000	-	85,000
Capital Projects Fund	-	56,500	56,500	-
OPEB trust fund	713,719	713,719	713,719	-
Sewer operating fund	-	175,000	175,000	-
<b>Total operating transfers out</b>	<b>6,508,719</b>	<b>6,935,219</b>	<b>6,850,219</b>	<b>85,000</b>
<b>Total expenditures and other financing uses</b>	<b>\$ 162,350,789</b>	<b>\$ 165,239,002</b>	<b>\$ 163,505,881</b>	<b>\$ 1,733,121</b>
Budgetary expenditures are different than GAAP expenditures because:				
State of Connecticut on-behalf contributions to the Connecticut State				
Teachers' Retirement / Health System for Town teachers are not budgeted			\$ 6,976,796	
Debt issuance costs			77,537	
Total expenditures and other financing uses as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds - Exhibit IV			<u>\$ 170,560,214</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 I 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.

**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.



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**Town of Glastonbury, Connecticut**

**Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2019**

	Special Revenue				
	Sewer Operating Fund	Dog Fund	Grants and Contracts	Police Forfeited Property	Special Gifts/ Grants Fund
<b>Assets</b>					
Cash and cash equivalents	\$ 2,358,817	\$ 38,687	\$ 9,618	\$ 240,816	\$ 275,111
Receivables	46,183	-	18,254	-	-
Inventory	-	-	-	-	-
Investments	612,184	10,041	2,496	-	71,400
Other assets	-	-	-	-	-
<b>Total assets</b>	<b>\$ 3,017,184</b>	<b>\$ 48,728</b>	<b>\$ 30,368</b>	<b>\$ 240,816</b>	<b>\$ 346,511</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>					
Liabilities:					
Accounts and other payables	\$ 123,156	\$ 15,382	\$ 4,457	\$ -	\$ 18,882
Unearned revenue	-	-	-	-	-
<b>Total liabilities</b>	<b>123,156</b>	<b>15,382</b>	<b>4,457</b>	<b>-</b>	<b>18,882</b>
Deferred inflows of resources:					
Unavailable revenue - special assessments	31,878	-	-	-	-
Unavailable revenue - other	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>31,878</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Fund Balances:					
Nonspendable	-	-	-	-	-
Restricted	-	33,346	25,911	240,816	327,629
Committed	2,862,150	-	-	-	-
<b>Total fund balances</b>	<b>2,862,150</b>	<b>33,346</b>	<b>25,911</b>	<b>240,816</b>	<b>327,629</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 3,017,184</b>	<b>\$ 48,728</b>	<b>\$ 30,368</b>	<b>\$ 240,816</b>	<b>\$ 346,511</b>

Exhibit B-1

Special Revenue							
Historic Documents/ Preservation	School Cafeteria Fund	Education Grants Fund	Library Funds	Connecticard	Police Private Duty	Camp Sunrise	
\$ 49,969	\$ 617,525	\$ 80,152	\$ 85,622	\$ 8,487	\$ 318,771	\$ 29,900	
-	95,412	-	-	-	120,237	-	
-	18,471	-	-	-	-	-	
12,968	-	-	22,222	2,203	82,731	7,734	
-	-	-	-	-	-	1,426	
<u>\$ 62,937</u>	<u>\$ 731,408</u>	<u>\$ 80,152</u>	<u>\$ 107,844</u>	<u>\$ 10,690</u>	<u>\$ 521,739</u>	<u>\$ 39,060</u>	
\$ 95	\$ -	\$ 24,743	\$ 6,962	\$ -	\$ 2,880	\$ 10,905	
-	-	55,409	-	-	-	-	
<u>95</u>	<u>-</u>	<u>80,152</u>	<u>6,962</u>	<u>-</u>	<u>2,880</u>	<u>10,905</u>	
-	-	-	-	-	-	-	
-	-	-	-	-	-	-	
-	-	-	-	-	12,223	-	
-	-	-	-	-	12,223	-	
-	18,471	-	8,527	-	-	1,426	
62,842	712,937	-	92,355	10,690	-	-	
-	-	-	-	-	506,636	26,729	
<u>62,842</u>	<u>731,408</u>	<u>-</u>	<u>100,882</u>	<u>10,690</u>	<u>506,636</u>	<u>28,155</u>	
<u>\$ 62,937</u>	<u>\$ 731,408</u>	<u>\$ 80,152</u>	<u>\$ 107,844</u>	<u>\$ 10,690</u>	<u>\$ 521,739</u>	<u>\$ 39,060</u>	

(Continued)

**Town of Glastonbury, Connecticut**

**Combining Balance Sheet (Continued)**

**Nonmajor Governmental Funds**

**June 30, 2019**

	Special Revenue				
	Recreation Activities	Insurance Reserve Fund	Riverfront Park Operation Connecticard	Planetarium Fund	Minnechaug Golf Fund
<b>Assets</b>					
Cash and cash equivalents	\$ 965,454	\$ 458,371	\$ 295,658	\$ 72,212	\$ 163,442
Receivables	-	-	-	-	1,000
Inventory	-	-	-	-	-
Investments	250,564	118,961	76,732	-	42,418
Other assets	8,605	-	-	-	-
<b>Total assets</b>	<b>\$ 1,224,623</b>	<b>\$ 577,332</b>	<b>\$ 372,390</b>	<b>\$ 72,212</b>	<b>\$ 206,860</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>					
Liabilities:					
Accounts and other payables	\$ 112,912	\$ -	\$ 71,356	\$ -	\$ 560
Unearned revenue	-	-	-	-	1,000
<b>Total liabilities</b>	<b>112,912</b>	<b>-</b>	<b>71,356</b>	<b>-</b>	<b>1,560</b>
Deferred inflows of resources:					
Unavailable revenue - special assessments	-	-	-	-	-
Unavailable revenue - other	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Fund balances:					
Nonspendable	8,605	-	-	-	-
Restricted	-	-	-	-	-
Committed	1,103,106	577,332	301,034	72,212	205,300
<b>Total fund balances</b>	<b>1,111,711</b>	<b>577,332</b>	<b>301,034</b>	<b>72,212</b>	<b>205,300</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 1,224,623</b>	<b>\$ 577,332</b>	<b>\$ 372,390</b>	<b>\$ 72,212</b>	<b>\$ 206,860</b>



Exhibit B-1

Capital Projects							
Minnechaug Golf Fund	Town Aid	Sewer Sinking Projects	Gateway Project	Riverfront Park	Eliminations	Totals	
\$ 163,442	\$ 389,183	\$ 1,593,524	\$ 38,175	\$ 55,947	\$ -	\$ 8,145,441	
1,000	-	-	-	-	-	281,086	
-	-	-	-	-	-	18,471	
42,418	101,005	413,567	9,908	14,520	-	1,851,654	
-	-	-	-	-	-	10,031	
<u>\$ 206,860</u>	<u>\$ 490,188</u>	<u>\$ 2,007,091</u>	<u>\$ 48,083</u>	<u>\$ 70,467</u>	<u>\$ -</u>	<u>\$ 10,306,683</u>	
\$ 560	\$ 31,921	\$ 1,000	\$ 1,278	\$ -	\$ -	\$ 426,489	
1,000	-	-	-	-	-	56,409	
<u>1,560</u>	<u>31,921</u>	<u>1,000</u>	<u>1,278</u>	<u>-</u>	<u>-</u>	<u>482,898</u>	
-	-	-	-	-	-	-	
-	-	-	-	-	-	31,878	
-	-	-	-	-	-	12,223	
-	-	-	-	-	-	44,101	
-	-	-	-	-	-	37,029	
-	458,267	-	-	70,467	-	2,035,260	
205,300	-	2,006,091	46,805	-	-	7,707,395	
<u>205,300</u>	<u>458,267</u>	<u>2,006,091</u>	<u>46,805</u>	<u>70,467</u>	<u>-</u>	<u>9,779,684</u>	
<u>\$ 206,860</u>	<u>\$ 490,188</u>	<u>\$ 2,007,091</u>	<u>\$ 48,083</u>	<u>\$ 70,467</u>	<u>\$ -</u>	<u>\$ 10,306,683</u>	

(Continued)

Town of Glastonbury, Connecticut

Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
 Nonmajor Governmental Funds  
 For the Year Ended June 30, 2019

	Special Revenue				
	Sewer Operating Fund	Dog Fund	Grants and Contracts	Police Forfeited Property	Special Gifts/ Grants Fund
Revenues:					
Intergovernmental	\$ 2,643	\$ -	\$ 39,862	\$ -	\$ 6,000
Charges for services	2,713,954	21,303	-	-	-
Investment income	58,930	1,161	-	-	-
Other revenues	5,413	800	34,105	15,453	256,519
<b>Total revenues</b>	<b>2,780,940</b>	<b>23,264</b>	<b>73,967</b>	<b>15,453</b>	<b>262,519</b>
Expenditures:					
Administrative services	-	-	-	-	257,851
Public safety	-	63,666	64,623	17,178	-
Sanitation	1,834,621	-	-	-	-
Leisure/culture	-	-	-	-	-
Education	-	-	-	-	-
Debt service:					
Principal	903,026	-	-	-	-
Interest and other charges	245,653	-	-	-	-
Capital outlay	-	-	-	-	-
<b>Total expenditures</b>	<b>2,983,300</b>	<b>63,666</b>	<b>64,623</b>	<b>17,178</b>	<b>257,851</b>
<b>Revenues over (under) expenditures</b>	<b>(202,360)</b>	<b>(40,402)</b>	<b>9,344</b>	<b>(1,725)</b>	<b>4,668</b>
Other financing sources (uses):					
Transfers in	479,010	45,000	-	-	-
Transfers out	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>479,010</b>	<b>45,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>276,650</b>	<b>4,598</b>	<b>9,344</b>	<b>(1,725)</b>	<b>4,668</b>
Fund balance, beginning of year	2,585,500	28,748	16,567	242,541	322,961
Fund balance, end of year	\$ 2,862,150	\$ 33,346	\$ 25,911	\$ 240,816	\$ 327,629

Exhibit B-2

Special Revenue						
Historic Documents/ Preservation	School Cafeteria Fund	Education Grants Fund	Library Funds	Connecticard	Police Private Duty	Camp Sunrise
\$ -	\$ 699,306	\$ 2,076,244	\$ -	\$ 6,004	\$ -	\$ 24,050
18,083	1,391,716	-	-	-	574,255	48,696
-	-	-	2,542	129	-	155
-	63,569	-	-	-	-	2,892
18,083	2,154,591	2,076,244	2,542	6,133	574,255	75,793
35,702	-	-	-	-	-	-
-	-	-	-	-	596,361	-
-	-	-	-	-	-	-
-	-	-	22,780	10,034	-	68,998
-	2,080,677	2,076,244	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
35,702	2,080,677	2,076,244	22,780	10,034	596,361	68,998
(17,619)	73,914	-	(20,238)	(3,901)	(22,106)	6,795
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(17,619)	73,914	-	(20,238)	(3,901)	(22,106)	6,795
80,461	657,494	-	121,120	14,591	528,742	21,360
\$ 62,842	\$ 731,408	\$ -	\$ 100,882	\$ 10,690	\$ 506,636	\$ 28,155

(Continued)

Town of Glastonbury, Connecticut

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)  
 Nonmajor Governmental Funds  
 For the Year Ended June 30, 2019

	Special Revenue				
	Recreation Activities	Insurance Reserve Fund	Riverfront Park Operation Connecticard	Planetarium Fund	Minnechaug Golf Fund
Revenues:					
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	1,410,473	-	278,631	20,897	20,755
Investment income	-	11,766	7,007	-	4,321
Other revenues	-	147,306	6,902	-	-
<b>Total revenues</b>	<b>1,410,473</b>	<b>159,072</b>	<b>292,540</b>	<b>20,897</b>	<b>25,076</b>
Expenditures:					
Administrative services	-	-	-	-	-
Public safety	-	-	-	-	-
Sanitation	-	-	-	-	-
Leisure/culture	1,316,341	-	229,806	-	-
Education	-	-	-	658	-
Debt service:					
Principal	-	-	-	-	-
Interest and other charges	-	-	-	-	-
Capital outlay	-	-	-	-	6,649
<b>Total expenditures</b>	<b>1,316,341</b>	<b>-</b>	<b>229,806</b>	<b>658</b>	<b>6,649</b>
<b>Revenues over (under) expenditures</b>	<b>94,132</b>	<b>159,072</b>	<b>62,734</b>	<b>20,239</b>	<b>18,427</b>
Other financing sources (uses):					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>94,132</b>	<b>159,072</b>	<b>62,734</b>	<b>20,239</b>	<b>18,427</b>
Fund balance, beginning of year	1,017,579	418,260	238,300	51,973	186,873
Fund balance, end of year	\$ 1,111,711	\$ 577,332	\$ 301,034	\$ 72,212	\$ 205,300

Exhibit B-2

Capital Projects						
Town Aid	Sewer Sinking Projects	Gateway Project	Riverfront Park	Eliminations	Totals	
\$ 461,217	\$ -	\$ -	\$ -	\$ -	\$ 3,315,326	
-	-	-	-	-	6,498,763	
8,848	-	1,032	1,552	-	97,443	
-	-	-	-	-	532,959	
470,065	-	1,032	1,552	-	\$ 10,444,491	
-	-	-	-	-	293,553	
-	-	-	-	-	741,828	
-	-	-	-	-	1,834,621	
-	-	-	-	-	1,647,959	
-	-	-	-	-	4,157,579	
-	-	-	-	-	903,026	
-	-	-	-	-	245,653	
146,203	37,764	1,278	6,661	-	198,555	
146,203	37,764	1,278	6,661	-	10,022,774	
323,862	(37,764)	(246)	(5,109)	-	421,717	
-	1,736,000	-	-	-	2,260,010	
-	(75,258)	-	-	-	(75,258)	
-	1,660,742	-	-	-	2,184,752	
323,862	1,622,978	(246)	(5,109)	-	2,606,469	
134,405	383,113	47,051	75,576	-	7,173,215	
\$ 458,267	\$ 2,006,091	\$ 46,805	\$ 70,467	\$ -	\$ 9,779,684	

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**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 OPEB.

***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 OPEB.

### **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.



**Combining Statement of Fiduciary Net Position-- Trust Funds**  
**June 30, 2019**

	Pension Trust Fund	OPEB Trust Fund	Total Trust Funds
<b>Assets</b>			
Cash and cash equivalents	\$ 1,062,334	\$ 2,561	\$ 1,064,895
Investments, at fair value:			
Mutual funds	137,189,516	5,792,572	142,982,088
Pooled funds	5,958,692	-	5,958,692
Limited partnerships	9,088,711	-	9,088,711
<b>Total assets</b>	<b>153,299,253</b>	<b>5,795,133</b>	<b>159,094,386</b>
<b>Net Position</b>			
Restricted for pension and OPEB benefits	<u>\$ 153,299,253</u>	<u>\$ 5,795,133</u>	<u>\$ 159,094,386</u>

**Statement of Changes in Fiduciary Net Position - Fiduciary Funds  
For the Year Ended June 30, 2019**

	Pension Trust Fund	OPEB Trust Fund	Total Trust Funds
Additions:			
Contributions:			
Employer	\$ 7,908,372	\$ 1,579,962	\$ 9,488,334
Employee	1,874,604	-	1,874,604
<b>Total contributions</b>	<b>9,782,976</b>	<b>1,579,962</b>	<b>11,362,938</b>
Investment income:			
Net change in fair value of investments	2,643,216	195,749	2,838,965
Interest and dividends	3,692,875	138,320	3,831,195
	6,336,091	334,069	6,670,160
Less investment expenses:			
Investment management fees	107,029	-	107,029
<b>Net investment income</b>	<b>6,229,062</b>	<b>334,069</b>	<b>6,563,131</b>
<b>Total additions</b>	<b>16,012,038</b>	<b>1,914,031</b>	<b>17,926,069</b>
Deductions:			
Benefit payments	9,446,637	860,025	10,306,662
Administration fees	111,252	31,945	143,197
<b>Total deductions</b>	<b>9,557,889</b>	<b>891,970</b>	<b>10,449,859</b>
<b>Change in net position</b>	<b>6,454,149</b>	<b>1,022,061</b>	<b>7,476,210</b>
Net position:			
Beginning of year	146,845,104	4,773,072	151,618,176
End of year	<b>\$ 153,299,253</b>	<b>\$ 5,795,133</b>	<b>\$ 159,094,386</b>

**Combining Statement of Changes in Assets and Liabilities - Agency Funds  
For the Year Ended June 30, 2019**

	Balance July 1, 2018	Additions	Deductions	Balance June 30, 2019
<b>Student Activity Fund</b>				
Assets:				
Cash and cash equivalents	\$ 1,203,582	\$ 1,684,864	\$ 1,471,795	\$ 1,416,651
<b>Total assets</b>	<b>\$ 1,203,582</b>	<b>\$ 1,684,864</b>	<b>\$ 1,471,795</b>	<b>\$ 1,416,651</b>
Liabilities:				
Due to student groups	\$ 1,203,582	\$ 1,684,864	\$ 1,471,795	\$ 1,416,651
<b>Total liabilities</b>	<b>\$ 1,203,582</b>	<b>\$ 1,684,864</b>	<b>\$ 1,471,795</b>	<b>\$ 1,416,651</b>
<b>Education Dependent Care Fund</b>				
Assets:				
Cash and cash equivalents	\$ 50,249	\$ 122,432	\$ 124,852	\$ 47,829
<b>Total assets</b>	<b>\$ 50,249</b>	<b>\$ 122,432</b>	<b>\$ 124,852</b>	<b>\$ 47,829</b>
Liabilities:				
Due to others	\$ 50,249	\$ 122,432	\$ 124,852	\$ 47,829
<b>Total liabilities</b>	<b>\$ 50,249</b>	<b>\$ 122,432</b>	<b>\$ 124,852</b>	<b>\$ 47,829</b>
<b>Total Agency Funds</b>				
Assets:				
Cash and cash equivalents	\$ 1,253,831	\$ 1,807,296	\$ 1,596,647	\$ 1,464,480
<b>Total assets</b>	<b>\$ 1,253,831</b>	<b>\$ 1,807,296</b>	<b>\$ 1,596,647</b>	<b>\$ 1,464,480</b>
Liabilities:				
Due to student groups	\$ 1,203,582	\$ 1,684,864	\$ 1,471,795	\$ 1,416,651
Due to others	50,249	122,432	124,852	47,829
<b>Total liabilities</b>	<b>\$ 1,253,831</b>	<b>\$ 1,807,296</b>	<b>\$ 1,596,647</b>	<b>\$ 1,464,480</b>

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**Other Schedules**



Town of Glastonbury, Connecticut

Schedule 1

Schedule of Report of Tax Collector  
For the Year Ended June 30, 2019

Grand List	Due Date	Uncollected Taxes	Lawful Corrections		Transfers to Suspense	Adjusted Uncollected Taxes	Collections				Uncollected Taxes June 30, 2019
		July 1, 2018	Additions	Deductions			Taxes Paid	Interest	Lien Fees	Total	
10/1/17	7/1/18	\$151,208,802	\$444,033	\$777,930	\$ -	\$150,874,905	\$150,141,698	\$249,741	\$1,883	\$150,393,322	\$ 733,207
10/1/16	7/1/17	761,804	23,395	30,334	136,505	618,360	517,604	95,852	2,131	615,587	100,756
10/1/15	7/1/16	139,819	65,111	3,232	-	201,698	143,132	46,520	312	189,964	58,566
10/1/14	7/1/15	65,275	30,238	-	-	95,513	39,944	12,060	120	52,124	55,569
10/1/13	7/1/14	48,760	4,904	-	-	53,664	8,390	3,843	24	12,257	45,274
10/1/12	7/1/13	47,716	3,394	-	-	51,110	6,564	3,105	24	9,693	44,546
10/1/11	7/1/12	50,431	772	-	-	51,203	5,051	1,006	24	6,081	46,152
10/1/10	7/1/11	40,421	646	-	-	41,067	646	878	-	1,524	40,421
10/1/09	7/1/10	22,675	628	-	-	23,303	628	964	-	1,592	22,675
10/1/08	7/1/09	9,112	308	-	-	9,420	308	513	-	821	9,112
10/1/07	7/1/08	8,869	679	-	-	9,548	679	1,240	-	1,919	8,869
10/1/06	7/1/07	-	1,046	-	-	1,046	1,046	2,110	-	3,156	-
10/1/05	7/1/06	-	84	-	-	84	84	176	-	260	-
10/1/04	7/1/05	-	40	-	-	40	40	99	-	139	-
10/1/03	7/1/04	-	126	-	-	126	126	325	-	451	-
		<u>\$152,403,684</u>	<u>\$575,404</u>	<u>\$811,496</u>	<u>\$136,505</u>	<u>\$152,031,087</u>	<u>\$150,865,940</u>	<u>\$418,432</u>	<u>\$4,518</u>	<u>\$151,288,890</u>	<u>\$ 1,165,147</u>

**Schedule of Sewer Connection Charges Collectible  
For the Year Ended June 30, 2019**

	Collectible July 1	Additions and Deductions	Total Collectible	Charges Collected	Interest	Liens	Total Collected	Collectible June 30
Sewer Connection Charges: Year Ended June 30, 2019	\$ 535,906	\$ 331,373	\$ 867,279	\$ 326,397	\$ 34,255	\$ 120	\$ 360,772	\$ 540,882







## ***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 - Governmental Activities  
Last Ten Fiscal Years  
(Accrual Basis of Accounting)**

	Fiscal Year			
	2010	2011	2012	2013
Governmental activities:				
Net investment in capital assets	\$ 170,298,270	\$ 184,735,191	\$ 205,117,516	\$ 215,532,264
Restricted	1,991,580	1,985,169	1,890,376	1,772,533
Unrestricted	39,130,713	34,981,661	36,407,601	40,289,893
<b>Total governmental activities net position</b>	<b>\$ 211,420,563</b>	<b>\$ 221,702,021</b>	<b>\$ 243,415,493</b>	<b>\$ 257,594,690</b>

\* Fiscal year 2014 was restated for opening pension liability for GASB Statement No. 68.

\*\* Fiscal year 2017 was restated for opening OPEB liability for GASB Statement No. 75.

**Table 1**

Fiscal Year					
2014*	2015	2016	2017**	2018	2019
\$ 220,913,819	\$ 225,203,554	\$ 228,343,977	\$ 229,961,836	\$ 237,663,538	236,341,081
8,527	8,527	8,527	8,527	8,527	8,527
15,576,198	17,031,058	13,031,950	1,800,736	(3,742,822)	2,040,378
<u>\$ 236,498,544</u>	<u>\$ 242,243,139</u>	<u>\$ 241,384,454</u>	<u>\$ 231,771,099</u>	<u>\$ 233,929,243</u>	<u>\$ 238,389,986</u>

**Town of Glastonbury, Connecticut**

**Changes in Net Position  
Last Ten Fiscal Years  
(Accrual Basis of Accounting)**

	Fiscal Year			
	2010	2011	2012	2013
<b>Expenses:</b>				
Governmental activities:				
General government services	\$ 2,850,139	\$ 2,761,913	\$ 3,016,304	\$ 3,063,739
Community development	1,898,166	1,718,967	1,795,016	1,795,599
Administrative services	4,897,820	4,914,647	4,845,717	5,074,835
Public safety	11,161,476	11,095,871	11,531,769	11,615,297
Physical services	10,725,354	11,795,662	13,689,502	12,167,088
Sanitation	2,001,502	2,479,712	3,436,259	3,640,404
Human services	2,949,719	2,893,617	2,968,749	2,968,337
Leisure/culture	6,587,422	6,340,605	6,811,418	6,822,187
Education	101,986,906	101,682,170	108,177,159	108,886,522
Interest on long-term debt	3,535,834	3,593,388	3,477,580	3,201,363
<b>Total governmental activities expenses</b>	<b>148,594,338</b>	<b>149,276,552</b>	<b>159,749,473</b>	<b>159,235,371</b>
<b>Program revenues:</b>				
Governmental activities:				
Charges for services:				
Community development	751,483	607,781	721,745	899,667
Administrative services	1,872,512	1,851,704	1,926,586	2,217,092
Public safety	400,506	444,204	405,770	630,516
Physical services	24,546	52,443	15,591	22,142
Sanitation	2,562,231	2,734,348	3,204,166	3,470,123
Human services	191,292	188,111	185,135	194,984
Leisure/culture	1,384,702	1,379,937	1,423,334	1,458,981
Education	2,402,528	2,526,003	2,397,613	2,502,054
	9,589,800	9,784,531	10,279,940	11,395,559
Operating grants and contributions	18,687,878	18,579,189	21,258,861	23,982,010
Capital grants and contributions	6,709,085	3,546,352	23,284,200	5,712,086
<b>Total governmental activities program revenues</b>	<b>34,986,763</b>	<b>31,910,072</b>	<b>54,823,001</b>	<b>41,089,655</b>
<b>Total primary government net expenses</b>	<b>(113,607,575)</b>	<b>(117,366,480)</b>	<b>(104,926,472)</b>	<b>(118,145,716)</b>
<b>General revenues and other changes in net position:</b>				
Governmental activities:				
Property taxes	118,985,878	122,557,674	125,688,970	128,517,167
Grants and contributions not restricted to specific programs	106,606	144,370	105,650	119,354
Unrestricted investment earnings	560,468	420,914	373,024	305,276
Gain (loss) on sale of capital assets	-	(66,020)	-	2,873,616
Capital contributions	-	4,591,000	472,300	509,500
<b>Total governmental activities</b>	<b>119,652,952</b>	<b>127,647,938</b>	<b>126,639,944</b>	<b>132,324,913</b>
<b>Total Change in Net Position:</b>				
Governmental activities	<b>\$ 6,045,377</b>	<b>\$ 10,281,458</b>	<b>\$ 21,713,472</b>	<b>\$ 14,179,197</b>

Table 2

		Fiscal Year									
		2014	2015	2016	2017	2018	2019				
\$	2,437,457	\$	2,773,267	\$	4,501,967	\$	4,928,237	\$	4,906,496	\$	3,558,301
	1,768,601		1,740,867		1,796,427		1,958,525		1,915,888		2,086,114
	6,173,038		6,474,631		6,822,060		7,446,025		6,522,052		6,574,031
	12,915,490		12,669,044		14,053,008		14,356,673		15,275,692		16,125,146
	10,471,157		10,975,918		11,032,856		12,274,493		11,818,642		11,833,440
	3,214,383		3,638,913		4,119,041		3,890,002		3,789,056		3,959,994
	3,021,292		3,034,591		3,261,539		3,030,255		3,093,526		2,962,089
	7,075,241		7,740,493		8,339,722		8,877,849		8,463,475		8,398,947
	113,857,497		116,887,944		122,929,957		130,869,093		135,100,166		124,973,432
	3,268,620		2,900,598		2,585,718		2,379,319		2,080,233		2,048,015
	164,202,776		168,836,266		179,442,295		190,010,471		192,965,226		182,519,509
	732,127		663,062		1,292,517		1,074,711		1,076,329		1,062,130
	2,003,566		2,046,272		2,381,040		3,695,960		1,881,947		1,414,436
	772,016		537,679		756,727		593,244		732,571		761,697
	27,517		31,578		33,222		27,275		37,441		309,673
	3,481,680		3,575,444		3,919,616		3,496,380		3,525,324		4,255,728
	214,226		209,169		217,714		222,347		180,479		200,442
	1,514,392		1,585,442		1,754,512		1,919,109		1,891,739		2,043,902
	2,408,524		2,159,117		2,110,809		1,954,154		1,880,616		1,809,190
	11,154,048		10,807,763		12,466,157		12,983,180		11,206,446		11,857,198
	23,396,762		20,754,777		22,428,207		30,741,544		32,038,968		18,406,679
	9,657,006		4,494,322		2,318,625		4,119,540		3,331,632		3,520,770
	44,207,816		36,056,862		37,212,989		47,844,264		46,577,046		33,784,647
	(119,994,960)		(132,779,404)		(142,229,306)		(142,166,207)		(146,388,180)		(148,734,862)
	134,371,417		136,885,474		140,296,610		142,548,603		147,569,385		150,506,963
	178,093		204,483		138,808		146,980		120,474		256,519
	469,352		499,031		935,203		423,716		856,465		2,432,123
	1,379,604		(38,297)		-		-		-		-
	-		-		-		-		-		-
	136,398,466		137,550,691		141,370,621		143,119,299		148,546,324		153,195,605
\$	16,403,506	\$	4,771,287	\$	(858,685)	\$	953,092	\$	2,158,144	\$	4,460,743

**Town of Glastonbury, Connecticut**

**Fund Balances of Governmental Funds  
Last Ten Fiscal Years  
(Modified Accrual Basis of Accounting)**

	Fiscal Year			
	2010	2011*	2012	2013
<b>General fund:</b>				
Nonspendable	\$ -	\$ 266,034	\$ 256,476	\$ 252,167
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	3,366,844	2,386,401	2,323,703
Unassigned	-	15,958,589	15,890,555	21,881,949
Reserved	340,646	-	-	-
Unreserved/undesignated	17,663,217	-	-	-
<b>Total general fund</b>	<b>\$ 18,003,863</b>	<b>\$ 19,591,467</b>	<b>\$ 18,533,432</b>	<b>\$ 24,457,819</b>
<b>All other governmental funds:</b>				
Nonspendable	\$ -	\$ 40,855	\$ 51,779	\$ 38,797
Restricted	-	1,985,169	1,881,849	1,772,533
Committed	-	19,096,641	20,323,177	20,045,428
Assigned	-	83,849	124,452	142,073
Unassigned	-	(6,888,970)	(989,284)	(3,842,280)
Reserved	4,147,109	-	-	-
Unreserved, reported in:				
Special revenue funds	18,119,821	-	-	-
Capital projects funds	(20,973,885)	-	-	-
<b>Total all other governmental funds</b>	<b>\$ 1,293,045</b>	<b>\$ 14,317,544</b>	<b>\$ 21,391,973</b>	<b>\$ 18,156,551</b>

\* In fiscal year 2011, the Town implemented GASB Statement No. 54, which requires fund balance to be reported as nonspendable, restricted, committed, assigned or unassigned. See notes to the financial statements for definitions of each type of fund balance.



**Table 3**

Fiscal Year					
2014	2015	2016	2017	2018	2019
\$ 223,188	\$ 223,564	\$ 217,267	\$ 218,628	\$ 202,704	\$ 225,431
-	-	-	-	-	-
-	-	-	-	-	-
1,045,142	1,143,003	1,001,234	2,121,442	1,678,597	1,394,049
25,648,081	24,339,992	25,843,730	24,315,641	23,876,227	27,601,660
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 26,916,411</u>	<u>\$ 25,706,559</u>	<u>\$ 27,062,231</u>	<u>\$ 26,655,711</u>	<u>\$ 25,757,528</u>	<u>\$ 29,221,140</u>
\$ 65,774	\$ 58,498	\$ 37,797	\$ 38,606	\$ 36,608	\$ 37,029
5,143,573	3,995,838	2,263,358	2,170,965	1,663,022	2,035,260
21,130,041	24,751,335	26,488,882	27,252,707	27,840,928	29,716,152
-	-	-	-	-	-
(3,046,633)	(3,132,404)	(3,247,163)	(250,841)	(2,515,257)	(267,319)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 23,292,755</u>	<u>\$ 25,673,267</u>	<u>\$ 25,542,874</u>	<u>\$ 29,211,437</u>	<u>\$ 27,025,301</u>	<u>\$ 31,521,122</u>

**Town of Glastonbury, Connecticut**

**Revenues, Expenditures and Changes in Fund Balance - Governmental Funds  
Last Ten Fiscal Years  
(Accrual Basis of Accounting)**

	Fiscal Year			
	2010	2011	2012	2013
<b>Revenues:</b>				
Property taxes	\$ 119,227,409	\$ 123,041,929	\$ 126,040,914	\$ 128,472,632
Licenses and permits	918,526	789,486	884,941	1,042,305
Intergovernmental	18,514,524	15,141,206	35,237,827	20,054,747
Charges for services	6,755,094	7,146,269	7,591,533	7,893,389
Investment income	560,468	420,914	373,024	305,276
Unrealized investment income (loss)	-	-	-	-
Other	2,326,548	2,165,241	2,353,983	2,716,551
State payment for teacher's retirement system	6,568,000	6,834,000	9,010,000	9,462,000
<b>Total revenues</b>	<b>154,870,569</b>	<b>155,539,045</b>	<b>181,492,222</b>	<b>169,946,900</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	2,694,876	2,711,663	2,713,125	2,763,750
Community development	1,809,662	1,821,437	1,829,362	1,762,554
Administrative services	5,237,657	5,610,331	5,605,900	5,838,088
Public safety	10,147,475	10,706,853	11,021,324	11,119,389
Physical services	6,007,171	6,216,519	8,588,617	6,371,239
Sanitation	2,433,602	2,191,813	2,309,070	2,320,431
Human services	2,629,351	2,700,551	2,726,637	2,867,048
Leisure/culture	5,771,463	5,908,807	6,145,720	6,110,748
Education	91,082,690	93,380,504	95,474,089	96,695,236
State payment for teacher's retirement system	6,568,000	6,834,000	9,010,000	9,462,000
<b>Debt service:</b>				
Principal	7,225,000	7,430,000	6,702,765	7,433,613
Interest	3,537,160	3,443,890	3,494,755	3,161,900
Capital outlay	11,117,292	10,570,574	26,358,103	14,400,310
<b>Total expenditures</b>	<b>156,261,399</b>	<b>159,526,942</b>	<b>181,979,467</b>	<b>170,306,306</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(1,390,830)</b>	<b>(3,987,897)</b>	<b>(487,245)</b>	<b>(359,406)</b>
<b>Other Financing Sources (Uses):</b>				
Issuance of bonds	-	-	6,395,000	-
Issuance of refunded bonds	-	28,550,000	14,545,000	-
Payment to escrow agent	-	(31,174,780)	(16,633,344)	-
Premium on bonds issued	-	2,624,780	2,196,983	-
Issuance of notes	-	18,600,000	-	-
Transfers in	9,523,517	8,589,017	10,692,734	10,195,410
Transfers out	(9,523,517)	(8,589,017)	(10,692,734)	(10,195,410)
Sale of general capital assets	-	-	-	3,048,371
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>18,600,000</b>	<b>6,503,639</b>	<b>3,048,371</b>
<b>Net change in fund balances</b>	<b>(1,390,830)</b>	<b>14,612,103</b>	<b>6,016,394</b>	<b>2,688,965</b>
Fund balance at beginning of year	20,687,738	19,296,908	33,909,011	39,925,405
Fund balance at end of year	\$ 19,296,908	\$ 33,909,011	\$ 39,925,405	\$ 42,614,370
Debt service as a percentage of noncapital expenditures	7.41%	7.30%	6.55%	6.80%

Table 4

		Fiscal Year									
		2014	2015	2016	2017	2018	2019				
\$	133,909,658	\$	137,088,886	\$	140,255,321	\$	142,041,710	\$	147,560,197	\$	151,222,713
	1,062,965		1,014,893		1,655,217		1,447,584		1,442,652		1,429,480
	20,679,938		15,017,466		14,080,414		15,837,597		14,033,412		14,950,653
	7,980,340		7,843,594		8,774,124		8,362,685		8,126,326		8,636,698
	463,305		485,238		613,267		749,129		1,231,131		1,976,025
	-		-		308,089		(337,400)		(382,690)		387,257
	2,402,865		2,504,856		2,417,701		2,218,522		2,459,627		1,562,656
	11,477,065		9,019,032		10,420,522		18,586,525		20,613,490		6,976,796
	177,976,136		172,973,965		178,524,655		188,906,352		195,084,145		187,142,278
	2,843,420		2,934,917		2,952,448		2,943,450		3,038,972		3,280,357
	1,748,810		1,699,054		1,738,682		1,881,332		1,857,926		2,043,759
	6,132,621		6,385,266		6,717,279		7,064,677		6,194,202		6,429,907
	12,253,110		12,033,001		13,061,288		13,305,981		14,377,584		14,959,341
	6,478,656		6,812,516		6,531,451		6,734,016		6,943,112		7,053,345
	2,386,174		2,379,895		2,632,481		2,565,142		2,463,086		2,638,774
	2,791,127		2,785,624		2,971,784		2,800,200		2,787,792		2,760,010
	6,263,893		6,600,388		6,732,036		6,765,075		6,752,279		7,346,785
	99,527,578		102,324,041		104,490,362		105,251,040		109,309,258		111,456,524
	11,477,065		9,019,032		10,420,522		18,586,525		20,613,490		6,976,796
	7,680,811		7,772,816		7,419,642		7,754,319		7,730,982		7,303,026
	3,268,620		2,900,598		2,585,718		2,379,319		2,080,233		1,999,309
	18,361,870		8,172,844		9,076,654		8,292,903		14,031,033		7,784,219
	181,213,755		171,819,992		177,330,347		186,323,979		198,179,949		182,032,152
	(3,237,619)		1,153,973		1,194,308		2,582,373		(3,095,804)		5,110,126
	8,950,000		-		-		-		-		2,735,000
	9,480,000		-		-		-		-		3,800,000
	(9,694,079)		-		-		-		-		(4,094,446)
	380,454		-		-		-		-		389,431
	135,000		-		-		-		-		-
	4,653,977		6,915,987		13,186,305		16,103,976		19,769,565		16,678,853
	(4,653,977)		(6,915,987)		(13,186,305)		(16,103,976)		(19,769,565)		(16,678,853)
	1,581,040		16,687		30,971		679,670		11,485		19,322
	10,832,415		16,687		30,971		679,670		11,485		2,849,307
	7,594,796		1,170,660		1,225,279		3,262,043		(3,084,319)		7,959,433
	42,614,370		50,209,166		51,379,826		52,605,105		55,867,148		52,782,829
\$	50,209,166	\$	51,379,826	\$	52,605,105	\$	55,867,148	\$	52,782,829	\$	60,742,262
	6.76%		6.49%		5.95%		5.69%		5.33%		5.31%

Town of Glastonbury, Connecticut

Table 5

**Assessed and Estimated Actual Value of Taxable Property  
Last Ten Fiscal Years  
(Amounts Expressed in Thousands)**

Fiscal Year	Real Property		Motor Vehicles	Personal Property	Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate (Mill Rate)	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property							
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	4,125,934	29.65	5,782,669	71.35
2012	3,208,186	577,160	263,823	137,609	21,378	4,165,399	30.05	5,717,775	72.85
2013	3,223,394	576,116	280,615	150,642	23,154	4,207,614	30.50	5,440,780	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
2018	2,897,794	606,993	301,855	188,128	25,114	3,969,656	37.45	6,169,975	64.34
2019	3,005,158	700,015	307,168	189,840	23,086	4,179,095	36.00	5,970,136	70.00

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.

Town of Glastonbury, Connecticut

Table 6

Principal Taxpayers  
Current Year and Nine Years Ago

	2019			2010		
	Taxable Assessed Value	Rank	Percentage of Net Taxable Assessed Grand List <sup>1</sup>	Taxable Assessed Value	Rank	Percentage of Net Taxable Assessed Grand List <sup>2</sup>
Connecticut Light & Power	\$ 44,052,150	1	1.05%	\$ 27,540,860	1	0.67%
Shops at Somerset Square LLC	28,651,700	2	0.69%	24,704,400	2	0.60%
New London Turnpike Apartments Investors LLC	27,459,700	3	0.66%	-	-	-
Massachusetts Mutual Life Insurance Co.	18,736,700	4	0.45%	-	-	-
Glastonbury MZL LLC	18,496,300	5	0.44%	-	-	-
SHP V Glastonbury LLC	16,839,500	6	0.40%	-	-	-
Siebar Glastonbury LLC	16,491,000	7	0.39%	-	-	-
Connecticut Natural Gas Corp	15,985,280	8	0.38%	-	-	-
Briemor Residual Shoppes at Fox Run LLC	15,604,700	9	0.37%	-	-	-
SBU LLC	12,339,400	10	0.30%	11,270,000	8	0.27%
Connecticut Mutual Life Insurance Co	-	-	-	18,900,000	3	0.46%
Alecta Real Estate USA LLC	-	-	-	16,522,000	4	0.40%
BCIA 95 Glastonbury Blvd. LLC	-	-	-	13,952,100	5	0.34%
Grunberg 628 Hebron LLC	-	-	-	12,473,220	6	0.30%
Glastonbury Partners LLC	-	-	-	12,139,700	7	0.30%
PRA Suites at Glastonbury LLC	-	-	-	10,765,800	9	0.26%
PRA Glastonbury LLC	-	-	-	10,113,300	10	0.25%
	<u>\$ 214,656,430</u>		<u>5.14%</u>	<u>\$ 158,381,380</u>		<u>3.86%</u>

**Property Tax Levies and Collections  
Last Ten Fiscal Years**

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years <sup>2</sup>	Total Collections to Date	
		Amount <sup>1</sup>	Percentage of Levy		Amount	Percentage of Levy
2010	\$ 118,936,203	\$ 117,896,533	99.13 %	\$ 928,310	\$ 118,824,843	99.91 %
2011	122,201,916	121,393,374	99.34	762,837	122,156,211	99.96
2012	125,090,309	124,429,404	99.47	567,065	124,996,469	99.92
2013	128,299,243	127,582,218	99.44	611,956	128,194,174	99.92
2014	133,617,305	132,828,872	99.41	503,941	133,332,813	99.78
2015	136,682,892	135,894,309	99.42	577,811	136,472,120	99.84
2016	139,990,757	139,364,464	99.55	397,510	139,761,974	99.81
2017	142,244,077	141,459,736	99.45	621,719	142,081,455	99.79
2018	147,299,438	146,537,634	99.48	517,604	147,055,238	99.48
2019	150,874,905	150,136,086	99.51	-	150,136,086	99.51

Source:

<sup>1</sup> Town Revenue Collection office.

<sup>2</sup> Town Finance office.

**Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years**

Fiscal Year	General Obligation Bonds <sup>1</sup>	Premium on Bonds	Total	Percentage of Actual Taxable Value of Property <sup>4</sup>	Per Capita <sup>5</sup>	Clean Water Fund Notes Payable <sup>2</sup>	Term Notes Payable <sup>3</sup>	Total Primary Government	Debt as a Percentage of Actual Taxable Value of Property <sup>4</sup>	Debt Per Capita <sup>5</sup>
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	14,148	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
2018	44,925	1,861	46,786	0.76%	1,353	12,695	-	59,481	0.96%	1,720
2019	41,020	1,724	42,744	0.72%	1,236	11,792	-	54,536	0.91%	1,577

<sup>1</sup> Town only issues general obligation bonds and has no overlapping debt.

<sup>2</sup> 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.

<sup>3</sup> Represents relatively short-term notes for the acquisition of various land parcels.

<sup>4</sup> See Table 5 for taxable property value data.

<sup>5</sup> See Table 11 for population data.

**Schedule of Debt Limitation  
For the Year Ended June 30, 2019**

Tax base:	
Total tax collections (including interest and lien fees)	\$ 147,454,525
Reimbursement of revenue loss from tax relief for the elderly	-
<b>Total tax base</b>	<b>\$ 147,454,525</b>

	General Purpose	Schools	Sewer	Urban Renewal	Pension Deficit
Debt limitation:					
2-1/4 times base	\$ 331,772,681	\$ -	\$ -	\$ -	\$ -
4-1/2 times base	-	663,545,363	-	-	-
3-3/4 times base	-	-	552,954,469	-	-
3-1/4 times base	-	-	-	479,227,206	-
3 times base	-	-	-	-	442,363,575
<b>Total debt limitations</b>	<b>331,772,681</b>	<b>663,545,363</b>	<b>552,954,469</b>	<b>479,227,206</b>	<b>442,363,575</b>
Indebtedness:					
Bonds outstanding	21,903,000	19,117,000	-	-	-
Bonds authorized and unissued	8,190,893	-	-	-	-
Bond anticipation notes	1,305,000	-	-	-	-
Clean Water Fund notes	-	-	11,792,011	-	-
<b>Total indebtedness</b>	<b>31,398,893</b>	<b>19,117,000</b>	<b>11,792,011</b>	<b>-</b>	<b>-</b>
<b>Debt limitation in excess of outstanding and authorized debt</b>	<b>\$ 300,373,788</b>	<b>\$ 644,428,363</b>	<b>\$ 541,162,458</b>	<b>\$ 479,227,206</b>	<b>\$ 442,363,575</b>

Note: In no event shall total indebtedness exceed seven times the base for debt limitation computation: \$ 1,032,181,675

See notes to the financial statements for further information and explanation on the Town's indebtedness at June 30, 2019.



**Town of Glastonbury, Connecticut**

**Legal Debt Margin Information  
Last Ten Fiscal Years**

	2010	2011	2012	2013
Debt limit	\$ 807,411,521	\$ 835,494,023	\$ 859,972,099	\$ 881,587,371
Total net debt applicable to limit	113,332,765	105,703,742	99,423,346	105,349,500
<b>Legal debt margin</b>	<b>\$ 694,078,756</b>	<b>\$ 729,790,281</b>	<b>\$ 760,548,753</b>	<b>\$ 776,237,871</b>
<b>Total net debt applicable to the limit as a percentage of debt limit</b>	<b>14.04%</b>	<b>12.65%</b>	<b>11.56%</b>	<b>11.95%</b>

**Table 10**

2014	2015	2016	2017	2018	2019
\$ 900,743,193	\$ 938,369,383	\$ 960,676,976	\$ 982,829,946	\$ 994,896,924	\$ 1,032,181,675
91,986,430	84,275,977	76,922,844	72,195,197	67,500,037	62,307,904
\$ 808,756,763	\$ 854,093,406	\$ 883,754,132	\$ 910,634,749	\$ 927,396,887	\$ 969,873,771
10.21%	8.98%	8.01%	7.35%	6.78%	6.04%

**Demographic and Economic Statistics  
Last Ten Fiscal Years**

Fiscal Year	Population <sup>(1)</sup>	Median Family Income <sup>(2)</sup>	Per Capita Personal Income <sup>(2)</sup>	Median Age <sup>(2)</sup>	Educational Attainment <sup>(2)</sup>		School Enrollment <sup>(3)</sup>	Unemployment Rate <sup>(4)</sup>
					High School	Bachelors Degree		
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%
2018	34,584	132,238	58,431	45.1	96.0%	60.2%	5,938	3.1%
2019	34,575	135,791	60,119	45.8	96.6%	60.6%	5,876	2.5%

Sources:

<sup>(1)</sup> State of Connecticut Department of Public Health

<sup>(2)</sup> U.S. Census Bureau, American Fact Finder

<sup>(3)</sup> Town of Glastonbury Board of Education

<sup>(4)</sup> State of Connecticut Department of Labor

Town of Glastonbury, Connecticut

Table 12

Principal Employers  
Current Year and Nine Years Ago

Name	Nature of Business	2019			2010		
		Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Healthtrax Inc.	Health Clubs	1000-4999	1	16.86%			
Glastonbury Town Hall	Government Office	250-499	2	2.11%	1,054	1	6.34%
Fiserv	Data Processing Service	250-499	3	2.11%			
Glastonbury High School	Schools	250-499	4	2.11%			
Amica Mutual Insurance Co	Insurance	100-249	5	0.98%	120	8	0.72%
Home Depot	Home Centers	100-249	6	0.98%			
Super Stop & Shop	Grocers-Retail	100-249	7	0.98%	290	4	1.74%
Salmon Brook Nurse & Rehab Ctr	Nursing Homes	100-249	8	0.98%	200	5	1.20%
TCA Consulting Group	Employment Contractors	100-249	9	0.98%			
Smith Brothers Insurance LLC	Insurance	100-249	10	0.98%			
Open Solutions	Computer Hardware& Software				390	2	2.34%
Ikon/Office Solutions	Office Equipment				300	3	1.80%
CIGNA Insurance Company	Insurance				150	6	0.90%
Bank of America Business Capital	Financial Services				130	7	0.78%
Flanagan Industries	Manufacturers				112	9	0.67%
Nabisco/Kraft	Wholesale Distributor				100	10	0.60%
				29.09%	2,846		17.11%
Total Town Employment			est	17,790		est	16,632

Source: 2019 data - Connecticut Department of Labor - Labor Market Information  
2010 data - Glastonbury FY2010 Comprehensive Annual Financial Report

**Full-Time Employees by Function/Program  
Last Ten Fiscal Years**

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General government:										
Town manager	3.0	3.0	3.0	3.0	3.0	2.0	2.0	2.0	2.0	2.0
Human resources	3.0	3.0	3.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Facilities maintenance	12.0	12.0	13.0	18.5	17.2	17.2	17.2	17.2	17.2	16.9
Community development:										
Community development	3.5	4.5	4.5	4.5	4.5	4.5	5.5	5.5	5.5	5.5
Building inspection	4.0	4.0	4.0	4.0	4.5	4.5	4.5	4.5	4.0	5.0
Fire Marshal	2.0	2.0	2.0	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Health	5.0	5.0	5.0	5.5	5.5	5.5	5.5	5.5	5.5	5.5
Administrative services:										
Financial administration	9.0	8.0	8.0	8.5	9.5	8.5	8.5	8.5	8.5	8.5
Accounting	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Property assessment	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.5
Revenue collection	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.5
Town clerk	4.0	4.0	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	79.0	78.0	75.0	77.0	77.0	77.0	77.0	77.0	77.0	77.0
Fire	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Physical services:										
Engineering	11.5	12.5	12.5	13.0	13.0	13.0	13.0	12.5	12.5	12.5
Highway	22.0	22.0	22.0	23.0	22.5	22.5	22.5	22.5	22.5	22.5
Fleet maintenance	6.0	6.0	6.0	8.2	8.2	8.2	8.9	8.9	8.9	8.9
Sanitation:										
Water pollution	8.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0
Refuse disposal	2.0	2.0	2.0	6.1	6.1	6.1	6.1	6.1	6.1	7.1
Human services:										
Youth and Family Services	10.0	12.0	12.0	13.1	13.1	13.1	14.0	14.0	14.0	14.0
Senior and Community Services	8.0	7.0	9.0	16.8	16.8	16.8	16.1	16.1	16.1	16.1
Leisure/culture:										
Parks and recreation	22.0	22.8	22.0	23.8	23.8	23.8	24.3	24.3	24.3	24.3
Welles-Turner Library	10.0	10.0	10.0	15.6	15.6	15.6	15.6	17.7	17.7	17.7
Education	789.0	786.0	801.0	806.8	814.3	823.2	824.6	809.2	788.1	807.9
<b>Total</b>	<b>1,030.3</b>	<b>1,030.1</b>	<b>1,044.3</b>	<b>1,084.2</b>	<b>1,091.4</b>	<b>1,098.3</b>	<b>1,102.1</b>	<b>1,088.3</b>	<b>1,066.7</b>	<b>1,089.2</b>

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**

	2019	2018	2017	2016
<b>Building/community development:</b>				
Alterations - residential/commercial	913	2,037	1,990	1,956
Number of subdivisions approved	2	2	4	5
New residential dwellings	35	27	25	25
New commercial buildings	19	2	7	8
<b>Fire marshal:</b>				
Fire investigations completed	47	46	26	43
Assembly occupancy inspections	659	670	467	236
<b>Health:</b>				
Routine inspections	912	891	995	967
Complaint inspections	220	216	223	76
<b>Financial administration:</b>				
Percent of taxes to total revenue	92.64%	91.52%	90.90%	91.60%
<b>Property assessment:</b>				
Grand list accounts	54,088	54,102	53,794	53,657
Adjusted grand list accounts	3,106	3,198	3,153	3,337
<b>Revenue collection:</b>				
Collection rate	99.51%	99.50%	99.45%	99.55%
# of real estate tax bills	13,937	13,936	13,935	13,945
# of motor vehicle tax bills	32,093	32,058	31,661	31,883
# of personal property tax bills	2,198	2,228	2,198	2,210
# of supplemental motor vehicle bills	5,382	5,352	5,466	5,068
<b>Police:</b>				
Uniform strength	56	57	55	59
Dispatches for service	17,845	16,972	17,662	18,162
Emergency time response	4:25 mins	3:59 mins	4:56 mins	4:34 mins
Average police response time (all calls)	5:43 mins	6:28 mins	6:05 mins	6:13 mins
Total crimes/FBI uniform crime index	412	421	592	440
Total medical calls	2,367	2,229	2,293	2,195
Total animal control calls	576	566	646	761
Total motor vehicle accidents	702	858	911	766
Physical arrests	410	432	519	429
Parking violations	26	33	75	117
Traffic violations	1,575	1,399	1,604	1,575

**Table 14**

2015	2014	2013	2012	2011	2010
1,523	1,575	574	972	717	780
3	0	4	6	0	3
15	19	21	47	44	43
0	4	2	2	4	4
63	91	81	130	116	168
300	278	265	156	202	188
996	914	1,100	1,414	971	793
142	113	173	145	220	165
90.80%	91.10%	86.40%	88.99%	89.49%	89.57%
53,690	53,480	53,467	53,027	52,836	52,526
2,566	2,342	2,418	2,211	2,368	2,122
99.42%	99.41%	99.44%	99.47%	99.34%	99.13%
13,874	13,871	13,844	13,782	13,774	13,782
32,126	31,756	31,839	31,908	31,877	31,780
2,190	2,165	2,123	2,120	2,086	2,139
4,953	5,157	4,993	4,654	4,551	4,296
56	57	52	56	57	55
18,264	18,726	20,030	19,223	17,145	20,459
4:32 mins	4:37 mins	4:59 mins	5:28 mins	4:40 mins	4:38 mins
5:56 mins	6:14 mins	6:08 mins	6:36 mins	6:30 mins	6:18 mins
292	385	363	428	437	454
1,859	1,707	1,614	1,637	1,663	1,630
627	699	729	809	860	880
874	888	932	779	806	762
475	572	596	563	536	467
96	131	137	152	82	192
1,601	2,056	1,761	1,414	965	1,816

(Continued)

**Town of Glastonbury, Connecticut**

**Operating Indicators by Function/Program (Continued)  
Last Ten Fiscal Years**

	2019	2018	2017	2016
<b>Fire:</b>				
Uniform strength	109	122	120	116
Full time	2	2	2	2
Emergency incidents	824	817	851	870
Structure fires	12	7	8	13
Fire training hours	9,128	7,529	6,946	6,449
<b>Engineering:</b>				
Right of way permits	312	328	340	296
Sanitation sewer permits	63	55	59	50
<b>Highway:</b>				
Snow routes	21	21	21	21
Road miles plowed	24,751	34,470	32,627	25,400
Lane miles paved/street resurfacing	13	15	14	11
Catch basins cleaned	325	425	357	365
<b>Water Pollution Control:</b>				
Average daily treatment flow (gal/day)	2.63 million	1.95 million	1.97 million	2.03 million
Gallons of sludge disposed	2,821,000	2,742,500	2,576,500	2,359,500
<b>Refuse disposal:</b>				
Annual tons of solid waste collected	1,515	1,525	1,574	1,600
Vehicles at hazard waste collection	732	765	442	411
Permits issued	6,750	7,474	7,254	7,350
<b>Senior and Community Services:</b>				
Senior center participation	36,171	35,084	34,006	31,879
Outreach clients	1,987	1,940	1,641	1,245
Dial-A-Ride participation	18,599	18,287	18,963	22,687
<b>Youth and Family Services:</b>				
Clinical clients	1,456	1,444	1,453	1,175
Youth program participation	1,143	1,135	914	928
<b>Parks:</b>				
Program participation registrations	71,495	76,661	88,064	87,405
Fields maintained	54	54	54	54
Rounds of golf played	11,630	12,387	11,655	15,394
Hours of athletic field use	46,537	41,449	43,942	45,389
<b>Library:</b>				
Library transactions	320,762	324,760	342,785	382,471
Self check library transactions	281,490	270,385	294,985	305,976

Source(s): Various Town Departments



**Table 14**

2015	2014	2013	2012	2011	2010
115	111	114	111	111	115
2	2	1-2	1	1	0
851	858	950	1295	1139	951
15	25	35	34	17	53
7,053	7,379	7,800	7,777	6,870	5,960
416	270	209	253	295	234
42	31	36	63	38	39
21	21	21	21	21	21
47,812	50,007	36,200	13,766	45,335	32,057
15	12	18	9	11	15
360	250	215	237	273	345
2.07 million	2.14 million	2.20 million	2.29 million	2.14 million	2.20 million
2,246,000	2,184,000	2,312,000	2,977,500	3,022,500	3,304,000
1,595	1,622	2,087	1,864	2,024	1,933
427	457	563	421	441	535
7,135	6,897	6,450	6,475	6,252	6,374
30,210	30,428	33,392	43,759	44,372	43,909
1,216	1,480	1,467	1,454	1,401	1,337
24,688	24,151	19,633	20,243	20,169	21,356
1,085	1,094	1,183	1,076	1,184	1,232
1,875	8,944	10,748	10,397	10,530	11,972
79,205	84,325	98,668	92,920	92,540	96,683
54	54	54	54	53	53
14,229	13,010	15,599	13,594	16,763	18,544
43,441	45,576	43,596	46,267	47,077	45,714
403,943	452,381	470,070	481,960	335,729	560,689
18,640	17,433	28,204	36,277	35,898	38,509

**Capital Asset Statistics by Function/Program  
Last Ten Fiscal Years**

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
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	21	21	21	21	13	20	20	21	21	21
Fire hydrants	775	775	775	775	711	709	709	709	708	708
Highway:										
Storm drains	5,842	5,842	5,838	5,838	5,838	5,813	5,813	5,808	5,791	5,647
Street miles - center line	222	222	222	222	222	222	222	222	222	219
Expressways (miles)	13	13	13	13	13	13	13	13	13	13
Residential streets (miles)	172	172	172	172	172	172	172	172	172	169
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	17	19	19	19	19	19	19	19	19
Bridges	16	16	16	16	16	16	16	16	16	16
Water pollution:										
Number of sanitary sewer miles	105	105	105	105	102	102	102	102	102	101
Senior and Community Services:										
Community center	1	1	1	1	1	1	1	1	1	1
Natural Gas Sedan	2	2	2	2	3	2	1	1	1	1
Dial-A-Ride Buses:										
Vans - Diesel	1	1	1	1	2	2	2	6	6	6
CNG	4	4	5	5	3	3	4	1	1	1
Electric Hybrid	1	0	0	0	0	0	0	0	0	0
Parks and 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	54	54	54	54	54	54	54	53	53
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