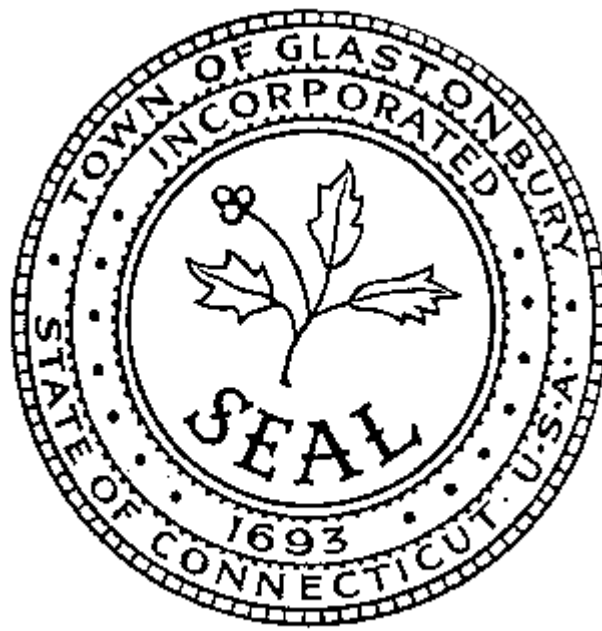
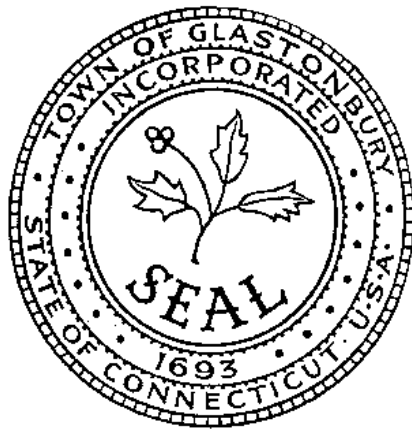


TOWN OF GLASTONBURY, CONNECTICUT



COMPREHENSIVE ANNUAL FINANCIAL REPORT Year Ended June 30, 2020

TOWN OF GLASTONBURY, CONNECTICUT



COMPREHENSIVE ANNUAL FINANCIAL REPORT

**For the Fiscal Year
July 1, 2019 to June 30, 2020**

Prepared By:
Financial Administration
and
Accounting Divisions

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Introductory Section



Town of Glastonbury

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December 23, 2020

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 for the fiscal year ended June 30, 2020.

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, 2020 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, 2020 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 34,688 as of June 2018.

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.

The COVID-19 Outbreak

The outbreak of COVID-19, a respiratory virus caused by a new strain of coronavirus, has been declared a Public Health Emergency of International Concern by the World Health Organization. On March 13, 2020, the President of the United States declared a national emergency as a result of the COVID-19 outbreak. The U.S. Centers for Disease Control and Prevention (CDC) warned that some areas in the United States are experiencing community spread of COVID-19 and that widespread transmission of COVID-19 in the United States is likely to continue. The outbreak of the virus has affected travel, commerce and financial markets globally, and is widely expected to affect economic growth worldwide.

Federal Government Response to COVID-19's Impact on the Economy

On March 27, 2020, Congress enacted the Coronavirus Aid, Relief, and Economic Stabilization Act (the "CARES Act") that provides in excess \$2 trillion of relief to industries and entities throughout the country, including state and local governments. Under the CARES Act, \$150 billion will be appropriated to states and other units of government for activities that are directly related to COVID-19; the amount paid to each state will be based on population with a minimum payment of \$1.25 billion. In addition, the CARES Act will provide \$454 billion to the Federal Reserve to purchase business, state or municipal securities in order to provide a level of liquidity to the municipal market. Other financial relief affecting states and local governments includes \$30.9 billion for education, \$10 billion for airports, \$25 billion for transit providers, and \$17 billion for housing, including \$5 billion for Community Development Block Grants for COVID-19 related services.

On March 28, 2020, President Trump approved the Connecticut Governor's request for a disaster declaration for the State of Connecticut. Under the declaration, federal funding is made available to state, tribal and eligible local governments and certain private nonprofit organizations for emergency protective measures, including direct federal assistance, for all areas of Connecticut impacted by COVID-19. The impacted agencies and towns will be reimbursed for 75 percent of the costs associated with their response and emergency protective measures.

State and Local Efforts to Mitigate the Ongoing Impact of COVID-19

On March 11, 2020, the Connecticut Governor declared a state of emergency throughout the State of Connecticut as a result of the COVID-19 outbreak. State agencies were directed to use all resources necessary to prepare for and respond to the outbreak. Initially, the Governor cancelled all public-school classes for all students, restricted social and recreational gatherings, suspended activity at the State Capitol and legislative office building, suspended non-exigent operations of the judicial branch, limited restaurants to take-out and delivery only, required all businesses and not-for-profit entities in the State to employ, to the maximum extent possible, any telecommuting or work from home procedures that they can safely employ and required closure of all non-essential businesses and not-for-profit entities. Additionally, by executive order, the Governor instituted a 60-day residential rent moratorium and extended the date for adoptions of municipal budgets which fell on or before May 15, 2020 by up to 30 days. The Governor ordered a phased re-opening of the state, and various activities are in various stages of resumption.

On March 24, 2020, the Town declared a local state of emergency. This step allowed the Town Manager to exercise emergency powers as needed to help the community and better positioned the Town to access emergency federal aid. The Town closed Town Hall to the public except by appointment and operated Town offices with limited staff performing essential services. The Town schools were closed to the public and the Town conducted essential council and commission meetings remotely. The Town Library was closed.

While a potential risk, the outbreak did not have a materially adverse effect on the Town for Fiscal Year 2020. The Town's finances and financial plans remained stable and over 100% of total revenues were received as of June 30, 2020, including the collection of 99.41% of budgeted property taxes.

On April 1, 2020, the Connecticut Governor issued Executive Order No. 7S, which, among other things, called for Connecticut municipalities, including the Town of Glastonbury, to offer to eligible taxpayers impacted by COVID-19 one or both of the following tax relief programs: a 90-day Deferment Program or a 90-day Low Interest Rate Program. Executive Order No. 7S required municipalities to select and implement one or both of the tax relief programs, and to notify the Secretary of the Office of Policy and Management no later than April 25, 2020, in which program or programs it is electing to participate. Both programs were applicable to amounts payable or delinquent during the period from April 1, 2020 to and including July 1, 2020 and apply to taxes on real property, personal property or motor vehicles, and water, sewer and electric rates, charges and assessments. The Deferment Program provided for a 90-day deferment from the time the amount became due and payable. However, financial institutions and mortgage servicers that hold property tax payments in escrow were required to continue to remit property taxes to the Town according to the regular timetable, so long as the borrower remains current on its mortgage or is in a mortgage forbearance or deferment program.

The Glastonbury Town Council at a special meeting held April 21, 2020 elected to participate in the 90-day Deferment Program. Additionally, the Town Council elected to not require residential homeowners to demonstrate loss or hardship as a result of COVID-19 to participate the Deferment Program. However, any taxpayer that rents or leases to any commercial, residential, or institutional tenant or lessee shall only be eligible for either program if said landlord provides documentation to the Town that the parcel has or will suffer a significant income decline on account of impact by COVID-19, or that commensurate forbearance was offered to his/her/its tenants or lessees. Finally, financial institutions and mortgage servicers that hold property tax payments in escrow on behalf of a borrower shall continue to remit property taxes to the municipality, so long as the borrower remains current on their mortgage or is in a forbearance or deferment program, irrespective of the borrower's eligibility for or participation in the Deferment Program.

On April 10, 2020, the Governor issued Executive Order 7X ("Order 7X") requiring landlords to grant 60-day rent extensions to residential tenants for April (automatically) and May (by request due to loss of income). Landlords can satisfy the commensurate forbearance and income decline requirements for tax and other relief under Order 7S for residential properties simply by complying with Order 7X, and for the Deferment Program by confirming they will do so in an e-mail to the tax collector.

The Town currently estimates that the revenue reduction associated with Executive Order No. 7S will be minimal. As of October 31, 2020, the revenue collection rate on the current levy exceeded the rate for the prior two years, at the same time period. At this time, the Town expects to meet or exceed the budgeted collection rate of 99.1%.

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 \$139,345 in 2018, compared to the State's \$97,310. The median age of a Glastonbury resident was 45.6 years in 2018, compared to the State's 40.8 years.

Glastonbury's unemployment rate ranks better than the region. The Town's unemployment rate was 3.9% as of October 2020, as compared to the State of Connecticut at 5.8%. Both rates are higher than the same period the prior year due to the impacts of the COVID-19 pandemic. However, the Town rate remains almost two percentage points lower than the rate of the State of Connecticut.

The net taxable Grand List of October 1, 2019 was \$4.275 billion, representing an increase of 1.2% from 2018. 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 0.77%, the personal property segment increased 4.39%, and the motor vehicle list increased 4.48% over the net 2018 totals.

In 2019, the area real estate market continued on a path of stabilization, as it has done for six consecutive years. Growth in the volume of residential sales climbed from 541 to 587 (8.5%) over the previous grand list period. In addition, the average sales price increased from \$362,487 to \$382,987 (5.7%), continuing a steady improvement in year over year growth. These results are 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 increased by 32% to 50 units for 2019 – up from 38 units the previous year. Permits for residential alterations increased from 432 to 463 projects, a 7% increase. These figures indicate further signs of continued growth and confidence in the residential market.

The personal property sector increased a healthy 4.92%. The largest increase was \$3.2 million reported by Eversource. Overall personal property reporting shows continued reinvestment and upgrading of equipment by existing businesses. 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 being made through new development projects. In the northern section of Main Street, 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, also known as the Shops on Main, with the completion of two additional buildings for retail, office and restaurant space. Heading south on Main Street, a new Edge Fitness facility is under construction. When complete, 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. Ten new townhomes were constructed at 25 Naubuc Avenue. Two 3,000 sq. ft. medical/professional office buildings were recently completed at the intersection of Naubuc Avenue and Putnam Boulevard. In addition, a residence at 467 Naubuc Avenue was converted to professional office space.

Hebron Avenue corridor has also been very active in terms of new development. A new commercial building was recently constructed at 400 Hebron Avenue. This new building consists of approximately 20,000 sq. ft. of retail, office and restaurant tenant space. Heading south down Sycamore Street, a 4,000 sq. ft. dental office building was recently developed. Another 20,000 sq. ft. professional office building is also under construction at 340 Hebron Avenue. Lastly, a new 3,500 sq. ft. bank was recently approved for the corner of Hebron Avenue and New London Turnpike.

Moreover, growth is happening in the industrial sector on Sequin Drive. A new 10,000 sq. ft. building was just developed at 80 Sequin Drive and a new 7,500 sq. ft. building was constructed at 108 Sequin Drive. On Oak Street, recent developments include a 10,000 sq. ft. daycare facility and a new 5,000 sq. ft. building for a car wash business.

Finally, an office condominium development was recently approved at the intersection of Eastern Boulevard and Addison Road. This development will include 18 condominium units within four new colonial-style buildings purposed for medical and professional office space.

Despite recent economic impacts of the COVID-19 pandemic experienced nationally and global, the Town is confident that Glastonbury will remain resilient and its 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 2020, actual debt service expenditures represented approximately 4.3% 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 2020 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	\$37,509,723	0.89%	0.62%	\$1,081

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, 2020 totaled \$35,085,000 and premiums totaled \$2,424,723. Changes in bond indebtedness are detailed in Note 8 of this report.

- **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, 2020, in accordance with GASB 54, the Town's General Fund unassigned fund balance represented 17.76% of budgeted expenditures and 17.97% of budgeted 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 36a-333.
- **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. Since approximately 2009, the investment rate of return has been reduced from 8.75% to 6.5%. 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. The Town funds 100% of the Actuarially Determined Contribution. The new PUB-2010 mortality tables have been fully implemented, effective with the July 1, 2019 valuation.
- **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. During fiscal 2020, the Town participated in the Connecticut Interlocal Risk Management Pool (CIRMA) for town and education coverage.

Factors Affecting the 2019/20 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 92.5% of its budgeted revenues derived from property taxes and delinquent charges.

For the 2019/20 budget, the 2018 Grand List increased 1.1%. The Grand List grew from \$4.18 billion to \$4.23 billion, and the 1.1% increase brought \$1.65 million in new tax revenue.

A single mill rate for Real Estate, Personal Property and Motor Vehicle was adopted as follows: 36.00 mills in FY2019, 36.36 mills in FY 2020, and 36.90 mills in FY2021. This represents a 1% increase in the mill rate from FY2019 to FY2020, and a 1.5% increase from FY2020 to FY2021.

Historically, actual tax collection rates have exceeded 99.1%, the assumption used to set the mill rate. In 2017, 2018 and 2019, the collection rates were 99.45%, 99.48% and 99.51%, respectively. The Town completed the 2020 fiscal year with a 99.41% 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 4.1% of the Town's overall revenues in the FY 2020 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 March. During the FY 2020 budget process, intergovernmental revenue, including the Education Cost Sharing (ECS) grant was not well defined. State legislative action in 2017 adopted a phased reduction in annual ECS funding beginning in FY2020 and continuing through FY2028. When adopting the FY2020 budget, Governor Lamont proposed to accelerate the annual decrease in ECS funding. The adopted Town budget for FY2020 assumed Governor Lamont's proposal at \$5.089M.

However, final state legislative action sustained the schedule enacted in 2017 totaling \$5.605M in FY2020. As a result, a budget revenue gain was realized. The FY2020 budget was adopted on March 21, 2019 prior to the onset of the COVID-19 pandemic.

The Town continued to face many of the same challenges on the expenditure side of the budget for FY 2019-2020 as it had in prior years. The FY 2019-2020 budget for Town Operations increased 3.14% or \$1.3m. This budget was designed to incorporate the short and long term goals of the Town, which can be summarized as follows:

- 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 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 implemented changes to the investments and administration of the pension plan, as well as implemented pension plan design changes, such as increased employee contributions and a separate pension plan for new hires. In addition, new mortality tables (PUB-2010) were implemented in the July 1, 2019 valuation, thereby impacting the fiscal 2021 contribution.

The final Education budget increased \$3.3 million or 3.16% over the previous year. Glastonbury Public Schools is responsible for the education of approximately 6,000 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 a highly successful Capital Improvement Program (CIP) which allocates cash resources, grants, donations and long-term debt, as applicable, to fund the care and maintenance of the Town's infrastructure and to fund new capital projects.

Each year, as part of the formal budget process, Town departments and agencies present capital projects and recommendations to the Town Manager. The Town Manager reviews this information and prepares and updates a five-year capital budget document including projects recommended for new or additional funding effective the respective July 1st. The document shows projects contemplated for the next five years with preliminary project cost estimates, approved and potential grants, phasing, funding options (cash or borrowing) and other such information. By February 1st, the five-year planning and funding plan is presented by the Town Manager to the Town Council and Board of Finance. This serves as the basis for the respective year budget process and long-term planning for the care, maintenance and improvements to the Town's infrastructure.

The Town's Capital Improvement Program Policy (CIP Criteria) establishes the purpose of the Capital Program, standards and requirements for capital funding, projects to be funded through capital resources, schedules, protocols and policies for long-term financing and other such criteria to guide the Town's Capital Program. The Town manages a Capital Reserve Fund that allows many capital and non-recurring items to be funded on a pay as you go, cash basis. Other sources of funding include grants, donations and long-term financing subject to voter approval.

In addition to identifying the type of capital items to be included in the capital program, the Town Council also sets 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, \$34 million has been approved at referendum for land acquisition and preservation. Through this program, the Town has acquired approximately 2,192 acres, of land and open space. Most recently, this includes some 542 acres of open space and forest land purchased from the Pension Fund of the Metropolitan District, realizing a 30+ year goal of the Town. The purchase of this land occurred on January 15, 2020.

The Town continues to fund 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 2019-20 fiscal year was \$6,000,000 and for the 2020-21 fiscal year is \$5,750,000.

For the 2019-20 fiscal year, the projects included improvements to Town roads, sidewalks, infrastructure and the Glastonbury High School Cafeteria, as well as construction of a Glastonbury High School Field House, air conditioning for school buildings, bridge replacement, energy efficiency projects, and various other building infrastructure improvements.

Looking forward to 2020-2021, the Town Council appropriated a total of \$7.07 million for current year funding, including \$6.605 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 Field House, Public Safety Communications and various other building improvements. In addition to the \$5.75 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. One parcel is under contract for the construction of two medical office buildings of approximately 15,000 sf and 30,000 sf. Revenue from the 45,000 sf +/- development will total \$1.4 million per the fully executed Purchase and Sale Agreement. Marketing and sale of Town owned land within the Gateway Corporate area considers proposed use, purchase price, on-going tax benefits and long-term viability.

Factors Affecting the 2019/2020 Actual Results

Fiscal 2020 had a gain on operations, despite pandemic related challenges experienced during the last four months of the fiscal year. During the pandemic, many efforts were taken to reduce non-business critical expenditures to help offset reductions in revenues.

- Revenues – Combined operating revenue accounts met and exceeded original budget. Tax revenue accounts, ECS funding, building permits, and town clerk fees exceeded original budget estimates. In addition, other favorable revenue receipts included a settlement of \$1.65m for the Riverfront Park, a final repayment of \$0.6m to the General Fund for elementary school air conditioning, and \$152k for CARES Act Funding of BOE COVID-19 related expenditures. Investment income and revenues from recreation, library, and human service activities were negatively influenced by the pandemic. This included market conditions, which influenced investment returns, and the mandatory cancellation of numerous revenue-producing programs and activities. Refuse and Health department revenues also trended below budget through reduced activity levels.
- Expenditures – Overall expenditures for Town operations fell below budget. This resulted from the cancellation of numerous programs and activities sponsored by Town departments due to COVID-19; most particularly, savings were realized in part-time wage and program accounts. Additionally, a number of full-time position vacancies were left unfilled to achieve wage and benefit savings.

The months since March 2020 have presented challenges to cities and towns nationwide and such conditions are expected to continue for the foreseeable future. Glastonbury has responded well to the pandemic and continues to provide high quality programs and services through the creativity and dedication of all Town operating areas. Looking ahead, Glastonbury is well-positioned to respond to the challenges and opportunities the coming year may present.

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, 2019, which represents the thirtieth 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 2020 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 Narae McManus, Controller, who made significant contributions 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

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

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

Town of Glastonbury, Connecticut

**Principal Town Officials
June 30, 2020**

Town Council

Thomas P. Gullotta, Chairman
Lawrence Niland, Vice Chairman
Deborah Carroll
Stewart (Chip) Beckett III
Kurt P. Cavanaugh

Jacob (Jake) McChesney
Mary LaChance
Whit C. Osgood
George Norman

Board of Finance

Constantine Constantine, Chairman
Jared Soper, Vice Chairman
Walter Cusson

James McIntosh
Jennifer Sanford
James Zeller

Administration

Town Manager
Chief of Police
Director of Finance and Administrative Services
Town Engineer/Manager of Physical Services
Director of Planning and Land Use Services
Director of Human Resources

Richard J. Johnson
Marshall Porter
Julie B. Twilley
Daniel A. Pennington
Khara Dodds
Sherri Tanguay

Board of Education

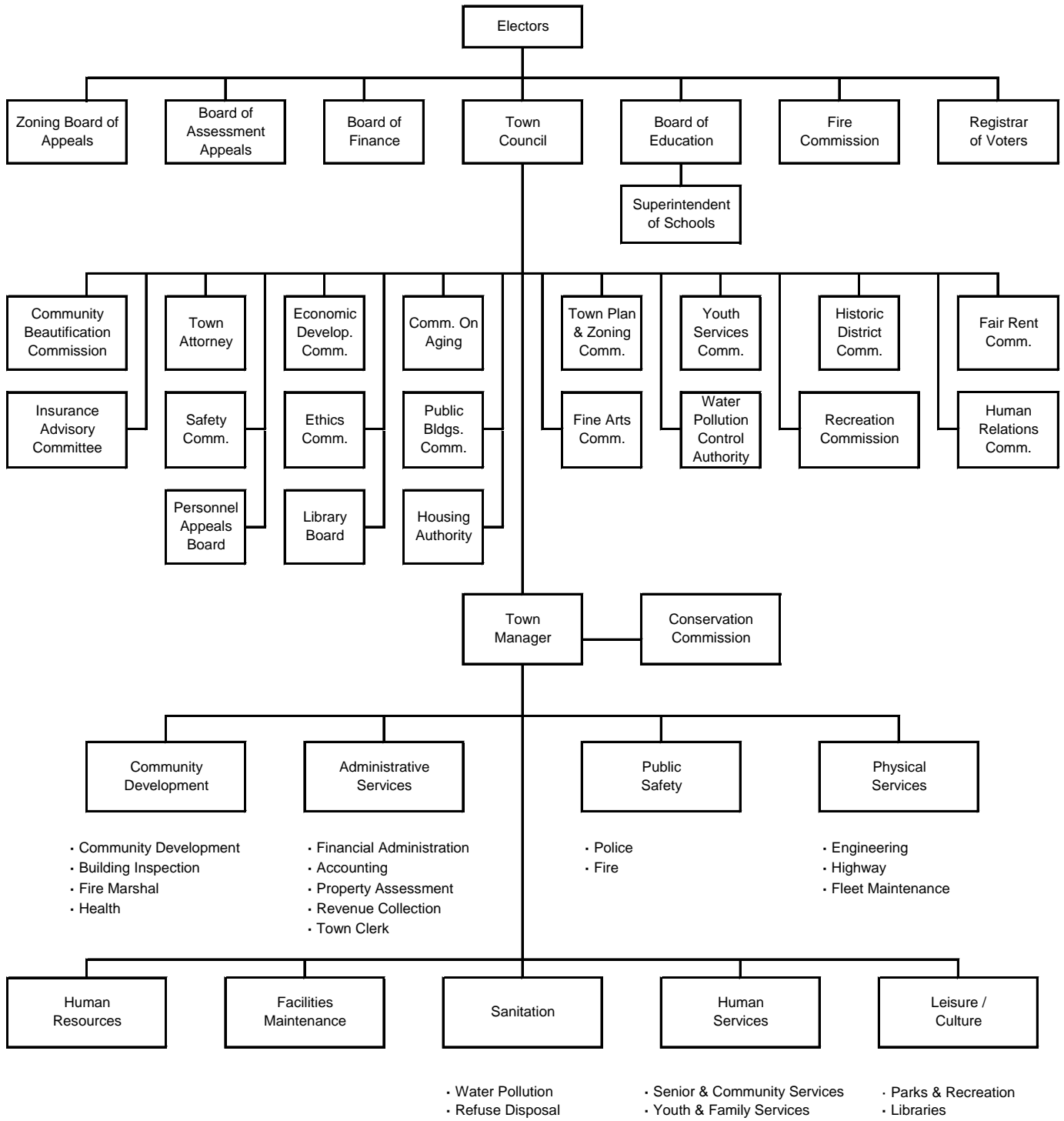
Susan Karp, Chairman
Douglas C. Foyle, Ph.D., Vice Chairman
Julie Thompson, Secretary
Rosemary Coggeshall

Jeremy Grieveson
David Peniston, Jr.
Chittaranjan Sahay, Ph.D.
Lillian Tanksi

Superintendent of Schools
Assistant Superintendent, Curriculum & Instruction
Assistant Superintendent, Personnel & Administration
Finance Manager

Dr. Alan B. Bookman
Rosemary Tralli, Ph.D.
Matthew Dunbar
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, 2019

Christopher P. Morill

Executive Director/CEO

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Financial Section



RSM US LLP

Independent Auditor's Report

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, 2020, 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, 2020 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.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the Town as of and for the year ended June 30, 2019 (not presented herein), and have issued our report thereon dated December 18, 2019, which contained unmodified opinions on the respective financial statements of the governmental activities, each major fund and the aggregate remaining fund information. The accompanying General Fund balance sheet as of June 30, 2019 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2019 financial statements. The accompanying General Fund balance sheet has been subjected to the auditing procedures applied in the audit of the 2019 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying General Fund balance sheet is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2019.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2020 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 23, 2020

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Town of Glastonbury, Connecticut
Management's Discussion and Analysis – Unaudited
June 30, 2020

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, 2020. 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 \$243 million. Of the Town's total net position at June 30, 2020, \$2.8 million, or 1.1%, is unrestricted and may be used to meet the Town's ongoing obligations to citizens and creditors.
- On a government-wide basis, during the year, the Town's net position increased by \$4.9 million or 2.0%, from \$238 million to \$243 million. Government-wide expenses were \$201 million, while revenues were \$206 million. The increase in net position of \$4.9 million is attributable to the overall management of Town operations in a fiscally responsible manner. The majority of this increase was generated by a net position increase of the General Fund. Additional detail is available under MD&A Financial Analysis of the Government's Funds, General Fund.
- At the close of the year, the Town's governmental funds reported, on a current financial resources basis, combined ending fund balances of \$64.7 million, an increase of \$4.0 million from the prior fiscal year. Of the total \$64.7 million fund balance as of June 30, 2020, \$29 million is available for spending at the Town's discretion and represents the combined unassigned balance in the General Fund net of the fund deficits in the Capital Nonrecurring Expenditure Fund and nonmajor governmental funds. The deficits in both Funds 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 \$33.3 million, an increase of approximately \$4.1 million from the prior fiscal year. Of that total fund balance, \$30.1 million is unassigned. The unassigned General Fund balance at year-end represents 18.1% of total General Fund expenditures and transfers out (\$165.8 million on a budget basis).
- The Town's total bonded indebtedness decreased \$5.9 million during the fiscal year. The Town issued \$8,105,000 of General Obligation Refunding Bonds during the year.

Overview of the Financial Statements

This discussion and analysis are 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 2011 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 28 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, Library Renovation 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 69.

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 28-68 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 70-81 of this report.

Additional required supplementary information on comparative data for the general fund budgeted revenues and expenditures is shown on page 69.

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 \$243 million on June 30, 2020.

Town of Glastonbury, Connecticut
Summary Statement of Net Position
June 30, 2020 and 2019
(In 000's)

	Governmental Activities	
	2020	2019
Current and other assets	\$ 85,624	\$ 76,919
Capital assets, net	294,596	291,476
Total assets	380,220	368,395
Deferred outflows of resources:		
Deferred charge on refunding	921	1,045
Change in pension actuarial experience	5,647	2,786
Change in pension assumptions	13,212	3,798
Net change in pension investment experience	1,019	1,374
Change in OPEB actuarial experience	792	924
Change in OPEB assumptions	435	508
Net change in OPEB investment experience	67	4
Total deferred outflows of resources	22,093	10,439
Long-term liabilities outstanding	142,726	132,238
Other liabilities	15,159	7,704
Total liabilities	157,885	139,942
Deferred inflows of resources:		
Advance tax payments	149	397
OPEB related items	987	-
Pension related items	18	105
Total deferred inflows of resources	1,154	502
Net position:		
Net investment in capital assets	240,502	236,341
Restricted	9	9
Unrestricted	2,763	2,040
Total net position	\$ 243,274	\$ 238,390

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.

Town of Glastonbury, Connecticut
Summary Statement of Activities
For the Years Ended June 30, 2020 and 2019
(In 000's)

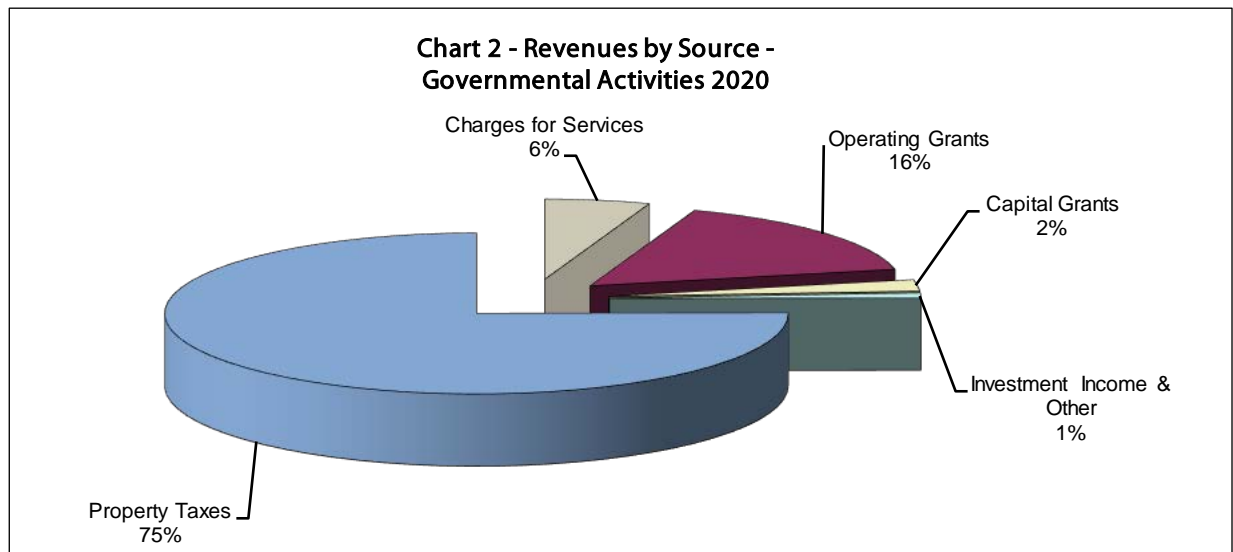
	Governmental Activities	
	2020	2019
Revenues:		
Program revenues:		
Charges for services	\$ 11,215	\$ 11,857
Operating grants and contributions	33,388	18,407
Capital grants and contributions	4,660	3,521
General revenues:		
Property taxes	154,354	150,507
Grants and contributions not restricted to specific programs	228	257
Investment income and other	2,011	2,432
Total revenues	205,856	186,981
Expenses:		
General government services	3,615	3,558
Community development	2,243	2,086
Administrative services	6,666	6,574
Public safety	16,396	16,125
Physical services	13,183	11,834
Sanitation	3,943	3,960
Human services	3,004	2,962
Leisure/culture	8,473	8,399
Education	141,549	124,973
Interest on long-term debt	1,900	2,049
Total expenses	200,972	182,520
Change in net position	4,884	4,461
Net position, beginning	238,390	233,929
Net position, ending	\$ 243,274	\$ 238,390

Glastonbury's net position increased \$4.9 million during the fiscal year. This increase is attributable to the overall management of Town operations in a fiscally responsible manner.

Governmental Activities

On March 10, 2020, the Connecticut Governor declared a state of emergency throughout the State of Connecticut as a result of the COVID-19 outbreak. Fiscal 2020 had a gain on operations, in spite of experiencing pandemic related challenges during the last few months of the fiscal year. Many efforts were taken to reduce non-business critical expenditures to help offset reductions in revenue. Combined operating revenue accounts met and exceeded original budget and overall expenditures for Town operations fell below budget.

Approximately 75.0% of the revenues were derived from property taxes, followed by 16.2% from operating grants and contributions, 5.4% from charges for services, 2.3% from capital grants and contributions and the remaining 1.1% capital contributions, investment earnings and grants and contributions.



Major revenue factors included:

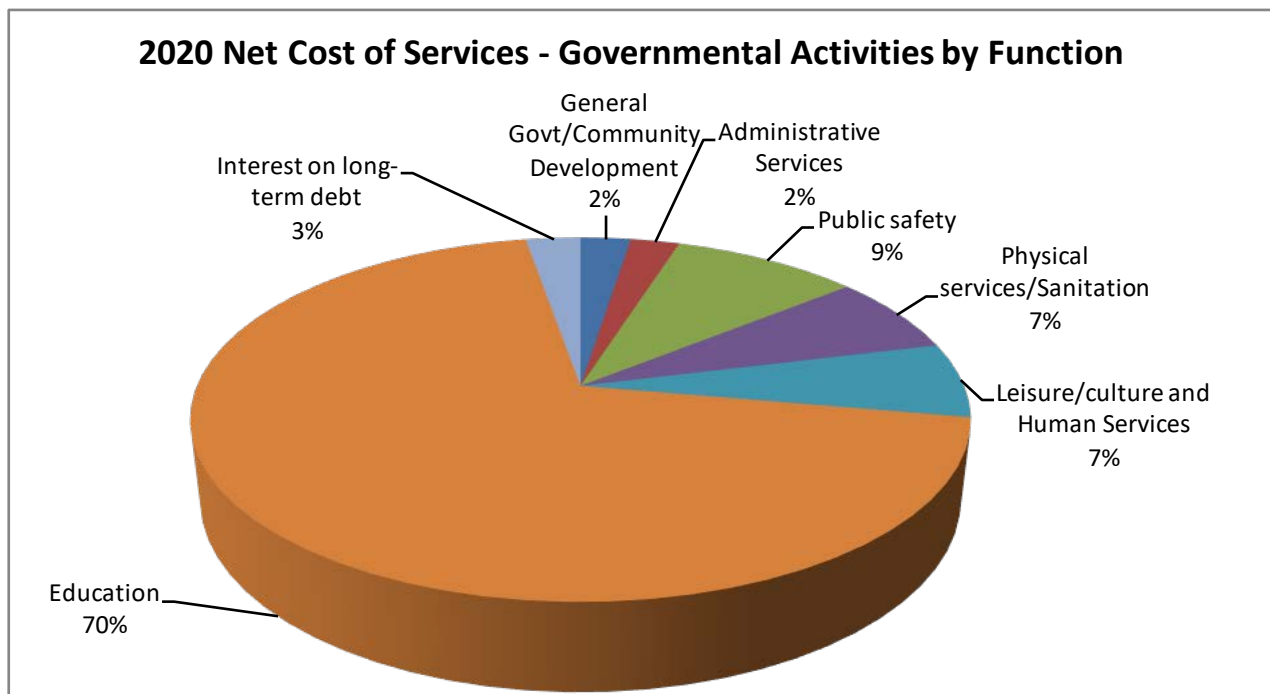
- Property tax revenues recorded for fiscal year 2020 totaled \$154.4 million, which represents an increase of 2.6% over 2019 tax revenues. The tax increase for the 2019/20 budget was 1.0%, with the mill rate increasing from 36.0 to 36.36 mills. For the 2019/20 budget, the 2018 Grand List increased 1.1%, from \$4.18 billion to \$4.23 billion, generating approximately \$1.65 million in new tax revenue. In addition, the actual tax collection rate exceeded the assumed rate, 99.51% versus 99.1%, respectively.
- Investment income decreased by \$0.3 million or 19.6%, primarily due to decreases in the interest rate during the year.
- Operating grants and contributions increased by \$15 million or 81% primarily due to the increase in the State payment for the teacher's retirement system which increased \$8.4 million in FY2020.

With respect to governmental activities, 70.4% of the Town's expenses are related to education. Physical services and sanitation accounted for 8.5%, public safety accounted for 8.2%, leisure and culture, comprised of parks and recreation and library services, accounted for 4.2% and administrative services, which includes finance, accounting, revenue collection, assessment, town clerk, property and casualty insurances, legal costs and information technology accounted for 3.3% of expenses. The remaining 5.4% relates to general government, community development, human services and interest on long-term debt.

Overall, expenses increased \$18.5 million or 10.1% over the prior year. Major expenditure factors include:

- Physical services expenses increased \$1.3 million or 11.4%, primarily due to depreciation expense on capital assets.
- Education expenses increased \$16.6 million or 13.3%. The primary reason for this increase is the \$8.4 million increase in the State of Connecticut's contribution to the State Teachers Retirement System on behalf of the Town, offset by wage and pension increases.

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, 2020, the Town of Glastonbury's governmental funds reported combined ending fund balances of \$64.7 million, an increase of \$4.0 million over the previous year. Approximately \$35.6 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 \$29.0 million of fund balance is unassigned, comprised of the net of the General Fund balance of \$30.1 million and deficit offsets in the Capital and Nonrecurring Expenditures Fund of \$1.0 million. The deficit in the Capital and Nonrecurring Expenditures Fund will be eliminated upon the receipt of final grant reimbursements 2020.

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 \$30.1 million while total fund balance reached \$33.3 million.

The Town's General Fund balance increased \$4.1 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, which included.
 - A one-time settlement for Riverfront Park of \$1.65 million was made to the General Fund.
 - A final repayment of \$0.6m was made to the General fund from the Elementary School Air Conditioning Capital Improvement Project.
 - Actual intergovernmental revenue exceeded estimated revenues by \$0.5 million, primarily due to increase in State funding for Education.
 - Property taxes collected exceeded estimates by \$0.6 million (actual collection rate of 99.41% versus 99.1% assumed).
 - Licenses and permits exceeded budget estimates by approximately \$0.1 million due to building permit revenue received during the year.
 - Investment income earned \$0.4 million less than budget estimates, due to decrease in interest rate since March 2020.
- General Fund expenditures came in \$3.5 million under budget. Savings were realized when numerous programs and activities sponsored by Town departments were canceled due to COVID-19. These savings were achieved throughout various departments largely through part-time wage and program reductions. Additionally, a number of full-time position vacancies were left unfilled to achieve wage and benefit savings.
- It should be noted that not included in the operations at June 30, 2020 is approximately \$0.56 million in encumbrances and capital carry forwards attributable to commitments and capital purchases not made in the current year and \$1.5 million attributable to unexpended education funds authorized to be carried over to the following fiscal year. These items are classified as assigned amounts in the General Fund.

At the close of the fiscal year, the Town's other governmental funds reported, on a current financial resource basis, combined ending fund balances of \$7.4 million, representing a decrease of \$2.4 million from the prior fiscal year. Changes in the Town's other major funds are highlighted as follows:

Special Assessment Fund

The Special Assessment Fund accounts for the collection of sewer assessments levied against properties connected to the Town's sewer system. This reserve is dedicated to infrastructure improvements of the sewer system. This fund completed the fiscal year with a \$0.4 million increase. Income was generated primarily from sewer connection assessments collected during the year of \$0.2 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 fiscal 2021, this note was refunded.

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 \$7.2 million for various capital projects and improvements. The fund balance increased \$3.6 million for a total of \$11.6 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 decreased \$0.8 million. In addition to \$6.2 million transferred in from the General Fund and \$0.23 million from closed capital projects, \$4.1 million was received from state and federal grants and \$0.17 million from investment income. \$11.5 million was transferred to the Capital Reserve Projects Fund for capital expenditures. The \$1 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 decreased \$1.3 million, due to the land purchases (most significantly 542 +/- acres of land owned by the Pension Fund of the Metropolitan District was purchased by the Town) of \$8.4 million, offset by \$1 million from the General Fund that will be reimbursed by the state grant.

General Fund Budgetary Highlights

The difference between the original budget and the final amended expenditure budget was \$3.3 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 \$1.39 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 \$0.8 million.
- Increased appropriations by \$1.0 million to fund MDC land acquisition.

During the year, actual revenues on a budgetary basis were \$169.3 million which was more than budgetary estimates by \$2.5 million. Significant contributions to this increase, where actuals exceeded estimate, include: \$1.6 million settlement for the Riverfront Park, \$0.6 million of property tax collections, \$0.5 million of intergovernmental revenues, and \$0.1 million of licenses and permits. These favorable variances were somewhat offset by \$0.5m of shortfalls in investment income and charges for services, both of which were impacted by the pandemic.

Actual expenditures and transfers out on a budgetary basis totaled \$165.8 million, which is approximately \$3.5 million less than the amended budget of \$169.4 million. This variance is attributable to various savings across all departments of the Town and is largely related to pandemic-related cost reduction efforts.

Capital Asset and Debt Administration

Capital Assets. The Town’s investment in capital assets for its governmental activities as of June 30, 2020, amounted to \$552.9 million on a gross basis and \$294.6 million net of accumulated depreciation. This investment in capital assets includes land, buildings, land improvements, machinery and equipment, computer software, park facilities, roads, sewers and bridges. The net increase in the Town’s investment in capital assets before depreciation for the fiscal year was \$15.1 million.

**Town of Glastonbury
Capital Assets
June 30, 2020 and 2019**

	Governmental Activities	
	2020	2019
Land	\$ 53,701	\$ 45,310
Development rights	4,109	4,109
Construction in progress	597	546
Land improvements	42,821	42,765
Building and improvements	232,615	230,528
Machinery and equipment	58,039	54,660
Computer software	894	872
Infrastructure	160,167	159,038
Total	\$ 552,943	\$ 537,828

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

- Major additions to Construction in Progress (CIP) include replacement of Fisher Hill bridge, air conditioning installation at Gideon Welles school, and upgrading Cider Mill pump station. Completed portions of the projects have been capitalized from CIP.
- Purchase of land totaling \$8.4 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 \$35.1 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 \$1.059 million. As of June 30, 2020, the Town's recorded long-term debt of \$35.1 million is well below its statutory debt limits.

In February 2020, the Town issued \$8.1 million in refunding bonds to refund outstanding principal of the 2010 bond issue. The net present value savings were \$0.5 million over the remaining life of the bonds. The Town also had bond anticipation notes outstanding in the amount of \$6.4 million as of June 30, 2020.

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 significant 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. As pandemic conditions persist, Town operations and related revenues and expenditures will continue to evolve. Glastonbury is well positioned to respond to the challenges and opportunities that such changes present.

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

Statement of Net Position
June 30, 2020

	Primary Government <u>Governmental Activities</u>
Assets	
Current assets:	
Cash and cash equivalents	\$ 61,502,283
Receivables, net of allowance of \$199,459	2,572,087
Inventory	226,781
Investments	21,300,374
Other assets	22,284
Total current assets	<u>85,623,809</u>
Noncurrent assets:	
Capital assets not being depreciated	58,406,929
Capital assets being depreciated, net of accumulated depreciation	236,189,056
Total noncurrent assets	<u>294,595,985</u>
Total assets	<u>380,219,794</u>
Deferred outflows of resources	
Deferred charge on refunding	920,904
Deferred outflows related to OPEB	1,294,313
Deferred outflows related to Pension	19,877,885
Total deferred outflows of resources	<u>22,093,102</u>
Liabilities	
Current liabilities:	
Accounts payable and accrued liabilities	7,003,938
Due to developers for escrow deposits	637,570
Due to others for escrow deposits	252,029
Long-term liabilities due within one year	6,448,922
Unearned revenue	454,237
Accrued interest payable	362,643
Total current liabilities	<u>15,159,339</u>
Noncurrent liabilities:	
Due in more than one year	142,725,854
Total noncurrent liabilities	<u>142,725,854</u>
Total liabilities	<u>157,885,193</u>
Deferred Inflows of Resources	
Advance tax payments	149,000
Deferred inflows related to OPEB	986,910
Deferred inflows related to pension	17,934
Total deferred inflows of resources	<u>1,153,844</u>
Net Position	
Net investment in capital assets	240,501,623
Restricted for:	
Trust funds, nonexpendable	8,527
Unrestricted	2,763,709
Total net position	<u>\$ 243,273,859</u>

See notes to the financial statements.

Town of Glastonbury, Connecticut

Exhibit II

Statement of Activities
For the Year Ended June 30, 2020

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	\$ 3,614,713	\$ -	\$ 834,393	\$ -	\$ (2,780,320)
Community development	2,243,010	907,328	-	-	(1,335,682)
Administrative services	6,666,251	2,909,636	-	-	(3,756,615)
Public safety	16,395,752	997,572	463,339	47,650	(14,887,191)
Physical services	13,182,845	410,437	-	4,542,824	(8,229,584)
Sanitation	3,943,412	3,411,741	18,213	-	(513,458)
Human services	3,003,813	157,857	75,425	51,278	(2,719,253)
Leisure/culture	8,473,077	1,184,885	27,001	-	(7,261,191)
Education	141,549,173	1,235,387	31,969,381	17,800	(108,326,605)
Interest on long-term debt	1,899,237	-	-	-	(1,899,237)
Total primary government	\$ 200,971,283	\$ 11,214,843	\$ 33,387,752	\$ 4,659,552	(151,709,136)
General revenues:					
					154,354,447
					227,721
					2,010,841
					<u>156,593,009</u>
					4,883,873
					238,389,986
					<u>\$ 243,273,859</u>

See notes to the financial statements.

Balance Sheet - Governmental Funds
June 30, 2020

	General Fund	Special Assessment Fund	Capital Reserve Projects Fund	Capital and Nonrecurring Expenditures Fund	Land Acquisition	Nonmajor Governmental Funds	Total Governmental Funds
Assets							
Cash and cash equivalents	\$ 30,869,682	\$ 2,745,627	\$ 9,564,077	\$ -	\$ 209,512	\$ 6,775,527	\$ 50,164,425
Receivables, net of allowances for collection losses	1,833,541	520,081	-	32,623	-	185,707	2,571,952
Due from other funds	-	-	745,247	-	-	-	745,247
Inventory	192,122	-	-	-	-	34,659	226,781
Investments	7,394,447	10,135,746	2,285,844	-	50,074	1,434,263	21,300,374
Other assets	20,169	-	-	-	-	2,115	22,284
Total assets	\$ 40,309,961	\$ 13,401,454	\$ 12,595,168	\$ 32,623	\$ 259,586	\$ 8,432,271	\$ 75,031,063
Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)							
Liabilities:							
Accounts payable and other payables	\$ 4,414,016	\$ -	\$ 960,507	\$ -	\$ -	\$ 567,381	\$ 5,941,904
Due to other funds	611,800	-	-	745,247	-	-	1,357,047
Due to developers for escrow deposits	637,570	-	-	-	-	-	637,570
Due to others for escrow deposits	108,593	143,436	-	-	-	-	252,029
Unearned revenue	63,577	-	-	334,251	-	56,409	454,237
Total liabilities	5,835,556	143,436	960,507	1,079,498	-	623,790	8,642,787
Deferred inflows of resources:							
Unavailable revenue - property taxes	995,010	-	-	-	-	-	995,010
Unavailable revenue - special assessments	-	506,428	-	-	-	19,887	526,315
Unavailable revenue - other	-	-	-	-	-	10,494	10,494
Advance tax payments	149,000	-	-	-	-	-	149,000
Total deferred inflows of resources	1,144,010	506,428	-	-	-	30,381	1,680,819
Fund balances (deficits):							
Nonspendable	212,291	-	-	-	-	45,301	257,592
Restricted	-	-	-	-	-	1,460,337	1,460,337
Committed	-	12,751,590	11,634,661	-	259,586	6,275,371	30,921,208
Assigned	3,044,292	-	-	-	-	-	3,044,292
Unassigned	30,073,812	-	-	(1,046,875)	-	(2,909)	29,024,028
Total fund balances (deficits)	33,330,395	12,751,590	11,634,661	(1,046,875)	259,586	7,778,100	64,707,457
Total liabilities, deferred inflows of resources and fund balances	\$ 40,309,961	\$ 13,401,454	\$ 12,595,168	\$ 32,623	\$ 259,586	\$ 8,432,271	\$ 75,031,063

See notes to the financial statements.

**Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position
June 30, 2020**

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

Total fund balances (Exhibit III)		\$ 64,707,457
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:		
Capital assets	\$ 552,943,834	
Less accumulated depreciation	(258,347,849)	
Net capital assets		294,595,985
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	1,521,325	
Other receivables greater than 60 days	10,494	
Pension deferred outflows	19,877,885	
OPEB deferred outflows	1,294,313	
Deferred charges on refunding	920,904	
		23,624,921
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.		
		10,887,759
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	(35,085,000)	
Bonds anticipation notes	(6,395,000)	
Bond premium, net of amortization	(2,424,723)	
Clean Water loans payable	(10,870,758)	
Interest payable on bonds	(362,643)	
Compensated absences	(3,939,131)	
Net pension liability	(75,965,391)	
Deferred pension inflows	(17,934)	
Deferred OPEB inflows	(986,910)	
Net OPEB liability	(14,324,289)	
Other payable	(170,484)	
		(150,542,263)
Net position of governmental activities (Exhibit I)		\$ 243,273,859

See notes to the financial statements.

**Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits) –
Governmental Funds
For the Year Ended June 30, 2020**

	General Fund	Special Assessment Fund	Capital Reserve Projects Fund	Capital and Nonrecurring Expenditures Fund	Land Acquisition	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:							
Property taxes, interest and liens fees	\$ 154,180,697	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 154,180,697
Licenses and permits	1,286,420	-	-	-	-	-	1,286,420
Intergovernmental	8,680,429	-	-	4,082,526	-	3,286,310	16,049,265
Charges for services	1,544,491	203,189	-	-	-	5,457,594	7,205,274
Investment income	1,058,331	256,463	-	168,229	20,998	77,850	1,581,871
Unrealized investment gain	214,189	214,781	-	-	-	-	428,970
Other revenues	2,327,334	454	-	48,657	18,869	549,631	2,944,945
State payment for teacher's retirement / health account system	15,355,215	-	-	-	-	-	15,355,215
Total revenues	184,647,106	674,887	-	4,299,412	39,867	9,371,385	199,032,657
Expenditures:							
Current:							
General government	3,291,033	-	-	-	-	-	3,291,033
Community development	2,170,762	-	-	-	-	-	2,170,762
Administrative services	6,280,513	-	-	-	-	183,182	6,463,695
Public safety	14,368,396	-	-	-	-	736,302	15,104,698
Physical services	7,206,812	-	-	-	-	-	7,206,812
Sanitation	791,896	-	-	-	-	1,763,554	2,555,450
Human services	2,710,890	-	-	-	-	-	2,710,890
Leisure/culture	5,341,978	-	-	-	-	1,471,010	6,812,988
Education	109,568,703	-	-	-	-	4,241,757	113,810,460
State payment for teacher's retirement / health account system	15,355,215	-	-	-	-	-	15,355,215
Debt service:							
Principal	5,160,000	-	-	-	-	921,253	6,081,253
Interest and other charges	1,649,882	-	-	-	-	227,426	1,877,308
Capital outlay	-	-	7,074,333	-	8,379,331	2,720,463	18,174,127
Total expenditures	173,896,080	-	7,074,333	-	8,379,331	12,264,947	201,614,691
Revenues over (under) expenditures	10,751,026	674,887	(7,074,333)	4,299,412	(8,339,464)	(2,893,562)	(2,582,034)
Other financing sources (uses):							
Issuance of bonds	8,105,000	-	-	-	5,990,000	405,000	14,500,000
Payment to escrow agent	(9,014,455)	-	-	-	-	-	(9,014,455)
Premium on bonds issued	1,007,096	-	-	-	-	-	1,007,096
Transfers in	600,000	-	11,486,806	6,407,838	1,000,000	486,978	19,981,622
Transfers out	(7,394,000)	(256,463)	(844,353)	(11,486,806)	-	-	(19,981,622)
Sale of general capital assets	54,588	-	-	-	-	-	54,588
Total other financing sources (uses)	(6,641,771)	(256,463)	10,642,453	(5,078,968)	6,990,000	891,978	6,547,229
Net change in fund balances (deficits)	4,109,255	418,424	3,568,120	(779,556)	(1,349,464)	(2,001,584)	3,965,195
Fund balances (deficits) at beginning of year	29,221,140	12,333,166	8,066,541	(267,319)	1,609,050	9,779,684	60,742,262
Fund balances (deficits) at end of year	\$ 33,330,395	\$ 12,751,590	\$ 11,634,661	\$ (1,046,875)	\$ 259,586	\$ 7,778,100	\$ 64,707,457

(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, 2020**

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

Net change in fund balances (deficits) – total governmental funds (Exhibit IV)		\$ 3,965,195
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay	15,986,716	
Depreciation expense	(12,735,724)	
Disposals	<u>(130,667)</u>	
		3,120,325
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes collected after 60 days	173,480	
Sewer assessments collected after 60 days	7,655	
Other receivables collected after 60 days	<u>(1,729)</u>	
		179,406
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.		
Deferred outflow - change related to pension items		11,920,789
Deferred outflow - change related to OPEB items		(141,604)
Deferred inflow - change related to pension items		87,162
Deferred outflow - change related to OPEB items		(986,911)
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.		
Change in accrued interest	(21,929)	
Principal payments on bonds	5,160,000	
Issuance of bonds		
Premiums on bonds issued	(1,007,096)	
Issuance of bonds	(14,500,000)	
Payment to escrow agent	8,880,000	
Principal payments on Clean Water loans payable	921,253	
Amortization of bond premiums	306,701	
Amortization of deferred charge on refunding	<u>(124,587)</u>	
		(385,658)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Change in long-term compensated absences	(24,860)	
Change in retainage	53,105	
Change in pension liability	(17,786,061)	
Change in OPEB liability	<u>1,060,064</u>	
		(16,697,752)
The net revenue of certain activities of internal service funds is reported in governmental activities		<u>3,822,921</u>
Change in net position of governmental activities (Exhibit II)		<u>\$ 4,883,873</u>

See notes to the financial statements.

Statement of Net Position - Proprietary Funds
June 30, 2020

	Governmental Activities
	<u>Internal Service Fund</u>
Assets	
Current assets:	
Cash and cash equivalents	\$ 11,337,858
Accounts receivable, net	135
Due from other funds	<u>611,800</u>
Total assets	<u><u>11,949,793</u></u>
Liabilities	
Current liabilities:	
Claims payable	904,262
Administration expense payable	<u>157,772</u>
Total liabilities	<u><u>1,062,034</u></u>
Net Position	
Unrestricted	<u><u>\$ 10,887,759</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, 2020**

	Governmental Activities Internal Service Fund
Operating revenues:	
Employer contributions	\$ 19,470,279
Employee contributions	4,155,439
Total operating revenues	<u>23,625,718</u>
Operating expenses:	
Claims incurred	17,654,477
Administration	2,222,664
Total operating expenses	<u>19,877,141</u>
Operating income	<u>3,748,577</u>
Nonoperating revenue:	
Investment income	74,344
Total nonoperating revenue	<u>74,344</u>
Change in net position	3,822,921
Net position, beginning	<u>7,064,838</u>
Net position, ending	<u>\$ 10,887,759</u>

See notes to the financial statements.

**Statement of Cash Flows - Proprietary Funds
For the Year Ended June 30, 2020**

	Governmental Activities <u>Internal Service Fund</u>
Cash flows from operating activities:	
Receipts from customers and users	\$ 23,535,452
Claims paid	(17,843,137)
Payments for administration	<u>(2,256,970)</u>
Net cash provided by operating activities	<u>3,435,345</u>
Cash flows from investing activities:	
Investment income	<u>74,344</u>
Net cash provided by investing activities	<u>74,344</u>
Net increase in cash and cash equivalents	3,509,689
Cash and cash equivalents:	
Beginning	<u>7,828,169</u>
Ending	<u>\$ 11,337,858</u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 3,748,577
Adjustments to reconcile operating income to net cash provided by operating activities:	
Increase in due from other funds	(90,266)
Decrease in claims payable	(188,660)
Decrease in administration payable	<u>(34,306)</u>
Net cash provided by operating activities	<u>\$ 3,435,345</u>

See notes to the financial statements.

Statement of Fiduciary Net Position - Fiduciary Funds
June 30, 2020

	Pension and Other Employee Benefit Trust Funds	Agency Funds
Assets		
Cash and cash equivalents	\$ 1,317,599	\$ 1,411,145
Investments, at fair value:		
Mutual funds	153,790,679	-
Pooled funds	4,397,213	-
Limited partnerships	9,408,035	-
Total assets	<u>168,913,526</u>	<u>1,411,145</u>
Liabilities		
Due to student groups	-	1,361,984
Due to others	-	49,161
Total liabilities	<u>-</u>	<u>1,411,145</u>
Net Position		
Restricted for pension and OPEB benefits	<u>\$ 168,913,526</u>	<u>\$ -</u>

See notes to the financial statements.

**Statement of Changes in Fiduciary Net Position - Fiduciary Funds
For the Year Ended June 30, 2020**

	Pension and Other Employee Benefit Trust Funds
<hr/>	
Additions:	
Contributions:	
Employer	\$ 9,855,594
Employee	2,015,320
Total contributions	<u>11,870,914</u>
Investment Income:	
Net change in fair value of investments	5,851,593
Interest and dividends	3,628,326
	<u>9,479,919</u>
Less investment expenses:	
Investment management fees	127,533
Net investment income	<u>9,352,386</u>
Total additions	<u>21,223,300</u>
Deductions:	
Benefit payments	11,313,983
Administration fees	90,177
Total deductions	<u>11,404,160</u>
Change in net position	9,819,140
Net position:	
Beginning of year	<u>159,094,386</u>
End of year	<u>\$ 168,913,526</u>

See notes to the financial statements.

Town of Glastonbury, Connecticut

Notes to Financial Statements June 30, 2020

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.

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.

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.

Town of Glastonbury, Connecticut

Notes to Financial Statements

June 30, 2020

Note 1. Summary of Significant Accounting Policies (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Property taxes, when levied for, intergovernmental revenue, when eligibility requirements are met, licenses, charges for services and interest associated with the current fiscal period, are all considered to be susceptible to accrual (measurable) and so have been recognized as revenues of the current fiscal period, if available. All other revenue items are considered to be measurable and available only when cash is received by the Town, or specifically identified.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, pension and OPEB obligations, landfill post-closure monitoring, 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.

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.

Town of Glastonbury, Connecticut

Notes to Financial Statements June 30, 2020

Note 1. Summary of Significant Accounting Policies (Continued)

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 3-27d and 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.

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.

Town of Glastonbury, Connecticut

**Notes to Financial Statements
June 30, 2020**

Note 1. Summary of Significant Accounting Policies (Continued)

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.

Inventories: All inventories are stated at cost, determined on the first-in, first out basis. 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.

Town of Glastonbury, Connecticut

**Notes to Financial Statements
June 30, 2020**

Note 1. Summary of Significant Accounting Policies (Continued)

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

	Years
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.

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.

Town of Glastonbury, Connecticut

Notes to Financial Statements

June 30, 2020

Note 1. Summary of Significant Accounting Policies (Continued)

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.

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.

Town of Glastonbury, Connecticut

Notes to Financial Statements

June 30, 2020

Note 1. Summary of Significant Accounting Policies (Continued)

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.
- *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, 2020 following the payable date, a lien is placed on the property.

On April 1, 2020, the Connecticut Governor issued Executive Order No. 7S, which, among other things, calls for Connecticut municipalities, including the Town of Glastonbury, to offer to eligible taxpayers impacted by COVID-19 one or both of the following tax relief programs: a 90-day Deferment Program or a 90-day Low Interest Rate Program. Both programs are applicable to amounts payable or delinquent during the period from April 1, 2020 to and including July 1, 2020 and apply to taxes on real property, personal property or motor vehicles, and water, sewer and electric rates, charges and assessments. The Deferment Program provides for a 90-day deferment from the time the amount becomes due and payable. However, financial institutions and mortgage servicers that hold property tax payments in escrow are required to continue to remit property taxes to the Town according to the regular timetable, so long as the borrower remains current on its mortgage or is in a mortgage forbearance or deferment program.

Town of Glastonbury, Connecticut

Notes to Financial Statements June 30, 2020

Note 1. Summary of Significant Accounting Policies (Continued)

The Glastonbury Town Council at a special meeting held April 21, 2020 elected to participate in the 90-day Deferment Program. Additionally, the Town Council elected to not require residential homeowners to demonstrate loss or hardship as a result of COVID -19 to participate the Deferment Program. However, any taxpayer that rents or leases to any commercial, residential, or institutional tenant or lessee shall only be eligible for either program if said landlord provides documentation to the Town that the parcel has or will suffer a significant income decline on account of impact by COVID-19, or that commensurate forbearance was offered to his/her/its tenants or lessees. Finally, financial institutions and mortgage servicers that hold property tax payments in escrow on behalf of a borrower shall continue to remit property taxes to the municipality, so long as the borrower remains current on their mortgage or is in a forbearance or deferment program, irrespective of the borrower's eligibility for or participation in the Deferment Program.

The Town currently estimates that the revenue reduction associated with Executive Order No. 7S will be minimal. As of October 31, 2020, the revenue collection rate on the current levy exceeded the rate for the prior two years, at the same time period. At this time, the Town expects to meet or exceed the budgeted collection rate of 99.1%.

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, 2020

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, 2020, supplemental appropriations in the amount of \$3,345,377 (which included \$115,621 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, 2020:

Capital Projects:

Capital and nonrecurring expenditures	\$ 1,046,875
Camp sunrise	2,909

Deficits in the Capital and Nonrecurring Expenditures Fund and the Camp sunrise 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.

Town of Glastonbury, Connecticut

Notes to Financial Statements
June 30, 2020

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

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:

As of June 30, 2020:

	<u>Min. Weight</u>	<u>Max. Weight</u>
Asset class:		
Money market	0.0%	7.5%
Fixed income	25.0%	40.0%
Domestic equities	25.0%	45.0%
International equities	10.0%	30.0%
Real estate	0.0%	7.5%
Other	0.0%	7.5%

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 \$33,300,000 of the Town's approximate bank balance of \$58,511,000 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 33,299,640
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name	3,699,960
Total amount subject to custodial credit risk	<u><u>\$ 36,999,600</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.

Town of Glastonbury, Connecticut

Notes to Financial Statements

June 30, 2020

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. 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.

Cash and cash equivalents:	
Deposits with financial institutions	\$ 64,231,027
Total cash and cash equivalents	<u>64,231,027</u>
Investments:	
General Fund:	
Certificates of deposit	7,394,447
Special Assessment Fund:	
Certificates of deposit	10,135,746
Capital Reserve Projects Fund:	
Certificates of deposit	2,285,844
Land Acquisition Fund:	
Certificates of deposit	50,074
Nonmajor governmental funds:	
Certificates of deposit	1,434,263
Total government investments	<u>21,300,374</u>
Pension Trust Funds:	
Mutual funds	153,790,679
Pooled funds	4,397,213
Limited partnerships	9,408,035
Total pension investments	<u>167,595,927</u>
Total cash, cash equivalents and investments	<u>\$ 253,127,328</u>

Town of Glastonbury, Connecticut

Notes to Financial Statements

June 30, 2020

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

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

	<u>Primary Government</u>
Statement of Net Position:	
Cash and cash equivalents	\$ 61,502,283
Investments	<u>21,300,374</u>
	<u>82,802,657</u>
Fiduciary Funds:	
Cash and cash equivalents	2,728,744
Investments	<u>167,595,927</u>
	<u>170,324,671</u>
Total cash, cash equivalents and investments	<u><u>\$ 253,127,328</u></u>

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	*	\$ 21,300,334	\$ 5,282,967	\$ 16,017,367	\$ -
Other investments:					
Mutual funds	N/A	153,790,679			
Pooled Funds	N/A	4,397,213			
Limited partnerships	N/A	9,408,035			
Total investments		<u><u>\$ 188,896,261</u></u>			

N/A - Not Applicable

* Subject to coverage by federal depository insurance and collateralization.

Town of Glastonbury, Connecticut

**Notes to Financial Statements
June 30, 2020**

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

At June 30, 2020, the Town's cash equivalents amounted to approximately \$27,752,000. 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.

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

* Not rated.

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, 2020:

	June 30, 2020	<u>Fair Value Measurements Using</u>		
		Level 1	Level 2	Level 3
Mutual funds	\$ 153,790,679	\$ 153,790,679	\$ -	\$ -
Pooled funds	4,397,213	-	4,397,213	-
Investments measured at net asset value (NAV):				
Limited liability corporation	9,408,035			
Total investments	<u>\$ 167,595,927</u>	<u>\$ 153,790,679</u>	<u>\$ 4,397,213</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.

Town of Glastonbury, Connecticut

**Notes to Financial Statements
June 30, 2020**

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

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	\$ 9,408,035	\$ -	Quarterly	60 days
Total investments measured at NAV	<u>\$ 9,408,035</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.

Note 5. Accounts Receivables

Receivables at June 30, 2020, 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*	\$ 1,444,422	\$ -	\$ -	\$ -	\$ 1,444,422
Assessments and use charges	-	562,728	-	77,986	640,714
Allowance for collection losses	(132,600)	(56,300)	-	(10,559)	(199,459)
Net taxes and assessments receivable	1,311,822	506,428	-	67,427	1,885,677
Intergovernmental	521,719	-	32,623	45,550	599,892
Other receivables	-	13,653	-	72,730	86,383
Net receivables	<u>\$ 1,833,541</u>	<u>\$ 520,081</u>	<u>\$ 32,623</u>	<u>\$ 185,707</u>	<u>\$ 2,571,952</u>

* Interest on delinquent taxes are not included along with \$135 recorded in the Internal Service Fund.

Town of Glastonbury, Connecticut

**Notes to Financial Statements
June 30, 2020**

Note 6. Capital Assets

Capital asset activity for the year ended June 30, 2020 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 45,309,997	\$ 8,391,090	\$ -	\$ 53,701,087
Development rights	4,108,701	-	-	4,108,701
Construction in progress	546,465	5,006,306	4,955,630	597,141
Total capital assets, not being depreciated	49,965,163	13,397,396	4,955,630	58,406,929
Capital assets, being depreciated:				
Land improvements	42,765,160	56,240	-	42,821,400
Buildings and improvements	230,527,580	2,087,873	-	232,615,453
Machinery and equipment	54,660,483	4,250,033	871,540	58,038,976
Computer software	872,133	21,722	-	893,855
Infrastructure	159,038,139	1,129,082	-	160,167,221
Total capital assets, being depreciated	487,863,495	7,544,950	871,540	494,536,905
Less accumulated depreciation for:				
Land improvements	18,707,655	2,045,995	-	20,753,650
Buildings and improvements	75,718,959	4,493,474	-	80,212,433
Machinery and equipment	29,684,899	2,892,691	740,873	31,836,717
Computer software	616,137	97,792	-	713,929
Infrastructure	121,625,348	3,205,772	-	124,831,120
Total accumulated depreciation	246,352,998	12,735,724	740,873	258,347,849
Total capital assets, being depreciated, net	241,510,497	(5,190,774)	130,667	236,189,056
Governmental activities capital assets, net	\$ 291,475,660	\$ 8,206,622	\$ 5,086,297	\$ 294,595,985

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

Governmental activities:	
General government	\$ 265,416
Community development	11,399
Administrative services	74,472
Public safety	939,305
Physical services	3,604,994
Sanitation	1,323,934
Human services	203,797
Leisure/culture	1,322,388
Education	4,990,019
Total depreciation expense - governmental activities	\$ 12,735,724

Town of Glastonbury, Connecticut

**Notes to Financial Statements
June 30, 2020**

Note 6. Capital Assets (Continued)

Construction commitments:

The Town has the following construction commitments as of June 30, 2020:

	Project Authorization	Expended to June 30, 2020	Outstanding Construction Commitments
Capital reserve projects:			
Police Building Windows	\$ 142,500	\$ 8,216	\$ 133,088
Multi-Use Trail	1,228,000	215,180	816,035
Hebron Ave/House St Improvement	1,975,000	1,515,716	236,763
Bridge Replacement/Rehabilitation	5,105,000	3,502,211	1,154,834
Glastonbury Blvd Paving	2,200,000	302	1,823,382
GHS Kitchen Upgrades	1,675,000	283,358	1,286,173
Total	<u>\$ 12,325,500</u>	<u>\$ 5,524,983</u>	<u>\$ 5,450,275</u>

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

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, 2020 is presented below:

Receivable Fund	Payable Fund	Amount
Internal Service	General Fund	\$ 611,800
Capital Projects Reserve Fund	Capital Nonrecurring expenditure fund	745,247
		<u>\$ 1,357,047</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, 2020 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	\$ -	\$ -	\$ -	\$ 6,174,000	\$ 1,000,000	\$ 220,000	\$ 7,394,000
Special Assessment Fund	-	-	-	233,838	-	-	233,838
Capital Reserve Projects Fund	600,000	-	-	-	-	266,978	866,978
Capital and Nonrecurring Expenditures Fund	-	-	11,486,806	-	-	-	11,486,806
Total transfers in	<u>\$ 600,000</u>	<u>\$ -</u>	<u>\$ 11,486,806</u>	<u>\$ 6,407,838</u>	<u>\$ 1,000,000</u>	<u>\$ 486,978</u>	<u>\$ 19,981,622</u>

Town of Glastonbury, Connecticut

**Notes to Financial Statements
June 30, 2020**

Note 7. Interfund Receivable and Payable Balances (Continued)

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.

Note 8. Long-Term Liabilities

A summary of changes in long-term obligations during the year ended June 30, 2020 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
General obligation bonds	\$ 41,020,000	\$ 8,105,000	\$ 14,040,000	\$ 35,085,000	\$ 5,050,000
Bond anticipation notes	-	6,395,000	-	6,395,000	-
Premium on bonds	1,724,328	1,007,096	306,701	2,424,723	440,980
Clean Water loans payable	11,792,011	-	921,253	10,870,758	939,848
Compensated absences	3,914,271	492,094	467,234	3,939,131	18,094
Net pension liability	58,179,330	17,786,061	-	75,965,391	-
Net OPEB liability	15,384,353	-	1,060,064	14,324,289	-
Other	223,589	-	53,105	170,484	-
Total long-term liabilities	\$ 132,237,882	\$ 33,785,251	\$ 16,848,357	\$ 149,174,776	\$ 6,448,922

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:									
Refunding bonds	\$ 19,555,000	11/15/10	05/15/25	2.00-5.00%	\$ 7,480,000	\$ -	\$ 7,480,000	\$ -	\$ -
School bonds	2,715,000	11/15/11	05/15/29	2.00-3.00%	1,630,000	-	155,000	1,475,000	155,000
Refunding bonds	11,675,000	06/27/12	06/30/26	2.00-5.00%	7,390,000	-	1,210,000	6,180,000	1,210,000
Refunding bonds	6,385,000	05/15/14	08/01/28	2.00-5.00%	1,848,000	-	17,800	1,830,200	17,900
Refunding bonds	830,000	07/26/18	06/30/26	0.05	784,000	-	186,000	598,000	189,000
Refunding bonds	5,574,000	02/25/20	05/15/25	0.05	-	5,574,000	-	5,574,000	1,301,000
Total schools					19,132,000	5,574,000	9,048,800	15,657,200	2,872,900
General purpose:									
Refunding bonds	8,995,000	11/15/10	05/15/25	2.00-5.00%	3,415,000	-	3,415,000	-	-
Land	3,680,000	11/15/11	11/01/30	2.00-3.00%	2,315,000	-	195,000	2,120,000	195,000
Refunding bonds	2,870,000	06/27/12	06/30/26	2.00-5.00%	1,515,000	-	415,000	1,100,000	410,000
Improvement bonds	8,950,000	10/10/13	10/01/33	3.00-4.625%	7,465,000	-	425,000	7,040,000	425,000
Refunding bonds	3,095,000	05/15/14	08/01/28	2.00-5.00%	1,807,000	-	12,200	1,794,800	12,100
Improvement bonds	2,735,000	07/26/18	06/30/39	2.00-5.00%	2,735,000	-	135,000	2,600,000	135,000
Refunding bonds	2,970,000	07/26/18	06/30/26	5.00%	2,636,000	-	394,000	2,242,000	396,000
Refunding bonds	2,531,000	02/25/20	05/15/25	5.00%	-	2,531,000	-	2,531,000	604,000
Total general purpose					21,888,000	2,531,000	4,991,200	19,427,800	2,177,100
Total general obligation bonds					\$ 41,020,000	\$ 8,105,000	\$ 14,040,000	\$ 35,085,000	\$ 5,050,000

Town of Glastonbury, Connecticut

**Notes to Financial Statements
June 30, 2020**

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:			
2021	\$ 5,050,000	\$ 1,410,668	\$ 6,460,668
2022	4,650,000	1,189,052	5,839,052
2023	4,635,000	993,586	5,628,586
2024	4,715,000	784,114	5,499,114
2025	3,785,000	576,818	4,361,818
2026-2030	8,690,000	1,369,548	10,059,548
2031-2035	3,000,000	337,994	3,337,994
2036-2040	560,000	34,650	594,650
	<u>\$ 35,085,000</u>	<u>\$ 6,696,430</u>	<u>\$ 41,781,430</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:			
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	1,018,058	130,622	1,148,680
2026-2030	5,977,947	339,789	6,317,736
	<u>\$ 10,870,758</u>	<u>\$ 1,190,375</u>	<u>\$ 12,061,133</u>

Subsequent event: The Clean Water Fund loans were refunded in December 2020.

Bond anticipation notes payable:

Bond anticipation notes totaling \$1,350,000, which were issued to temporarily finance land acquisitions, matured in July 2019. During July 2019, bond anticipation notes totaling \$1,710,000 were issued with an interest rate of 2.0%, which mature on July 24, 2020. During January 2020, bond anticipation notes totaling \$4,680,000 were issued with an interest rate of 1.75%, which also mature on July 24, 2020. (See Note 14)

Bond anticipation note transactions for the year ended June 30, 2020 were as follows:

Outstanding, July 1, 2019	\$ 1,305,000
New borrowings	6,395,000
Repayments	(1,305,000)
Outstanding, June 30, 2020	<u>\$ 6,395,000</u>

Town of Glastonbury, Connecticut

**Notes to Financial Statements
June 30, 2020**

Note 8. Long-Term Liabilities (Continued)

Bonds authorized but unissued:

The bonds authorized and unissued at June 30, 2020 are \$6,907,062 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	\$ 340,400,003	\$ 32,729,862	\$ 307,670,141
Schools	680,800,005	15,657,200	665,142,805
Sewers	567,333,338	10,870,758	556,462,580
Urban Renewal	491,688,893	-	491,688,893
Pension Deficit	453,866,670	-	453,866,670

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation \$1.059 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.

In February 2020, the Town issued \$8.1 million in refunding bonds to refund outstanding principal of the 2010 bond issue. The net present value savings were \$0.5 million over the remaining life of the bonds.

Town of Glastonbury, Connecticut

**Notes to Financial Statements
June 30, 2020**

Note 9. Fund Balance (Deficits)

The components of fund balance (deficit) for the governmental funds at June 30, 2020 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	\$ 20,169	\$ -	\$ -	\$ -	\$ -	\$ 2,115	\$ 22,284
Inventory	192,122	-	-	-	-	34,659	226,781
Required to be retained in perpetuity	-	-	-	-	-	8,527	8,527
Restricted for:							
Law enforcement acquisitions	-	-	-	-	-	31,074	31,074
Education	-	-	-	-	-	446,068	446,068
Road construction and maintenance	-	-	-	-	-	198,088	198,088
Library acquisitions	-	-	-	-	-	113,647	113,647
Riverfront community center	-	-	-	-	-	171,577	171,577
Human services programs	-	-	-	-	-	10,952	10,952
Parks and recreation	-	-	-	-	-	85,385	85,385
Public safety programs	-	-	-	-	-	316,838	316,838
Other programs	-	-	-	-	-	86,708	86,708
Library renovation	-	-	-	-	-	103,400	103,400
Committed to:							
Town facility improvements	-	-	848,708	-	-	-	848,708
School improvements	-	-	2,597,465	-	-	-	2,597,465
Public safety programs	-	-	257,223	-	-	-	257,223
Land acquisition	-	-	88,955	-	259,586	-	348,541
Street improvements and realignment	-	-	4,106,182	-	-	-	4,106,182
Bridge and dam replacement/ maintenance	-	-	1,647,789	-	-	-	1,647,789
Sewer infrastructure	-	12,751,590	-	-	-	1,873,193	14,624,783
Other capital projects	-	-	250,000	-	-	47,506	297,506
Sewer plant operations	-	-	-	-	-	1,726,165	1,726,165
Police private duty	-	-	-	-	-	581,759	581,759
Recreation programs	-	-	1,838,339	-	-	699,163	2,537,502
Insurance reserve	-	-	-	-	-	696,806	696,806
Riverfront Park operations	-	-	-	-	-	260,833	260,833
Planetarium operations	-	-	-	-	-	82,471	82,471
Golf course maintenance	-	-	-	-	-	204,075	204,075
Assigned to:							
Subsequent year's budget	975,000	-	-	-	-	-	975,000
Capital outlay in subsequent year	234,711	-	-	-	-	-	234,711
Education surplus carried to subsequent year	1,513,756	-	-	-	-	-	1,513,756
Continued appropriations	320,825	-	-	-	-	-	320,825
Unassigned	30,073,812	-	-	(1,046,875)	-	(2,909)	29,024,028
Total fund balances (deficits)	\$ 33,330,395	\$ 12,751,590	\$ 11,634,661	\$ (1,046,875)	\$ 259,586	\$ 7,778,100	\$ 64,707,457

Significant encumbrances of \$5,740,755 are included in the Capital Reserve Projects Fund, at June 30, 2020.

Town of Glastonbury, Connecticut

Notes to Financial Statements June 30, 2020

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

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, 2019, the date of the latest actuarial valuation:

Retirees, vested beneficiaries and other inactive	347
Terminated employees	130
Actives	433
Total	<u>910</u>

Town of Glastonbury, Connecticut

Notes to Financial Statements
June 30, 2020

Note 10. Employee Retirement Plan (Continued)

Contributions: Participants are required to contribute a percent of payroll, which varies by group. As of June 30, 2020, 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; 6.75% for dispatchers; and 8.50% 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 as of June 30, 2020:

Asset Class	Target Allocation
Short Term Liquidity	0.50%
Fixed Income	33.50%
Domestic Equity	40.00%
International Equity	16.00%
Real Estate	6.00%
Inflation Protection	4.00%
	<u>100.00%</u>

Rate of return: For the year ended June 30, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 5.75%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net pension liability of the town: The components of the net pension liability of the Town at June 30, 2020 were as follows:

Total pension liability	\$ 237,990,783
Plan fiduciary net position	<u>(162,025,392)</u>
Town's net pension liability	<u>\$ 75,965,391</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>68.08%</u>

Town of Glastonbury, Connecticut

Notes to Financial Statements
June 30, 2020

Note 10. Employee Retirement Plan (Continued)

Actuarial assumptions: The total pension liability was determined by an actuarial valuation as of July 1, 2019, using the following actuarial assumptions, applied to all periods included in the measurement date of June 30, 2020:

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 assumptions were updated from the RP-2000 Mortality Table with generational projection per Scale AA to the Pub-2010 Mortality Table with generational projection per MP Ultimate Scale. PubS-2010 tables were used for public safety and blue collar groups and PubG-2010 tables were used for all others.

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, 2020 (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. Core Fixed Income	2.18%
U.S. Equity Market	3.52%
Non-U.S. Equity	4.70%
U.S. REITs	3.42%

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, 2020, based on a July 1, 2019 actuarial valuation. The total pension liability was then rolled forward to the measurement date of June 30, 2020, utilizing update procedures incorporating the actuarial assumptions.

Town of Glastonbury, Connecticut

Notes to Financial Statements
June 30, 2020

Note 10. Employee Retirement Plan (Continued)

Changes in the Net Pension Liability:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(c)
Balances as of July 1, 2019	\$ 211,478,583	\$ 153,299,253	\$ 58,179,330
Changes for the year:			
Service cost	4,373,500	-	4,373,500
Interest on total pension liability	13,683,978	-	13,683,978
Effect of plan changes	9,905	-	9,905
Effect of economic/demographic gains or losses	4,942,368	-	4,942,368
Effect of assumptions changes or inputs	13,908,457	-	13,908,457
Benefit payments	(10,406,008)	(10,406,008)	-
Employer contributions	-	8,170,908	(8,170,908)
Member contributions	-	2,015,320	(2,015,320)
Net investment income (loss)	-	9,023,607	(9,023,607)
Administrative expenses	-	(77,688)	77,688
Net changes	26,512,200	8,726,139	17,786,061
Balances as of June 30, 2020	\$ 237,990,783	\$ 162,025,392	\$ 75,965,391

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% for non-hybrid employees, 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	\$ 106,571,087	\$ 75,965,391	\$ 50,850,453

Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions: For the year ended June 30, 2020, the Town recognized pension expense of \$13,949,018. At June 30, 2020, 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	\$ 5,646,722	\$ 17,934
Changes of assumptions	13,212,260	-
Net difference between projected and actual earning on pension plan investments	1,018,903	-
	\$ 19,877,885	\$ 17,934

Town of Glastonbury, Connecticut

Notes to Financial Statements
June 30, 2020

Note 10. Employee Retirement Plan (Continued)

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:

2021	\$	5,484,432
2022		6,261,450
2023		5,120,750
2024		2,993,319
	\$	<u>19,859,951</u>

Note 11. Pension - Connecticut Teachers' Retirement Plan

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

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

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

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

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

Contributions:

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.

Town of Glastonbury, Connecticut

**Notes to Financial Statements
June 30, 2020**

Note 11. Pension - Connecticut Teachers' Retirement Plan (Continued)

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.

For the year ended June 30, 2020, the amount of "on-behalf" contributions made the State was \$14,946,709 and is recognized in the General Fund as intergovernmental revenues and expenses.

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	197,460,513
	<u>\$ 197,460,513</u>

The net pension liability was measured as of June 30, 2019, 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, 2020, 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 \$24,251,517 in Exhibit II for on-behalf amounts for the benefits provided by the State.

Actuarial Assumptions

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

Inflation	2.50%
Salary increase	3.25-6.50%, including inflation
Investment rate of return	6.90%, net of pension plan investment expense, including inflation
Administrative expenses	\$0 assumption as expenses are paid for by the General Assembly

Town of Glastonbury, Connecticut

Notes to Financial Statements June 30, 2020

Note 11. Pension - Connecticut Teachers' Retirement Plan (Continued)

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.

Future cost-of-living increases for teachers who retired prior to September 1, 1992, 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 current capital market assumptions and the target asset allocation as provided by the Treasurer's office are summarized in the following table:

Asset Class	Target Allocation	Expected Return
Public Equity - US Equity	20.0%	8.1%
Public Equity - International Developed Equity	11.0%	8.5%
Public Equity - Emerging Markets Equity	9.0%	10.4%
Fixed Income - Core Fixed Income	16.0%	4.6%
Fixed Income - Inflation Linked Bonds	5.0%	3.6%
Fixed Income - High Yield	6.0%	6.5%
Fixed Income - Emerging Market Debt	5.0%	5.2%
Private Equity	10.0%	9.8%
Real Estate	10.0%	7.0%
Alternative Investments - Real Assets	4.0%	8.2%
Alternative Investments - Hedge Funds	3.0%	5.4%
Liquidity Fund	1.0%	2.9%
	<u>100.0%</u>	

Town of Glastonbury, Connecticut

Notes to Financial Statements
June 30, 2020

Note 11. Pension - Connecticut Teachers' Retirement Plan (Continued)

Discount rate: The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that State contributions will be made at the actuarially determined rates in future years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

Note 12. 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, 2019. 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, 2019, valuation the date of the last actuarial valuation.

Retirees and beneficiaries currently receiving benefits	149
Active plan members	932
Total	<u>1,081</u>

Town of Glastonbury, Connecticut

Notes to Financial Statements
June 30, 2020

Note 12. 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, 2020, the annual money-weighted rate of return on investments, net of investment expense, was 5.01%. 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 July 1, 2019 based on a July 1, 2019 actuarial valuation. The total OPEB liability was then rolled forward to the measurement date of June 30, 2020 utilizing update procedures incorporating actuarial assumptions. The components of the net OPEB liability of the Town at June 30, 2020, were as follows:

Total OPEB liability	\$ 21,212,423
Plan fiduciary net position	6,888,134
Town's net OPEB liability	<u>\$ 14,324,289</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>32.47%</u>

Actuarial assumptions: The total OPEB liability was determined by an actuarial valuation as of July 1, 2019 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
Discount Rate	6.50%
Healthcare cost trend rates	5.30% - 4.50% over 52 years

Mortality assumptions were updated from the RP-2000 Mortality Table with generational projection per Scale AA to the Pub-2010 Mortality Table with generational projection per MP-2019. PubS-2010 tables were used for public safety and blue collar groups and PubG-2010 tables were used for all others. For teachers and administrators the assumptions used in the June 30, 2018 valuation of the Connecticut State Teachers' Retirement System.

Town of Glastonbury, Connecticut

Notes to Financial Statements
June 30, 2020

Note 12. 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. Cash	0.04%	0.88%
U.S. Core Fixed Income	31.04%	2.28%
U.S. Inflation-Indexed Bonds	10.08%	1.27%
U.S. Equity Market	35.19%	4.73%
Non-U.S. Equity	23.65%	6.28%
	100.00%	

Discount rate: The discount rate used to measure the total OPEB liability was 6.50%. 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, 2019	\$ 21,179,486	\$ 5,795,133	\$ 15,384,353
Changes for the year:			
Service cost	624,662	-	624,662
Interest on total OPEB liability	1,414,931	-	1,414,931
Effect of plan changes	21,595	-	21,595
Effect of economic/demographic gains or losses	(464,486)	-	(464,486)
Effect of assumptions changes or inputs	(655,790)	-	(655,790)
Benefit payments	(907,975)	(907,975)	-
Employer contributions	-	1,684,686	(1,684,686)
Net investment income	-	328,778	(328,778)
Administrative expenses	-	(12,488)	12,488
Net changes	32,937	1,093,001	(1,060,064)
Balances as of June 30, 2020	\$ 21,212,423	\$ 6,888,134	\$ 14,324,289

Town of Glastonbury, Connecticut

Notes to Financial Statements
June 30, 2020

Note 12. 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 (5.50%) or 1 percentage point higher (7.50%) than the current discount rate:

	1% Decrease (5.500)%	Current Discount Rate (6.500)%	1% Increase (7.500)%
Town's net OPEB liability	\$ 16,823,411	\$ 14,324,289	\$ 12,192,079

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 (4.30% - 3.50%) or 1 percentage point higher (6.30% - 5.50%) than the current healthcare cost trend rates:

	1% Decrease	Current Trend Rate	1% Increase
Town's net OPEB liability	\$ 11,719,395	\$ 14,324,289	\$ 17,473,675

OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB: For the year ended June 30, 2020, the Town recognized OPEB expense of \$1,753,135. At June 30, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 791,660	\$ 409,190
Changes of assumptions	435,413	577,720
Net difference between projected and actual earning on pension plan investments	67,240	-
	<u>\$ 1,294,313</u>	<u>\$ 986,910</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:	
2021	\$ 88,296
2022	88,298
2023	88,073
2024	87,157
2025	71,146
Thereafter	(115,567)
	<u>\$ 307,403</u>

Town of Glastonbury, Connecticut

Notes to Financial Statements
June 30, 2020

Note 13. Pension and OPEB Combining Schedules

Pension and OPEB combining statement of net position:

	Pension Trust Fund	OPEB Trust Fund	Total Trust Funds
Assets:			
Cash and cash equivalents	\$ 1,300,419	\$ 17,180	\$ 1,317,599
Investments, at fair value:			
Mutual funds	146,919,725	6,870,954	153,790,679
Pooled funds	4,397,213	-	4,397,213
Limited partnerships	9,408,035	-	9,408,035
Total assets	<u>162,025,392</u>	<u>6,888,134</u>	<u>168,913,526</u>
Net position:			
Restricted for Pension and OPEB benefits	<u>\$ 162,025,392</u>	<u>\$ 6,888,134</u>	<u>\$ 168,913,526</u>

Pension and OPEB combining statement of changes in net position:

	Pension Trust Fund	OPEB Trust Fund	Total Trust Funds
Additions:			
Contributions:			
Employer	\$ 8,170,908	\$ 1,684,686	\$ 9,855,594
Employee	2,015,320	-	2,015,320
Total contributions	<u>10,186,228</u>	<u>1,684,686</u>	<u>11,870,914</u>
Investment income:			
Net change in fair value of investments	5,670,489	181,104	5,851,593
Interest and dividends	3,480,651	147,675	3,628,326
	<u>9,151,140</u>	<u>328,779</u>	<u>9,479,919</u>
Less investment expenses:			
Investment management fees	127,533	-	127,533
Net investment income	<u>9,023,607</u>	<u>328,779</u>	<u>9,352,386</u>
Total additions	<u>19,209,835</u>	<u>2,013,465</u>	<u>21,223,300</u>
Deductions:			
Benefits payments	10,406,008	907,975	11,313,983
Administration fees	77,688	12,489	90,177
Total deductions	<u>10,483,696</u>	<u>920,464</u>	<u>11,404,160</u>
Change in restricted net position	8,726,139	1,093,001	9,819,140
Restricted net position:			
Beginning of year	<u>153,299,253</u>	<u>5,795,133</u>	<u>159,094,386</u>
End of year	<u>\$ 162,025,392</u>	<u>\$ 6,888,134</u>	<u>\$ 168,913,526</u>

Town of Glastonbury, Connecticut

Notes to Financial Statements

June 30, 2020

Note 14. OPEB - Connecticut Teachers' Retirement Plan

Plan description: Teachers, principals, superintendents or supervisors engaged in service of public schools are provided with benefits, including retiree health insurance, through the Connecticut Teachers' Retirement System- a cost sharing multi-employer defined benefit pension plan administered by the TRB. Chapter 167a of the State Statutes grants authority to establish and amend the benefit terms to the TRB. TRS issues a publicly available financial report that can be obtained at www.ct.gov.

Benefit provisions: The Plan covers retired teachers and administrators of public schools in the State who are receiving benefits from the Plan. The Plan provides healthcare insurance benefits to eligible retirees and their spouses. Any member that is currently receiving a retirement or disability benefit through the Plan is eligible to participate in the healthcare portion of the Plan. Subsidized Local School District Coverage provides a subsidy paid to members still receiving coverage through their former employer and the TRB Sponsored Medicare Supplemental Plans provide coverage for those participating in Medicare, but not receiving Subsidized Local School District Coverage.

Any member that is not currently participating in Medicare Parts A & B is eligible to continue health care 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, any remaining portion is used to offset the district's cost.

The subsidy amount is set by statute, and has not increased since July of 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 that is currently participating in Medicare Parts A & B is eligible to either continue health care 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).

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.

Town of Glastonbury, Connecticut

Notes to Financial Statements

June 30, 2020

Note 14. OPEB - Connecticut Teachers' Retirement Plan (Continued)

Contributions:

State of Connecticut

Per Connecticut General Statutes Section 10-183z (which reflects Public Act 79-436 as amended), contribution requirements of active employees and the State of Connecticut are amended and certified by the TRB and appropriated by the General Assembly. The State pays for one third of plan costs through an annual appropriation in the General Fund.

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.

For the year ended June 30, 2020, the amount of "on-behalf" contributions made the State was \$408,506 and is recognized in the General Fund as intergovernmental revenues and expenses.

Administrative Expenses

Administrative costs of the Plan are to be paid by the General Assembly per Section 10-183z of the Connecticut General Statutes.

Town of Glastonbury, Connecticut

Notes to Financial Statements
June 30, 2020

Note 14. 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, 2020, 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 OPEB liability	\$ -
State's proportionate share of the net OPEB liability associated with the Town	30,795,082
	<u>\$ 30,795,082</u>

The net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as June 30, 2019. At June 30, 2019, the Town has no proportionate share of the net OPEB liability. At June 30, 2020, the Town has no proportionate share of the net OPEB liability.

For the year ended June 30, 2020, the Town recognized OPEB expense and (revenue) of (\$2,253,479) 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, 2019, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
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 long-term expected rate of return on plan assets is reviewed as part of the GASB Statement No. 75 valuation process. Several factors are considered in the evaluation of 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 (0.41%).

Town of Glastonbury, Connecticut

**Notes to Financial Statements
June 30, 2020**

Note 14. OPEB - Connecticut Teachers' Retirement Plan (Continued)

Discount rate: The discount rate used to measure the total OPEB liability was 3.50%. The projection of cash flows used to determine the discount rate was performed in accordance with GASB 75. The projection was based on an actuarial valuation performed as of June 30, 2018. Based on those assumptions, the 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 of the single equivalent rate.

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.

Note 15. 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, 2020 and 2019, employees contributed \$135,983, and \$103,685, respectively, and the Town contributed matching employer contributions of \$140,473 and \$106,611, respectively. Covered payroll totaled \$2,104,685.

Town of Glastonbury, Connecticut

Notes to Financial Statements June 30, 2020

Note 16. Risk Management

Through June 30, 2020 the Town was 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. During 2020, CIRMA had 151 LAP members and 208 Workers' Compensation Pool members (not including six self-insured members). After completing a competitive proposal process for this coverage, the Town moved coverage in fiscal 2021 to the Travelers for Liability, Automobile, Property (LAP) and Workers' Compensation.

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, 2020. 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, 2016 through 2020.

Through June 30, 2020, the Workers' Compensation Pool provided statutory benefits pursuant to the provisions of the Connecticut Workers' Compensation Act. The program type was guaranteed cost effective July 1, 2018. The contribution (premium) was subject to payroll audit at the close of the coverage period. CIRMA's Workers' Compensation Pool retained \$1,000,000 per occurrence plus a \$1,000,000 annual aggregate deductible. All claims above this retention were fully reinsured.

Premiums were paid by the Town and Board of Education in the amount of \$358,428 and \$350,490 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, 2020 was \$1,209,818, 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. As a result of a formal request for proposal, in fiscal 2021, the Town is transitioning from two healthcare providers (Anthem and ConnectiCare) to a sole health insurance provider, Anthem, with Delta Dental as the dental insurance provider. The Town's health insurance providers each administer payment of claims directly to the healthcare providers. The Town works with 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, 2020**

Note 16. 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,
2019 - 2020	\$ 1,092,922	\$ 17,654,477	\$ 17,843,137	\$ 904,262
2018 - 2019	1,228,863	19,059,546	19,195,487	1,092,922

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 17. 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, 2020 was \$678,754.

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

Year ending June 30:	
2021	\$ 697,626
2022	720,348
2023	866,566
	<u>\$ 2,284,540</u>

Note 18. 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 granter agencies. Such audits could lead to requests for reimbursement to the granter 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, 2020

Note 19. 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*, is effective for reporting periods beginning after December 15, 2019. The objective of this statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.

GASB Statement No. 87, *Leases*, establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset, which should result in the recognition and reporting of leased assets and the liability associated with subsequent lease payments, which have historically been classified as operating leases of the current reporting period only. The new statement requires a Lessee to recognize a lease liability and an intangible right-to-use lease asset, with the lessor required to recognize a lease receivable and a deferred inflow of resources. The requirements of this statement are effective for reporting periods beginning after June 15, 2021.

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. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Earlier application is encouraged. The requirements of this Statement should be applied prospectively.

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 are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged.

GASB Statement No. 91, *Conduit Debt Obligations*. This Statement provides a single method of reporting conduit debt obligations by issuers and eliminates 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 are effective for reporting periods beginning after December 15, 2021. Earlier application is encouraged. The Town/City is not an issuer of conduit debt, therefore this Statement will have no effect on its financial statements.

GASB Statement No. 92, *Omnibus 92*. Statement No. 92 includes guidance addressing various accounting and financial reporting issues identified during the implementation and application of certain GASB pronouncements. The issues covered by GASB Statement No. 92, Omnibus 2020, include:

-Modification of the effective date of Statement No. 87, *Leases*, as well as associated implementation guidance, to fiscal years beginning after December 15, 2019, to address concerns regarding interim financial reports;

Town of Glastonbury, Connecticut

**Notes to Financial Statements
June 30, 2020**

Note 19. Accounting Standards Not Yet Effective (Continued)

-Reporting intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan;

-The applicability of Statement No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statement No. 67 and No. 68, as amended, and Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, as amended, to reporting assets accumulated for pensions and OPEB;

-The applicability of certain requirements of Statement No. 84, Fiduciary Activities, to pension and OPEB arrangements; and

-Measurement of liabilities and assets, if any, related to asset retirement obligations in a government acquisition.

The requirements of Statement 92 that relate to the effective date of Statement 87 and its associated implementation guidance are effective upon issuance. The provisions related to the application of Statement 84 are effective for periods beginning after June 15, 2021. The amendments related to intra-entity transfers of assets and applicability of Statements 73 and 74 are effective for fiscal years beginning after June 15, 2021. The remaining requirements related to asset retirement obligations are effective for government acquisitions occurring in reporting periods beginning after June 15, 2021.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. GASB Statement No. 96 provides accounting and financial reporting guidance for subscription-based information technology arrangements (SBITAs). It is based on the standards established in Statement No. 87, Leases. It:

- Defines a SBITA as a contract that conveys control of the right to use a SBITA vendor's IT software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction;
- Requires governments with SBITAs to recognize a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability (with an exception for short-term SBITAs—those with a maximum possible term of 12 months); and
- Provides guidance related to outlays other than subscription payments, including implementation costs, and requirements for note disclosures related to a SBITA.

The requirements of this Statement are effective for reporting periods beginning after June 15, 2022.

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.

Town of Glastonbury, Connecticut

Notes to Financial Statements

June 30, 2020

Note 20. Subsequent Events

On July 24, 2020, the Town issued \$10,390,000 of General Obligation Bonds, Issue of 2020, Series B with interest rates from 2.00% to 4.00% and a maturity date of July 15, 2040.

The Bond Anticipation notes of \$1,710,000 and \$4,685,000 maturing on July 24, 2020 were paid off through the bonds issued on July 24, 2020.

On December 10, 2020, the Town issued \$10,015,000 of General Obligation Refunding Bonds, Issue of 2020, Series C with interest rates from 2.00% to 5.00% and a maturing date of October 1, 2030. General Obligation Bonds, Issue of 2011, Series A and Project Loan Obligation dated May 31, 2011 (Clean Water Fund Loan) were paid off through the bonds issued on December 10, 2020.

Note 21. Coronavirus (COVID-19)

On January 30, 2020, the World Health Organization declared the coronavirus to be a public health emergency. On March 11, 2020, the Governor of the State of Connecticut declared a public health emergency and a civil preparedness emergency due to COVID-19.

The Town derives a significant portion of its revenue from property taxes. While the Town has not experienced any significant increase in the amount of delinquent from its taxpayers, the situation creates uncertainty about the impact of future revenues that might be generated. In addition, at this time, it is uncertain what the effects of the pandemic will be on the Town's health care costs, changes in interest rates, investment valuation and the future federal or state fiscal relief.

**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, 2020**

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property taxes	\$ 153,589,767	\$ 153,589,767	\$ 154,180,697	\$ 590,930
Licenses and permits	1,150,800	1,150,800	1,286,420	135,620
Intergovernmental	6,781,043	8,146,340	8,680,430	534,090
Charges for services	1,636,765	1,648,895	1,544,490	(104,405)
Unrealized (gain) loss	-	-	214,189	214,189
Investment income	1,500,000	1,500,000	1,058,331	(441,669)
Other revenue	774,251	774,251	2,381,923	1,607,672
Total revenues	165,432,626	166,810,053	169,346,480	2,536,427
Expenditures:				
Current:				
General government	3,311,802	3,521,437	3,291,033	230,404
Community development	2,201,929	2,226,919	2,170,763	56,156
Administrative services	6,213,738	6,288,026	6,148,554	139,472
Public safety	14,580,054	14,680,484	14,174,529	505,955
Physical services	7,457,270	7,457,270	7,206,811	250,459
Sanitation	859,961	881,622	791,897	89,725
Human services	2,964,504	2,964,504	2,710,890	253,614
Leisure/culture	5,744,767	5,719,600	5,341,979	377,621
Education	108,699,846	110,636,686	109,122,930	1,513,756
Debt service	7,157,157	6,810,857	6,712,241	98,616
Total expenditures	159,191,028	161,187,405	157,671,627	3,515,778
Excess of revenues over expenditures	6,241,598	5,622,648	11,674,853	6,052,205
Other Financing Sources (Uses):				
Transfers in:				
Use of fund balance	575,000	575,000	600,000	25,000
Transfers out	(6,816,598)	(8,165,598)	(8,165,598)	-
Total other financing sources (uses)	(6,241,598)	(7,590,598)	(7,565,598)	25,000
Net change in fund balance	\$ -	\$ (1,967,950)	\$ 4,109,255	\$ 6,077,205
Budgetary fund balance at beginning of year			<u>29,221,140</u>	
Budgetary fund balance at end of year			<u>\$ 33,330,395</u>	

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

	2014	2015	2016	2017	2018	2019	2020
Total pension liability:							
Service cost	\$ 3,202,640	\$ 3,546,691	\$ 3,830,151	\$ 3,976,246	\$ 4,159,188	\$ 4,215,987	\$ 4,373,500
Interest	10,850,500	11,234,997	11,748,111	12,330,029	12,876,054	13,355,205	13,683,978
Effect of plan changes	-	-	(26,085)	11,568	(33,783)	(3,313)	9,905
Effect of economic/demographic gains or losses	-	(711,983)	(316,829)	2,217,622	2,427,429	525,669	4,942,368
Effect of assumption changes or inputs	-	927,997	2,408,881	550,555	3,835,590	812,083	13,908,457
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)	(10,406,008)
Net change in total pension liability	7,666,940	8,196,422	10,470,945	11,428,658	14,659,974	9,458,994	26,512,200
Total pension liability - beginning	149,596,650	157,263,590	165,460,012	175,930,957	187,359,615	202,019,589	211,478,583
Total pension liability - ending	157,263,590	165,460,012	175,930,957	187,359,615	202,019,589	211,478,583	237,990,783
Plan fiduciary net position:							
Contributions - employer	5,771,396	6,001,585	6,118,624	6,325,363	7,137,123	7,908,372	8,170,908
Contributions - member	1,675,096	1,627,914	1,631,107	1,705,360	1,861,582	1,874,604	2,015,320
Net investment income (loss)	17,267,726	1,126,546	(1,510,983)	15,358,365	10,469,718	6,229,061	9,023,607
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)	(10,406,008)
Administrative expense	(141,637)	(204,307)	(152,285)	(94,494)	(97,854)	(111,251)	(77,688)
Net change in plan fiduciary net position	18,186,381	1,750,458	(1,071,941)	15,637,232	10,766,065	6,454,149	8,726,139
Plan fiduciary net position - beginning	101,576,909	119,763,290	121,513,748	120,441,807	136,079,039	146,845,104	153,299,253
Plan fiduciary net position - ending	119,763,290	121,513,748	120,441,807	136,079,039	146,845,104	153,299,253	162,025,392
Net pension liability - ending	\$ 37,500,300	\$ 43,946,264	\$ 55,489,150	\$ 51,280,576	\$ 55,174,485	\$ 58,179,330	\$ 75,965,391
Plan fiduciary net pension as a percentage of the total pension liability	76.15%	73.44%	68.46%	72.63%	72.69%	72.49%	68.08%
Covered payroll	\$ 24,455,208	\$ 27,153,582	\$ 26,362,701	\$ 27,677,315	\$ 28,655,358	\$ 29,581,276	\$ 28,602,606
Net pension liability as a percentage of covered payroll	153.34%	161.84%	210.48%	185.28%	192.55%	196.68%	265.59%

*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**

	2011	2012	2013	2014
Actuarially determined contribution	\$ 4,930,505	\$ 4,753,626	\$ 5,130,000	\$ 5,771,396
Contributions in relation to the actuarially determined contribution	4,782,742	4,753,626	5,130,000	5,771,396
Contribution deficiency (excess)	\$ 147,763	\$ -	\$ -	\$ -
Covered payroll	\$ 24,923,408	\$ 25,346,833	\$ 26,408,569	\$ 24,455,208
Contributions as a percentage of covered payroll	19.19%	18.75%	19.43%	23.60%

(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 to employee payroll deductions for pension costs. The increase to employee payroll deductions was made subsequent to the actuarially determined contribution calculation.

Notes to Schedule:

Valuation date: July 1, 2019
Measurement date: June 30, 2020

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	PubS-2010 Mortality Table generationally projected with MP Ultimate Scale for Public Safety and Blue Collar employees; PubG-2010 for all others

RSI-3

	2015	2016	2017	2018 ⁽¹⁾	2019	2020
\$	6,001,585	\$ 6,118,624	\$ 6,325,363	\$ 7,193,600	\$ 7,908,372	\$ 8,170,908
	6,001,585	6,118,624	6,325,363	7,137,123	7,908,372	8,170,908
\$	-	\$ -	\$ -	\$ 56,477	\$ -	\$ -
\$	27,153,582	\$ 26,362,701	\$ 27,677,315	\$ 28,655,358	\$ 29,581,276	\$ 28,602,606
	22.10%	23.21%	22.85%	24.91%	26.73%	28.57%

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

	2014	2015	2016	2017	2018	2019	2020
Annual money-weighted rate of return, net of investment expense	16.50%	0.92%	(1.20)%	12.43%	7.51%	4.14%	5.75%

*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 Six Fiscal Years***

	2015	2016	2017	2018	2019	2020
Town's proportion of the net pension liability	0.00%	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	197,460,513
Total	\$ 120,207,941	\$ 130,053,006	\$ 170,434,778	\$ 161,548,380	\$ 152,253,528	\$ 197,460,513
Town's covered payroll	\$ 46,123,485	\$ 47,748,108	\$ 47,896,842	\$ 48,175,430	\$ 49,982,895	\$ 50,770
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%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	61.51%	59.50%	52.26%	55.93%	57.69%	52.00%

Notes to Schedule:

Changes in benefit terms

During 2019, HB 7424 made the following provision changes:

- Beginning July 1, 2019, annual interest credited on mandatory contributions set at 4.0%.
- For members retiring on or after July 1, 2019 with a partial refund option election (Plan N), if 50% of the benefits paid prior to death do not exceed the Member's mandatory contributions plus interest frozen at the date of the benefit commencement, the difference is paid to the Member's beneficiary.

Beginning January 1, 2018, member contribution increased from 6% to 7% of salary.

Changes of assumptions

During 2019, the Board adopted new assumptions in conjunction with HB 7424:

- Reduce the inflation assumption from 2.75% to 2.50%
- Reduce the real rate of return assumption from 5.25% to 4.40% which, when combined with the inflation assumption change results in a decrease in the investment rate of return assumption from 8.00% to 6.90%.
- Increase the annual rate of wage increase assumption from 0.50% to 0.75%.
- Phase in to a level dollar amortization method for the June 30, 2024 valuation.

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

6.90%, 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 Four Fiscal Years*

	2017	2018	2019	2020
Total OPEB liability:				
Service cost	\$ 514,970	\$ 490,603	\$ 522,802	\$ 624,662
Interest	1,141,882	1,207,883	1,343,105	1,414,931
Plan changes	-	-	-	21,595
Differences between expected and actual experience	-	1,187,489	-	(464,486)
Changes of assumptions	(124,569)	653,120	-	(655,790)
Benefit payments	(696,124)	(698,550)	(860,025)	(907,975)
Net change in total OPEB liability	836,159	2,840,545	1,005,882	32,937
Total OPEB liability - beginning	16,496,900	17,333,059	20,173,604	21,179,486
Total OPEB liability - ending	17,333,059	20,173,604	21,179,486	21,212,423
Plan fiduciary net position:				
Contributions - employer	925,241	1,392,915	1,579,962	1,684,686
Net investment income	372,700	274,274	334,069	328,778
Benefit payments	(696,124)	(698,550)	(860,025)	(907,975)
Administrative expense	(3,897)	(11,157)	(31,945)	(12,488)
Net change in plan fiduciary net position	597,920	957,482	1,022,061	1,093,001
Plan fiduciary net position - beginning	3,217,670	3,815,590	4,773,072	5,795,133
Plan fiduciary net position - ending	3,815,590	4,773,072	5,795,133	6,888,134
Net OPEB liability - ending	\$ 13,517,469	\$ 15,400,532	\$ 15,384,353	\$ 14,324,289
Plan fiduciary net OPEB as a percentage of the total OPEB liability	22.01%	23.66%	27.36%	32.47%
Covered payroll	\$ 68,158,459	\$ 68,158,459	\$ 67,020,668	\$ 67,020,668
Net OPEB liability as a percentage of covered payroll	19.83%	22.60%	22.95%	21.37%

*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**

	2011	2012	2013	2014
Actuarially determined contribution	\$ 1,264,000	\$ 1,330,000	\$ 1,478,000	\$ 1,556,000
Contributions in relation to the actuarially determined contribution	814,000	1,220,000	1,141,000	1,088,000
Contribution deficiency (excess)	\$ 450,000	\$ 110,000	\$ 337,000	\$ 468,000
Covered payroll	N/A	N/A	\$ 62,606,000	\$ 62,606,000
Contributions as a percentage of covered payroll	N/A	N/A	1.82%	1.74%

Notes to Schedule:

Valuation date: July 1, 2019
Measurement date: June 30, 2020

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Amortization period	18 years
Asset valuation method	5-year
Inflation	2.70%
Healthcare cost trend rates	5.30% - 4.50%, over 52 years
Salary increases	Graded based on service for Teachers and Administrators; Graded based on age for Town
Discount rate	6.50%

RSI-7

	2015	2016	2017	2018	2019	2020
\$	1,528,458	\$ 1,634,197	\$ 1,321,393	\$ 1,392,913	\$ 1,614,992	\$ 1,684,686
	1,381,616	1,522,386	925,241	1,392,915	1,579,962	1,684,686
\$	146,842	\$ 111,811	\$ 396,152	\$ (2)	\$ 35,030	\$ -
\$	64,192,394	\$ 64,192,394	\$ 68,158,459	\$ 68,158,459	\$ 67,020,668	\$ 67,020,668
	2.15%	2.37%	1.36%	2.04%	2.36%	2.51%

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

	2017	2018	2019	2020
Annual money-weighted rate of return, net of investment expense	10.80%	6.09%	6.11%	5.01%

*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 Three Fiscal Years*

	2018	2019	2020
Town's proportion of the net OPEB liability	0.00%	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	30,795,082
Total	\$ 41,580,719	\$ 30,436,453	\$ 30,795,082
Town's covered payroll	\$ 48,175,430	\$ 47,141,707	\$ 50,770,080
Town's proportionate share of the net OPEB liability as a percentage of its covered payroll	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	1.79%	1.49%	2.08%

Notes to Schedule:

Changes in benefit terms	None
Changes of assumptions	The discount rate was decreased from 3.87% to 3.50 % to reflect the change in the Municipal Bond index rate. Additionally, expected annual per capita claim cost were updated to better reflect anticipated medical and prescription drug claim experience both before and after the plan change that became effective on January 1, 2019. Further, the expected rate of inflation was decreased and the Real Wage Growth assumption was increased.
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	3.00%, 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
Comparative Balance Sheets
June 30, 2020 and 2019**

	2020	2019
Assets		
Cash and cash equivalents	\$ 30,869,682	\$ 26,230,437
Receivables, net:		
Property taxes (net of allowance of \$132,600 in 2020 and \$100,200 in 2019)	1,311,822	1,064,947
Intergovernmental	521,719	379,352
Inventory	192,122	202,547
Investments	7,394,447	6,627,877
Other assets	20,169	22,884
	<hr/>	<hr/>
Total assets	\$ 40,309,961	\$ 34,528,044
	<hr/> <hr/>	<hr/> <hr/>
Liabilities, Deferred Inflows of Resources and Fund Balance		
Liabilities:		
Accounts and other payables	\$ 4,414,016	\$ 2,743,510
Due to other funds	611,800	521,534
Due to developers for escrow deposits	637,570	681,074
Due to others for escrow deposits	108,593	108,662
Unearned revenue	63,577	33,943
	<hr/>	<hr/>
Total liabilities	5,835,556	4,088,723
Deferred inflows of resources:		
Unavailable revenue - property taxes	995,010	821,530
Advance tax payments	149,000	396,651
	<hr/>	<hr/>
Total deferred inflows of resources	1,144,010	1,218,181
Fund Balance:		
Nonspendable	212,291	225,431
Assigned	3,044,292	1,394,049
Unassigned	30,073,812	27,601,660
	<hr/>	<hr/>
Total fund balance	33,330,395	29,221,140
	<hr/> <hr/>	<hr/> <hr/>
Total liabilities, deferred inflows of resources and fund balance	\$ 40,309,961	\$ 34,528,044

**General Fund Revenues and Other Financing Sources - Budgetary Basis -
Budget and Actual
For the Year Ended June 30, 2020**

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
Property taxes:				
Current levy and back taxes	\$ 153,237,767	\$ 153,237,767	\$ 153,826,191	\$ 588,424
Penalties, interest, fees	352,000	352,000	354,506	2,506
Total property taxes	153,589,767	153,589,767	154,180,697	590,930
Licenses and permits:				
Building Inspector	650,000	650,000	788,074	138,074
Town Clerk	70,000	70,000	83,968	13,968
Physical Services	11,000	11,000	13,135	2,135
Sanitation refuse permits	302,000	302,000	332,932	30,932
Health	112,700	112,700	65,775	(46,925)
Fire Marshal	5,100	5,100	2,536	(2,564)
Total licenses and permits	1,150,800	1,150,800	1,286,420	135,620
Intergovernmental:				
In lieu of taxes:				
Housing Authority	193,000	193,000	201,781	8,781
ST/CT telephone access	85,000	85,000	69,475	(15,525)
Veterans exemptions	12,000	12,000	9,896	(2,104)
Disability exemptions	2,400	2,400	2,108	(292)
Homeowners tax relief	150,000	150,000	-	(150,000)
Town Clerk historic documents grant	7,500	7,500	7,500	-
PEGPETIA grant	-	-	149,272	149,272
State health grant	-	-	8,430	8,430
State stabilization grant	385,930	385,930	385,930	-
Education:				
Magnet school grant	-	17,800	17,800	-
Education enhancement	5,089,459	5,089,459	5,567,419	477,960
Special education - excess cost	-	1,347,497	1,347,497	-
Vocational agricultural	331,888	331,888	307,663	(24,225)

(Continued)

**General Fund Revenues and Other Financing Sources - Budgetary Basis -
Budget and Actual (Continued)
For the Year Ended June 30, 2020**

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
Intergovernmental, continued:				
Public safety:				
Civil preparedness	\$ 11,110	\$ 11,110	\$ 14,140	\$ 3,030
Police grants	194,000	194,000	188,947	(5,053)
Volunteer ambulance reimbursement	20,820	20,820	16,821	(3,999)
Regional dispatch	160,000	160,000	211,398	51,398
MIRA Resource recovery	-	-	47,650	47,650
Human Services:				
YFSB state grant	26,658	26,658	31,935	5,277
Housing Authority resident services	60,000	60,000	43,490	(16,510)
Dial-A-Ride Grant	51,278	51,278	51,278	-
Total intergovernmental	6,781,043	8,146,340	8,680,430	534,090
Charges for services:				
Community development:				
Planning and zoning	17,000	17,000	9,587	(7,413)
Notary services	-	-	355	355
Revenue collections:				
Notary services	-	-	30	30
Customer service:				
Notary services	3,000	3,000	3,281	281
Passport Processing	30,000	30,000	12,235	(17,765)
Town Clerk:				
Recording fees	169,800	169,800	219,909	50,109
Conveyance tax	561,500	561,500	604,360	42,860
Notary services	-	-	165	165
Education:				
Community services	20,000	32,130	24,145	(7,985)
Physical services:				
Refuse dumping fees	265,000	265,000	227,338	(37,662)
Bulky waste fill	30,000	30,000	118,720	88,720
Sewer inspection fees	2,000	2,000	-	(2,000)
Subdivision OT inspection	1,000	1,000	-	(1,000)
Human Services:				
Senior services	77,960	77,960	39,717	(38,243)
Nutrition program	35,000	35,000	24,120	(10,880)
Community center rentals	95,000	95,000	70,585	(24,415)
Parks and recreation:				
Program fees	178,185	178,185	79,504	(98,681)
Public safety:				
Public safety - police	75,000	75,000	68,758	(6,242)
Fire watch services	5,320	5,320	1,890	(3,430)
Health soil tests	4,000	4,000	1,300	(2,700)
Library:				
Library fines	40,000	40,000	24,661	(15,339)
Notary services	2,000	2,000	1,585	(415)
Passport Processing	25,000	25,000	12,245	(12,755)
Total charges for services	1,636,765	1,648,895	1,544,490	(104,405)

(Continued)

**General Fund Revenues and Other Financing Sources - Budgetary Basis -
Budget and Actual (Continued)
For the Year Ended June 30, 2020**

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
Investment income:				
Unrealized (gain) loss	\$ -	\$ -	\$ 214,189	\$ 214,189
Investment income	1,500,000	1,500,000	1,058,331	(441,669)
Total investment income	1,500,000	1,500,000	1,272,520	(227,480)
Other revenues:				
Land rentals	169,932	169,932	138,061	(31,871)
Land sales	-	-	-	-
Insurance claims reimbursed	40,000	40,000	45,912	5,912
Health insurance reimbursements	-	-	10,398	10,398
ICMA Administrative Allowance	-	-	23,589	23,589
Attorney fees reimbursed	12,000	12,000	7,382	(4,618)
Auction sales	35,000	35,000	54,588	19,588
Miscellaneous	20,000	20,000	1,685,250	1,665,250
Purchasing card rebates	5,000	5,000	7,090	2,090
Probate Court Reimbursement	2,480	2,480	2,480	-
Education:				
Student activities	200	200	597	397
Vo-Ag tuition	365,989	365,989	268,274	(97,715)
Physical services:				
Sales	3,500	3,500	2,406	(1,094)
Refuse recycling sales	30,000	30,000	48,837	18,837
Utilities reimbursed	-	-	6,028	6,028
Human services:				
YFSB programs	33,400	33,400	23,436	(9,964)
Clinical fees	750	750	625	(125)
Library:				
Trustee account	40,000	40,000	49,979	9,979
Miscellaneous	16,000	16,000	6,991	(9,009)
Total other revenues	774,251	774,251	2,381,923	1,607,672
Total revenues	165,432,626	166,810,053	169,346,480	2,536,427
Other financing sources:				
Transfers in:				
Use of fund balance	575,000	575,000	-	(575,000)
From Capital Projects	-	-	600,000	600,000
Total other financing sources (uses)	575,000	575,000	600,000	25,000
Total	\$ 166,007,626	\$ 167,385,053	169,946,480	\$ 2,561,427

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

15,355,214

Total revenues and operating transfers out as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds

- Exhibit V

\$ 185,301,694

**General Fund Expenditures and Other Financing Uses - Budgetary Basis -
Budget and Actual
For the Year Ended June 30, 2020**

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
General government:				
Town council:				
Wages - part-time	\$ 15,000	\$ 9,455	\$ 8,322	\$ 1,133
Wages - other	-	-	-	-
Office supplies	4,000	4,000	914	3,086
Operating supplies	3,000	2,000	1,243	757
Training and dues	675	675	344	331
Contributory grants	72,710	60,296	60,295	1
Pensions	1,148	1,148	598	550
Data processing	200	200	-	200
Legal/advertising	6,500	6,500	3,094	3,406
Printing/reproduction	5,000	-	-	-
Professional services	35,000	58,000	53,500	4,500
Office equipment and furniture	-	-	-	-
Total town council	143,233	142,274	128,310	13,964
Town manager:				
Wages - full-time	350,950	357,404	357,404	-
Wages - part-time	-	1,208	1,207	1
Wages - other	10,000	7,061	6,657	404
Office supplies	7,065	7,065	5,355	1,710
Operating supplies	2,500	2,500	377	2,123
Training and dues	7,860	7,860	3,370	4,490
Employee related insurance	71,648	73,379	73,378	1
Pension	97,559	97,559	97,535	24
Technology use charges	10,331	15,877	7,401	8,476
Vehicle maintenance	1,837	1,837	1,597	240
Equipment maintenance	800	800	-	800
Legal/advertising	8,000	8,000	3,668	4,332
Printing/reproduction	15,000	3,581	2,063	1,518
Professional services	32,000	32,575	29,350	3,225
Office equipment and furniture	-	-	-	-
Machinery & Equipment	-	150,000	-	150,000
Total town manager	615,550	766,706	589,362	177,344
Human resources:				
Wages - full-time	258,008	260,629	260,629	-
Wages - part-time	55,152	56,366	55,850	516
Wages - other	5,000	920	920	-
Office supplies	5,900	6,354	6,353	1
Operating Supplies	-	41	40	1
Training and dues	11,100	7,365	4,928	2,437
Employee related insurance	32,056	36,938	36,938	-
Pension	59,613	59,816	59,303	513
Data processing	29,400	29,400	29,245	155
Technology use charges	3,692	3,692	3,429	263
Equipment maintenance	500	500	168	332
Legal/advertising	15,000	1,320	1,320	-
Printing/reproduction	1,000	1,000	165	835
Professional services	16,000	11,118	8,071	3,047
Programs	46,450	30,652	30,651	1
Recruitment	28,500	15,641	15,640	1
Office equipment and furniture	-	563	563	-
Total human resources	567,371	522,315	514,213	8,102

(Continued)

**General Fund Expenditures and Other Financing Uses - Budgetary Basis -
Budget and Actual (Continued)
For the Year Ended June 30, 2020**

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
General government (continued):				
Facilities maintenance:				
Wages - full-time	\$ 804,253	\$ 851,206	\$ 851,206	\$ -
Wages - part-time	170,000	168,488	168,487	1
Wages - other	60,000	52,628	52,627	1
Office supplies	4,500	4,633	4,632	1
Operating supplies	8,900	13,863	13,863	-
Training and dues	5,400	5,964	5,964	-
Contractual services	4,000	3,752	3,752	-
Employee related insurance	287,209	287,209	287,138	71
Pension	266,636	278,001	278,000	1
Data processing	5,554	5,537	5,536	1
Technology use charges	1,886	1,820	1,820	-
Vehicle maintenance	9,585	7,667	7,667	-
Equipment maintenance	3,000	3,000	3,000	-
Facilities maintenance	139,210	144,899	144,898	1
Printing/reproduction	350	-	-	-
Uniforms	10,000	8,987	8,987	-
Utilities/communication	142,665	174,335	174,334	1
Office equipment and furniture	55,000	70,735	39,820	30,915
Vehicles and trucks	-	-	-	-
Machinery and equipment	-	-	-	-
Improvements - land and buildings	7,500	7,418	7,417	1
Total facilities maintenance	1,985,648	2,090,142	2,059,148	30,994
Total general government	3,311,802	3,521,437	3,291,033	230,404
Community development:				
Community development:				
Wages - full-time	349,423	354,480	354,480	-
Wages - part-time	37,758	37,797	37,797	-
Wages - other	-	-	-	-
Office supplies	3,700	2,352	2,352	-
Operating Supplies	-	328	327	1
Training and dues	5,500	2,436	2,435	1
Employee related insurance	81,836	82,473	82,473	-
Pension	76,543	77,761	77,760	1
Technology use charges	1,415	1,415	1,415	-
Vehicle maintenance	1,335	1,003	1,003	-
Legal/advertising	3,700	2,414	2,413	1
Printing/reproduction	400	-	-	-
Professional services	1,300	1,300	1,300	-
Improvements - land and buildings	-	1,004	1,003	1
Total community development	562,910	564,763	564,758	5

(Continued)

**General Fund Expenditures and Other Financing Uses - Budgetary Basis -
Budget and Actual (Continued)
For the Year Ended June 30, 2020**

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
Community development (continued):				
Building inspection:				
Wages - full-time	\$ 311,460	\$ 315,030	\$ 315,029	\$ 1
Wages - part-time	2,225	5,587	5,586	1
Office supplies	6,050	4,250	4,250	-
Operating supplies	-	276	275	1
Training and dues	3,500	1,255	1,255	-
Employee related insurance	75,394	90,910	90,910	-
Pension	89,107	88,382	88,382	-
Data processing	13,873	11,012	11,011	1
Technology use charge	1,611	1,543	1,543	-
Vehicle maintenance	2,085	2,181	2,181	-
Legal/advertising	2,600	1,320	1,320	-
Printing/reproduction	1,000	452	451	1
Uniforms	1,000	587	587	-
Office equip/furniture	42,500	59,269	26,094	33,175
Total building inspection	552,405	582,054	548,874	33,180
Fire marshal:				
Wages - full-time	183,396	184,862	184,862	-
Wages - part-time	28,400	20,923	10,897	10,026
Wages - other	7,500	9,565	9,565	-
Office supplies	3,100	4,330	4,329	1
Operating supplies	1,500	2,647	2,646	1
Training and dues	2,650	595	595	-
Employee related insurance	45,738	47,588	47,588	-
Pension	78,730	77,607	77,606	1
Technology use charge	822	822	822	-
Vehicle maintenance	3,156	3,542	3,542	-
Equipment maintenance	300	-	-	-
Uniforms	2,000	811	811	-
Utilities/communication	1,900	1,533	1,533	-
Office equipment and furniture	-	2,007	2,007	-
Total fire marshal	359,192	356,832	346,803	10,029
Health:				
Wages - full-time	413,035	399,186	389,840	9,346
Wages - part-time	44,961	46,762	46,761	1
Office supplies	3,750	3,097	2,803	294
Operating supplies	1,250	1,250	1,222	28
Training and dues	2,795	2,795	1,727	1,068
Employee related insurance	130,520	130,520	130,421	99
Pension	117,078	115,277	115,246	31
Technology use charge	2,578	2,578	2,455	123
Vehicle maintenance	1,020	883	855	28
Equipment maintenance	1,200	1,200	1,089	111

(Continued)

**General Fund Expenditures and Other Financing Uses - Budgetary Basis -
Budget and Actual (Continued)
For the Year Ended June 30, 2020**

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
Community development (continued):				
Health (continued):				
Printing/reproduction	\$ 600	\$ 600	\$ 378	\$ 222
Professional services	6,800	6,800	6,210	590
Programs	835	8,825	8,825	-
Utilities and communications	1,000	1,000	-	1,000
Office equipment and furniture	-	2,497	2,496	1
Total health	727,422	723,270	710,328	12,942
Total community development	2,201,929	2,226,919	2,170,763	56,156
Administrative services:				
Financial Administration:				
Wages - full-time	787,165	736,983	736,976	7
Wages - part-time	5,000	3,551	3,429	122
Wages - other	5,000	3,593	3,254	339
Office supplies	8,000	4,778	4,362	416
Operating supplies	1,500	4,660	4,659	1
Training and dues	22,365	1,512	1,512	-
Contractual services	-	4,600	3,512	1,088
Employee related insurance	195,527	201,419	201,417	2
Pension	206,974	199,653	199,653	-
Data processing	161,805	163,634	161,633	2,001
Technology use charges	36,311	31,459	31,211	248
Equipment maintenance	28,600	25,426	24,226	1,200
Legal/advertising	5,000	2,500	2,499	1
Printing/reproduction	2,500	917	917	-
Professional services	1,500	1,500	530	970
Utilities and communications	2,200	1,749	1,748	1
Office equipment and furniture	47,600	66,840	41,405	25,435
Total financial administration	1,517,047	1,454,774	1,422,943	31,831
Accounting:				
Wages - full-time	299,102	314,168	314,168	-
Wages - part-time	2,500	628	628	-
Wages - other	5,000	5,756	5,755	1
Office supplies	8,000	7,522	7,522	-
Training and dues	5,100	535	535	-
Contractual services	7,200	7,200	1,412	5,788
Employee related insurance	25,552	40,509	40,508	1
Pension	88,638	90,760	90,759	1
Data processing	-	-	-	-
Technology use charges	2,233	2,088	2,088	-
Office equipment and furniture	6,300	14,142	13,481	661
Total accounting	449,625	483,308	476,856	6,452

(Continued)

**General Fund Expenditures and Other Financing Uses - Budgetary Basis -
Budget and Actual (Continued)
For the Year Ended June 30, 2020**

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
Administrative services (continued):				
Property Assessment:				
Wages - full-time	\$ 366,439	\$ 345,186	\$ 342,213	\$ 2,973
Wages - part-time	-	21,253	21,253	-
Wages - other	2,000	1,337	321	1,016
Office supplies	7,100	4,367	4,367	-
Training and dues	6,000	3,873	3,873	-
Employee related insurance	126,305	126,305	126,291	14
Pension	137,147	137,147	136,172	975
Data processing	16,300	16,300	15,878	422
Technology use charges	1,694	1,694	1,657	37
Printing and reproduction	2,400	2,400	1,741	659
Professional services	12,000	-	-	-
Total property assessment	677,385	659,862	653,766	6,096
Revenue Collection:				
Wages - full-time	279,309	285,510	285,509	1
Office supplies	31,500	24,897	24,897	-
Training and dues	2,165	1,259	1,258	1
Contractual services	630	1,048	1,048	-
Employee related insurance	46,367	48,786	48,786	-
Pension	101,507	100,491	100,491	-
Data processing	9,080	9,450	9,450	-
Technology use charges	1,726	1,726	1,648	78
Equipment maintenance	800	800	623	177
Printing/reproduction	22,300	21,192	20,717	475
Office equipment and furniture	2,300	2,525	2,259	266
Total revenue collection	497,684	497,684	496,686	998
Town Clerk:				
Wages - full-time	277,683	316,522	316,521	1
Wages - part-time	1,500	-	-	-
Wages - other	-	1,597	1,597	-
Office supplies	8,900	7,858	7,858	-
Operating supplies	-	473	472	1
Training and dues	5,800	2,454	2,454	-
Contractual services	7,500	7,500	7,500	-
Employee related insurance	58,118	58,118	58,053	65
Pension	100,232	104,795	104,794	1
Data processing	54,200	109,319	52,319	57,000
Technology use charges	2,345	2,187	2,186	1
Equipment maintenance	7,370	7,291	7,290	1
Printing/reproduction	4,800	4,542	4,541	1
Professional services	7,700	7,585	7,585	-
Office equipment and furniture	10,050	9,681	9,681	-
Total town clerk	546,198	639,922	582,851	57,071

(Continued)

**General Fund Expenditures and Other Financing Uses - Budgetary Basis -
Budget and Actual (Continued)
For the Year Ended June 30, 2020**

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
Administrative services (continued):				
Voter Registration:				
Wages - part-time	\$ 92,500	\$ 78,313	\$ 78,313	\$ -
Wages - other	24,500	7,516	7,516	-
Office supplies	10,000	10,000	9,027	973
Operating supplies	-	1,693	1,693	-
Training and dues	6,100	3,141	3,141	-
Pensions	8,951	5,379	5,379	-
Technology use charges	1,149	1,149	1,117	32
Equipment maintenance	8,700	6,665	5,832	833
Printing/reproduction	11,550	4,131	4,130	1
Office equipment and furniture	6,750	3,595	3,594	1
Machinery and equipment	-	342	341	1
Total voter registration	170,200	121,924	120,083	1,841
Legal Services:				
Contractual services	-	-	-	-
Prof. Town Attorney - prior	-	-	-	-
Prof. Town Attorney - prior (alternate)	40,000	22,905	22,905	-
Prof. Town Attorney - primary	219,500	327,143	327,142	1
Prof. Town Attorney - labor	40,500	22,072	22,072	-
Total legal services	300,000	372,120	372,119	1
Probate Court:				
Office supplies	14,000	12,768	8,558	4,210
Operating supplies	6,600	931	931	-
Data processing	3,700	3,700	3,217	483
Equipment maintenance	500	500	173	327
Office equipment and furniture	-	2,833	2,833	-
Total probate court	24,800	20,732	15,712	5,020
Insurance and pensions:				
Training and dues	2,700	-	-	-
Casualty insurance	495,304	506,104	506,075	29
Employee related insurance	1,385,395	1,405,095	1,375,043	30,052
Pensions	17,930	40,746	40,745	1
Claims, service and retroactive charges	60,000	29,500	29,420	80
Professional services	62,970	56,255	56,255	-
Programs	6,500	-	-	-
Total insurance and pensions	2,030,799	2,037,700	2,007,538	30,162
Total administrative services	6,213,738	6,288,026	6,148,554	139,472

(Continued)

**General Fund Expenditures and Other Financing Uses - Budgetary Basis -
Budget and Actual (Continued)
For the Year Ended June 30, 2020**

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
Public safety:				
Police:				
Wages - full-time	\$ 6,918,229	\$ 6,721,434	\$ 6,562,015	\$ 159,419
Wages - part-time	55,014	55,014	45,528	9,486
Wages - other	530,000	726,795	726,794	1
Office supplies	14,370	14,370	13,163	1,207
Operating supplies	61,900	61,900	57,976	3,924
Training and dues	56,000	56,000	35,821	20,179
Contractual services	34,960	34,960	27,972	6,988
Employee related insurance	1,502,228	1,502,228	1,502,153	75
Pensions	3,387,775	3,387,775	3,335,702	52,073
Data processing	65,520	65,520	61,982	3,538
Technology use charges	26,884	26,884	26,287	597
Vehicle maintenance	133,050	147,406	111,433	35,973
Equipment maintenance	97,950	97,950	56,661	41,289
Facilities maintenance	43,350	43,350	35,659	7,691
Printing/reproduction	5,680	5,680	3,057	2,623
Uniforms	78,950	78,950	70,148	8,802
Utilities/communication	112,211	112,211	106,293	5,918
Office equipment/furniture	60,000	92,790	90,171	2,619
Vehicles and trucks	184,000	206,625	132,699	73,926
Machinery and equipment	28,000	36,194	26,627	9,567
Improvements land and buildings	-	14,564	-	14,564
Total police	13,396,071	13,488,599	13,028,141	460,458
Volunteer ambulance:				
Wage Units	-	166	166	-
Pensions	-	166	166	-
Facilities maintenance	7,960	7,960	4,891	3,069
Utilities/communication	12,860	12,528	12,333	195
Total volunteer ambulance	20,820	20,820	17,556	3,264
Fire:				
Wages - full-time	46,961	47,379	47,379	-
Wages - part-time	237,291	233,450	232,911	539
Wages - units	210,000	198,993	187,136	11,857
Wages - other	1,560	1,560	259	1,301
Office supplies	3,550	3,550	2,952	598
Operating supplies	69,974	69,974	59,407	10,567
Training and dues	15,940	12,537	12,536	1
Contractual services	27,636	27,636	22,278	5,358
Contractual - fire watch	5,320	5,320	3,120	2,200

(Continued)

**General Fund Expenditures and Other Financing Uses - Budgetary Basis -
Budget and Actual (Continued)
For the Year Ended June 30, 2020**

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
Public safety (continued):				
Fire (continued):				
Employee related insurance	\$ 9,809	\$ 9,971	\$ 9,970	\$ 1
Pensions	40,361	43,432	43,431	1
Data processing	6,154	6,154	6,024	130
Technology use charges	1,073	1,073	1,042	31
Vehicle maintenance	78,113	89,120	89,119	1
Equipment maintenance	47,188	47,188	42,561	4,627
Facilities maintenance	45,176	49,054	49,054	-
Printing/reproduction	250	250	-	250
Uniforms	6,000	6,000	4,767	1,233
Utilities/communication	196,035	200,380	200,380	-
Office equipment and furniture	14,150	17,422	16,246	1,176
Vehicle and trucks	-	-	-	-
Machinery and equipment	69,420	69,420	69,246	174
Improvements-land and buildings	-	-	-	-
Total fire	1,131,961	1,139,863	1,099,818	40,045
Civil preparedness:				
Wages - part-time	22,000	20,600	19,880	720
Office supplies	265	265	-	265
Pensions	1,683	1,683	1,521	162
Data processing	-	-	-	-
Technology use charges	1,004	1,004	980	24
Vehicle maintenance	990	990	584	406
Programs	1,300	1,300	756	544
Utilities/communication	3,960	3,960	3,903	57
Office equipment and furniture	-	1,400	1,390	10
Total civil preparedness	31,202	31,202	29,014	2,188
Total public safety	14,580,054	14,680,484	14,174,529	505,955
Physical services:				
Engineering:				
Wages - full-time	960,005	963,567	963,566	1
Wages - part-time	5,000	35,390	35,389	1
Wages - other	7,000	9,406	9,406	-
Office supplies	5,000	3,492	3,491	1
Operating supplies	4,500	2,212	2,212	-
Training and dues	9,000	4,554	4,553	1
Employee related insurance	213,345	213,345	213,303	42
Pensions	322,083	320,808	320,808	-
Data processing	50,500	36,846	36,846	-
Technology use charges	3,284	3,284	3,284	-
Vehicle maintenance	6,283	6,609	6,609	-
Equipment maintenance	8,700	8,315	8,315	-
Printing/reproduction	700	237	237	-
Professional services	17,000	23,172	23,172	-
Uniforms	1,200	702	701	1
Utilities/communication	-	200	200	-
Office equipment and furniture	8,400	8,315	8,315	-
Vehicles and trucks	35,000	33,778	33,777	1
Total engineering	1,657,000	1,674,232	1,674,184	48

(Continued)

**General Fund Expenditures and Other Financing Uses - Budgetary Basis -
Budget and Actual (Continued)
For the Year Ended June 30, 2020**

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
Physical services (continued):				
Highway:				
Wages - full-time	\$ 1,540,153	\$ 1,540,153	\$ 1,491,088	\$ 49,065
Wages - part-time	31,380	34,791	34,790	1
Wages - other	220,000	210,768	186,555	24,213
Drainage materials	54,700	54,700	51,739	2,961
Grounds/roadside material	29,000	29,000	17,476	11,524
Highway materials	160,000	160,000	144,762	15,238
Office supplies	2,690	2,690	2,415	275
Operating supplies	19,020	15,609	12,462	3,147
Snow and ice materials	340,000	340,000	325,400	14,600
Traffic control supplies	40,000	40,000	37,307	2,693
Training and dues	6,000	6,000	3,166	2,834
Contractual service	241,000	241,000	229,839	11,161
Employee related insurance	456,171	456,171	456,167	4
Pensions	602,537	602,537	601,802	735
Data processing	450	450	-	450
Technology use charges	1,860	1,860	1,831	29
Vehicle maintenance	215,860	238,272	238,272	-
Equipment maintenance	3,200	3,200	1,300	1,900
Printing/reproduction	750	750	178	572
Uniforms	12,750	12,750	9,914	2,836
Utilities/communication	182,986	160,574	150,922	9,652
Office equipment and furniture	-	-	-	-
Vehicles and trucks	355,400	355,400	339,808	15,592
Machinery and equipment	19,000	19,000	16,752	2,248
Improvements (land & building)	-	-	-	-
Total highway	4,534,907	4,525,675	4,353,945	171,730
Fleet maintenance:				
Wages - full-time	445,459	453,078	453,077	1
Wages - part-time	96,000	96,000	93,820	2,180
Wages - other	27,000	13,716	13,374	342
Office supplies	1,460	1,460	665	795
Operating supplies	7,225	7,225	5,836	1,389
Training and dues	4,975	4,975	605	4,370
Contractual services	225,675	217,675	161,934	55,741
Employee related insurance	123,581	123,581	123,314	267
Pensions	233,044	233,044	231,713	1,331
Data processing	5,700	5,700	4,324	1,376
Technology use charges	1,019	1,019	997	22
Vehicle maintenance	8,963	9,144	9,144	-
Equipment maintenance	9,000	8,819	3,488	5,331
Facilities maintenance	18,360	18,360	16,450	1,910
Printing/reproduction	500	500	-	500
Uniforms	6,700	6,700	4,143	2,557

(Continued)

**General Fund Expenditures and Other Financing Uses - Budgetary Basis -
Budget and Actual (Continued)
For the Year Ended June 30, 2020**

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
Physical services (continued):				
Fleet Maintenance (continued):				
Utilities/communication	\$ 46,752	\$ 52,417	\$ 52,417	\$ -
Office equipment and furniture	3,950	3,950	3,381	569
Vehicles & trucks	-	-	-	-
Total fleet maintenance	1,265,363	1,257,363	1,178,682	78,681
Total physical services	7,457,270	7,457,270	7,206,811	250,459
Sanitation:				
Refuse disposal:				
Wages - full-time	154,520	159,078	159,078	-
Wages - part-time	166,765	166,765	151,532	15,233
Wages - other	10,000	7,335	6,732	603
Office supplies	1,580	1,580	1,510	70
Operating supplies	1,800	2,131	2,130	1
Repair and maintenance supplies	700	700	364	336
Training and dues	2,900	825	824	1
Contractual services	312,250	322,311	260,564	61,747
Employee related insurance	51,617	53,592	53,592	-
Pension	90,891	90,891	89,794	1,097
Data processing	2,000	2,000	119	1,881
Technology use charges	851	851	814	37
Vehicle maintenance	39,000	39,000	32,100	6,900
Equipment maintenance	7,000	4,785	4,785	-
Facilities maintenance	2,530	2,530	2,459	71
Printing/reproduction	2,800	2,800	1,690	1,110
Uniforms	4,400	4,400	3,762	638
Utilities/communication	8,357	8,448	8,448	-
Machinery and equipment	-	11,600	11,600	-
Improvements-land and building	-	-	-	-
Total refuse disposal	859,961	881,622	791,897	89,725
Total sanitation	859,961	881,622	791,897	89,725
Human services:				
Contributory grants	32,577	32,577	32,577	-
Youth and family services:				
Wages - full-time	677,914	677,914	645,246	32,668
Wages - part-time	135,000	135,000	88,331	46,669
Office supplies	9,500	7,237	7,133	104

(Continued)

**General Fund Expenditures and Other Financing Uses - Budgetary Basis -
Budget and Actual (Continued)
For the Year Ended June 30, 2020**

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
Human services (continued):				
Operating supplies	\$ 750	\$ 3,013	\$ 3,012	\$ 1
Training and dues	9,500	9,500	4,420	5,080
Employee related insurance	166,700	166,700	166,601	99
Pensions	201,441	201,441	196,645	4,796
Technology use charges	5,439	5,439	5,356	83
Vehicle maintenance	2,085	2,085	411	1,674
Equipment maintenance	1,400	1,400	-	1,400
Facilities maintenance	8,255	8,255	4,521	3,734
Printing/reproduction	1,500	1,500	1,439	61
Professional services	8,400	8,400	6,050	2,350
Programs	49,000	49,000	36,548	12,452
Utilities/communications	16,172	16,172	13,520	2,652
Improvements - land and building	8,000	8,000	5,614	2,386
Total youth and family services	1,301,056	1,301,056	1,184,847	116,209
Senior and community services:				
Wages - full-time	527,397	531,877	531,876	1
Wages - part-time	340,000	340,000	317,938	22,062
Wages - other	4,000	4,000	-	4,000
Office supplies	17,000	17,000	12,876	4,124
Training and dues	10,400	5,920	3,748	2,172
Employee related insurance	159,504	165,244	165,243	1
Pensions	221,377	221,377	218,500	2,877
Data processing	1,000	1,000	480	520
Technology use charges	6,228	6,228	6,041	187
Vehicle maintenance	36,550	36,550	22,559	13,991
Equipment maintenance	12,000	12,000	1,476	10,524
Facilities maintenance	26,525	26,525	25,668	857
Printing/reproduction	2,800	2,800	1,919	881
Programs	116,500	116,500	83,157	33,343
Utilities/communications	92,490	86,750	84,194	2,556
Office equipment and furniture	9,000	9,000	5,791	3,209
Vehicles & Trucks	36,000	36,000	-	36,000
Improvements (Land&Bldg.)	12,100	12,100	12,000	100
Total senior services	1,630,871	1,630,871	1,493,466	137,405
Total human services	2,964,504	2,964,504	2,710,890	253,614

(Continued)

**General Fund Expenditures and Other Financing Uses - Budgetary Basis -
Budget and Actual (Continued)
For the Year Ended June 30, 2020**

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
Leisure/culture:				
Parks and recreation:				
Wages - full-time	\$ 1,640,421	\$ 1,687,631	\$ 1,687,630	\$ 1,000
Wages - part-time	406,968	305,338	285,202	20,136
Wages - other	88,400	78,415	40,694	37,721
Grounds/roadside materials	93,000	93,000	86,622	6,378
Office supplies	11,500	9,206	8,585	621
Operating supplies	850	2,646	1,468	1,178
Repair and maintenance supplies	46,000	46,000	25,414	20,586
Training and dues	7,450	7,450	4,361	3,089
Contractual services	148,200	158,185	150,035	8,150
Employee related insurance	332,382	350,500	350,500	-
Pensions	621,275	621,275	608,039	13,236
Data processing	8,195	8,693	8,693	-
Technology use charges	7,063	7,063	6,729	334
Vehicle maintenance	102,515	102,515	86,155	16,360
Equipment maintenance	500	500	87	413
Facilities maintenance	8,225	8,225	7,917	308
Legal / advertising	1,000	1,000	600	400
Printing/reproduction	1,200	1,200	487	713
Programs	24,810	24,810	18,272	6,538
Uniforms	15,448	15,448	10,120	5,328
Utilities/communication	163,460	163,460	149,915	13,545
Office equipment and furniture	5,150	5,150	4,157	993
Vehicles & Trucks	106,000	106,000	-	106,000
Machinery and equipment	50,000	55,195	46,630	8,565
Improvements - land and buildings	52,900	58,841	36,327	22,514
Total parks and recreation	3,942,912	3,917,745	3,624,639	293,106
Welles-Turner Library:				
Wages - full-time	664,049	664,049	661,998	2,051
Wages - part-time	248,000	248,000	200,436	47,564
Wages - other	1,000	1,000	-	1,000
Office supplies	13,200	13,200	8,942	4,258
Operating supplies	9,000	5,964	4,510	1,454
Training and dues	3,540	3,540	1,967	1,573
Books/media	270,000	272,811	272,811	-
Contractual services	-	-	-	-
Employee related insurance	156,959	156,959	156,902	57
Pensions	195,167	195,167	190,559	4,608
Data processing	76,127	76,352	76,351	1
Technology use charges	10,128	10,128	9,829	299
Equipment maintenance	2,900	2,900	-	2,900
Facilities maintenance	24,485	24,485	17,443	7,042
Printing/reproduction	2,500	2,500	138	2,362
Programs	10,000	10,000	7,924	2,076
Utilities/communication	85,600	85,600	79,020	6,580
Office equipment and furniture	14,200	14,200	13,510	690
Total Welles-Turner Library	1,786,855	1,786,855	1,702,340	84,515

(Continued)

**General Fund Expenditures and Other Financing Uses - Budgetary Basis -
Budget and Actual (Continued)
For the Year Ended June 30, 2020**

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
Leisure/culture (continued):				
South Glastonbury Library:				
Contributory grants	\$ 7,500	\$ 7,500	\$ 7,500	\$ -
East Glastonbury Library:				
Contributory grants	7,500	7,500	7,500	-
Total leisure/culture	5,744,767	5,719,600	5,341,979	377,621
Debt service:				
General Town	3,038,057	3,012,857	3,011,923	934
Education	3,629,100	3,587,100	3,587,063	37
Sewers	175,000	-	-	-
Temporary notes	255,000	49,203	49,200	3
Administrative costs	60,000	161,697	64,055	97,642
Total debt service	7,157,157	6,810,857	6,712,241	98,616
Board of Education:				
Instruction:				
Art	1,188,508	1,202,168	1,194,625	7,543
Basic Education	15,077,806	14,994,486	15,207,086	(212,600)
Language Arts	4,320,148	4,209,811	4,188,568	21,243
Mathematics	2,703,601	2,670,753	2,660,560	10,193
Science	3,533,399	3,503,493	3,512,743	(9,250)
History/Social Science	2,280,935	2,289,333	2,271,404	17,929
Career/Vocational Education	1,602,645	1,614,943	1,606,868	8,075
P.A.C.E.	607,555	586,511	580,322	6,189
Foreign Languages & ELL	4,436,982	4,355,597	4,305,159	50,438
Health/physical education	2,107,226	2,059,733	2,048,665	11,068
Music	1,740,497	1,738,722	1,747,233	(8,511)
Special Education	14,291,854	15,729,922	14,682,220	1,047,702
Agriscience & Technology	324,832	368,117	366,635	1,482
Total instruction	54,215,988	55,323,589	54,372,088	951,501
Special services/instruction:				
School Counseling	3,363,189	3,352,797	3,289,864	62,933
Health Services	775,478	782,596	775,213	7,383
Libraries/Media Centers	1,347,198	1,338,054	1,331,521	6,533
Program and Staff Development	662,500	662,500	646,425	16,075
Athletics and Clubs	1,829,954	1,824,196	1,657,430	166,766

(Continued)

**General Fund Expenditures and Other Financing Uses - Budgetary Basis -
Budget and Actual (Continued)
For the Year Ended June 30, 2020**

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
Board of Education (continued):				
Special services/instruction (continued):				
Elementary Administration	\$ 2,265,018	\$ 2,260,161	\$ 2,271,524	\$ (11,363)
Secondary Administration	2,778,425	2,748,070	2,779,584	(31,514)
Systemwide Support Services	2,812,303	2,908,123	3,155,283	(247,160)
Technology Support Services	3,650,133	3,861,561	3,655,626	205,935
Total special services/instruction	19,484,198	19,738,058	19,562,470	175,588
Support services/operations:				
Operations/Maintenance	6,698,947	6,704,197	7,610,001	(905,804)
Utilities	2,374,490	2,374,490	2,117,249	257,241
Pupil Transportation	3,827,149	3,849,016	3,614,905	234,111
Total support services/operations	12,900,586	12,927,703	13,342,155	(414,452)
Community services:				
Community services	373,559	385,689	330,108	55,581
Fringe benefits	21,725,515	21,817,855	21,516,109	301,746
Unexpended education fund	-	443,792	-	443,792
Total Board of Education	108,699,846	110,636,686	109,122,930	1,513,756
Total expenditures	159,191,028	161,187,405	157,671,627	3,515,778
Other financing uses:				
Transfers out:				
Capital Reserve fund	6,000,000	6,174,000	6,174,000	-
Dog Fund	45,000	45,000	45,000	-
Contingency	-	-	-	-
Capital Projects Fund	-	-	-	-
OPEB trust fund	771,598	771,598	771,598	-
Sewer operating fund	-	175,000	175,000	-
Other Funds	-	1,000,000	1,000,000	-
Total operating transfers out	6,816,598	8,165,598	8,165,598	-
Total expenditures and other financing uses	\$ 166,007,626	\$ 169,353,003	\$ 165,837,225	\$ 3,515,778

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

\$ 15,355,214

Debt issuance costs

97,641

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

\$ 181,290,080

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.

Library Renovation: To account for the costs of Welles Turner Library Renovation project.

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Town of Glastonbury, Connecticut

**Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2020**

	Special Revenue				
	Sewer Operating Fund	Dog Fund	Grants and Contracts	Police Forfeited Property	Special Gifts/ Grants Fund
Assets					
Cash and cash equivalents	\$ 2,616,250	\$ 47,101	\$ 11,371	\$ 242,361	\$ 298,061
Receivables	67,427	-	-	-	-
Inventory	-	-	-	-	-
Investments	625,292	11,257	2,718	-	71,237
Other assets	-	-	-	-	-
Total assets	3,308,969	58,358	14,089	242,361	369,298
Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)					
Liabilities:					
Accounts and other payables	93,135	13,123	6,983	-	7,924
Unearned revenue	-	-	-	-	-
Total liabilities	93,135	13,123	6,983	-	7,924
Deferred inflows of resources:					
Unavailable revenue - special assessments	19,887	-	-	-	-
Unavailable revenue - other	-	-	-	-	-
Total deferred inflows of resources	19,887	-	-	-	-
Fund Balances:					
Nonspendable	-	-	-	-	-
Restricted	-	45,235	7,106	242,361	361,374
Committed	3,195,947	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances(deficits)	3,195,947	45,235	7,106	242,361	361,374
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$ 3,308,969	\$ 58,358	\$ 14,089	\$ 242,361	\$ 369,298

Exhibit B-1

Special Revenue							
Historic Documents/ Preservation	School Cafeteria Fund	Education Grants Fund	Library Funds	Connecticard	Police Private Duty	Camp Sunrise	
\$ 51,251	\$ 364,246	\$ 85,324	\$ 76,311	\$ 12,459	\$ 427,475	\$ 6,947	
-	45,550	-	-	-	71,730	-	
-	34,659	-	-	-	-	-	
12,249	-	-	18,239	2,978	102,168	1,636	
-	-	-	-	-	-	400	
<u>63,500</u>	<u>444,455</u>	<u>85,324</u>	<u>94,550</u>	<u>15,437</u>	<u>601,373</u>	<u>8,983</u>	
-	-	24,743	88	-	9,120	11,492	
-	-	55,409	-	-	-	-	
-	-	<u>80,152</u>	<u>88</u>	-	<u>9,120</u>	<u>11,492</u>	
-	-	-	-	-	-	-	
-	-	-	-	-	10,494	-	
-	-	-	-	-	<u>10,494</u>	-	
-	34,659	-	8,527	-	-	400	
63,500	409,796	5,172	85,935	15,437	-	-	
-	-	-	-	-	581,759	-	
-	-	-	-	-	-	(2,909)	
<u>63,500</u>	<u>444,455</u>	<u>5,172</u>	<u>94,462</u>	<u>15,437</u>	<u>581,759</u>	<u>(2,509)</u>	
<u>\$ 63,500</u>	<u>\$ 444,455</u>	<u>\$ 85,324</u>	<u>\$ 94,550</u>	<u>\$ 15,437</u>	<u>\$ 601,373</u>	<u>\$ 8,983</u>	

(Continued)

Town of Glastonbury, Connecticut

Combining Balance Sheet (Continued)

Nonmajor Governmental Funds

June 30, 2020

	Special Revenue				
	Recreation Activities	Insurance Reserve Fund	Riverfront Park Operation	Planetarium Fund	Minnechaug Golf Fund
Assets					
Cash and cash equivalents	\$ 588,359	\$ 562,393	\$ 273,850	\$ 82,471	\$ 171,384
Receivables	-	-	-	-	1,000
Inventory	-	-	-	-	-
Investments	140,620	134,413	65,451	-	40,961
Other assets	1,715	-	-	-	-
Total assets	730,694	696,806	339,301	82,471	213,345
Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)					
Liabilities:					
Accounts and other payables	29,816	-	78,468	-	8,270
Unearned revenue	-	-	-	-	1,000
Total liabilities	29,816	-	78,468	-	9,270
Deferred inflows of resources:					
Unavailable revenue - special assessments	-	-	-	-	-
Unavailable revenue - other	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
Fund balances:					
Nonspendable	1,715	-	-	-	-
Restricted	-	-	-	-	-
Committed	699,163	696,806	260,833	82,471	204,075
Unassigned	-	-	-	-	-
Total fund balances (deficits)	700,878	696,806	260,833	82,471	204,075
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$ 730,694	\$ 696,806	\$ 339,301	\$ 82,471	\$ 213,345

Exhibit B-1

Capital Projects							
Town Aid	Sewer Sinking Projects	Gateway Project	Riverfront Park	Library Renovations	Eliminations	Totals	
\$ 211,843	\$ 491,409	\$ 38,342	\$ 21,253	\$ 95,066	\$ -	\$ 6,775,527	
-	-	-	-	-	-	185,707	
-	-	-	-	-	-	34,659	
50,631	117,448	9,164	5,080	22,721	-	1,434,263	
-	-	-	-	-	-	2,115	
<u>262,474</u>	<u>608,857</u>	<u>47,506</u>	<u>26,333</u>	<u>117,787</u>	<u>-</u>	<u>8,432,271</u>	
64,386	205,446	-	-	14,387	-	567,381	
-	-	-	-	-	-	56,409	
<u>64,386</u>	<u>205,446</u>	<u>-</u>	<u>-</u>	<u>14,387</u>	<u>-</u>	<u>623,790</u>	
-	-	-	-	-	-	19,887	
-	-	-	-	-	-	10,494	
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,381</u>	
-	-	-	-	-	-	45,301	
198,088	-	-	26,333	-	-	1,460,337	
-	403,411	47,506	-	103,400	-	6,275,371	
-	-	-	-	-	-	(2,909)	
<u>198,088</u>	<u>403,411</u>	<u>47,506</u>	<u>26,333</u>	<u>103,400</u>	<u>-</u>	<u>7,778,100</u>	
<u>\$ 262,474</u>	<u>\$ 608,857</u>	<u>\$ 47,506</u>	<u>\$ 26,333</u>	<u>\$ 117,787</u>	<u>\$ -</u>	<u>\$ 8,432,271</u>	

Town of Glastonbury, Connecticut

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)
Nonmajor Governmental Funds
For the Year Ended June 30, 2020**

	Special Revenue				
	Sewer Operating Fund	Dog Fund	Grants and Contracts	Police Forfeited Property	Special Gifts/ Grants Fund
Revenues:					
Intergovernmental	\$ 18,213	\$ -	\$ 32,034	\$ -	\$ -
Charges for services	2,747,078	18,115	-	-	-
Investment income	43,275	988	-	-	-
Other revenues	6,001	2,845	-	22,385	196,786
Total revenues	2,814,567	21,948	32,034	22,385	196,786
Expenditures:					
Administrative services	-	-	-	-	163,041
Public safety	-	55,059	50,839	20,840	-
Sanitation	1,763,554	-	-	-	-
Leisure/culture	-	-	-	-	-
Education	-	-	-	-	-
Debt service:					
Principal	921,253	-	-	-	-
Interest and other charges	227,426	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	2,912,233	55,059	50,839	20,840	163,041
Revenues over (under) expenditures	(97,666)	(33,111)	(18,805)	1,545	33,745
Other financing sources (uses):					
Issuance of bonds	-	-	-	-	-
Transfers in	431,463	45,000	-	-	-
Total other financing sources (uses)	431,463	45,000	-	-	-
Net change in fund balances (deficits)	333,797	11,889	(18,805)	1,545	33,745
Fund balance (deficit), beginning of year	2,862,150	33,346	25,911	240,816	327,629
Fund balance (deficit), end of year	\$ 3,195,947	\$ 45,235	\$ 7,106	\$ 242,361	\$ 361,374

Exhibit B-2

Special Revenue						
Historic Documents/ Preservation	School Cafeteria Fund	Education Grants Fund	Library Funds	Connecticard	Police Private Duty	Camp Sunrise
\$ -	\$ 645,347	\$ 2,103,417	\$ -	\$ 4,576	\$ -	\$ 22,425
20,799	1,006,782	-	-	-	684,687	23,907
-	-	-	1,457	171	-	(81)
-	201,384	-	-	-	-	2,761
20,799	1,853,513	2,103,417	1,457	4,747	684,687	49,012
20,141	-	-	-	-	-	-
-	-	-	-	-	609,564	-
-	-	-	-	-	-	-
-	-	-	7,877	-	-	79,676
-	2,140,466	2,098,245	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
20,141	2,140,466	2,098,245	7,877	-	609,564	79,676
658	(286,953)	5,172	(6,420)	4,747	75,123	(30,664)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
658	(286,953)	5,172	(6,420)	4,747	75,123	(30,664)
62,842	731,408	-	100,882	10,690	506,636	28,155
\$ 63,500	\$ 444,455	\$ 5,172	\$ 94,462	\$ 15,437	\$ 581,759	\$ (2,509)

(Continued)

Town of Glastonbury, Connecticut

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits) (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2020

	Special Revenue				
	Recreation Activities	Insurance Reserve Fund	Riverfront Park Operation	Planetarium Fund	Minnechaug Golf Fund
Revenues:					
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	725,360	-	195,007	13,305	22,554
Investment income	-	10,162	5,581	-	3,087
Other revenues	-	109,312	6,475	-	-
Total revenues	725,360	119,474	207,063	13,305	25,641
Expenditures:					
Administrative services	-	-	-	-	-
Public safety	-	-	-	-	-
Sanitation	-	-	-	-	-
Leisure/culture	1,136,193	-	247,264	-	-
Education	-	-	-	3,046	-
Debt service:					
Principal	-	-	-	-	-
Interest and other charges	-	-	-	-	-
Capital outlay	-	-	-	-	26,866
Total expenditures	1,136,193	-	247,264	3,046	26,866
Revenues over (under) expenditures	(410,833)	119,474	(40,201)	10,259	(1,225)
Other financing sources (uses):					
Issuance of bonds	-	-	-	-	-
Transfers in	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Net change in fund balances(deficits)	(410,833)	119,474	(40,201)	10,259	(1,225)
Fund balance (deficit), beginning of year	1,111,711	577,332	301,034	72,212	205,300
Fund balance (deficit), end of year	\$ 700,878	\$ 696,806	\$ 260,833	\$ 82,471	\$ 204,075

Exhibit B-2

Capital Projects							Totals
Town Aid	Sewer Sinking Projects	Gateway Project	Riverfront Park	Library Renovations	Eliminations		
\$ 460,298	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,286,310
-	-	-	-	-	-	-	5,457,594
6,954	-	701	722	4,833	-	-	77,850
-	-	-	-	1,682	-	-	549,631
467,252	-	701	722	6,515	-	-	\$ 9,371,385
-	-	-	-	-	-	-	183,182
-	-	-	-	-	-	-	736,302
-	-	-	-	-	-	-	1,763,554
-	-	-	-	-	-	-	1,471,010
-	-	-	-	-	-	-	4,241,757
-	-	-	-	-	-	-	921,253
-	-	-	-	-	-	-	227,426
727,431	1,602,680	-	44,856	318,630	-	-	2,720,463
727,431	1,602,680	-	44,856	318,630	-	-	12,264,947
(260,179)	(1,602,680)	701	(44,134)	(312,115)	-	-	(2,893,562)
-	-	-	-	405,000	-	-	405,000
-	-	-	-	10,515	-	-	486,978
-	-	-	-	415,515	-	-	891,978
(260,179)	(1,602,680)	701	(44,134)	103,400	-	-	(2,001,584)
458,267	2,006,091	46,805	70,467	-	-	-	9,779,684
\$ 198,088	\$ 403,411	\$ 47,506	\$ 26,333	\$ 103,400	\$ -	\$ -	\$ 7,778,100

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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, 2020**

	Pension Trust Fund	OPEB Trust Fund	Total Trust Funds
Assets			
Cash and cash equivalents	\$ 1,300,419	\$ 17,180	\$ 1,317,599
Investments, at fair value:			
Mutual funds	146,919,725	6,870,954	153,790,679
Pooled funds	4,397,213	-	4,397,213
Limited liability corporation	9,408,035	-	9,408,035
Total assets	162,025,392	6,888,134	168,913,526
Net Position			
Restricted for pension and OPEB benefits	<u>\$ 162,025,392</u>	<u>\$ 6,888,134</u>	<u>\$ 168,913,526</u>

**Statement of Changes in Fiduciary Net Position - Fiduciary Funds
For the Year Ended June 30, 2020**

	Pension Trust Fund	OPEB Trust Fund	Total Trust Funds
Additions:			
Contributions:			
Employer	\$ 8,170,908	\$ 1,684,686	\$ 9,855,594
Employee	2,015,320	-	2,015,320
Total contributions	10,186,228	1,684,686	11,870,914
Investment income:			
Net change in fair value of investments	5,670,489	181,104	5,851,593
Interest and dividends	3,480,651	147,675	3,628,326
	9,151,140	328,779	9,479,919
Less investment expenses:			
Investment management fees	127,533	-	127,533
Net investment income	9,023,607	328,779	9,352,386
Total additions	19,209,835	2,013,465	21,223,300
Deductions:			
Benefit payments	10,406,008	907,975	11,313,983
Administration fees	77,688	12,489	90,177
Total deductions	10,483,696	920,464	11,404,160
Change in net position	8,726,139	1,093,001	9,819,140
Net position:			
Beginning of year	153,299,253	5,795,133	159,094,386
End of year	\$ 162,025,392	\$ 6,888,134	\$ 168,913,526

**Combining Statement of Changes in Assets and Liabilities - Agency Funds
For the Year Ended June 30, 2020**

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
Student Activity Fund				
Assets:				
Cash and cash equivalents	\$ 1,416,651	\$ 1,331,214	\$ 1,385,881	\$ 1,361,984
Total assets	\$ 1,416,651	\$ 1,331,214	\$ 1,385,881	\$ 1,361,984
Liabilities:				
Due to student groups	\$ 1,416,651	\$ 1,331,214	\$ 1,385,881	\$ 1,361,984
Total liabilities	\$ 1,416,651	\$ 1,331,214	\$ 1,385,881	\$ 1,361,984
Education Dependent Care Fund				
Assets:				
Cash and cash equivalents	\$ 47,829	\$ 97,620	\$ 96,288	\$ 49,161
Total assets	\$ 47,829	\$ 97,620	\$ 96,288	\$ 49,161
Liabilities:				
Due to others	\$ 47,829	\$ 97,620	\$ 96,288	\$ 49,161
Total liabilities	\$ 47,829	\$ 97,620	\$ 96,288	\$ 49,161
Total Agency Funds				
Assets:				
Cash and cash equivalents	\$ 1,464,480	\$ 1,428,834	\$ 1,482,169	\$ 1,411,145
Total assets	\$ 1,464,480	\$ 1,428,834	\$ 1,482,169	\$ 1,411,145
Liabilities:				
Due to student groups	\$ 1,416,651	\$ 1,331,214	\$ 1,385,881	\$ 1,361,984
Due to others	47,829	97,620	96,288	49,161
Total liabilities	\$ 1,464,480	\$ 1,428,834	\$ 1,482,169	\$ 1,411,145

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Other Schedules

Town of Glastonbury, Connecticut

Schedule 1

Schedule of Report of Tax Collector
For the Year Ended June 30, 2020

Grand List	Due Date	Uncollected Taxes	Lawful Corrections		Transfers to Suspense	Adjusted Uncollected Taxes	Collections				Uncollected Taxes June 30, 2020
		July 1, 2019	Additions	Deductions			Taxes Paid	Interest	Lien Fees	Total	
10/1/18	7/1/19	\$154,249,342	\$309,942	\$388,979	\$ -	\$ 154,170,305	\$153,263,934	\$211,992	\$2,202	\$ 153,478,128	\$ 906,371
10/1/17	7/1/18	733,207	18,847	27,614	146,279	578,161	431,549	76,973	1,717	510,239	146,612
10/1/16	7/1/17	100,756	36,733	112	-	137,377	64,942	17,280	72	82,294	72,435
10/1/15	7/1/16	58,566	9,170	55	-	67,681	17,906	4,325	-	22,231	49,775
10/1/14	7/1/15	55,569	5,972	54	-	61,487	9,307	3,383	20	12,710	52,180
10/1/13	7/1/14	45,276	1,734	53	-	46,957	1,680	1,448	-	3,128	45,277
10/1/12	7/1/13	44,546	686	-	-	45,232	686	765	-	1,451	44,546
10/1/11	7/1/12	46,150	113	-	-	46,263	113	155	-	268	46,150
10/1/10	7/1/11	40,421	520	-	-	40,941	520	769	-	1,289	40,421
10/1/09	7/1/10	22,675	141	-	-	22,816	141	224	-	365	22,675
10/1/08	7/1/09	9,112	140	-	-	9,252	140	256	-	396	9,112
10/1/07	7/1/08	8,869	-	-	-	8,869	-	-	-	-	8,869
10/1/06	7/1/07	-	372	-	-	372	372	720	-	1,092	-
10/1/05	7/1/06	-	-	-	-	-	-	568	-	568	-
		<u>\$ 155,414,489</u>	<u>\$ 384,370</u>	<u>\$ 416,867</u>	<u>\$ 146,279</u>	<u>\$ 155,235,713</u>	<u>\$ 153,791,290</u>	<u>\$ 318,858</u>	<u>\$ 4,011</u>	<u>\$ 154,114,159</u>	<u>\$ 1,444,423</u>

**Schedule of Sewer Connection Charges Collectible
For the Year Ended June 30, 2020**

	Collectible July 1	Additions and Deductions	Total Collectible	Charges Collected	Interest	Liens	Total Collected	Collectible June 30
Sewer Connection Charges: Year Ended June 30, 2020	\$ 540,882	\$ 193,020	\$ 733,902	\$ 171,174	\$ 32,015	\$ 144	\$ 203,333	\$ 562,728

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			
	2011	2012	2013	2014*
Governmental activities:				
Net investment in capital assets	\$ 184,735,191	\$ 205,117,516	\$ 215,532,264	\$ 220,913,819
Restricted	1,985,169	1,890,376	1,772,533	8,527
Unrestricted	34,981,661	36,407,601	40,289,893	15,576,198
Total governmental activities net position	\$ 221,702,021	\$ 243,415,493	\$ 257,594,690	\$ 236,498,544

* 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					
2015	2016	2017**	2018	2019	2020
\$ 225,203,554	\$ 228,343,977	\$ 229,961,836	\$ 237,663,538	236,341,081	240,501,623
8,527	8,527	8,527	8,527	8,527	8,527
17,031,058	13,031,950	1,800,736	(3,742,822)	2,040,378	2,763,709
<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>	<u>\$ 243,273,859</u>

Town of Glastonbury, Connecticut

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

	Fiscal Year			
	2011	2012	2013	2014
Expenses:				
Governmental activities:				
General government services	\$ 2,761,913	\$ 3,016,304	\$ 3,063,739	\$ 2,437,457
Community development	1,718,967	1,795,016	1,795,599	1,768,601
Administrative services	4,914,647	4,845,717	5,074,835	6,173,038
Public safety	11,095,871	11,531,769	11,615,297	12,915,490
Physical services	11,795,662	13,689,502	12,167,088	10,471,157
Sanitation	2,479,712	3,436,259	3,640,404	3,214,383
Human services	2,893,617	2,968,749	2,968,337	3,021,292
Leisure/culture	6,340,605	6,811,418	6,822,187	7,075,241
Education	101,682,170	108,177,159	108,886,522	113,857,497
Interest on long-term debt	3,593,388	3,477,580	3,201,363	3,268,620
Total governmental activities expenses	149,276,552	159,749,473	159,235,371	164,202,776
Program revenues:				
Governmental activities:				
Charges for services:				
Community development	607,781	721,745	899,667	732,127
Administrative services	1,851,704	1,926,586	2,217,092	2,003,566
Public safety	444,204	405,770	630,516	772,016
Physical services	52,443	15,591	22,142	27,517
Sanitation	2,734,348	3,204,166	3,470,123	3,481,680
Human services	188,111	185,135	194,984	214,226
Leisure/culture	1,379,937	1,423,334	1,458,981	1,514,392
Education	2,526,003	2,397,613	2,502,054	2,408,524
	9,784,531	10,279,940	11,395,559	11,154,048
Operating grants and contributions	18,579,189	21,258,861	23,982,010	23,396,762
Capital grants and contributions	3,546,352	23,284,200	5,712,086	9,657,006
Total governmental activities program revenues	31,910,072	54,823,001	41,089,655	44,207,816
Total primary government net expenses	(117,366,480)	(104,926,472)	(118,145,716)	(119,994,960)
General revenues and other changes in net position:				
Governmental activities:				
Property taxes	122,557,674	125,688,970	128,517,167	134,371,417
Grants and contributions not restricted to specific programs	144,370	105,650	119,354	178,093
Unrestricted investment earnings	420,914	373,024	305,276	469,352
Gain (loss) on sale of capital assets	(66,020)	-	2,873,616	1,379,604
Capital contributions	4,591,000	472,300	509,500	-
Total governmental activities	127,647,938	126,639,944	132,324,913	136,398,466
Total Change in Net Position:				
Governmental activities	\$ 10,281,458	\$ 21,713,472	\$ 14,179,197	\$ 16,403,506

Table 2

		Fiscal Year									
		2015	2016	2017	2018	2019	2020				
\$	2,773,267	\$	4,501,967	\$	4,928,237	\$	4,906,496	\$	3,558,301	\$	3,614,713
	1,740,867		1,796,427		1,958,525		1,915,888		2,086,114		2,243,010
	6,474,631		6,822,060		7,446,025		6,522,052		6,574,031		6,666,251
	12,669,044		14,053,008		14,356,673		15,275,692		16,125,146		16,395,752
	10,975,918		11,032,856		12,274,493		11,818,642		11,833,440		13,182,845
	3,638,913		4,119,041		3,890,002		3,789,056		3,959,994		3,943,412
	3,034,591		3,261,539		3,030,255		3,093,526		2,962,089		3,003,813
	7,740,493		8,339,722		8,877,849		8,463,475		8,398,947		8,473,077
	116,887,944		122,929,957		130,869,093		135,100,166		124,973,432		141,549,173
	2,900,598		2,585,718		2,379,319		2,080,233		2,048,015		1,899,237
	168,836,266		179,442,295		190,010,471		192,965,226		182,519,509		200,971,283
	663,062		1,292,517		1,074,711		1,076,329		1,062,130		907,328
	2,046,272		2,381,040		3,695,960		1,881,947		1,414,436		2,909,636
	537,679		756,727		593,244		732,571		761,697		997,572
	31,578		33,222		27,275		37,441		309,673		410,437
	3,575,444		3,919,616		3,496,380		3,525,324		4,255,728		3,411,741
	209,169		217,714		222,347		180,479		200,442		157,857
	1,585,442		1,754,512		1,919,109		1,891,739		2,043,902		1,184,885
	2,159,117		2,110,809		1,954,154		1,880,616		1,809,190		1,235,387
	10,807,763		12,466,157		12,983,180		11,206,446		11,857,198		11,214,843
	20,754,777		22,428,207		30,741,544		32,038,968		18,406,679		33,387,752
	4,494,322		2,318,625		4,119,540		3,331,632		3,520,770		4,659,552
	36,056,862		37,212,989		47,844,264		46,577,046		33,784,647		49,262,147
	(132,779,404)		(142,229,306)		(142,166,207)		(146,388,180)		(148,734,862)		(151,709,136)
	136,885,474		140,296,610		142,548,603		147,569,385		150,506,963		154,354,447
	204,483		138,808		146,980		120,474		256,519		227,721
	499,031		935,203		423,716		856,465		2,432,123		2,010,841
	(38,297)		-		-		-		-		-
	-		-		-		-		-		-
	137,550,691		141,370,621		143,119,299		148,546,324		153,195,605		156,593,009
\$	4,771,287	\$	(858,685)	\$	953,092	\$	2,158,144	\$	4,460,743	\$	4,883,873

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

	Fiscal Year			
	2011*	2012	2013	2014
General fund:				
Nonspendable	\$ 266,034	\$ 256,476	\$ 252,167	\$ 223,188
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	3,366,844	2,386,401	2,323,703	1,045,142
Unassigned	15,958,589	15,890,555	21,881,949	25,648,081
Reserved	-	-	-	-
Unreserved/undesignated	-	-	-	-
Total general fund	\$ 19,591,467	\$ 18,533,432	\$ 24,457,819	\$ 26,916,411
All other governmental funds:				
Nonspendable	\$ 40,855	\$ 51,779	\$ 38,797	\$ 65,774
Restricted	1,985,169	1,881,849	1,772,533	5,143,573
Committed	19,096,641	20,323,177	20,045,428	21,130,041
Assigned	83,849	124,452	142,073	-
Unassigned	(6,888,970)	(989,284)	(3,842,280)	(3,046,633)
Total all other governmental funds	\$ 14,317,544	\$ 21,391,973	\$ 18,156,551	\$ 23,292,755

Table 3

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 223,564	\$ 217,267	\$ 218,628	\$ 202,704	\$ 225,431	\$ 212,291
-	-	-	-	-	-
-	-	-	-	-	-
1,143,003	1,001,234	2,121,442	1,678,597	1,394,049	3,044,292
24,339,992	25,843,730	24,315,641	23,876,227	27,601,660	30,073,812
-	-	-	-	-	-
-	-	-	-	-	-
\$ 25,706,559	\$ 27,062,231	\$ 26,655,711	\$ 25,757,528	\$ 29,221,140	\$ 33,330,395
\$ 58,498	\$ 37,797	\$ 38,606	\$ 36,608	\$ 37,029	\$ 45,301
3,995,838	2,263,358	2,170,965	1,663,022	2,035,260	1,460,337
24,751,335	26,488,882	27,252,707	27,840,928	29,716,152	30,921,208
-	-	-	-	-	-
(3,132,404)	(3,247,163)	(250,841)	(2,515,257)	(267,319)	(1,049,784)
\$ 25,673,267	\$ 25,542,874	\$ 29,211,437	\$ 27,025,301	\$ 31,521,122	\$ 31,377,062

Town of Glastonbury, Connecticut

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

	Fiscal Year			
	2011	2012	2013	2014
Revenues:				
Property taxes	\$ 123,041,929	\$ 126,040,914	\$ 128,472,632	\$ 133,909,658
Licenses and permits	789,486	884,941	1,042,305	1,062,965
Intergovernmental	15,141,206	35,237,827	20,054,747	20,679,938
Charges for services	7,146,269	7,591,533	7,893,389	7,980,340
Investment income	420,914	373,024	305,276	463,305
Unrealized investment income (loss)	-	-	-	-
Other	2,165,241	2,353,983	2,716,551	2,402,865
State payment for teacher's retirement system	6,834,000	9,010,000	9,462,000	11,477,065
Total revenues	155,539,045	181,492,222	169,946,900	177,976,136
Expenditures:				
Current:				
General government	2,711,663	2,713,125	2,763,750	2,843,420
Community development	1,821,437	1,829,362	1,762,554	1,748,810
Administrative services	5,610,331	5,605,900	5,838,088	6,132,621
Public safety	10,706,853	11,021,324	11,119,389	12,253,110
Physical services	6,216,519	8,588,617	6,371,239	6,478,656
Sanitation	2,191,813	2,309,070	2,320,431	2,386,174
Human services	2,700,551	2,726,637	2,867,048	2,791,127
Leisure/culture	5,908,807	6,145,720	6,110,748	6,263,893
Education	93,380,504	95,474,089	96,695,236	99,527,578
State payment for teacher's retirement system	6,834,000	9,010,000	9,462,000	11,477,065
Debt service:				
Principal	7,430,000	6,702,765	7,433,613	7,680,811
Interest	3,443,890	3,494,755	3,161,900	3,268,620
Capital outlay	10,570,574	26,358,103	14,400,310	18,361,870
Total expenditures	159,526,942	181,979,467	170,306,306	181,213,755
Excess (deficiency) of revenues over expenditures	(3,987,897)	(487,245)	(359,406)	(3,237,619)
Other Financing Sources (Uses):				
Issuance of bonds	-	6,395,000	-	8,950,000
Issuance of refunded bonds	28,550,000	14,545,000	-	9,480,000
Payment to escrow agent	(31,174,780)	(16,633,344)	-	(9,694,079)
Premium on bonds issued	2,624,780	2,196,983	-	380,454
Issuance of notes	18,600,000	-	-	135,000
Transfers in	8,589,017	10,692,734	10,195,410	4,653,977
Transfers out	(8,589,017)	(10,692,734)	(10,195,410)	(4,653,977)
Sale of general capital assets	-	-	3,048,371	1,581,040
Total other financing sources (uses)	18,600,000	6,503,639	3,048,371	10,832,415
Net change in fund balances	14,612,103	6,016,394	2,688,965	7,594,796
Fund balance at beginning of year	19,296,908	33,909,011	39,925,405	42,614,370
Fund balance at end of year	\$ 33,909,011	\$ 39,925,405	\$ 42,614,370	\$ 50,209,166
Debt service as a percentage of noncapital expenditures	7.30%	6.55%	6.80%	6.76%

Table 4

		Fiscal Year									
		2015	2016	2017	2018	2019	2020				
\$	137,088,886	\$	140,255,321	\$	142,041,710	\$	147,560,197	\$	151,222,713	\$	154,180,697
	1,014,893		1,655,217		1,447,584		1,442,652		1,429,480		1,286,420
	15,017,466		14,080,414		15,837,597		14,033,412		14,950,653		16,049,265
	7,843,594		8,774,124		8,362,685		8,126,326		8,636,698		7,205,274
	485,238		613,267		749,129		1,231,131		1,976,025		1,581,871
	-		308,089		(337,400)		(382,690)		387,257		428,970
	2,504,856		2,417,701		2,218,522		2,459,627		1,562,656		2,944,945
	9,019,032		10,420,522		18,586,525		20,613,490		6,976,796		15,355,215
	172,973,965		178,524,655		188,906,352		195,084,145		187,142,278		199,032,657
	2,934,917		2,952,448		2,943,450		3,038,972		3,280,357		3,291,033
	1,699,054		1,738,682		1,881,332		1,857,926		2,043,759		2,170,762
	6,385,266		6,717,279		7,064,677		6,194,202		6,429,907		6,463,695
	12,033,001		13,061,288		13,305,981		14,377,584		14,959,341		15,104,698
	6,812,516		6,531,451		6,734,016		6,943,112		7,053,345		7,206,812
	2,379,895		2,632,481		2,565,142		2,463,086		2,638,774		2,555,450
	2,785,624		2,971,784		2,800,200		2,787,792		2,760,010		2,710,890
	6,600,388		6,732,036		6,765,075		6,752,279		7,346,785		6,812,988
	102,324,041		104,490,362		105,251,040		109,309,258		111,456,524		113,810,460
	9,019,032		10,420,522		18,586,525		20,613,490		6,976,796		15,355,215
	7,772,816		7,419,642		7,754,319		7,730,982		7,303,026		6,081,253
	2,900,598		2,585,718		2,379,319		2,080,233		1,999,309		1,877,308
	8,172,844		9,076,654		8,292,903		14,031,033		7,784,219		18,174,127
	171,819,992		177,330,347		186,323,979		198,179,949		182,032,152		201,614,691
	1,153,973		1,194,308		2,582,373		(3,095,804)		5,110,126		(2,582,034)
	-		-		-		-		2,735,000		-
	-		-		-		-		3,800,000		14,500,000
	-		-		-		-		(4,094,446)		(9,014,455)
	-		-		-		-		389,431		1,007,096
	-		-		-		-		-		-
	6,915,987		13,186,305		16,103,976		19,769,565		16,678,853		19,981,622
	(6,915,987)		(13,186,305)		(16,103,976)		(19,769,565)		(16,678,853)		(19,981,622)
	16,687		30,971		679,670		11,485		19,322		54,588
	16,687		30,971		679,670		11,485		2,849,307		6,547,229
	1,170,660		1,225,279		3,262,043		(3,084,319)		7,959,433		3,965,195
	50,209,166		51,379,826		52,605,105		55,867,148		52,782,829		60,742,262
\$	51,379,826	\$	52,605,105	\$	55,867,148	\$	52,782,829	\$	60,742,262	\$	64,707,457
	6.49%		5.95%		5.69%		5.33%		5.31%		4.29%

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							
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
2020	3,029,980	707,979	312,658	198,157	23,714	4,225,060	36.90	6,167,971	68.50

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.

**Principal Taxpayers
Current Year and Nine Years Ago**

	2020			2011		
	Taxable Assessed	Rank	Percentage of Net Taxable Assessed Grand List ¹	Taxable Assessed	Rank	Percentage of Net Taxable Assessed Grand List ²
	Value			Value		
Connecticut Light & Power	\$ 49,984,750	1	1.18%	\$ 27,540,860	1	0.67%
Shops at Somerset Square LLC	28,651,700	2	0.68%	24,704,400	2	0.60%
New London Turnpike Apartments Investors LLC	28,019,300	3	0.66%			
Massachusetts Mutual Life Insurance Co.	18,736,700	4	0.44%	18,900,000	3	0.46%
Glastonbury Developers LLC	18,643,070	5	0.44%			
Glastonbury MZL LLC	17,850,000	6	0.42%	16,522,000	4	0.40%
SHP V Glastonbury LLC	16,797,330	7	0.40%			
Siebar Glastonbury LLC	15,933,200	8	0.38%	13,000,000	5	0.31%
Connecticut Natural Gas Corp	15,883,400	9	0.38%			
Briemor Residual Shoppes at Fox Run LLC	15,604,700	10	0.37%	12,139,700	7	0.29%
Grunberg 628 Hebron LLC	-	-	-	12,473,220	6	0.30%
S B U LLC	-	-	-	11,740,300	8	0.28%
PRA Suites at Glastonbury LLC	-	-	-	10,765,800	9	0.26%
PRA Glastonbury LLC	-	-	-	10,113,300	10	0.25%
	<u>\$ 226,104,150</u>		<u>5.35%</u>	<u>\$ 157,899,580</u>		<u>3.83%</u>

Source: Town Assessor's office

¹ Net Taxable Grand List, October 1, 2018: \$4,225,059,297

² Net Taxable Grand List, October 1, 2009: \$4,127,178,770

**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 ²	Total Collections to Date	
		Amount ¹	Percentage of Levy		Amount	Percentage of Levy
2011	\$ 122,201,916	\$ 121,393,374	99.34 %	\$ 762,978	\$ 122,156,352	99.96 %
2012	125,090,309	124,429,404	99.47	567,584	124,996,988	99.92
2013	128,299,243	127,582,218	99.44	612,069	128,194,287	99.92
2014	133,617,305	132,828,872	99.41	504,627	133,333,499	99.78
2015	136,682,892	135,894,309	99.42	579,491	136,473,800	99.84
2016	139,990,757	139,364,464	99.55	406,816	139,771,280	99.81
2017	142,244,077	141,459,736	99.45	639,625	142,099,361	99.79
2018	147,299,438	146,537,634	99.48	582,546	147,120,180	99.48
2019	150,874,905	150,136,086	99.51	431,549	150,567,635	99.51
2020	154,170,306	153,263,934	99.41	-	153,263,934	99.41

Source:

¹ Town Revenue Collection office.

² Town Finance office.

Town of Glastonbury, Connecticut

Table 8

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds ¹	Premium on Bonds	Total	Percentage of Actual Taxable Value of Property ⁴	Per Capita ⁵	Clean Water Fund Notes Payable ²	Term Notes Payable ³	Total Primary Government	Debt as a Percentage of Actual Taxable Value of Property ⁴	Debt Per Capita ⁵
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
2020	35,085	2,425	37,510	0.61%	1,088	10,871	-	48,381	0.78%	1,403

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

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

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

⁴ See Table 5 for taxable property value data.

⁵ See Table 11 for population data.

**Schedule of Debt Limitation
For the Year Ended June 30, 2020**

Tax base:	
Total tax collections (including interest and lien fees)	\$ 151,288,890
Reimbursement of revenue loss from tax relief for the elderly	<u>-</u>
Total tax base	<u>\$ 151,288,890</u>

	General Purpose	Schools	Sewer	Urban Renewal	Pension Deficit
Debt limitation:					
2-1/4 times base	\$ 340,400,003	\$ -	\$ -	\$ -	\$ -
4-1/2 times base	-	680,800,005	-	-	-
3-3/4 times base	-	-	567,333,338	-	-
3-1/4 times base	-	-	-	491,688,893	-
3 times base	-	-	-	-	453,866,670
Total debt limitations	<u>340,400,003</u>	<u>680,800,005</u>	<u>567,333,338</u>	<u>491,688,893</u>	<u>453,866,670</u>
Indebtedness:					
Bonds outstanding	19,427,800	15,657,200	-	-	-
Bonds authorized and unissued	6,907,062	-	-	-	-
Bond anticipation notes	6,395,000	-	-	-	-
Clean Water Fund notes	-	-	10,870,758	-	-
Total indebtedness	<u>32,729,862</u>	<u>15,657,200</u>	<u>10,870,758</u>	<u>-</u>	<u>-</u>
Debt limitation in excess of outstanding and authorized debt	<u>\$ 307,670,141</u>	<u>\$ 665,142,805</u>	<u>\$ 556,462,580</u>	<u>\$ 491,688,893</u>	<u>\$ 453,866,670</u>

Note: In no event shall total indebtedness exceed seven times the base for debt limitation computation: \$ 1,059,022,230

See notes to the financial statements for further information and explanation on the Town's indebtedness at June 30, 2020.

Town of Glastonbury, Connecticut

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

	2011	2012	2013	2014
Debt limit	\$ 835,494,023	\$ 859,972,099	\$ 881,587,371	\$ 900,743,193
Total net debt applicable to limit	105,703,742	99,423,346	105,349,500	91,986,430
Legal debt margin	\$ 729,790,281	\$ 760,548,753	\$ 776,237,871	\$ 808,756,763
Total net debt applicable to the limit as a percentage of debt limit	12.65%	11.56%	11.95%	10.21%

Table 10

	2015	2016	2017	2018	2019	2020
\$	938,369,383	\$ 960,676,976	\$ 982,829,946	\$ 994,896,924	\$ 1,032,181,675	\$ 1,059,022,230
	84,275,977	76,922,844	72,195,197	67,500,037	62,307,904	59,257,820
\$	854,093,406	\$ 883,754,132	\$ 910,634,749	\$ 927,396,887	\$ 969,873,771	\$ 999,764,410
	8.98%	8.01%	7.35%	6.78%	6.04%	5.60%

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

Fiscal Year	Population ⁽¹⁾	Median Family Income ⁽²⁾	Per Capita Personal Income ⁽²⁾	Median Age ⁽²⁾	Educational Attainment ⁽²⁾		School Enrollment ⁽³⁾	Unemployment Rate ⁽⁴⁾
					High School	Bachelors Degree		
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%
2020	34,491	134,909	58,082	45.6	97.0%	60.9%	5,811	3.5%

Sources:

⁽¹⁾ State of Connecticut Department of Public Health

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

⁽³⁾ Town of Glastonbury Board of Education

⁽⁴⁾ State of Connecticut Department of Labor

Town of Glastonbury, Connecticut

Table 12

Principal Employers
Current Year and Nine Years Ago

Name	Nature of Business	2020			2011		
		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	6.09%
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	0.69%
Home Depot	Home Centers	100-249	6	0.98%			
Super Stop & Shop	Grocers-Retail	100-249	7	0.98%	290	4	1.68%
Salmon Brook Nurse & Rehab Ctr	Nursing Homes	100-249	8	0.98%	200	5	1.16%
TCA Consulting Group	Employment Contractors	100-249	9	0.009836987			
Smith Brothers Insurance LLC	Insurance	100-249	10	0.98%			
Open Solutions	Computer Hardware& Software				450	2	2.60%
Ikon/Office Solutions	Office Equipment				300	3	1.73%
CIGNA Insurance Company	Insurance				150	6	0.87%
Bank of America Business Capital	Financial Services				130	7	0.75%
Flanagan Industries	Manufacturers				112	9	0.65%
International Aero Engineers	Manufacturers				250	10	1.44%
				<u>29.09%</u>	<u>3,056</u>		<u>17.65%</u>
Total Town Employment			est	<u>17,790</u>		est	<u>17,313</u>

Source: 2020 data - Connecticut Department of Labor - Labor Market Information
2011 data - Glastonbury FY2011 Comprehensive Annual Financial Report

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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General government:										
Town manager	3.0	3.0	3.0	3.0	3.0	3.0	2.0	2.0	2.0	2.0
Human resources	3.0	3.0	3.0	3.0	4.0	4.0	4.0	4.0	4.0	4.0
Facilities maintenance	12.0	12.0	12.0	13.0	18.5	17.2	17.2	17.2	17.2	17.2
Community development:										
Community development	4.5	3.5	4.5	4.5	4.5	4.5	4.5	5.5	5.5	5.5
Building inspection	4.0	4.0	4.0	4.0	4.0	4.5	4.5	4.5	4.5	4.0
Fire Marshal	2.0	2.0	2.0	2.0	2.5	2.5	2.5	2.5	2.5	2.5
Health	4.5	5.0	5.0	5.0	5.5	5.5	5.5	5.5	5.5	5.5
Administrative services:										
Financial administration	9.0	9.0	8.0	8.0	8.5	9.5	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	5.0
Revenue collection	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
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	79.0	78.0	75.0	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	11.5	12.5	12.5	13.0	13.0	13.0	13.0	12.5	12.5
Highway	21.0	22.0	22.0	22.0	23.0	22.5	22.5	22.5	22.5	22.5
Fleet maintenance	6.0	6.0	6.0	6.0	8.2	8.2	8.2	8.9	8.9	8.9
Sanitation:										
Water pollution	8.0	8.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0
Refuse disposal	2.0	2.0	2.0	2.0	6.1	6.1	6.1	6.1	6.1	6.1
Human services:										
Youth and Family Services	12.0	10.0	12.0	12.0	13.1	13.1	13.1	14.0	14.0	14.0
Senior and Community Services	6.0	8.0	7.0	9.0	16.8	16.8	16.8	16.1	16.1	16.1
Leisure/culture:										
Parks and recreation	22.0	22.0	22.8	22.0	23.8	23.8	23.8	24.3	24.3	24.3
Welles-Turner Library	10.0	10.0	10.0	10.0	15.6	15.6	15.6	15.6	17.7	17.7
Education	790.0	789.0	786.0	801.0	806.8	814.3	823.2	824.6	809.2	788.1
Total	1,030.8	1,030.3	1,030.1	1,044.3	1,084.2	1,091.4	1,098.3	1,102.1	1,088.3	1,066.7

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**

	2020	2019	2018	2017
Building/community development:				
Alterations - residential/commercial	1,044	913	2,037	1,990
Number of subdivisions approved	1	2	2	4
New residential dwellings	42	35	27	25
New commercial buildings	15	19	2	7
Fire marshal:				
Fire investigations completed	23	47	46	26
Assembly occupancy inspections	34	659	670	467
Health:				
Routine inspections	603	912	891	995
Complaint inspections	100	220	216	223
Financial administration:				
Percent of taxes to total revenue	91.05%	92.64%	91.52%	90.90%
Property assessment:				
Grand list accounts	54,412	54,088	54,102	53,794
Adjusted grand list accounts	3,001	3,106	3,198	3,153
Revenue collection:				
Collection rate	99.41%	99.51%	99.50%	99.45%
# of real estate tax bills	13,958	13,937	13,936	13,935
# of motor vehicle tax bills	32,226	32,093	32,058	31,661
# of personal property tax bills	2,229	2,198	2,228	2,198
# of supplemental motor vehicle bills	5,448	5,382	5,352	5,466
Police:				
Uniform strength	59	56	57	55
Dispatches for service	17,490	17,845	16,972	17,662
Medical calls	2,560	2,367	2,229	2,293
Motor vehicle accidents	776	702	858	911
Arrests (Adult)	448	410	432	519
DUI Arrests	60	50	-	-
Town Code Tickets	72	26	33	75
Traffic Tickets	1,290	2,154	1,882	2,224
Motor vehicle stops	2,529	3,619	-	-
Alarm Responses	1,487	1,617	1,549	1,522
FBI Part 1 property & violent crimes	402	408	393	528

Table 14

2016	2015	2014	2013	2012	2011
1,956	1,523	1,575	574	972	717
5	3	-	4	6	-
25	15	19	21	47	44
8	0	4	2	2	4
43	63	91	81	130	116
236	300	278	265	156	202
967	996	914	1,100	1,414	971
76	142	113	173	145	220
91.60%	90.80%	91.10%	86.40%	88.99%	89.49%
53,657	53,690	53,480	53,467	53,027	52,836
3,337	2,566	2,342	2,418	2,211	2,368
99.55%	99.42%	99.41%	99.44%	99.47%	99.34%
13,945	13,874	13,871	13,844	13,782	13,774
31,883	32,126	31,756	31,839	31,908	31,877
2,210	2,190	2,165	2,123	2,120	2,086
5,068	4,953	5,157	4,993	4,654	4,551
59	56	57	52	56	57
18,162	18,264	18,726	20,030	19,223	17,145
2,195	1,859	1,707	1,614	1,637	1,663
766	874	888	932	779	806
429	475	572	596	563	536
82	61	100	73	99	91
117	96	131	137	152	82
1,893	2,121	2,530	2,568	2,281	1,505
5,799	5,660	7,845	7,198	7,686	5,766
1,486	1,499	1,510	1,669	1,789	1,739
432	281	314	295	347	347

(Continued)

Town of Glastonbury, Connecticut

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

	2020	2019	2018	2017
Fire:				
Uniform strength	113	109	122	120
Full time	2	2	2	2
Emergency incidents	826	824	817	851
Structure fires	14	12	7	8
Fire training hours	6,548	9,128	7,529	6,946
Engineering:				
Right of way permits	304	312	328	340
Sanitation sewer permits	58	63	55	59
Highway:				
Snow routes	21	21	21	21
Road miles plowed	16,671	24,751	34,470	32,627
Lane miles paved/street resurfacing	14.5	13	15	14
Catch basins cleaned	290	325	425	357
Water Pollution Control:				
Average daily treatment flow (gal/day)	2.44 million	2.63 million	1.95 million	1.97 million
Gallons of sludge disposed	2,450,500	2,821,000	2,742,500	2,576,500
Refuse disposal:				
Annual tons of solid waste collected	1,451	1,515	1,525	1,574
Vehicles at hazard waste collection	478	732	765	442
Permits issued	5,525	6,750	7,474	7,254
Senior and Community Services:				
Senior center participation	24,095	36,171	35,084	34,006
Outreach clients	2,818	1,987	1,940	1,641
Dial-A-Ride participation	12,704	18,599	18,287	18,963
Youth and Family Services:				
Clinical clients	2,473	1,456	1,444	1,453
Youth program participation	957	1,143	1,135	914
Parks:				
Program participation registrations	58,432	71,495	76,661	88,064
Fields maintained	54	54	54	54
Rounds of golf played	20,654	11,630	12,387	11,655
Hours of athletic field use	38,781	46,537	41,449	43,942
Library:				
Library transactions	264,926	320,762	324,760	342,785
Self check library transactions	221,344	281,490	270,385	294,985

Source(s): Various Town Departments

Table 14

2016	2015	2014	2013	2012	2011
116	115	111	114	111	111
2	2	2	1-2	1	1
870	851	858	950	1295	1139
13	15	25	35	34	17
6,449	7,053	7,379	7,800	7,777	6,870
296	416	270	209	253	295
50	42	31	36	63	38
21	21	21	21	21	21
25,400	47,812	50,007	36,200	13,766	45,335
11	15	12	18	9	11
365	360	250	215	237	273
2.03 million	2.07 million	2.14 million	2.20 million	2.29 million	2.14 million
2,359,500	2,246,000	2,184,000	2,312,000	2,977,500	3,022,500
1,600	1,595	1,622	2,087	1,864	2,024
411	427	457	563	421	441
7,350	7,135	6,897	6,450	6,475	6,252
31,879	30,210	30,428	33,392	43,759	44,372
1,245	1,216	1,480	1,467	1,454	1,401
22,687	24,688	24,151	19,633	20,243	20,169
1,175	1,085	1,094	1,183	1,076	1,184
928	1,875	8,944	10,748	10,397	10,530
87,405	79,205	84,325	98,668	92,920	92,540
54	54	54	54	54	53
15,394	14,229	13,010	15,599	13,594	16,763
45,389	43,441	45,576	43,596	46,267	47,077
382,471	403,943	452,381	470,070	481,960	335,729
305,976	18,640	17,433	28,204	36,277	35,898

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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
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	21	13	20	20	21	21
Fire hydrants	782	775	775	775	775	711	709	709	709	708
Highway:										
Storm drains	5,842	5,842	5,842	5,838	5,838	5,838	5,813	5,813	5,808	5,791
Street miles - center line	222	222	222	222	222	222	222	222	222	222
Expressways (miles)	13	13	13	13	13	13	13	13	13	13
Residential streets (miles)	172	172	172	172	172	172	172	172	172	172
Total street lights	1,003	1,003	1,003	1,003	1,003	1,003	1,003	1,003	1,003	1,003
Traffic signals	17	17	17	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	105	102	102	102	102	102
Senior and Community Services:										
Community center	1	1	1	1	1	1	1	1	1	1
Natural Gas Sedan	2	2	2	2	2	3	2	1	1	1
Dial-A-Ride Buses:										
Vans - Diesel	1	1	1	1	1	2	2	2	6	6
CNG	4	4	4	5	5	3	3	4	1	1
Electric Hybrid	1	1	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	54	53	54	54	54	54	54	54	54	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