

Annual Comprehensive Financial Report

of the

Town of Groton



Fiscal Year Ended June 30, 2021

TOWN OF GROTON, CONNECTICUT

Annual Comprehensive Financial Report

for

**the Fiscal Year Ended
June 30, 2021**

Prepared By:

The Finance Department

TOWN OF GROTON
TABLE OF CONTENTS
JUNE 30, 2021

Introductory Section		Page
	Letter of Transmittal	i-xii
	GFOA Certificate of Achievement	xiii
	Organization Chart	xiv
	List of Principal Officials	xv
Financial Section		
	Independent Auditors' Report	1-3
	Management's Discussion and Analysis	4-16
	Basic Financial Statements	
Exhibit	Government-Wide Financial Statements:	
I	Statement of Net Position	17
II	Statement of Activities	18
	Fund Financial Statements:	
III	Balance Sheet - Governmental Funds	19-20
IV	Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	21-22
V	Statement of Net Position - Proprietary Funds	23
VI	Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds	24
VII	Statement of Cash Flows - Proprietary Funds	25
VIII	Statement of Fiduciary Net Position - Fiduciary Funds	26
IX	Statement of Changes in Fiduciary Net Position - Fiduciary Funds	27
	Notes to Financial Statements	28-72
	Required Supplementary Information	
RSI-1	General Fund Schedule of Revenues and Other Financing Sources - Budget and Actual	73-75
RSI-2	General Fund Schedule of Expenditures and Other Financing Uses - Budget and Actual	76-77
RSI-3	Schedule of Changes in Net Pension Liability and Related Ratios - Town and BOE	78
RSI-3	Schedule of Changes in Net Pension Liability and Related Ratios - Ledge Light	79
RSI-3	Schedule of Changes in Net Pension Liability and Related Ratios - Firefighters	80
RSI-4	Schedule of Employer Contributions - Town and BOE	81
RSI-4	Schedule of Employer Contributions - Ledge Light	82
RSI-4	Schedule of Employer Contributions - Firefighters	83
RSI-5	Schedule of Investment Returns	84
RSI-6	Schedule of the Town's Proportionate Share of the Net Pension Liability - Teachers Retirement Plan	85

TOWN OF GROTON
TABLE OF CONTENTS
JUNE 30, 2021

Introductory Section		Page
	Letter of Transmittal	i-xiv
	GFOA Certificate of Achievement	xv
	Organization Chart	xvi
	List of Principal Officials	xvii
Financial Section		
	Independent Auditors' Report	1-3
	Management's Discussion and Analysis	4-16
	Basic Financial Statements	
Exhibit	Government-Wide Financial Statements:	
I	Statement of Net Position	17
II	Statement of Activities	18
	Fund Financial Statements:	
III	Balance Sheet - Governmental Funds	19-20
IV	Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	21-22
V	Statement of Net Position - Proprietary Funds	23
VI	Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds	24
VII	Statement of Cash Flows - Proprietary Funds	25
VIII	Statement of Fiduciary Net Position - Fiduciary Funds	26
IX	Statement of Changes in Fiduciary Net Position - Fiduciary Funds	27
	Notes to Financial Statements	28-72
	Required Supplementary Information	
RSI-1	General Fund Schedule of Revenues and Other Financing Sources - Budget and Actual	73-75
RSI-2	General Fund Schedule of Expenditures and Other Financing Uses - Budget and Actual	76-77
RSI-3	Schedule of Changes in Net Pension Liability and Related Ratios - Town and BOE	78
RSI-3	Schedule of Changes in Net Pension Liability and Related Ratios - Ledge Light	79
RSI-3	Schedule of Changes in Net Pension Liability and Related Ratios - Firefighters	80
RSI-4	Schedule of Employer Contributions - Town and BOE	81
RSI-4	Schedule of Employer Contributions - Ledge Light	82
RSI-4	Schedule of Employer Contributions - Firefighters	83
RSI-5	Schedule of Investment Returns	84
RSI-6	Schedule of the Town's Proportionate Share of the Net Pension Liability - Teachers Retirement Plan	85

<u>Exhibit</u>		<u>Page</u>
RSI-7	Schedule of Changes in Net OPEB Liability and Related Ratios - OPEB	86
RSI-8	Schedule of Employer Contributions - OPEB	87
RSI-9	Schedule of Investment Returns - OPEB	88
RSI-10	Schedule of the Town's Proportionate Share of the Net OPEB Liability - Teachers Retirement Plan	89
Supplemental and Combining Fund Statements and Schedules		
General Fund:		
A-1	Balance Sheet	90
A-2	Statement of Revenues and Expenditures - Budgetary Basis - Budget and Actual	91
A-3	Schedule of Board of Education Expenditures and Encumbrances Compared with Appropriations - Budgetary Basis	92
A-4	Combining Balance Sheet Schedule	93
A-5	Combining Schedule of Revenues, Expenditures and Changes in Fund Balances	94
A-6	Schedule of Revenues and Expenditures - Budgetary Basis - Budget and Actual - Revaluation Fund	95
A-7	Schedule of Revenues and Expenditures - Budgetary Basis - Budget and Actual - Computer Replacement Fund	96
Nonmajor Governmental Funds:		
B-1	Combining Balance Sheet	97-100
B-2	Combining Statement of Revenues, Expenditures and Changes in Fund Balances	101-104
B-3	Schedule of Revenues and Expenditures - Budgetary Basis - Budget and Actual - Special Library Fund	105
B-4	Schedule of Revenues and Expenditures - Budgetary Basis - Budget and Actual - Golf Course Fund	106
B-5	Schedule of Revenues and Expenditures - Budgetary Basis - Budget and Actual - Sewer Operating Fund	107
B-6	Schedule of Revenues and Expenditures - Budgetary Basis - Budget and Actual - Solid Waste Fund	108
B-7	Schedule of Revenues and Expenditures - Budgetary Basis - Budget and Actual - Mumford Cove District	109
B-8	Schedule of Revenues and Expenditures - Budgetary Basis - Budget and Actual - Groton Sewer District	110
B-9	Schedule of Revenues and Expenditures - Budgetary Basis - Budget and Actual - Rec & Senior Activities	111
Internal Service Funds:		
C-1	Combining Statement of Net Position	112
C-2	Combining Statement of Revenues, Expenses and Changes in Net Position	113
C-3	Combining Statement of Cash Flows	114

<u>Exhibit</u>		<u>Page</u>
	Other Schedules:	
D-1	Schedule of Property Taxes Levied, Collected and Outstanding - General Fund	115
D-2	Schedule of Property Taxes Levied, Collected and Outstanding - Mumford Cove District	116
D-3	Schedule of Property Taxes and Levied, Collected and Outstanding - Groton Sewer District - Debt Service Fund	117
D-4	Schedule of Changes in Bond Indebtedness	118
D-5	Schedule of Expenditures and Encumbrances Compared with Appropriations - Capital Improvements Fund	119-120

Statistical Section

<u>Table</u>		
	Financial Trends:	
1	Net Position by Component	121
2	Changes in Net Position	122
3	Fund Balances of Governmental Funds	123
4	Revenues, Expenditures and Changes in Fund Balance - Governmental Funds	124
	Revenue Capacity:	
5	Assessed and Estimated Actual Value of Taxable Property	125
6	Principal Taxpayers	126
7	Property Tax Levies and Collections	127
8	Direct and Overlapping Property Tax Rates	128
	Debt Capacity:	
9	Ratio of Net General Bonded Debt to Assessed Value and Net General Bonded Debt Per Capita	129
10	Ratios of Outstanding Debt by Type	130
11	Schedule of Debt Limitation	131
12	Legal Debt Margin Information	132
13	Calculation of Direct Debt and Current Debt Ratios	133
	Demographic and Economic Statistics:	
14	Demographic and Economic Statistics	134
15	Principal Employers	135
	Operating Information:	
16	Full-Time Government Employees by Function/Program	136
17	Operating Indicators by Function/Program	137
18	Capital Asset Statistics by Function/Program	138

Introductory Section



TOWN OF GROTON

FINANCE DEPARTMENT

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To: Town Manager, Members of the Town Council, Representative Town Meeting and Citizens of the Town of Groton.

Connecticut State Statute requires that all municipal entities publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement we hereby issue the Annual Comprehensive Financial Report (ACFR) of the Town of Groton for the fiscal year ended June 30, 2021.

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

The Town of Groton's financial statements have been audited by CliftonLarsonAllen LLP (CLA), 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 Groton for the fiscal year ended June 30, 2021, 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 auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Town of Groton's financial statements for the fiscal year ended June 30, 2021, 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 Groton was part of broader federally and state mandated “Single Audits” designed to meet the special needs of federal and state grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the 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 Groton’s separately issued Single Audit Reports. GAAP requires 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 MD&A and should be read in conjunction with it. The Town of Groton’s MD&A can be found immediately following the report of the independent auditors.

Profile of the Government:

The Town of Groton covers approximately 38 square miles along 40 miles of coastline on Long Island Sound and is located in New London County in the southeastern section of Connecticut. It is bounded on the north by the Town of Ledyard, on the east by the Mystic River, on the west by the Thames River, and on the south by Long Island Sound. Based on the State of Connecticut’s Department of Public Health, the Town’s population is approximately 38,445 residents. Originally part of the City of New London, the Town was incorporated May 10, 1705 and lies equidistant between New York City and Boston.

Within the Town of Groton there are two political subdivisions, the City of Groton (City) and Groton Long Point Association (GLPA). In addition, there are seven (7) special taxing districts within the Town. For the political subdivisions, the Town funds a portion of their public works and public safety budgets. The special districts are organized units of government within the Town, having separate governing bodies. They were established by special acts of the State legislature for specific purposes such as fire protection. All these governmental units have individual taxing authority.

Governing Body:

The structure of the Town’s government combines a modern professional approach with the traditional town meeting form. Since 1957, the Town has been governed by a Town Council-Town Manager-Representative Town Meeting (RTM) structure. Revisions to the Town Charter were approved at a voter referendum on November 4, 2008 with those revisions taking effect on January 3, 2009.

The Town Council is responsible for determining policy and appointing the Town Manager to execute this policy and administer the day-to-day affairs of the Town. The Council holds public hearings on the budget and sets the tax rate. It appoints one of its nine (9) members as Mayor to serve as chairperson of its meetings and as the Town’s representative at ceremonial functions. The councilors each are elected for two-year terms.

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The Town Manager is appointed by and directly responsible to the Council and serves for no definite term, but at the pleasure of the Council. The Manager is responsible to the Council for the supervision and administration of Town departments. The Council also appoints the Town's independent auditor and the Town Attorney.

Services:

The Town of Groton provides a full range of services, including education, public safety, the construction and maintenance of highways and streets, storm and sanitary sewers and infrastructure; social services, parks and recreational activities and cultural events. For FYE 2021, approximately 253 full-time municipal employees provided services to a community of 38 square miles and 38,445 residents.

Budgetary Process:

The annual budget serves as the foundation for the Town of Groton's financial planning and control. The Town departments are required to submit requests for appropriation to the Town Manager on or before January 14th. The Board of Education and the political subdivisions within the Town of Groton are required to submit requests for appropriation on or before February 28th. The Town Manager uses these requests as the starting point for developing a proposed budget. The Town Manager presents this proposed budget to the Council for review not later than March 15th. The Council is required to hold at least one public hearing on the proposed budget not later than April 6th. On or before April 28th, the Council approves a budget that it sends to the RTM for consideration and its final approval. The RTM takes final action on the budget not later than May 25th. Following RTM approval of a final budget, the Council shall determine the final tax rate on or before June 9th. The appropriated budget is prepared by fund and function (e.g., public works, public safety).

In other matters, the RTM has the power of initiative to institute legislation or force reconsideration of an ordinance already adopted by the Town Council. The forty-one (41) RTM members are elected by seven (7) voting districts for two-year terms.

Expenditure Control:

The Town maintains budgetary controls to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Town Council and RTM. Activities of the general fund, certain special revenue funds and the debt service fund are included in the annual appropriated budget. Project-length budgets are prepared for several special revenue funds and for the capital project fund. The level of budgetary control (i.e., the level at which expenditures cannot legally exceed the appropriated amount) is the function level within each fund.

At the direction of the Town Manager, all Department Directors are expected to follow strict guidelines for expenditure control within the approved function appropriation. The Town Manager reserves the right to set "administrative spending authority" limits when justified to maintain the fiscal integrity of the budget. Department Directors are evaluated on budget management abilities. The Finance Department also monitors expenditures to budget through the general ledger/accounting system.

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The Town maintains an encumbrance accounting system as another method of maintaining budgetary control. All purchases, except certain services as outlined in the Town's Purchasing Manual, require a purchase requisition and a purchase order. In addition, purchases over \$1,000 require evidence that quotations were received and that the lowest quote, consistent with quality, was selected. For FYE 2021, the Town solicited formal competitive bids for expenditures at or above \$15,000. Purchases that are on a state contract or cooperative purchasing agreement are not subject to the quote or bid requirements. Funds are recorded as encumbered when the purchase order is issued and expenditures are recorded when the Town incurs a liability.

All unencumbered operating appropriations will lapse at year-end. In the Capital Projects Funds, appropriations are continued until completion of the projects or five years from date of appropriation, whichever is less. Budgetary control in the Capital Projects Funds is achieved by the constraints imposed by the project's authorization or grant awards related to these funds.

Local Economy:

Groton was settled primarily by farmers, but they turned early to shipbuilding and the maritime trade to supplement their livelihood. Groton became known as the Submarine Capital of the World when the Electric Boat Division of General Dynamics delivered 74 diesel submarines to the Navy in World War II. This was followed in 1954 with the launch of the USS Nautilus, the world's first nuclear-powered submarine, now permanently berthed at Goss Cove near the Submarine Base. Today Groton is a regional center for commerce and industry while its shoreline location and its many historical sites have made the region a prime tourist attraction. The three top employers are U. S. Navy Submarine Base, Electric Boat Corporation and Pfizer Inc. As of June 2021, the Town had an unemployment rate of 7.1% as compared to the New London County rate of 7.4%, the state's average rate of 6.8% and the national average of 5.9%. New London County has an employed labor force of approximately 116,956 residents.

Impact of COVID-19

On March 10, 2020 Governor Ned Lamont declared a state of emergency throughout the State of Connecticut as a result of the COVID-19 outbreak. The impact of the state of emergency and subsequent executive orders was far reaching: public schools were closed and began distance learning for all students; social and recreational gatherings were restricted; restaurants were limited to take-out and delivery only; closure of all non-essential entities including gyms, fitness centers, movie theaters, indoor shopping malls, barbers and hair and nail salons.

On April 1, 2020 Governor Lamont issued Executive Order No 7S which included the requirement that all municipalities offer a tax relief program to eligible taxpayers impacted by COVID-19. Municipalities were required to offer at least one of the following programs: a 90-Day Deferment Program or a 90-Day Low Interest Rate Program. Both programs were applicable to amounts payable or delinquent between March 10, 2020 and July 1, 2020. The Groton Town Council voted to participate in both programs. Since taxes are due in two installments (July 1 and January 1) in Groton the majority of taxes had already been received for FYE 2020 and the impact of the tax relief programs was minimal as of June 30, 2021. The stimulus checks issued during FYE 2020 and FYE 2021 had a significant impact on tax collections as many taxpayers used these funds to either bring their accounts current or to pay the second installments of real estate taxes. While current tax collections have been steady the impact to FYE 2022 is unknown at this time.

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In an effort to mitigate the exposure to and spread of CoVid-19 the Town offices were closed to the public and open by appointment only from December 2020 until April 2021. With the arrival of the Delta variant and a surge in infections both locally and across the state, the Town Manager issued an indoor mask mandate for all indoor public spaces regardless of vaccination status in August 2021. This authority was given to municipalities by Governor Lamont in his Executive Order 13a. The indoor mask mandate was lifted in November 2021.

The Town of Groton will continue to work closely with Ledge Light Health District and will make necessary changes related to CoVid-19 as they may be warranted or recommended.

Grand List increased by 0.8%: The October 1, 2020 net adjusted taxable Grand List increased 0.8% from the 2019 Grand List after the Board of Assessment Appeals. The net adjusted grand list now totals \$3,739,661,429. The combined assessments of the top ten taxpayers fell from \$750 million to about \$743. Pfizer remains the Town's largest taxpayer, but Electric Boat remains strong as the second largest taxpayer. Net real estate increased to \$3.260 billion. The net personal property grand list experienced a slight increase of 0.6%. The personal property net assessments for both Pfizer and Electric Boat fell as typical depreciation is applied. The offset to this loss is due to the capture of assessments for construction equipment located on several large commercial construction sites. The motor vehicles portion of the grand list grew by 8.8% from \$206 million to \$225 million. A more detailed analysis is presented in the Management Discussion and Analysis (MD&A) section of the ACFR.

Long-term Financial Planning/Relevant Financial Policies:

The unassigned fund balance in the general fund (23.0% of the FYE 2022 adopted general fund expenditures) is above the Town Council's Debt Policy and Management/Fiscal Practices that was initially adopted in September 1993 and revised in October 2021. The policy states that the unassigned fund balance shall be maintained in an amount equal to at least fifteen (15%) percent.

The Town Charter provides for the Town Manager to propose in the annual budget to the Town Council an allocation of funds to the capital reserve fund. This fund was established for future capital and nonrecurring expenditures for the town. This allocation is to be not less than four percent of the general fund budget, less the amount necessary to defray general fund obligated debt service. This amount is subject to approval of the Town Council and Representative Town Meeting. The proposed amount of \$4,351,000 was reduced to \$3,700,000 by the Town Council and further reduced by the RTM to \$3,610,000.

Major Initiatives for the Fiscal Year Ended June 30, 2021:

Road Maintenance and Rehabilitation Program:

On November 6, 2012 the voters of the Town approved an Ordinance appropriating \$11,200,000 and authorized the issuance of bonds and notes in the same amount for road maintenance and rehabilitation program for the Town's accepted network of roads. Included in the program are town-accepted roads within the geographical boundaries of the City of Groton and of the Groton Long Point Association. The Town Council and RTM through their respective actions extended the authorization through April 2022, allowing sufficient time to complete the program.

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In December 2020 the Town Council decided not to continue with issuing bonds as a means of funding road maintenance and rehabilitation, but rather to include it as part of the annual budget process in the Capital Improvement Program, as was done prior to 2012.

Water Pollution Control Facility:

At a November 2015 referendum voters approved an \$8,230,000 sewer bond authorization to provide funding for two major projects in the Town of Groton's Water Pollution Control Division.

- **Rehabilitation of the Fishtown Road Pump Station:**

This project consists of a major rehabilitation and renewal of the Fishtown Road Pump Station. This collection system intermediate pump station collects wastewater discharges for residences, businesses and a middle school and conveys the wastewater under pressure through the collection system for treatment. A contract was awarded in June of 2017 with construction starting in September of 2017. The project was completed in November 2018 and the station is operational.

- **Refurbishment of the Effluent Pump Station:**

This project involves major work at the Water Pollution Control Facility (WPCF). The WPCF collects, treats, disinfects and discharges the wastewaters of the Town of Groton. This project consists of renovation and renewal of the effluent pump station, upgrades and relocation of major electrical service equipment, and replacement of significant underground piping and valve infrastructure. The project was awarded in July 2018 and construction started in August 2018. The project was completed in September 2020.

School Projects, Groton 2020:

The Groton 2020 Plan calls for a new middle school to be built on the Merritt property, a site adjacent to the high school, to serve the entire Town. The plan also includes constructing two new elementary schools, on the sites of the two existing middle schools to serve the students of three aging elementary schools. It is anticipated that two of the three vacated elementary schools will be returned to the Town for future disposition. The Groton Board of Education intends to keep the third vacant school.

The Public Works Department selected a Program Management firm to assist the Department in managing the Architects and Construction Manager at Risk for all three schools. The projected cost estimate for Groton 2020 is approximately \$184.5 million with a portion of this to be a grant from the State. The project was approved by the voters at a November 2016 Referendum.

Construction of the middle school began in March 2019 and was substantially completed and opened to students in September 2020. The elementary schools are currently under construction with scheduled completion in August 2021 for students to occupy in September 2021.

Contracts for all three schools will be closed out in early 2022 and submitted to the State of Connecticut Office of School Construction Grants and Review for scheduling a final audit. This final audit can take a year or more. The State will withhold 11% of all reimbursement funds until they complete their final audit.

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Economic Development Marketing:

Staff relied heavily upon its standalone economic development website www.exploremoregroton.com. The website is a resource for site selectors and local businesses as well as prospective area residents and employees. Data provided on the site includes available commercial properties, demographic data, resources, news and events relevant to the local business community. The website also includes monthly articles showcasing local businesses. In addition, the department publishes a digital monthly newsletter. Website and social media metrics are tracked monthly. To complement the digital marketing resources, staff members have exhibited at events and conventions to build relationships and raise Groton's profile. The events have included International Council of Shopping Centers ICSC "Deal Making" conventions in NYC and Boston to attract investors. This opportunity further showcased Groton through a promotional table. Numerous one-on-one meetings were held with realtors, investors and developers to highlight Groton's opportunities. As a result of economic development efforts, Groton was awarded a "Best Practices" award from the Connecticut Economic Development Association in October 2019.

Wayfinding Sign Master Plan:

Staff was successful in gaining \$50,000 in CIP funding to begin Phase I of the Wayfinding Signage Master Plan. This plan helps orient travelers (motor vehicle, bicyclists, and pedestrians) throughout Groton with cohesive signage. The signage also creates a sense of pride throughout the community. The goal of rebranding and actively marketing Groton is to attract new businesses as well as residents to the area. It is envisioned that plan implementation will be completed in phases as funding is made available. Fundraising also included reaching out to non-profit groups such as Rotary Clubs. The Town's consultant BETA, and staff are working to implement key signs in Mystic and on Route 1. Some signs were installed in front of the Town Hall Annex and Police Department.

Mystic Parking Management: Staff initiated the Mystic Strategic Parking effort. The effort focused on short-ranged efforts to improve parking management efficiency. These included better use of existing parking spaces, enforcement, and technological management solutions including parking meters.

Economic Development Strategies Plan: Staff coordinated the completion of this town and city economic development strategies document including assistance from Camoin, a consultant. This document outlines how numerous strategies are to be integrated and implemented in the future. Four meetings were held at various locations and times throughout the town. The meetings were well attended by the public and town officials. See related story: <https://www.exploremoregroton.com/news-and-media/news/p/item/24116/groton-officials-to-present-road-map-of-economic-development-initiatives>



COVID General Response:

Staff began responding to the COVID impacts to the business community in March 2020. Staff began tracking the COVID-19 progression including the evolving disruptions to businesses primarily due to state and federal restrictions. Staff participated in regular updates with the Governor, DECD, SBA and IEDC as the situation intensified. Staff also began relaying important federal and state resource information to the public through its marketing channels including social media and web page: <https://www.exploremoregroton.com/doing-business/disaster-> Surveys were conducted to best understand business impacts. Signage was developed and distributed for public areas and business entryways advising of public safety measures. Additionally, Groton facemasks were ordered and delivered to restaurants and retail establishments. Numerous public virtual meetings were held with partners to advise of the public health status and also to strategize including the Long-Term Recovery Committee.

COVID-19 Business Resources: Staff participated in regular updates with the Governor, DECD, SBA, SBDC, IEDC, ICSC, CEDAS, seCTer, banks, and federal/state legislators. Although federal resources were being approved through CARES Act provisions, there was significant confusion and delay in distributing funds to small business needs. This is particularly true with the Payroll Protection Program (PPP), Economic Injury Disaster Loan (EIDL) and CT Bridge Loan program. Staff built a dedicated COVID-19 Business Assistance web page on which daily updates were made including primary source data and hyperlinks to ensure real time information updates and to avoid errors in paraphrasing. <https://bit.ly/GrotonBizRecovery> Social media sources were also used to most quickly disseminate critical information.

COVID-19 Restaurant Promotions: Staff immediately began documenting restaurants that closed and more importantly, knowing which ones were open. Open restaurants were promoted on our website including name, hours of operation, phone, website, social media, and any other special information - <https://bit.ly/GrotonEats>. As of this report, there were over 50 restaurants

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listed. Staff launched an “Eat Local, Win Local” promotion intended to help existing, open restaurants. Gross receipts have been significantly reduced at most standard restaurants that had not previously relied on “take out” service. This promotion complimented staff’s efforts to publicize the open restaurants and to also increase sales by patronizing local operations. Social media and online responses to this program and the restaurant listings were highly positive. <https://www.theday.com/article/20200415/NWS01/200419661>

COVID-19 Business Survey: Staff and Naviretail, a consultant, conducted digital surveys asking business owners and operators about experienced COVID-19 impacts and how they were responding. The purpose was to help Groton target issues, needs, future direction and resources. The survey was promoted via an e-mail to commercial tax payers as well as through social media. A summary of the findings can be found at <https://www.exploremoregroton.com/doing-business/covid19-business-survey>. Key findings of the survey are as follows:

- 49 percent of businesses responding had closed temporarily at the time of the survey
- 73 percent of businesses responding indicated that cash loans or grants were critical to their recovery
- More than half the businesses surveyed planned to take advantage of the Small Business Administration’s Payroll Protection Program (SBA – PPP)
- Nearly 60 percent of businesses surveyed expect to close permanently if they cannot re-open by July 2021

- gyms/recreational sports having problems recouping time lost and disinfecting space is challenging due to product short fall
- salons challenged with PPE hard to find and high risk between workers/patrons
- hotels/motels struggled when only allowed to admit essential workers as guests
- single proprietors had one source of income, but cannot take on other work due to restrictions
- small businesses having issues purchasing PPE (supply and cost),
- issues with customers following safety protocol,
- 28% of businesses were rejected by federal financial assistance (SBA/PPP/EIDL),
- supply chain issues due to short falls,
- multi-lingual translation challenges, and
- government hotline resources for unemployment or loans “can be a wild goose chase.”

COVID-19 Outdoor Dining and Retail: OPDS staff responded quickly to the Governor’s order enabling restaurants and retail to use outdoor spaces dining and sales during the Phase I reopening. An application for temporary outdoor dining and sales can be found here <https://bit.ly/GrotonBizRecovery> plus guidance information. Several restaurants have successfully applied and received approval. Most applications are approved within a 1-2-day timeframe. Groton is being as flexible as possible to assist businesses to accommodate outdoor spatial needs including use of parking areas and public spaces.

CDBG – CV Grant Funding: Staff worked with ECHO to prepare for a Community Development Block Grant (CDBG) COVID grant proposal for Groton. This targeted about

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\$300,000 addressing an initial \$7 million in grant funds for small communities in CT. The grant will establish a stockpile of critical PPE and supplies which were and are difficult to purchase during the current pandemic including face masks, N-95 respirators, gloves, Tyvek protective clothing, Plexi-Glass for barriers, plastic sheeting for isolation and critical barriers.

Opportunity Zone (OZ) Programming: Staff worked with partners regarding the promotion of the OZ program. Working with CERC, staff planning a major OZ meeting at which investors and property owners can learn about needs and opportunities. Additionally, staff attended a DECD meeting at which the final rules for the federal OZ program were discussed. Staff also met with Arcadia Management regarding their interest in establishing an OZ fund in Groton/New London.

Public Property Redevelopment:

Seely School: The “Triton Square” redevelopment project advanced including plans and legal documentation. Don Mar Development Corporation will construct an approximately 300-unit multi-family apartment development with amenities. Targeted future tenants are young professionals and “empty-nesters.” Pre-development work is ongoing. The project received Inland Wetland Approval and is expected to receive approval from the Planning and Zoning Commission in early 2022. Construction will begin in the spring of 2022. See this project page: <https://www.seelyschool.com/>. Future anticipated tax revenue is \$1,000,000 annual.

- Groton Heights School Redevelopment: Staff still awaiting ThayerMahan’s final comments on the town’s Purchase and Sales (P&S) agreement and the DECD Brownfields grant agreement.
- 517/529 Gold Star Highway Redevelopment: There were ongoing discussions with the preferred developer. The project envisions the development of approximately 300 apartments on 17.75 acres.
- Colonel Ledyard School Redevelopment: Staff and Committee completed interviews and coordinated with the recommended “preferred developer”. The Town has signed a purchase and sales agreement with the preferred developer.
- Pleasant Valley School Redevelopment: Staff continued marketing efforts including use of Loopnet leading to multiple showings. The draft RFP is being finalized to be issued in 2022.

Neighborhood Assistance Act (NAA) Program:

Staff coordinated the submittals for the CT NAA program on behalf of Groton. NAA is a tax credit program designed to provide funding for municipal and tax-exempt organizations by providing corporate business tax credits for businesses that make direct monetary contributions to organizations. Businesses receive credits of between 60-100% with a maximum cap of \$150,000. Groton coordinated six requests for funding including Bill Memorial Library (\$58,402), Sacred Heart School (\$130,827), Groton Housing Authority (\$150,000), Odd Fellows Home of CT (\$93,748), Avery-Copp Museum (\$62,400) and Eastern CT Housing Opportunities (\$149,500). All projects were approved for funding by the town and state.

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**Small Cities Community Development Block Grants:
2019 for Mystic River Homes Congregate:**

•Community Development Block Grant (CDBG) Award: Groton received a \$1.5 million CDBG grant award for our proposal involving Mystic River Homes. This is a large grant relative to CT's total \$13 million statewide allocation. Work will entail ADA access improvements, elevator replacement and upgrades, new fire system pump, hot water system upgrades, new backup generator, interior flooring upgrades, common area upgrades, unit upgrades, and new roadways and parking areas.

Major Initiatives for the Future:

Energy Efficiency and Conservation:

The Public Works Department continues to pursue installation of a solar farm on the closed Flanders Road Landfill. The initial attempts to complete the project failed due to unavailability of incentive dollars through the State. More recently there has been renewed interest from vendors and the Department has hired a consultant to assist in the process of requesting proposals for the landfill solar field as well as roof top units on Town buildings.

The Department is also replacing aging oil-fired boilers with more energy efficient gas fired units. Buildings completed include the Senior Center and Highway Garage. Future projects include boilers for the Groton Community Center, Police Station and Library.

The Public Works Department is continuing to evaluate for applicability of other energy efficiency and cost saving measures. These include micro grid potential for Town facilities, smaller solar installations for individual or groups of Town facilities, and other technologies as they become available.

Bridge Reconstruction:

Currently there are three bridges in the Town of Groton that are in need of replacement.

The *Groton Long Point Road Bridge* is the only access to the Groton Long Point and Mumford Cove areas of Town. While the bridge is still in service, recent inspections rate it in "Fair" condition. The Town has a consultant engineer working on the preliminary engineering and design to completely replace this structure along with rehabilitating the approach causeways. Construction is anticipated in 2024.

The *Quaker Farm Road Bridge* (large twin culvert) has failed and is currently out of service. The Town has a consultant engineer working on the engineering, permitting and design to completely replace this structure. Construction is anticipated in 2022.

The *North Stonington Road Bridge* carries a minor local road between Groton and the neighboring Town of Stonington. Currently this bridge is out of service, there are other roads in the immediate vicinity so this does not present a major traffic issue. Since it is owned 50/50 by both Groton and Stonington, all costs have to be equally shared. Preliminary engineering and design has been

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completed, however it is unknown when both towns will authorize funding so no construction date is available.

Municipal and State Excess Property Redevelopment

Groton Heights: A Letter of Intent (LOI) was signed in 2019. The Purchase and Sales (P&S) agreement and the DECD Brownfields grant agreement are still pending. Post-COVID, there should be project movement on this effort in the fall of 2021. ThayerMahan has grown from three to over 50 employees in four years. They are committed to making this their future world headquarters for undersea vehicle technology.

517/529 Gold Star Highway: An option agreement was signed in 2019 for the town's land. The project envisions the development of approximately 300 apartments on 17.75 acres. The project documentation will advance by the end of 2021.

Colonel Ledyard School: The preferred developer has signed a purchase and sales agreement. Bellsite LLC is currently working with the City of Groton on the approval process for the first phase of the development at the former school.

Pleasant Valley School: The RFP was drafted and is under review prior to release. A preferred developer will be selected in 2022.

Strategic Resiliency Plan

Groton's Hazard Mitigation Plan identified a number of areas that are vulnerable to the impacts of climate change. This plan will develop strategies for neighborhoods and individual property owners to respond to increased flooding. It will also identify adaptation methods that limit impact on community character and preserve historic structures.

Subdivision Regulation Revisions and Complete Streets

The Subdivision Regulations control the orderly division of property into buildable lots and make provision for utilities, drainage, road design and open space improvements. These regulations were last revised in 2006 and will be completely rewritten. As part of the revisions, the standards for existing and proposed streets will include the principles of Complete Streets. Complete Streets is a transportation policy and design approach that requires streets to be planned, designed, operated, and maintained to enable safe, convenient and comfortable travel and access for users of all ages and abilities regardless of their mode of transportation.

Community Rating System

The Community Rating System (CRS) is a voluntary, incentive-based community program that recognizes, encourages, and rewards local floodplain management activities that exceed the minimum standards of the National Flood Insurance Program. Groton expects to join the program at a level that will reduce flood insurance rate payer premiums by 5%. A program will be put in place to document compliance with the requirements of CRS.

Tax Increment Financing:

Tax Increment Financing (TIF) is a financing tool that can be used by municipalities to invest in economic development. It allows some or all of public and/or private costs associated with development to be financed over time by increases in the property tax revenues that are generated by the new development or redevelopment. Connecticut General Statute 15-57 authorizes

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municipalities in Connecticut to create Tax Increment Financing (TIF) districts for the purposes of economic development. Staff from the town and city worked with Camoin Associates to develop a TIF program for Groton including policy/procedures and multiple TIF districts. These districts included the areas of Downtown Groton, and a Thames Street Waterfront and Five Corners TIF district in the City of Groton. TIF policies for the Town and the City of Groton were approved in 2018. Master plans for these TIF districts were approved 2019.

Debt Administration:

In April 2021, presentations were made to the three rating agencies: Fitch Ratings, Moody's Investors Service and Standard & Poor's Rating Services. Both Fitch and Standard & Poor's affirmed their previous ratings for the Town while Moody's upgraded the Town's rating from Aa2 to Aa1:

Fitch "AA"

Moody's "Aa1"

Standard & Poor's "AA+"

In April 2021 the Town conducted a sale of General Obligation Bonds in the amount of \$18,000,000 for the Groton 2020 School Facilities Improvement Plan and \$7,045,000 for the Water Pollution Control Facility Effluent and Fishtown Pump Stations. UMB Bank placed the winning bid with a true interest cost of 1.5742%. The bonds were issued for twenty years maturing in 2041. The Town also conducted a sale of General Obligation Bond Anticipation notes in the amount of \$38,000,000 for the Groton 2020 School Facilities Improvement Plan. The notes mature in April 2022.

At year-end, the Town had a number of debt issues outstanding. These issues, net of applicable unamortized discounts, included \$79,725,000 of General Obligation Bonds, \$9,415,000 of General Obligation Sewer Bonds paid by special assessments/fees for total bonds payable of \$89,140,000. Last fiscal year that total amount was \$70,020,000.

In October 2021, the Town Council revised its "Debt Policy and Management/Fiscal Practices" that establishes criteria for the issuance of debt as well as setting some benchmarks on which to evaluate the Town's level of debt. This revision increased the unassigned General Fund reserve from a minimum of at least eleven (11%) percent to an amount equal to at least fifteen (15%) percent of the annual general fund expenditures. The revision also added a provision that the Council will annually review the General Fund surplus after completion and acceptance of the annual audit should the surplus exceed 20% of general fund expenditures on a budgetary basis. The Town Council had previously adopted the following limits to guide the issuance of debt and they are compared to the FYE 2021 data.

	<u>Adopted Policy</u>	<u>FYE 2021</u>
Comparison to State's Statutory Debt Limit:	not to exceed 50%	20.68%
Net Direct Indebtedness to assessed value	not to exceed 5%	2.6%
Debt Service as compared to Expenditures	not to exceed 10%	6.2%

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Awards and Acknowledgements:

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Groton for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2020. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized annual comprehensive financial report whose contents conform to program standards. The ACFR must satisfy both generally accepted accounting principles and applicable legal requirements.

The Certificate of Achievement is valid for a period of one year only and is the highest form of recognition in the area of governmental accounting and financial reporting. Its attainment represents a significant accomplishment for a government unit and its management. The Town of Groton has received a Certificate of Achievement for twenty-seven (27) consecutive years (FYE 1994 through FYE 2020). We believe that this report continues to conform to the Certificate of Achievement program requirement, and we are submitting it to GFOA to determine its eligibility for another certification.

A special thanks to the Town Manager, Department Directors and Division Supervisors for their assistance and contributions to this Annual Comprehensive Financial Report (ACFR). I especially commend the members of the Finance Department, particularly, for their responsible competence and diligence in the continuation of the progressive financial activities of the Town. Preparation of this ACFR on a timely basis was made possible by the efficient and dedicated service of Delia Morrison, Deputy Finance Director.

Appreciation is also expressed to the Mayor, Town Council, Representative Town Meeting and all Town employees for their cooperation and assistance throughout the year in matters pertaining to the financial affairs of the Town.

Respectfully submitted,

Cindy R. Landry

Cindy R. Landry
Finance Director

February 18, 2022

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Government Finance Officers Association

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

Presented to

**Town of Groton
Connecticut**

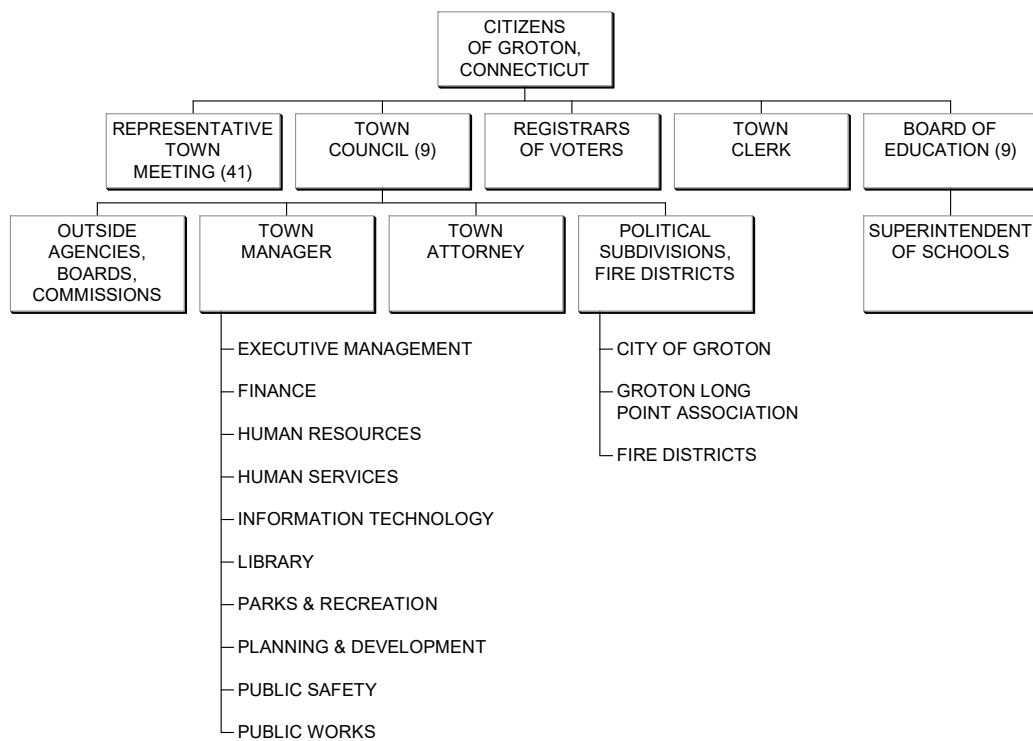
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO

TOWN OF GROTON ORGANIZATION CHART



FYE 2021

TOWN OF GROTON
PRINCIPAL OFFICIALS
AS OF JUNE 30, 2021

Town Council

Patrice Granatosky, Mayor
Portia Bordelon
Aundré Bumgardner
Rachael Franco
Conrad F. Heede
Juan Melendez Jr.
Lian Obrey
Juliette Parker
Joe Zeppieri

Board of Education

Kim Shepardson Watson, Chairperson
Andrea Ackerman, Vice-Chairperson
Constantine Antipas
Katrina Fitzgerald
Jane Giulini
Liz Porter
Rosemary Robertson
Rita Volkmann
Jay Weitlauf
Lee White

Appointed Officials

John Burt, Town Manager
Susan Austin, Superintendent of Schools
Eileen M. Duggan, Town Attorney

Financial Section



INDEPENDENT AUDITORS' REPORT

To the Town Council
Town of Groton, 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 Groton, Connecticut, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town of Groton, Connecticut's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Groton, Connecticut, as of June 30, 2021 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.

Emphasis of Matter

As discussed in Note 10 to the financial statements, during fiscal year ended June 30, 2021, the Town of Groton, Connecticut adopted GASB Statement No. 84 *Fiduciary Activities*. As a result of the implementation of this standard, the Town of Groton, Connecticut reported a restatement for the change in accounting principle. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information and the pension and OPEB schedules, as listed in the table of contents, 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.

Other Information

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

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

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

The Town of Groton, Connecticut's basic financial statements for the year ended June 30, 2020 (not presented herein), were audited by Blum, Shapiro & Company, P.C. whose partners and professional staff joined CliftonLarsonAllen LLP as of January 1, 2021 and has subsequently ceased operations. Their report thereon dated December 22, 2020 expressed 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, 2020 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the 2020 financial statements. The accompanying General Fund balance sheet has been subjected to the auditing procedures applied in the audit of the 2020 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 their opinion, the General Fund balance sheet is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2020.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 18, 2022 on our consideration of the Town of Groton, Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Groton, Connecticut's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Groton, Connecticut's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

West Hartford, Connecticut
February 18, 2022

Introduction:

Management's Discussion and Analysis provides a narrative discussion of the Town's financial activities as a whole for the year ended June 30, 2021 with comparisons to the prior year, where appropriate. The information complements the data presented in the basic financial statements. Its purpose, along with the material in the Letter of Transmittal, is to enhance the reader's understanding of the Town's financial performance. All amounts, unless otherwise indicated, are expressed in thousands of dollars (000's).

Financial Highlights:

- The assets and deferred outflows of the Town of Groton exceeded its liabilities deferred inflows at the close of the most recent fiscal year by \$222,605 (net position).
- The government's total net position increased by \$47,839. Increase is mainly attributable to an increase in current assets due to the current year bond sale, as well as an increase in capital assets related to school project construction placed in service and in progress and decreases in pension liability, which is offset by increases in bonds payable, bond premium, pension and OPEB actuarial experience.
- As of the close of the current fiscal year, the Town of Groton's governmental funds reported combined ending fund balances of \$34,420.
- For the fiscal year ended June 30, 2021, the unassigned fund balance for the General Fund was \$29,001 or 21.1% of the FYE 2022 Adopted General Fund budget. The Town Council has an adopted policy for the maintenance of a minimum unassigned fund balance be "maintained in an amount equal to at least eleven (11%) percent of the annual general fund expenditures."
- The Town of Groton's total debt increased by \$18,508 (24.4%) during the current fiscal year. This was mainly due to a net increase (\$19,120) in the principal amounts due on bonds for general government obligation debt and decreases (\$612) in the loan payment due to the State's Clean Water Fund.

Overview of the Financial Statements:

This discussion and analysis are intended to serve as an introduction to the Town of Groton's basic financial statements. The Town of Groton's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information and a statistical section. The statistical section provides comparisons of selected information beginning with FYE 2011 through the current audited fiscal year.

Government-Wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the Town of Groton's finances, in a manner similar to a 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 liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town of Groton is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. Uncollected taxes and earned but unused vacation leave are examples of these types of items.

The governmental activities of the Town of Groton include education, general government services, public safety, public works, planning and development, health/human services and community services. Property taxes, charges for services and state and federal grants finance most of these activities. Although the Town maintains no business-type activities, the Town does maintain three internal service funds that consist of the Fleet Fund, Health Insurance Fund and the Workers' Compensation Fund and numerous special revenue funds.

The government-wide financial statements (statement of net position and statement of activities) can be found on Exhibits I and II.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Groton, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into three categories: governmental funds, proprietary funds and fiduciary 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, as well as on balances 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, readers may better understand the long-term impact of the government's near-term financial decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town of Groton maintains thirty-one individual nonmajor 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 and the Capital Improvements Fund which are considered to be major funds. Twenty-eight special revenue funds, a Debt Service Fund and two Permanent Funds are combined into aggregate funds in this presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The Town of Groton adopted an annual appropriated budget for its General Fund and, in addition, budgetary comparisons have been provided for the following nonmajor governmental funds: Special Library, Golf Course, Sewer Operating, Solid Waste, Mumford Cove District, Revaluation, Computer Replacement, Groton Sewer District and Recreation & Senior Activities.

The basic governmental fund financial statements (balance sheet and statement of revenues, expenditures and changes in fund balance) can be found on Exhibits III and IV.

Proprietary Funds. The Town of Groton maintains one type of proprietary funds; internal service funds. Internal service funds are an accounting device used to accumulate and allocate costs internally among the Town of Groton's various functions. The Town of Groton uses three internal service funds to account for its fleet of vehicles, health insurance and workers' compensation. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found on Exhibits V through VII.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support services to the Town's constituency. The Town has four fiduciary funds; one pension trust fund, one Other Post-Employment Benefit trust fund (OPEB), one private purpose trust fund and one custodial fund. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on Exhibits VIII and IX.

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. Included in the notes is the information concerning the Town of Groton's funding obligation to provide pension benefits to its employees. The Notes to the Financial Statements can be found as listed in the table of contents.

Other Information. Required supplemental information for the General Fund and pension plans is provided immediately following the Notes to the Financial Statements. The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented following the notes to the financial statements. Combining and individual fund statements and schedules can be found as listed in the table of contents.

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. Town of Groton governmental activity assets exceeded liabilities by \$222,605 on June 30, 2021.

**Town of Groton
Net Position (\$000's)**

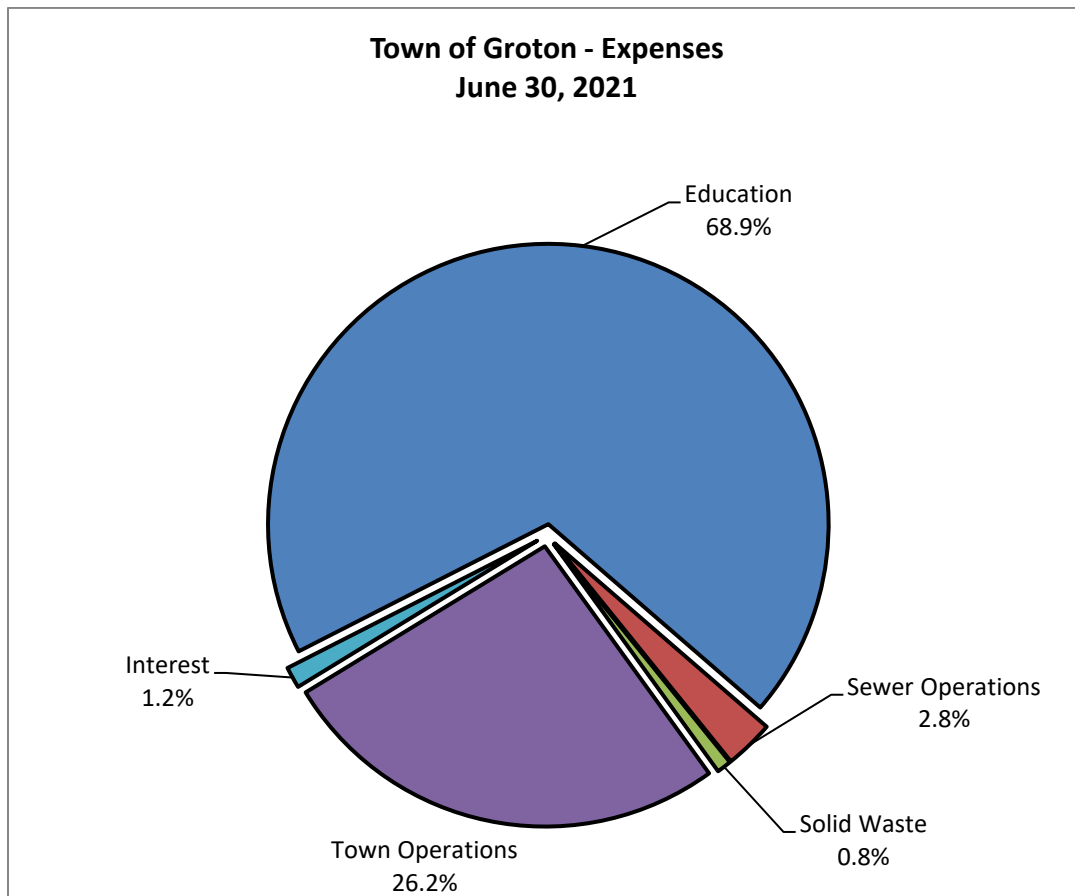
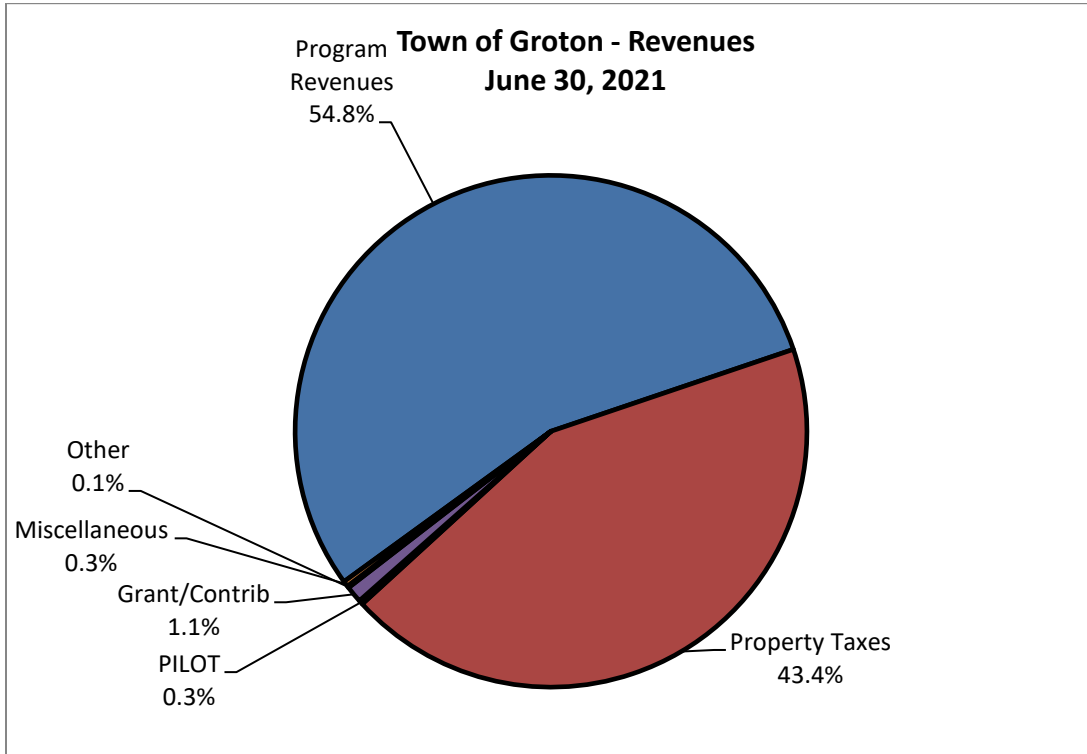
		Governmental	
		Activities	
		2021	2020
Current assets	\$	110,977	\$ 134,606
Capital assets, net of accumulated depreciation		339,748	274,443
Total assets		450,725	409,049
Deferred outflows of resources		10,145	9,935
Long-term liabilities outstanding		151,884	151,789
Other liabilities		62,428	83,969
Total liabilities		214,312	235,758
Deferred inflows of resources		23,953	8,732
Net Position:			
Net investment in capital assets		200,751	181,279
Restricted		4,819	343
Unrestricted		17,035	(7,128)
Total Net Position	\$	222,605	\$ 174,494

By far the largest portion of the Town of Groton's net position reflects its investment in capital assets (e.g., land, buildings, machinery and equipment); less any related debt used to acquire those assets that is still outstanding. The Town of Groton uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the Town of Groton'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.

Governmental Activities. Approximately 54.8% of the revenues were derived from program revenues, followed by 43.4 % from property taxes, 1.1% from grants and contributions, and less than 1% from both payments in lieu of taxes and investment income.

**Town of Groton
Change in Net Position (\$000's)**

	Governmental Activities	
	2021	2020
Revenues:		
Program revenues:		
Charges for services	\$ 12,565	\$ 12,697
Operating grants and contributions	69,042	53,695
Capital grants and contributions	39,181	23,778
General revenues:		
Property taxes	95,609	91,071
Payments in lieu of taxes	603	603
Grants and contributions (not restricted)	2,327	2,258
Other unrestricted investment earnings	265	1,167
Miscellaneous revenue	766	741
Total revenues	220,358	186,010
Expenses:		
General government/services	8,704	8,427
Public safety	14,379	15,534
Public works	12,835	14,284
Planning and development	1,663	2,077
Human services	3,028	3,768
Community services	4,660	6,106
Board of Education	118,783	99,315
Sewer operations	4,890	5,270
Solid waste	1,455	1,500
Interest on long-term debt	2,121	970
Total expenses	172,518	157,251
Increase in Net Position	47,840	28,759
Net Position July 1	174,494	145,735
Restatement - GASB 84	271	
Net Position July 1 as restated	174,765	
Net Position June 30	\$ 222,605	\$ 174,494



Major revenue factors for all Governmental Funds included:

- ◆ Total revenues were \$34,348 higher in 2021 when compared to 2020 or an increase of 18.5%.
- ◆ Grants and contributions were higher in 2021 as the Town realized more in State and Federal grants.
- ◆ Property tax revenues recorded for fiscal year 2021 increased while the Town's tax rate increased to 25.11 mills in 2021 from 24.17 mills in 2020.
- ◆ Investment earnings decreased by \$902 from the prior fiscal year to \$265 for the fiscal year ended June 30, 2021. The decrease to interest and dividend earnings was primarily the result of reductions in interest rates.

For Governmental Activities, 68.9% of the Town's expenses relate to education, 7.4% relate to public works, 8.3% relate to public safety, 5.0% to general government/services, 2.7% to community services and the remainder relates to planning & development, human services, sewer operations, solid waste and interest on long term debt.

Major expense factors for all Governmental Funds include:

- ◆ Total expenses were \$15,267 higher in 2021 when compared to 2020 or an increase of 9.7%.
- ◆ Town Operations expenses were \$4,927 lower in 2021 when compared to 2020 or a decrease of 9.8%.
- ◆ Education expenses were \$19,468 higher in 2021 when compared to 2020 or an increase 19.6%.
- ◆ Results of operation in Sewer Operations, Solid Waste and Interest on Long-Term Debt accounted for an increase of \$726 in expenses compared to 2020 or an increase of 9.4%.

Business-Type Activities. The Town does not maintain any business-type activities at the present time.

Financial Analysis of the Government's Funds:

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

Governmental Funds. The focus of the Town of Groton's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Town of Groton'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 the end of the current fiscal year, the Town of Groton's governmental funds reported combined ending fund balances of \$34,420, a decrease of \$2,788 in comparison with the prior year. Of this amount, (\$18,027) constitutes unassigned fund balance. The remainder of fund balance is assigned to indicate that it is not available for new spending because it has already been committed 1) to liquidate contracts and purchase orders of the prior period, 2) restricted by bond ordinances, 3) for holding of trust principal, or 4) constrained for a specific purpose.

General Fund. The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$29,001, which is included in the total fund balance of \$33,680. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance

represents 21.1% of total FYE 2022 Adopted general fund budget, while total fund balance represents 24.5% of that same amount.

The total fund balance of The Town of Groton's General Fund increased by \$4,896 during the current fiscal year. The unassigned fund balance increased by \$1,714. Key factors in the total fund balance increase of \$4,896 are as follows:

- ◆ Revenues were \$2,984 more than anticipated primarily due to additional property taxes and State & Federal intergovernmental revenue.
- ◆ Expenditures were under budget by \$1,411 due to unexpended funds in Town Operations, Education, Outside Agencies and Non-departmental.
- ◆ No fund balance was applied to the adopted FYE 2021 budget.
- ◆ Fund balance in the amount of \$2,851 was applied to the adopted FYE 2022 budget.

Capital Improvements Fund. This fund has a total fund balance of (\$10,974) a decrease from (\$831) in the prior year and is related to an increase in capital outlay for school construction projects and pending school construction grant receipts.

Proprietary Funds. The Town of Groton's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position amounted to \$1,222 for the Fleet Fund, \$8,547 for the Health Insurance Fund and \$656 for the Workers' Compensation Fund that includes the liability for heart and hypertension claims. The total increase in net position for the internal service funds was \$723 and reflects increase in Health Insurance and Workers' Compensation offset by a decrease in Fleet.

General Fund Budgetary Highlights:

Transfers of \$169 occurred from Contingency to other functions within the General Fund to cover increases in contributions to health and service agencies, voter registration fees for presidential primary, debt service, unemployment claims and legal fees.

During the year, actual revenues and other financing sources on a budgetary basis amounted to \$133,437 which was over the adopted budget by \$2,983. The majority of this increase can be attributed to additional property taxes and State & Federal revenue. Pupil impact aid, a federal reimbursement grant for educating military dependents, was higher than expected.

Actual expenditures were under budget by \$1,411 with town operations returning \$1,188 and Outside Agencies returning \$195..

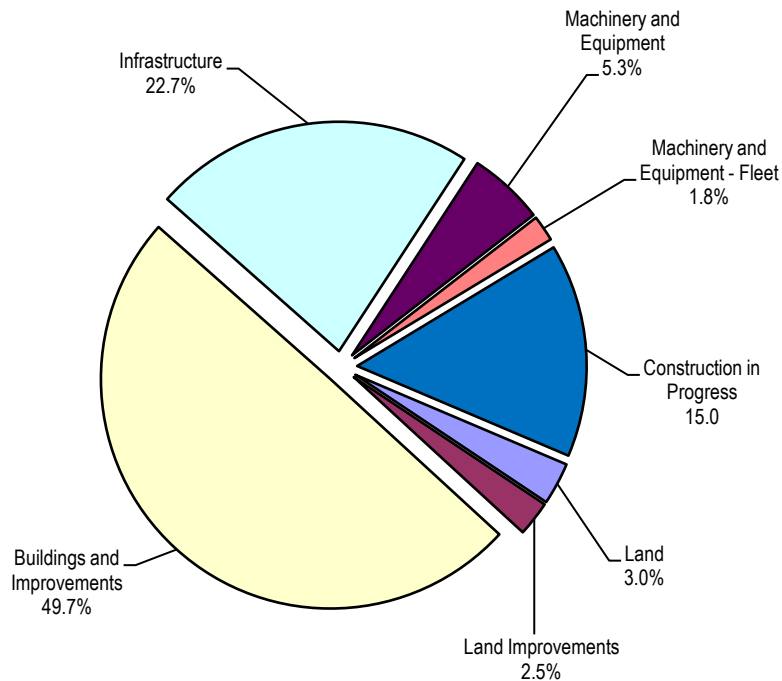
Capital Asset and Debt Administration:

Capital Assets. The Town of Groton's investment in capital assets for its governmental activities as of June 30, 2021 amounts to \$520,045. This investment in capital assets includes land, buildings and improvements, machinery and equipment, park facilities, roads, highways and bridges. The total increase in the Town of Groton's investment in capital assets for the current fiscal year was 16.4% mainly which reflects road resurfacing, building renovations and new school construction.

**Town of Groton, Connecticut
Capital Assets (\$000's)**

		Governmental Activities	
		2021	2020
Land	\$	15,459	\$ 15,372
Land improvements		12,826	12,470
Buildings and improvements		258,483	182,567
Infrastructure		117,889	117,208
Machinery and equipment		27,673	25,711
Machinery and equipment - fleet		9,512	9,486
Construction in progress		78,203	83,891
Total	\$	520,045	\$ 446,705

**Town of Groton - Capital Assets
June 30, 2021**



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

- Regarding the use of the State's Local Capital Improvement Project (LoCIP) funds, the following major amounts (over \$50) were expended:
HVAC Upgrade Golf Course \$69

- Regarding the use of local capital funds, the following major amounts (over \$50) were expended:

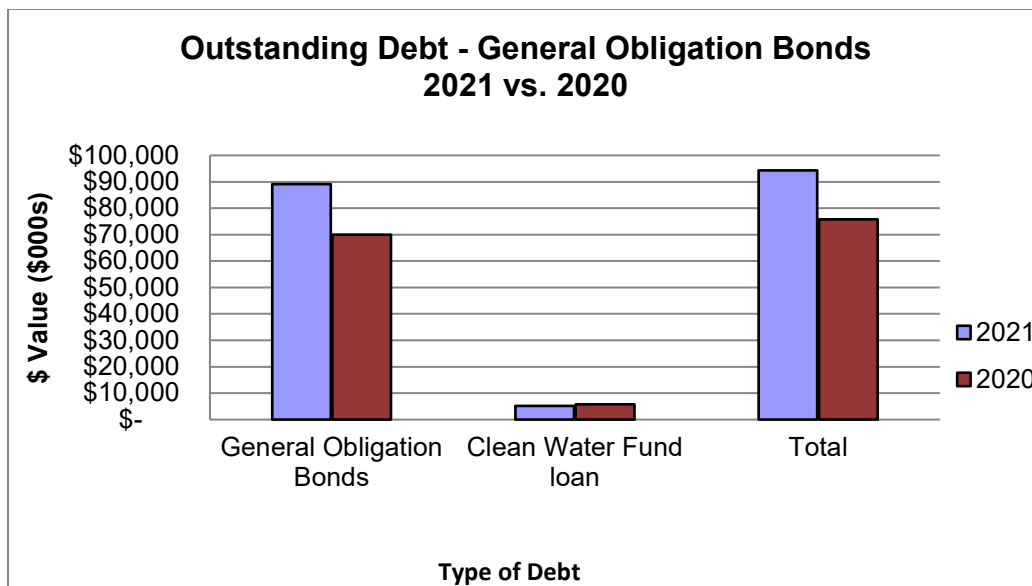
Groton Public Library	\$82
City Radios Upgrade	\$182
Information Technology Acquisition-Network	\$70
Park Improv – ADA Compliance	\$61
BOE-Fitch Sr High School	\$300
BOE-District Storage	\$68
Crystal Lake/Mil Hwy Intersection	\$55
Water Pollution Control Facility Pump Stations	\$173

Additional information on the Town of Groton's capital assets can be found in Note 3D in the notes to the financial statements as listed in the table of contents.

Outstanding Debt. At the end of the current fiscal year, the Town of Groton had total debt outstanding of \$94,294. Of this amount, \$91,924 comprises debt backed by the full faith and credit of the government and \$2,370 is special assessment/fee debt for which the government is liable in the event of default by the property owners subject to the assessment.

**Town of Groton, Connecticut
Outstanding Debt (\$000's)
General Obligation Bonds/Bond Anticipation Notes**

		Governmental Activities	
		2021	2020
General obligation bonds	\$	89,140	\$ 70,020
Clean Water Fund loan		5,154	5,766
Total	\$	94,294	\$ 75,786



The Town of Groton's general obligation bonds have increased \$18,508 or 24.4% during the current fiscal year mainly due to issuance of new long-term bonds during the year.

In April 2021 presentations were made to three rating agencies in preparation for a sale of General Obligation Bonds in April 2021. The Town of Groton's bond rating was maintained at an "AA" rating with Fitch Ratings, an "AA+" by Standard & Poor's and upgraded to an "Aa1" rating with Moody's Investors Service.

The overall statutory debt limit for the Town of Groton is equal to seven times annual receipts from taxation or \$729,269. As of June 30, 2021, the Town recorded total indebtedness of \$161,063 related to Governmental Activities, well below its statutory debt limits.

Additional information on the Town of Groton's long-term debt can be found in Note 3H-I in the notes to the financial statements as listed in the table of contents.

Economic Factors and Next Year's Budgets and Rates:

- As of June 2021, the Town had an unemployment rate of 7.1% as compared to the New London County rate of 7.4%, the state's average rate of 6.8% and the national average of 5.9%.
- New London County has an employed labor force of approximately 116,596 residents.
- Inflationary trends in the region compare similarly to national indices.

Grand List increases by 0.8%: The October 1, 2020 net adjusted taxable Grand List increased 0.8% from the adjusted 10/1/19 list after appeals were heard by the Board of Assessment Appeals. The net adjusted grand list now totals \$3,739,661,429 after Board of Assessment adjustments. The combined assessment of the top 10 taxpayers comprises 20% of the town's net grand list.

Net real estate increased to \$3.26 billion and comprises 87% of the grand list compared to 88% of the 2019 grand list. Net residential real estate assessments rose from about \$2.126 billion to \$2.134 billion. The residential real estate's share of the entire net grand list remains level at 57% of the 2020 grand list compared to the 2019 grand list. Net commercial real estate rose this year to \$606 million primarily due to construction projects underway. The net assessment for industrial property, which includes Pfizer and Electric Boat, rose to 521 million from 518 million and represents 14% of the net overall grand list.

Fifteen single-family homes and one duplex were started for the October 1, 2020 grand list, compared to twelve last year.

The grand lists of the 1990's and early 2000's reflected substantial Enterprise Zone exemptions, the bulk of which were awarded to Pfizer and Electric Boat for facility expansions. These exemptions are applied to qualified real estate improvements and toward investments in personal property assets. Minor exemptions were awarded during the late 2000's to local small industrial park expansions. There appears to be a resurgence of EZ exemption awards in recent years at both the state and local level. State EZ exemptions were traditionally reimbursed by the state but in more recent years, state governors' budgets have not funded the revenue loss to municipalities thereby creating an unfunded mandate. Local EZ benefits are never reimbursed by the state. For the 2020 grand list \$11,864,418 in state/local program exemptions were granted on real estate and \$1,008,406 were granted for personal property. These exemptions are reflected by reductions in assessments. The estimated revenue loss overall is \$323,240 using the FYE 2021 town mill rate.

Currently there is one fixed assessment agreement allowed under Connecticut General Statute 12-65b reflected on the 2020 grand list. Silver Oaks LLC, owner of 90 Welles Road which is an indoor sport facility, is in the seventh year of a seven-year fixed assessment agreement. The assessment reduction of \$385,370 results in \$9,680 in revenue loss when using the FYE 2021 town mill rate.

Groton entered into a PILOT agreement in 2016 with Odd Fellows Home/Fairview on Lestertown Road. The taxes are estimated at \$567,170 if the property were fully taxable. The skilled nursing facility was previously considered exempt under CGS 12-81(75). When combining the real estate and personal property exemptions for the SNF the total results in a reduction in assessment of \$6,553,830 or \$196,480 revenue loss. The PILOT agreement states that Odd Fellows will pay \$60,000 annually in taxes to Groton plus any assessment over \$17,500,000 (\$25,000,000 in appraised value). The revenue loss for the PILOT and the SNF totals \$524,650. It is estimated that Odd Fellows will pay \$42,520 in taxes plus \$60,000 for a total of \$102,520 in taxes.

The **personal property** grand list experienced an increase of 0.6% in net assessments. The Manufacturing & Machinery Equipment (MM&E) exemption program was enacted in 1990 by the state legislature as part of a larger economic stimulus bill. The original program exempted MM&E assets for four years and municipalities were reimbursed for 100% of the revenue loss. The program has been modified over the years to include fully exempting MM&E equipment and the elimination of state reimbursement for lost revenue. The burden of qualifying assets as eligible or ineligible has also been transferred from the state to the local level. The estimated revenue loss for 2020 is in excess of \$4 million using the FYE 2021 mill rate. The increase for 2020 reflects the depreciation of assets which is expected for personal property offset by the increase due to a comprehensive program to capture assessments for construction equipment located on several large commercial construction sites in Groton.

The personal property grand list grew from \$253 million in 2019 to \$254 million in 2020. The net assessment of personal property stayed static at 6.8% of the grand list compared to 2019.

The number of business personal property accounts increased as the volume of accounts experiencing penalties for late or non-filing has increased. The assessed value of the penalties rose for the 2020 grand list to \$8.3 million, from \$6.7 million in 2019. The final number of taxable businesses for the 2020 grand list was 1,879 accounts.

The **motor vehicle** portion of the grand list, adjusted for military exemptions, grew by 9.5% this year from \$206,995 in 2019 to \$226,576 in 2020. The net assessment on motor vehicles now comprises 6.0% of the grand list, up from 5.6% of the 2019 grand list.

Other Information:

During the fiscal year ended June 30, 2021, the Town of Groton's General Fund on a budgetary basis received 26.8% of its total revenues from intergovernmental sources, i.e., the State of Connecticut and the Federal Government. With the completion of operations, the General Fund's unassigned fund balance for FYE 2021 is at 21% of FYE 2022 operating expenses which is above the minimum acceptable guideline set by the Town Council of 11.0%. With a reliance on property taxes, 70.8% of the General Fund revenues are derived from general property taxes, any reduction in other revenues would necessitate either a use of a portion of the fund balance, a property tax increase or a reduction in services in subsequent fiscal years or some combination of all three.

- ◆ During the current fiscal year, the unassigned fund balance in the General Fund increased to \$29,001. The Town Council did not assign any of the fund balance to fund the subsequent years' budget.

Requests for Information:

This financial report is designed to provide a general overview of the Town of Groton'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 Finance Director, Groton Town Hall, 45 Fort Hill Road, Groton, CT 06340.

Basic Financial Statements

TOWN OF GROTON, CONNECTICUT
STATEMENT OF NET POSITION
JUNE 30, 2021

	Governmental Activities
Assets:	
Cash and cash equivalents	\$ 96,981,841
Investments	1,614,591
Receivables (net of allowances for collection losses):	
Property taxes	1,245,802
Special assessments	871,257
Accounts	844,100
Federal and state governments	8,631,554
Other	424,614
Other assets	114,994
Restricted assets:	
Cash	97,041
Investments	150,502
Capital assets, nondepreciable	93,661,749
Capital assets, net of accumulated depreciation	246,086,692
Total assets	<u>450,724,737</u>
Deferred Outflows of Resources:	
Deferred charge on refunding	1,179,154
Deferred outflows related to pension	4,348,292
Deferred outflows related to OPEB	4,617,537
Total deferred outflows of resources	<u>10,144,983</u>
Liabilities:	
Accounts payable and accrued liabilities	19,314,215
Bond anticipation notes payable	38,000,000
Unearned revenue	5,113,609
Noncurrent liabilities:	
Due within one year	11,148,981
Due in more than one year	140,735,036
Total liabilities	<u>214,311,841</u>
Deferred Inflows of Resources:	
Deferred inflows related to pension	15,563,494
Deferred inflows related to OPEB	8,389,499
Total deferred inflows of resources	<u>23,952,993</u>
Net Position:	
Net investment in capital assets	200,751,149
Restricted for:	
Trust, nonexpendable	247,543
Trust, expendable	230,321
Grants	2,017,930
Debt service	1,268,334
Loans	1,029,732
Other purposes	25,342
Unrestricted	<u>17,034,535</u>
Total Net Position	<u>\$ 222,604,886</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF GROTON, CONNECTICUT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
			<u>Capital Grants and Contributions</u>	<u>Total</u>
Governmental activities:				
General government/services	\$ 8,704,252	\$ 1,620,491	\$ 687,395	\$ 247,267
Public safety	14,379,634	378,931	433,816	(6,149,099)
Public works	12,834,858	196,679	88,018	(13,566,887)
Planning and development	1,663,301	19,419	2,193,303	(10,356,858)
Health and human services	3,028,357	43,929	1,220,842	(423,040)
Community services	4,659,914	1,888,877	34,759	(2,949,669)
Education	118,783,150	254,480	358,444	(2,412,593)
Sewer operations	4,889,830	6,768,408	64,109,394	38,846,094
Solid waste management	1,454,780	1,394,098	3,737	(15,573,182)
Interest on long-term debt	2,121,400			1,882,315
				(60,682)
				(2,121,400)
Total Governmental Activities	\$ 172,519,476	\$ 12,565,312	\$ 69,041,690	\$ 39,181,379
				(51,731,095)
General revenues:				
Property taxes				95,609,494
Payments in lieu of taxes				603,313
Grants and contributions not restricted to specific programs				2,327,200
Unrestricted investment earnings				264,999
Miscellaneous revenue				765,503
Total general revenues				99,570,509
Change in net position				47,839,414
Net Position at Beginning of Year, as restated				174,765,472
Net Position at End of Year				\$ 222,604,886

The accompanying notes are an integral part of the financial statements

TOWN OF GROTON, CONNECTICUT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2021

	General Fund	Capital Improvements Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 42,252,594	\$ 27,003,836	\$ 15,565,047	\$ 84,821,477
Investments	1,614,591		150,502	1,765,093
Receivables, net	1,512,003	7,290,979	3,179,757	11,982,739
Due from other funds	226,745			226,745
Other assets	11,716		78,278	89,994
Total Assets	<u>\$ 45,617,649</u>	<u>\$ 34,294,815</u>	<u>\$ 18,973,584</u>	<u>\$ 98,886,048</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 10,827,166	\$ 6,712,952	\$ 1,609,358	\$ 19,149,476
Bond anticipation notes payable		38,000,000		38,000,000
Due to State			51,915	51,915
Due to other funds			226,745	226,745
Unearned revenues	60,796	555,757	4,497,056	5,113,609
Total liabilities	<u>10,887,962</u>	<u>45,268,709</u>	<u>6,385,074</u>	<u>62,541,745</u>
Deferred inflows of resources:				
Unavailable revenue - property taxes	763,195			763,195
Unavailable revenue - property tax interest	286,958			286,958
Unavailable revenue - special assessments			3,106	3,106
Unavailable revenue - loans receivable			871,257	871,257
Total deferred inflows of resources	<u>1,050,153</u>	<u>-</u>	<u>874,363</u>	<u>1,924,516</u>
Fund balances:				
Nonspendable	11,716		250,269	261,985
Restricted			3,700,402	3,700,402
Committed			7,763,476	7,763,476
Assigned	4,666,890			4,666,890
Unassigned	29,000,928	(10,973,894)		18,027,034
Total fund balances	<u>33,679,534</u>	<u>(10,973,894)</u>	<u>11,714,147</u>	<u>34,419,787</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 45,617,649</u>	<u>\$ 34,294,815</u>	<u>\$ 18,973,584</u>	<u>\$ 98,886,048</u>

(Continued on next page)

TOWN OF GROTON, CONNECTICUT
BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2021

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

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

Fund balances - total governmental funds (Exhibit III)	\$ 34,419,787
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Governmental capital assets	\$ 510,533,032	
Less accumulated depreciation	<u>172,945,957</u>	
Net capital assets		337,587,075

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

Property taxes and assessments receivable greater than 60 days	766,301
Loan receivables greater than 60 days	871,257
Interest receivable on property taxes	286,958
Deferred outflows related pension	4,348,292
Deferred outflows related to OPEB	4,617,537

Internal service funds are used by management to charge the costs of fleet management, health benefits and workers compensation to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	12,585,820
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Long-term liabilities and deferred inflows of resources, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:

Bonds payable	(89,140,000)
Bond premium	(7,865,062)
Deferred charge on refunding	1,179,154
Clean water fund loan payable	(5,154,057)
Interest payable on bonds	(519,710)
Net pension liability	(6,908,604)
Deferred inflows related to pension	(15,563,494)
Capital lease	(17,327)
Net OPEB liability	(37,336,544)
Deferred inflows related to OPEB	(8,389,499)
Compensated absences	(2,055,198)
Landfill closure costs	<u>(1,107,800)</u>

Net Position of Governmental Activities (Exhibit I)	<u>\$ 222,604,886</u>
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The accompanying notes are an integral part of the financial statements

TOWN OF GROTON, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	General Fund	Capital Improvements Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
Property taxes, interest and lien fees	\$ 94,446,881	\$	\$ 1,378,081	\$ 95,824,962
Licenses and permits	508,807			508,807
Intergovernmental - state	42,408,119	39,101,120	5,417,064	86,926,303
Interest on investments	151,409	46,748	50,520	248,677
Intergovernmental - federal	4,365,645		4,457,755	8,823,400
Charges for current services	1,254,513	6,599	2,271,717	3,532,829
Schools, library and recreation fees	50,844			50,844
Sewer use charges			6,768,408	6,768,408
Solid waste management charges			1,394,098	1,394,098
Other revenue	794,760	12,152	1,335,312	2,142,224
Total revenues	<u>143,980,978</u>	<u>39,166,619</u>	<u>23,072,955</u>	<u>206,220,552</u>
Expenditures:				
Current:				
General government	1,020,836		359,186	1,380,022
General services	3,404,363			3,404,363
Public safety	8,557,172		293,685	8,850,857
Public works	5,550,316		118,963	5,669,279
Planning and development	1,411,350			1,411,350
Health and human services	517,250		1,059,342	1,576,592
Community services	3,101,593		1,937,431	5,039,024
Education	90,080,828		8,313,907	98,394,735
Subdivisions	5,631,029			5,631,029
Sewer operations			4,147,751	4,147,751
Solid waste management			1,454,780	1,454,780
Nondepartmental	11,008,510			11,008,510
Outside agencies			143,870	143,870
Debt service	8,115,086	122,130	1,340,957	9,578,173
Capital outlay	82,636	78,579,072	102,433	78,764,141
Total expenditures	<u>138,480,969</u>	<u>78,701,202</u>	<u>19,272,305</u>	<u>236,454,476</u>
Revenues over (under) Expenditures	<u>5,500,009</u>	<u>(39,534,583)</u>	<u>3,800,650</u>	<u>(30,233,924)</u>
Other Financing Sources (Uses):				
Issuance of bonds		25,045,000		25,045,000
Bond premium		2,337,138	739,760	3,076,898
Transfers in	566,739	2,010,000	97,883	2,674,622
Transfers out	(1,170,701)		(2,179,550)	(3,350,251)
Total other financing sources (uses)	<u>(603,962)</u>	<u>29,392,138</u>	<u>(1,341,907)</u>	<u>27,446,269</u>
Net Change in Fund Balances	4,896,047	(10,142,445)	2,458,743	(2,787,655)
Fund Balances at Beginning of Year, as Restated	<u>28,783,487</u>	<u>(831,449)</u>	<u>9,255,404</u>	<u>37,207,442</u>
Fund Balances at End of Year	<u>\$ 33,679,534</u>	<u>\$ (10,973,894)</u>	<u>\$ 11,714,147</u>	<u>\$ 34,419,787</u>

(Continued on next page)

TOWN OF GROTON, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities:

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

Net change in fund balances - total governmental funds (Exhibit IV)	\$ (2,787,655)
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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	78,682,015
Depreciation expense	(8,617,130)

The statement of activities reports losses arising from the disposal of existing capital assets. Conversely, governmental funds do not report any gain or loss on disposal of capital assets. This amount represents the disposal of capital assets.

Loss on disposal of capital assets	(658,180)
Construction in progress expensed	(3,910,722)

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

Property taxes and assessments collected after 60 days	(246,725)
Interest income on property taxes	31,257
Revenue on loan receivables greater than 60 days	413
Changes in deferred outflows related to pension	67,425
Changes in deferred outflows related OPEB	282,935

The issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt.

Accrued interest on bonds	(229,555)
Principal payments on bonds	5,925,000
Principal payments on Clean Water Fund loan payable	612,363
Principal payments on capital leases	3,973
Bond proceeds	(25,045,000)
Bond premium issuance	(3,076,898)
Amortization of bond premium	1,285,009
Change in net pension liability	18,068,309
Change in deferred inflows related to pension	(13,928,491)
Change in net OPEB liability	1,975,332
Change in deferred inflows related to OPEB	(1,292,356)
Amortization of deferred charge on refunding	(140,019)
Landfill closure payments	168,200

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 compensated absences	(53,230)
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The net expense of certain activities of internal service funds is reported in governmental activities	<u>723,144</u>
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Change in Net Position of Governmental Activities (Exhibit II)	<u>\$ 47,839,414</u>
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The accompanying notes are an integral part of the financial statements

TOWN OF GROTON, CONNECTICUT
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
JUNE 30, 2021

	Governmental Activities Internal Service Funds
Assets:	
Current assets:	
Cash and cash equivalents	\$ 12,720,274
Accounts receivable	34,588
Other assets	25,000
Total current assets	<u>12,779,862</u>
Noncurrent assets:	
Property and equipment	9,511,720
Accumulated depreciation	<u>(7,350,354)</u>
Property and equipment, net	<u>2,161,366</u>
Total assets	<u>14,941,228</u>
Liabilities:	
Current liabilities:	
Accounts payable	55,983
Claims incurred but not reported	<u>898,721</u>
Total current liabilities	<u>954,704</u>
Noncurrent liabilities:	
Claims incurred but not reported, net of current portion	<u>1,400,704</u>
Total liabilities	<u>2,355,408</u>
Net Position:	
Invested in capital assets	2,161,366
Unrestricted	<u>10,424,454</u>
Total Net Position	\$ <u>12,585,820</u>

The accompanying notes are an integral part of the financial statements

TOWN OF GROTON, CONNECTICUT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Governmental Activities Internal Service Funds
Operating Revenues:	
Charges for services	\$ 15,347,537
Other revenue	30,729
Total operating revenues	<u>15,378,266</u>
Operating Expenses:	
Operating expenses	728,296
Claims	13,124,918
Depreciation	366,527
Administration	1,127,332
Total operating expenses	<u>15,347,073</u>
Operating Income (Loss)	31,193
Nonoperating Revenues:	
Interest on investments	<u>16,322</u>
Total nonoperating revenues	<u>16,322</u>
Income Before Transfers	47,515
Transfer In	773,512
Transfers Out	<u>(97,883)</u>
Change in Net Position	723,144
Net Position at Beginning of Year	<u>11,862,676</u>
Net Position at End of Year	<u><u>\$ 12,585,820</u></u>

The accompanying notes are an integral part of the financial statements

TOWN OF GROTON, CONNECTICUT
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Governmental Activities Internal Service Funds
Cash Flows from Operating Activities:	
Cash received from customers and users	\$ 15,350,159
Cash paid to vendors	(780,552)
Cash paid to beneficiaries	(14,431,600)
Net cash provided by (used in) operating activities	<u>138,007</u>
Cash Flows from Capital and Related Financing Activities:	
Purchase of property and equipment	<u>(176,142)</u>
Cash Flows from Noncapital Financing Activities:	
Transfer in	773,512
Transfers out	(97,883)
Net cash provided by (used in) noncapital financing activities	<u>675,629</u>
Cash Flows from Investing Activities:	
Interest on investments	<u>16,322</u>
Net Increase (Decrease) in Cash and Cash Equivalents	653,816
Cash and Cash Equivalents at Beginning of Year	<u>12,066,458</u>
Cash and Cash Equivalents at End of Year	<u>\$ 12,720,274</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:	
Operating income (loss)	\$ 31,193
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:	
Depreciation	366,527
Changes in assets and liabilities:	
Decrease (increase) in accounts receivable	(28,107)
(Decrease) increase in accounts payable	(52,256)
(Decrease) increase in claims payable	<u>(179,350)</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ 138,007</u>

The accompanying notes are an integral part of the financial statements

TOWN OF GROTON, CONNECTICUT
STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS
JUNE 30, 2021

	Pension and Other Employee Benefit Trust Funds	Private Purpose Trust Fund Spicer / Perkins Trust	Custodial Fund Fire District Tax Collections
Assets:			
Cash and cash equivalents	\$ 3,783,904	\$ 33,067	\$ 37,966
Investments, at fair value:			
Mutual funds	178,600,363		
Accounts receivable	286,123		
Total assets	<u>182,670,390</u>	<u>33,067</u>	<u>37,966</u>
Liabilities:			
Accounts payable	106,533		
Due to employees/others	27		37,966
Claims incurred but not reported	208,500		
Total liabilities	<u>315,060</u>	<u>-</u>	<u>37,966</u>
Net Position:			
Restricted for OPEB Benefits	28,818,812		
Restricted for Ledge Light pensions	781,832		
Restricted for Poquonnock Fire District pensions	14,242,769		
Restricted for Town and BOE pensions	138,511,917		
Restricted for trusts		33,067	
Total Net Position	<u>\$ 182,355,330</u>	<u>\$ 33,067</u>	<u>\$ -</u>

The accompanying notes are an integral part of the financial statements

TOWN OF GROTON, CONNECTICUT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Pension and Other Employee Benefit Trust Funds	Private Purpose Trust Fund Spicer / Perkins Trust	Custodial Fund Fire District Tax Collections
Additions:			
Contributions:			
Employer	\$ 8,368,957	\$	\$
Plan members	1,386,304		
Other additions		2,000	
Total contributions	<u>9,755,261</u>	<u>2,000</u>	<u>-</u>
Investment income:			
Net change in fair value of investments	36,419,089		
Interest and dividends		61	
	<u>36,419,089</u>	<u>61</u>	<u>-</u>
Less investment expenses:			
Investment management fees	275,797		
Net investment income	<u>36,143,292</u>	<u>61</u>	<u>-</u>
Total additions	<u>45,898,553</u>	<u>2,061</u>	<u>-</u>
Deductions:			
Benefits	11,945,821	7,033	
Administrative expense	83,937		
Total deductions	<u>12,029,758</u>	<u>7,033</u>	<u>-</u>
Change in Net Position	33,868,795	(4,972)	-
Net Position at Beginning of Year, as restated	<u>148,486,535</u>	<u>38,039</u>	<u>-</u>
Net Position at End of Year	<u>\$ 182,355,330</u>	<u>\$ 33,067</u>	<u>\$ -</u>

The accompanying notes are an integral part of the financial statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Town of Groton, Connecticut (the Town) was incorporated in 1705. The Town operates under a Council/Representative Town Meeting/Manager form of government and provides the following services as authorized by its Charter: public safety, public works, planning and development, human services, community services, education, sewer and solid waste disposal, and general governmental services. The accompanying financial statements conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governments.

Accounting principles generally accepted in the United State of America require that the reporting entity include the primary government, organizations for which the primary government is financially accountable, and 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. A government is financially accountable for a legally separate organization if it appoints a voting majority of the organization's governing body and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the government. These criteria have been considered and have resulted in the inclusion of the fiduciary component units as detailed below.

Fiduciary Component Units

The Town has established a single-employer Public Retirement Systems (PERS) and a postretirement retiree health plan (OPEB) to provide retirement benefits and post-retirement health care benefits to employees and their beneficiaries. The Town appoints a majority of the Pension Board and is required to make contributions to the pension and OPEB plans and can impose its will.

The financial statements of the fiduciary component units are reported as Pension and OPEB Trust fund in the fiduciary fund financial statements. Separate financial statements have not been prepared for the fiduciary component units.

B. Basis of Presentation

The financial statements of the Town have been prepared in conformity with GAAP as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Town's accounting policies are described below.

Government-Wide and Fund Financial Statements

The government-wide financial statements (the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Town. For the most part, the effect of interfund activity has been removed from these statements, the exception being interfund services provided and used. These services are not eliminated in the process of consolidation.

TOWN OF GROTON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

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 expenses that are clearly identifiable with a specific function or segment. Indirect expenses were also classified to the appropriate functions. 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, including fiduciary component units, 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. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Property taxes, when levied for, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. In determining when to recognize intergovernmental revenues (grants and entitlements), the legal and contractual requirements of the individual programs are used as guidance. Revenues are recognized when the eligibility requirements have been met. All other revenue items are considered to be measurable and available if they are collected within 120 days of the end of the current fiscal period.

Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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 in connection with a proprietary fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

TOWN OF GROTON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

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 resources required to be accounted for in another fund.

The *Capital Improvements Fund* accounts for individual capital project authorizations. The major sources of revenue for this fund are State and Federal grants and bond proceeds.

Additionally, the Town reports the following fund types:

Internal Service Funds are used to account for employee health insurance, workers' compensation insurance and the use and replacement of motor vehicles provided to other departments of the Town.

Private Purpose Trust Funds are used to account for resources legally held in trust for low-income residents and youth and family services.

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

Custodial Funds are used to account for monies that the Town holds as a custodian for separate entities.

C. Cash and Cash Equivalents

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

D. Investments

Investments are recorded at fair value based on quoted market prices.

E. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$10,000 and an estimated useful life in excess of two years. 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 the life of an asset are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

TOWN OF GROTON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

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

<u>Assets</u>	<u>Years</u>
Buildings	40-50
Building improvements	20
Distribution and collection systems	50-100
Public domain infrastructure	50
System infrastructure	30
Land improvements	20
Machinery and equipment	5-20

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

F. Deferred Outflows of Resources

In addition to assets, the statement of net 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 and investment gains or losses. These amounts are deferred and included in pension and OPEB expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension and OPEB plan (active employees and inactive employees). No deferred outflows of resources affect the governmental fund financial statements in the current year.

G. Deferred Inflows of Resources

In addition to liabilities, the statement of net 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 deferred inflows of resources related to pensions and OPEB in the government-wide statement of net position. 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 over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension and OPEB plan (active employees and inactive employees). 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 the following sources: property taxes, special assessments and long-term loans. These amounts are deferred and recognized as an inflow of resources (revenue) in the period in which the amounts become available.

H. Compensated Absences

In accordance with GASB Statement No. 16, *Accounting for Compensated Absences*, the Town accrues compensated absences as they are earned by employees if the leave is attributable to past service and it is probable that the employer will compensate the employee by cash payments at termination or retirement. The amount of this estimated obligation at June 30, 2021 is recorded in the government-wide financial statements since the benefits are to be funded from future financial resources and will be paid from the General Fund, Golf Course Fund or Sewer Operating Fund, as may be appropriate.

Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund type statement of net position. 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, are reported as debt service expenditures.

J. Pension Accounting

Pension Trust Fund

The Pension Trust Fund is reported on the accrual basis of accounting. Employee contributions are recognized in the period in which the contributions are due. Employer contributions to the plan are recognized when due and the Town has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan. Administrative costs are financed through investment earnings.

Net Pension Liability

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

Funding Policy

The Town funds the contributions to its pension plan based on the actuarially required calculation.

K. Other Post Employment Benefits (OPEB) Accounting

OPEB Trust Fund

The OPEB Trust Fund is reported on the accrual basis of accounting. Employee contributions are recognized in the period in which the contributions are due. Employer contributions to the plan are recognized when they are due and the Town has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan. Administrative costs are financed through investment earnings.

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.

Funding Policy

The Town funds the contributions to its OPEB plan based on the actuarially required calculation.

L. Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is utilized in the governmental funds. Encumbrances outstanding at year-end are reported as committed or assigned fund balance, depending on the nature of the restriction, for GAAP purposes, as they do not constitute expenditures or liabilities, and reported as expenditures for budgetary purposes.

M. Fund Equity and Net Position

In the government-wide financial statements, net position is classified in the following categories:

Net Investment in Capital Assets

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

Restricted Net Position

This category includes net position with restrictions externally imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position

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

TOWN OF GROTON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

In the fund financial statements, fund balances of governmental funds are classified in the following categories:

Nonspendable Fund Balance

This balance represents amounts that cannot be spent due to form (e.g., inventories, prepaid amounts and amounts required to be retained in perpetuity).

Restricted Fund Balance

This balance represents amounts constrained for a specific purpose by external parties, such as grantors, creditors, contributors or laws and regulations of their governments.

Committed Fund Balance

This balance represents amounts constrained for a specific purpose by a government using its highest level of decision-making authority (Town of Groton Town Council resolution).

Assigned Fund Balance

This balance represents amounts constrained for the intent to be used for a specific purpose by Executive Management or the Town Council, which have been delegated authority to assign amounts by the Town Charter.

Unassigned Fund Balance

This balance represents fund balance in the General Fund in excess of nonspendable, restricted, committed and assigned fund balance. If another governmental fund has a fund balance deficit, it is reported as a negative amount in unassigned fund balance.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed. Unrestricted resources are used in the following order: committed, assigned then unassigned.

The Town Council has an adopted policy that a minimum unassigned fund balance be maintained in an amount equal to at least eleven percent (11%) of the annual general fund expenditures.

N. Property Taxes

Property taxes are assessed as of October 1, levied on the following July 1, and billed and due in two installments, July 1 and January 1. Taxes less than \$50 are due in full on July 1. Motor vehicle taxes are due in one installment on July 1, and supplemental motor vehicles taxes are due in full January 1. Taxes become delinquent thirty days after the installment is due. Liens are filed by the last day of the fiscal year.

O. Accounting Estimates

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

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

The Town uses the following procedures in establishing the budgetary data included in the financial statements. Not later than March 15th, the Town Manager submits proposed budgets for the General Fund, Special Revenue Funds (including Special Library Fund, Golf Course Fund, Sewer Operating Fund, Solid Waste Fund, Mumford Cove Fund, Revaluation Fund, Computer Replacement Fund and Rec & Senior Activities Fund) and the Debt Service (Groton Sewer District) Fund to the Town Council.

The Town shall propose budgets that provide for an unrestricted fund General Fund balance of not less than 11% of the total operating General Fund expenditures.

After one public hearing and numerous public meetings, the Town Council, on or before April 28th, recommends these budgets, as revised, to the Representative Town Meeting (RTM). The RTM reviews and takes final action on each function's budget no later than May 25th. These appropriations become the legal level of control. Following RTM approval of a final budget, the Town Council shall determine the final tax rate on or before June 9th. The Town Council must authorize all transfers of legally budgeted amounts between functions, with RTM authorization required on all transfers over \$10,000. In this process, function budget accounts serve as the legal level of control. Transfers within functions are not necessary. Additional appropriations may only be made by the Town Council and RTM in accordance with Town Charter provisions. For the year ended June 30, 2021, there were no additional appropriations.

Formal budgetary integration of these budgets is employed as a management control device in the General Fund. Formal budgetary integration is not employed in other funds (other than the Special Revenue Funds listed above and the Revaluation Fund and the Computer Replacement Fund) because budgetary control is alternately achieved by constraints imposed by the project authorization or grant awards related to these funds.

All unencumbered appropriations lapse at year-end, except for those appropriations in the Capital Projects Fund. Appropriations for these amounts are continued until completion of the applicable projects, which often last more than one fiscal year but cannot exceed five (5) years.

The Town's budgeting system requires accounting for certain transactions to be on a basis other than GAAP. The major differences between the budget and GAAP bases are as follows:

- Taxes collected within 60 days subsequent to June 30 are recognized as revenue for GAAP purposes during the current year, compared to recognition in the year received for budgetary purposes.
- Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order is issued, and, accordingly, encumbrances outstanding at year-end are reflected in budgetary reports as expenditures in the current year, whereas they are shown as an assignment of fund balance under the GAAP basis of accounting.
- State of Connecticut payments on behalf of the Town teachers for the State teacher retirement system are reported for GAAP purposes only.
- The revenues and expenditures for budgeted funds that do not meet the definition for inclusion in the GAAP financial statements as special revenue funds are included in the General Fund, in accordance with GASB Statement No. 54.
- The revenues and expenditures relating to issuance of capital leases are recognized for GAAP purposes only.

**TOWN OF GROTON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

B. Deficit Fund Equity

The following funds had deficit fund balances/net position at June 30, 2021:

Capital Improvement Fund	\$	10,973,894
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These deficits will be funded with grants, transfers and grant reimbursements.

C. Expenditures Exceeding Appropriations

The legal services and debt service – Board of Education line items in the General Fund exceeded appropriations by \$18,789 and \$49,661, respectively.

3. DETAILED NOTES ON ALL FUNDS

A. Cash, Cash Equivalents and Investments

The deposit of public funds is controlled by the Connecticut General Statutes (Section 7-402). Deposits may be made in a “qualified public depository” as defined by Statute or, in amounts not exceeding the Federal Deposit Insurance Corporation insurance limit, in an “out of state bank” as defined by the Statutes, which is not a “qualified public depository.”

The Connecticut General Statutes (Section 7-400) permit municipalities to invest in: 1) obligations of the United States and its agencies, 2) highly rated obligations of any state of the United States or of any political subdivision, authority or agency thereof, and 3) shares or other interests in custodial arrangements or pools maintaining constant net asset values and in highly rated no-load open end money market and mutual funds (with constant or fluctuating net asset values) whose portfolios are limited to obligations of the United States and its agencies, and repurchase agreements fully collateralized by such obligations. Other provisions of the Statutes cover specific municipal funds with particular investment authority. The provisions of the Statutes regarding the investment of municipal pension funds do not specify permitted investments. Therefore, investment of such funds is generally controlled by the laws applicable to fiduciaries and the provisions of the applicable plan.

The Statutes (Sections 3-24f and 3-27f) also provide for investment in shares of the State Short-Term Investment Fund (STIF). This investment pool is under the control of the State Treasurer, with oversight provided by the Treasurer’s Cash Management Advisory Board, and is regulated under the State Statutes and subject to annual audit by the Auditors of Public Accounts. Investment yields are accounted for on an amortized-cost basis with an investment portfolio that is designed to attain a market-average rate of return throughout budgetary and economic cycles. Investors accrue interest daily based on actual earnings, less expenses and transfers to the designated surplus reserve, and the fair value of the position in the pool is the same as the value of the pool shares.

Deposit Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the Town’s deposits will not be returned. The Town does not have a deposit policy for custodial credit risk; however, the deposit of public funds is controlled by the Connecticut General Statutes. Deposits may be placed with any qualified public depository that has its main place of business in the State of Connecticut. Connecticut General Statutes require that each depository maintain segregated collateral (not required to be based on a security agreement between the depository and the municipality and, therefore, not perfected in accordance with federal law) in an amount equal to a defined percentage of its public deposits based upon the depository’s risk-based capital ratio.

TOWN OF GROTON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$85,676,212 of the Town's bank balance of \$88,750,560 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 76,652,563
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name	<u>9,023,649</u>
Total Amount Subject to Custodial Credit Risk	<u><u>\$ 85,676,212</u></u>

Cash Equivalents

At June 30, 2021, the Town's cash equivalents amounted to \$21,593,108. The following provides a summary of the Town's cash equivalents (excluding U.S. government guaranteed obligations) as rated by nationally recognized statistical rating organizations. The pools all have maturities of less than one year.

	<u>Standard & Poor's</u>
State Short-Term Investment Fund (STIF)	AAAm
Bank of America, N.A. Cash Management Assets	Not rated
Northern Capital	Not rated

STIF is an investment pool of high-quality, short-term money market instruments with an average maturity of less than 60 days. There were no limitations or restrictions on any withdrawals due to redemption notice periods, liquidity fees, or redemption gates.

Investments

As of June 30, 2021, the Town had the following investments:

<u>Investment Type</u>	<u>Credit Rating</u>	<u>Fair Value</u>	<u>Maturity in Years</u>		
			<u>Less Than 1</u>	<u>1 - 10</u>	<u>More Than 10</u>
Interest-bearing investments:					
Certificate of Deposit *		\$ 1,614,591	<u>\$ 1,614,591</u>	<u>\$ -</u>	<u>\$ -</u>
Other investments:					
Mutual Funds	N/A	178,740,981			
Common Stock	N/A	<u>9,884</u>			
Total Investments		<u>\$ 180,365,456</u>			

* Subject to coverage by Federal Depository Insurance and Collateralization

TOWN OF GROTON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Investment Custodial Credit Risk

Custodial credit risk for an investment is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The Town does not have a policy for custodial credit risk. At June 30, 2021, the Town did not have any uninsured and unregistered securities held by counterparties, or by their trust department or agents, that were not in the Town's name.

Credit Risk - Investments

The Town has no investment policy that would limit its investment choices due to credit risk other than State Statutes governing investments in obligations of any State or political subdivision or in obligations of the State of Connecticut or political subdivision.

Concentration of Credit Risk

The Town has no policy limiting an investment in any one issuer that is in excess of 5% of the Town's total investments.

Interest Rate Risk

The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

The Town's investment policy, in conformity with applicable Connecticut General Statutes, authorizes investment in the State Treasurer's Short-Term Investment Fund (STIF). The value of the position in the pools is the same as the value of the pool shares. Regulatory oversight for the State Treasurer's STIF is provided quarterly by the Investment Advisory Council and the Treasurer's Cash Management Board. Other authorized investments include pooled and joint investments meeting the requirements of the policy, excluding those pools investing in "derivative" securities; certificates of deposit; repurchase agreements; and obligations of the United States and agencies of the federal government.

Deposits and investments for retirement and other post employment benefit funds are also disclosed in Notes 5 and 6.

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, 2021:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Common Stock	\$ 9,884	\$ 9,884	\$	
Mutual Funds	<u>178,740,981</u>	<u>178,692,008</u>	<u>48,973</u>	
Total Investments by Fair Value Level	178,750,865	<u>\$ 178,701,892</u>	<u>\$ 48,973</u>	<u>\$ -</u>
Investments not included above:				
Certificate of deposit	<u>1,614,591</u>			
Total investments	<u>\$ 180,365,456</u>			

TOWN OF GROTON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

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

B. Endowments Received

	Williams Library Trust	Julia Bill Library Trust	Rispoli Scholarship	Total
Original principal received	\$ 20,000	\$ 27,543	\$ 200,000	\$ 247,543
Net appreciation on investments	<u>200,433</u>	<u>24,092</u>	<u>150</u>	<u>224,675</u>
Total Value	<u>\$ 220,433</u>	<u>\$ 51,635</u>	<u>\$ 200,150</u>	<u>\$ 472,218</u>

The original principal received remains in the net position and is restricted for the trust principal. The net appreciation on investments is broken out between restricted and unrestricted net position and is spent based on the original criteria established by the trust. The Town's policy is to spend only investment income for the purposes of the trust.

C. Fund Receivables

Receivables at June 30, 2021, including the applicable allowances for collection losses, are as follows:

	General	Capital Improvement	Nonmajor and Other Funds	Total
Property taxes	\$ 1,173,844	\$	\$ 5,130	\$ 1,178,974
Property tax interest	286,958			286,958
Assessments			871,257	871,257
Intergovernmental		7,290,979	1,340,575	8,631,554
Accounts receivable	271,201		439,250	710,451
User fees receivable			1,004,256	1,004,256
Gross receivables	<u>1,732,003</u>	<u>7,290,979</u>	<u>3,660,468</u>	<u>12,683,450</u>
Allowance for collection losses	<u>(220,000)</u>		<u>(160,000)</u>	<u>(380,000)</u>
Net Receivables	<u>\$ 1,512,003</u>	<u>\$ 7,290,979</u>	<u>\$ 3,500,468</u>	<u>\$ 12,303,450</u>

TOWN OF GROTON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

D. Capital Assets

Capital asset activity for the year ended June 30, 2021 was as follows:

	<u>Beginning Balance</u>	<u>Increases/ Adjustments</u>	<u>Decreases/ Adjustments</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 15,372,053	\$ 87,400	\$	\$ 15,459,453
Construction in progress	<u>83,890,003</u>	<u>78,594,615</u>	<u>84,282,322</u>	<u>78,202,296</u>
Total capital assets not being depreciated	<u>99,262,056</u>	<u>78,682,015</u>	<u>84,282,322</u>	<u>93,661,749</u>
Capital assets being depreciated:				
Land improvements	12,469,955	356,000		12,825,955
Buildings and improvements	182,567,311	76,541,264	625,389	258,483,186
Machinery and equipment	25,710,938	2,708,450	746,662	27,672,726
Machinery and equipment - fleet	9,486,270	176,142	150,692	9,511,720
Infrastructure	<u>117,208,456</u>	<u>765,886</u>	<u>84,926</u>	<u>117,889,416</u>
Total capital assets being depreciated	<u>347,442,930</u>	<u>80,547,742</u>	<u>1,607,669</u>	<u>426,383,003</u>
Less accumulated depreciation for:				
Land improvements	3,998,069	172,499		4,170,568
Buildings and improvements	67,422,785	3,964,058	613,677	70,773,166
Machinery and equipment	15,764,669	1,249,961	121,425	16,893,205
Machinery and equipment - fleet	7,134,519	366,527	150,692	7,350,354
Infrastructure	<u>77,942,101</u>	<u>3,230,612</u>	<u>63,695</u>	<u>81,109,018</u>
Total accumulated depreciation	<u>172,262,143</u>	<u>8,983,657</u>	<u>949,489</u>	<u>180,296,311</u>
Total capital assets being depreciated, net	<u>175,180,787</u>	<u>71,564,085</u>	<u>658,180</u>	<u>246,086,692</u>
Governmental Activities Capital Assets, Net	<u>\$ 274,442,843</u>	<u>\$ 150,246,100</u>	<u>\$ 84,940,502</u>	<u>\$ 339,748,441</u>

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

Governmental Activities:	
General government services	\$ 2,653,095
Public safety	255,564
Public works, including depreciation of general infrastructure assets	1,741,382
Community services	36,571
Education	2,539,450
Sewer operating	1,391,068
Fleet	<u>366,527</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 8,983,657</u>

TOWN OF GROTON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Construction Commitments

The Town has the following construction commitments as of June 30, 2021:

	<u>Project Amount</u>
Building Improvements:	
Cutler Elementary School	\$ 1,763,339
West Side Elementary School	1,721,224

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

Interfund Receivables, Payables and Transfers

As of June 30, 2021, interfund receivables and payables that resulted from various interfund transactions were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor Funds	\$ <u>226,745</u>

Interfund Transfers

Interfund transfers during the year ended June 30, 2021 were as follows:

	<u>Transfers In</u>				<u>Total Transfers Out</u>
	<u>General Fund</u>	<u>Capital Improvements Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Internal Service Fund</u>	
Transfers out:					
General Fund	\$	\$ 535,000	\$	\$ 635,701	\$ 1,170,701
Nonmajor Funds	566,739	1,475,000		137,811	2,179,550
Internal Service Funds			97,883		97,883
Total Transfers In	\$ <u>566,739</u>	\$ <u>2,010,000</u>	\$ <u>97,883</u>	\$ <u>773,512</u>	\$ <u>3,448,134</u>

Transfers are used to account for revenues collected mainly in the General Fund and appropriated to other funds to finance various programs, e.g., Capital Projects, all in accordance with budget authorizations. The purpose of the transfers in to the General Fund were to record revenues received from other funds pertaining to services provided to them by General Fund functions that were determined by the cost allocation plan. Transfers out to the Capital Improvements Fund consisted of budgetary transfers for the replacement of capital assets.

TOWN OF GROTON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

F. Fund Balance

The components of fund balance for the governmental funds at June 30, 2021 are as follows:

	General Fund	Capital Improvements Fund	Nonmajor Governmental Funds	Total
Fund balances:				
Nonspendable:				
Other assets	\$ 11,716	\$	\$ 2,726	\$ 14,442
Endowments			247,543	247,543
Restricted for:				
Various grant funded projects			497,652	497,652
Debt service			1,268,334	1,268,334
Regional probate court			25,342	25,342
Trust purposes			230,321	230,321
Education			1,678,753	1,678,753
Committed to:				
Escrow funds			652,780	652,780
Land acquisition			74,668	74,668
Outside police services			95,879	95,879
Energy conservation			19,669	19,669
Human services donations			352,110	352,110
Emergency energy			44,223	44,223
Student activities			254,809	254,809
Public infrastructure improvements			390,151	390,151
Library			59,306	59,306
Golf course operations			544,944	544,944
Parks & recreation			281,178	281,178
School cafeteria			696,225	696,225
Fitch High School library media			498	498
LED Conversion Project			49,484	49,484
Blight remediation			15,222	15,222
Sewer			3,869,890	3,869,890
Solid waste management			141,869	141,869
Outside agencies			219,212	219,212
Other			1,359	1,359
Assigned to:				
Subsequent year's budget	2,851,000			2,851,000
General government - encumbrances	8,495			8,495
General services - encumbrances	14,885			14,885
Public safety - encumbrances	143,346			143,346
Public works - encumbrances	97,767			97,767
Planning and development - encumbrances	81,272			81,272
Education services - encumbrances	629,144			629,144
Revaluation	496,268			496,268
Technology	344,713			344,713
Unassigned	29,000,928	(10,973,894)		18,027,034
Total Fund Balance	\$ 33,679,534	\$ (10,973,894)	\$ 11,714,147	\$ 34,419,787

Encumbrances of \$974,909 are contained in the above table in the assigned category of the General Fund at June 30, 2021. Encumbrances of \$166,624 are contained in the above table in the committed category of the Nonmajor Governmental Funds at June 30, 2021. There are also encumbrances of \$15,231,913 in the Capital Improvements Fund, not included in the table above, at June 30, 2021.

G. Leases

Operating Leases

The Town leases buildings and copiers under noncancelable operating leases. The total costs for such leases were \$80,436 for the year ended June 30, 2021. The future minimum lease payments for these leases are as follows:

TOWN OF GROTON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

<u>Year Ending June 30</u>	<u>Governmental Activities</u>
2022	\$ 70,290
2023	217,274
2024	9,900
2025	6,866
2026	1,770

The Town also leases various buildings, portions of buildings and tracts of land to outside parties for a bargain lease price.

Capital Leases

The Town has entered into a lease agreement as a lessee for financing the acquisition of equipment. The lease qualifies as a capital lease for accounting purposes, and, therefore, has been recorded at the present value of future minimum lease payments as of the inception date. The asset acquired through the capital lease is as follows:

	<u>Governmental Activities</u>
Equipment	\$ 22,561
Less accumulated depreciation	<u>(2,256)</u>
Total	<u>\$ 20,305</u>

The future minimum lease obligation and net present value of the minimum lease payments as of June 30, 2021 were as follows:

<u>Year Ending June 30</u>	<u>Governmental Activities</u>
2022	\$ 5,405
2023	5,404
2024	5,405
2025	3,601
Less amount for interest	<u>(2,488)</u>
Minimum Lease Payments	<u>\$ 17,327</u>

H. Long-Term Debt

Long-term liability activity for the year ended June 30, 2021 was as follows:

TOWN OF GROTON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Bonds and loans payable:					
General obligation bonds	\$ 70,020,000	\$ 25,045,000	\$ 5,925,000	\$ 89,140,000	\$ 7,175,000
Clean Water Fund loan	5,766,420		612,363	5,154,057	612,363
Premium	6,073,173	3,076,898	1,285,009	7,865,062	2,091,074
Total bonds and loans payable	81,859,593	28,121,898	7,822,372	102,159,119	9,878,437
Landfill post-closure monitoring	1,276,000		168,200	1,107,800	168,200
Capital lease obligations	21,300		3,973	17,327	4,275
Compensated absences	2,001,968	268,691	215,461	2,055,198	199,348
Claims payable	2,341,594	13,124,918	13,167,087	2,299,425	898,721
Net pension liability	24,976,913		18,068,309	6,908,604	
Net OPEB Liability	39,311,876		1,975,332	37,336,544	
Long-Term Liabilities	<u>\$ 151,789,244</u>	<u>\$ 41,515,507</u>	<u>\$ 41,420,734</u>	<u>\$ 151,884,017</u>	<u>\$ 11,148,981</u>

Liability for compensated absences and net pension liabilities will be funded through the General Fund, the Golf Course Fund and the Sewer Operating Fund. In previous years the net pension and OPEB liabilities have been liquidated through the General Fund, Golf Course Fund and the Sewer Operating Fund.

Bonds

All bonds are general obligation debt of the Town and are secured by the general revenue raising powers of the Town. However, it is management's intention that all sewer bonds be serviced by the taxes and sewer assessments of the Groton Sewer District, which are accounted for in the Debt Service Fund. The debt service associated with the Fort Hill sewer rehabilitation project and the current year debt issuance that refunded a portion of this debt will be funded with revenue generated from the Town's sewer use fee rate within the sewer operating fund.

The Town's general obligation bonds bear interest at rates from 2.0% to 5.0% and mature as follows:

	<u>Town of Groton</u>	
<u>Fiscal Year</u>	<u>Principal Payments</u>	<u>Interest Payments</u>
2022	\$ 7,175,000	\$ 3,084,616
2023	7,185,000	2,781,638
2024	7,200,000	2,449,800
2025	6,840,000	2,137,481
2026	6,640,000	1,869,488
2027-2031	23,910,000	6,095,100
2032-2036	16,940,000	3,023,400
2037-2041	13,250,000	795,000
	<u>\$ 89,140,000</u>	<u>\$ 22,236,523</u>

TOWN OF GROTON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

General Obligation Bond Anticipation Notes Payable

<u>Date Issued</u>	<u>Maturity Date</u>	<u>Interest Rate (%)</u>	<u>Balance July 1, 2020</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2021</u>
4/17/2020	4/29/2021	2.00	\$ 56,000,000	\$	\$ 56,000,000	\$ -
4/17/2020	4/29/2021	2.00	7,045,000		7,045,000	-
4/15/2021	4/28/2022	3.00		38,000,000		38,000,000

The outstanding bond anticipation notes were issued to fund cash flows for capital expenses.

Debt Limitation

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

<u>Category</u>	<u>Debt Limit</u>	<u>Indebtedness</u>	<u>Balance</u>
Public improvement	\$ 234,407,950	\$ 17,972,847	\$ 216,435,103
Schools	468,815,900	121,869,865	346,946,035
Sewers	390,679,916	21,220,057	369,459,859
Urban renewal	338,589,261		338,589,261
Pension deficit	312,543,933		312,543,933

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, including coterminous municipalities, or \$729,269,177. All long-term debt obligations are retired through General Fund, Debt Service Fund and Sewer Operating Fund appropriations.

Indebtedness, in accordance with State statutes, includes long-term debt outstanding in addition to the amount of bonds authorized and unissued against which bonds have been issued to partially finance the project or bond anticipation notes issued and outstanding. Additionally, underlying debt of \$8,831,437 (and \$960,189 authorized and unissued) is included in the calculation of indebtedness. Total authorized but unissued long-term debt at June 30, 2021 consists of \$3,221 remaining for road maintenance and Rehabilitation (Paving), \$17,788,865 for school facilities improvement plan and \$1,185,000 for the Effluent/Fishtown Pump Station (WPCF).

TOWN OF GROTON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Clean Water Fund Loan

During 2008, the Town entered into a project loan agreement with the State of Connecticut for a Clean Water Project. As of June 30, 2021, the Town has received total financing of \$12,235,166. This amount includes the original approved amount of \$9,361,766 and \$2,873,400 of amended funding. The loan bears interest at 2% and is to be repaid over 20 years. Repayments began in November 2010.

Annual debt service payments to the State of Connecticut are as follows:

Fiscal Year	Debt Service Fund	
	Principal Payments	Interest Payments
2022	\$ 612,363	\$ 97,468
2023	612,363	85,221
2024	612,363	72,973
2025	612,363	60,726
2026	612,363	48,479
2027-2031	<u>2,092,242</u>	<u>73,228</u>
	<u>\$ 5,154,057</u>	<u>\$ 438,095</u>

I. Landfill Closure and Postclosure Care Cost

State and federal laws and regulations require the Town to place a final cover on two landfill sites when it stops accepting waste and to perform certain maintenance and monitoring functions at the sites for 30 years after closure. One of the Town's municipal solid waste landfills stopped accepting waste in 1994. The remaining postclosure costs for this site are estimated to be \$507,500 (\$101,500 per year for 5 years). The other landfill site stopped accepting waste in the fall of 2001, and its remaining postclosure cost is \$600,300 (\$66,700 for 9 years). Actual costs may be higher due to inflation, changes in technology or changes in regulations.

TOWN OF GROTON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

4. TAX ABATEMENTS

The Town of Groton currently has four individual agreements with local businesses that qualify under the implementation of GASB Statement No. 77, *Tax Abatement Disclosures*, for the purpose of providing services to its taxpayers. Details of the agreements are as follows:

Local Business	Branford Manor Preservation	AHEPA 250-III Inc.	Mystic River Homes	Mystic Indoor Sports
Purpose	Apartment complex being renovated is low income housing and has been deemed a Development Property.	Apartment complex constructed for low income elderly or disabled.	Apartment complex constructed for low income housing.	Improvement of an indoor sports facility for community use (increase tax base).
Tax being abated	Real Property	Real Property	Real Property	Real Property
Authority under which agreements are entered into	Connecticut General Statutes 7-498, a part of General Statutes Chapter 114, the Connecticut City and Town Development Act.	Section 8-215 and 8-216 of Chapter 133 of the Connecticut General Statutes.	Section 8-215 and 8-216 of Chapter 133 of the Connecticut General Statutes.	Town of Groton Financial Incentive Policy.
Eligibility criteria for tax abatement	Investment of \$18,500,000 to construct new resident service buildings, to make and maintain exterior and interior repairs and renovation to provide 100% project-based Section 8 housing for low income individuals.	Construct a 40-unit complex for low income elderly.	Construct and maintain a maximum of 144 units of housing for low income elderly and disabled. Two phases of 72 units each.	Invest \$3 million to improve the property.
How recipient's taxes are reduced	A payment schedule of taxes has been agreed upon per the agreement through January 1, 2037 totaling \$7,759,264.	53.5% Abated	100% Abated	Year 1 - 100% abatement for existing buildings and land along with new improvements Years 2-4 - 100% abatement for new buildings and paying taxes on the full assessment of the existing buildings (built prior to 2015) and land Years 5-6 - 75% abatement for new buildings and paying taxes on the full assessment of the existing buildings (built prior to 2015) and land Year 7 - 50% abatement for new buildings and paying taxes on the full assessment of the existing buildings (built prior to 2015) and land
How the tax abatement is determined	Schedule based on current value of the building and reasonable abatement agreed to by all parties.	Discount needed to maintain low rents and off set the cost of the project.	Discount needed to maintain low rents and off set the cost of the project.	Buyer paid backed taxes after purchasing the bankrupt facility. Discount needed to off set the cost of renovations.
Gross dollar amount, on an accrual basis, by which the government's tax revenues were reduced as a result of the abatement agreement.	Tax stabilization agreement. Taxes were not reduced, but stabilized to increase 3% per year for 20 years. Initial FYE2018	\$18,918 Town \$422 Sewer \$4,483 Poquonnock Bridge Fire District	\$158,165 Town \$3,527 Sewer \$8,063 Noank Fire District	\$14,515 Town \$324 Sewer \$1,676 Old Mystic Fire District

5. PUBLIC EMPLOYEE RETIREMENT SYSTEM

Pension Plans

A. Plan Description and Benefits Provided

All Town employees (nonunion choose an election at hire), except certified members of the Board of Education, participate in the Town of Groton Retirement System (TGRS), an agent multiple-employer defined benefit pension plan. Two other employers, Ledge Light Health District and the Poquonnock Bridge Fire District, also participate in the TGRS, which is administered by the Retirement Board. The Retirement Board is made up of six members, who are appointed by the Town Council, and consists of the Town Manager and five members at large, at least two of whom shall be participants in TGRS, either as active or retired employees. All voting members of the board, except participants in the plan, must be residents of the Town. TGRS provides retirement, disability and death benefits to plan members and beneficiaries. The charter provides the Town Council with the authority to establish and amend benefit provisions, by ordinance, through the Retirement Board. The plan 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 financial statements are not available.

Under the plan, all full-time employees hired are eligible. Police Officers, BOE Secretaries, BOE Central Office Employees and Custodians are 100% vested after 10 years of service. Firefighters are 50% vested after 10 years with 3.3% additional after each of the next 15 years. General Government Nonbargaining, CILU, AFSCME, Steelworkers, Telecommunicators and BOE Central Office Employees (Business Manager, Director of Building & Grounds, Director of IT and Personnel Manager) are 100% vested after 5 years of service. Benefits are calculated as follows:

Board of Education - School Secretaries

1.25% of average annual pay (for highest paid 5 years of last 7 years) times the number of years of participation.

Board of Education - Custodians/Maintenance

1.25% of average annual pay (highest 3 years) times years of service before July 1, 1989 and 1.85% of average annual pay times years of service after June 30, 1989 up to 25 years, plus 1.25% for years of service after 6/30/1989 in excess of 25 years. For those who retire after June 30, 2003, 2% average annual pay times number of continuous years of service with the Board after June 30, 2001. No more than 25 years shall be credited at 2% and 1.85% with all additional years credited at 1.25%.

CILU

2.05% of average annual pay (for highest 3 years) times the number of years of continuous service up to 30 years of service and 1.25% of average annual pay times years of continuous service in excess of 30.

Board of Education - Administrative

2% of average annual pay (for highest 3 years) times the number of years of continuous service up to 25 years of service and 1.25% of average annual pay times years of continuous service in excess of 25.

General Government AFSCME

2% of average annual pay (for highest 3 years) times the number of years of continuous service, up to 25 years of service and 1.25% of average annual pay times years of continuous service in excess of 25. Benefit is reduced by 2% for each year of age or service that the sum of age and years of service is less than 85.

TOWN OF GROTON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

General Government Nonbargaining

2% of average annual pay (for highest paid 3 years out of last 5 years) times the number of years of continuous service up to 30 years of service and 1.25% of average annual pay times years of continuous service in excess of 30.

Steelworkers

2% of average annual pay (for highest 3 years) times the number of years of continuous service, up to 30 years of service and 1.5% of average annual pay times years of continuous service in excess of 30.

Firefighters

2.75% of average annual pay (highest paid 4 years) times years of continuous service up to 30 years.

Union Police Officers

2.667% of average annual pay (highest paid 5 years) times the number of years of continuous service up to 30 years of service. Benefit is reduced for each year of age and service that the sum of age and years of service is less than 75.

Nonunion Police Officers

2.667% of average annual pay (highest paid 3 years) times the number of years of continuous service up to 30 years of service.

Maximum benefits are 66-2/3% of average annual pay for members of the General Government, AFSCME and Board of Education. Maximum benefits are 70% of average annual pay for members of the CILU and USWA. Maximum benefits are 75% of average annual pay for Firefighters and General Government Nonbargaining and 80% for Union and Nonunion Police Officers.

At July 1, 2020, TGRS membership consisted of:

	<u>Town of Groton Town and BOE</u>	<u>Poquonnock Fire District</u>	<u>Ledge Light Health District</u>
Retirees and beneficiaries currently receiving benefits	289	23	2
Terminated employees entitled to benefits but not yet receiving them	31		
Active plan members	<u>339</u>	<u>24</u>	<u>1</u>
Total	<u><u>659</u></u>	<u><u>47</u></u>	<u><u>3</u></u>

B. Summary of Significant Accounting Policies

Basis of Accounting

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

TOWN OF GROTON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Method Used to Value Investments

Investments are reported at fair value. Investment income is recognized as earned. Gains and losses on sales and exchange of investments are recognized on the transaction date.

C. Funding Policy

Employees other than Police Officers and Firefighters are required to contribute 4% of pay to the Plan. Nonunion Police Officers contribute 7.5%, Union Police Officers 7.75%, Firefighters 6.5% and CILU 5%. Contributions of nonvested employees are returned with interest, if applicable, upon termination or death prior to retirement. The Town funds at least the actuarially determined amounts. Benefits and contributions are established by the Town and may be amended only by the Town Council subject to the terms of collective bargaining agreements with certain unions.

D. Investments

Investment Policy

The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TGRS Board by a majority vote of its members. It is the policy of the TGRS Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The overall investment goal is to obtain a competitive rate of return on portfolio assets commensurate with the prudent investment rule and the responsibility to provide retirement benefits to retirees and their beneficiaries. The following was the Board's adopted asset allocation policy as of June 30, 2021:

<u>Asset Class</u>	<u>Target Allocation</u>
U.S. Large Cap	37.00%
U.S. Small Cap	7.00
Developed International Equities	11.00
Emerging International Equities	2.00
Core Fixed Income	37.00
High-Yield Bonds	3.00
Real Estate (REITs)	<u>3.00</u>
Total	<u><u>100.00%</u></u>

Rate of Return

For the year ended June 30, 2021, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 25.39%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

TOWN OF GROTON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

E. Net Pension Liability

The components of the net pension liability of the Town at June 30, 2021 were as follows:

	<u>Town and BOE</u>	<u>Ledge Light</u>	<u>Fire</u>	<u>Total</u>
Total pension liability	\$ 145,420,521	\$ 921,627	\$ 15,502,002	\$ 161,844,150
Plan fiduciary net position	<u>138,511,917</u>	<u>781,832</u>	<u>14,242,769</u>	<u>153,536,518</u>
Total Net Pension Liability	<u>\$ 6,908,604</u>	<u>\$ 139,795</u>	<u>\$ 1,259,233</u>	<u>\$ 8,307,632</u>
Plan fiduciary net position as a percentage of the total pension liability	95.25%	84.83%	91.88%	94.87%

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of July 1, 2020, rolled forward to June 30, 2021 using the following actuarial assumptions, applied to all periods included in the measurement.

Inflation	2.40%
Salary increases	Vary by age group
Investment rate of return	7.25%

Mortality rates were based on the Pub-2010 Public Retirement Plans Amount-Weighted Mortality Tables (with separate tables for Public Safety), projected to the valuation date with Scale MP-2020. (Prior: RP-2014 Adjusted to 2006 Total Dataset Mortality Table projected to valuation date with Scale MP-2019).

The actuarial assumptions used in the July 1, 2020 valuation were based on the 2014 Experience Study Report published in August 2014.

TOWN OF GROTON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

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, 2021 (see 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. Large Cap	5.30%
U.S. Small Cap	5.70
Developed International Equities	5.80
Emerging International Equities	6.60
Core Fixed Income	2.00
High-Yield Bonds	4.00
Real Estate (REITs)	4.20

Discount Rate

The discount rate used to measure the total pension liability was 7.25%. 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.

TOWN OF GROTON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

F. Changes in Net Pension Liability

Town and BOE			
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balances as of July 1, 2020	\$ 138,794,465	\$ 113,817,552	\$ 24,976,913
Changes for the year:			
Service cost	2,809,869		2,809,869
Interest on total pension liability	9,949,410		9,949,410
Changes of benefit terms	(6,096)		(6,096)
Differences between expected and actual experience	(44,592)		(44,592)
Changes in assumptions	2,815,386		2,815,386
Employer contributions		3,773,000	(3,773,000)
Member contributions		1,246,290	(1,246,290)
Net investment income		28,609,009	(28,609,009)
Benefit payments, including refund to employee contributions	(8,897,921)	(8,897,921)	-
Administrative expenses		(36,013)	36,013
Net changes	6,626,056	24,694,365	(18,068,309)
Balances as of June 30, 2021	\$ 145,420,521	\$ 138,511,917	\$ 6,908,604

Ledge Light			
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balances as of July 1, 2020	\$ 855,740	\$ 639,391	\$ 216,349
Changes for the year:			
Service cost	10,578		10,578
Interest on total pension liability	61,063		61,063
Differences between expected and actual experience	24,596		24,596
Changes in assumptions	18,648		18,648
Employer contributions		24,800	(24,800)
Member contributions		5,385	(5,385)
Net investment income		161,457	(161,457)
Benefit payments, including refund to employee contributions	(48,998)	(48,998)	-
Administrative expenses		(203)	203
Net changes	65,887	142,441	(76,554)
Balances as of June 30, 2021	\$ 921,627	\$ 781,832	\$ 139,795

TOWN OF GROTON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Poquonnock Fire District			
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balances as of July 1, 2020	\$ 14,810,700	\$ 11,671,140	\$ 3,139,560
Changes for the year:			
Service cost	305,127		305,127
Interest on total pension liability	1,061,695		1,061,695
Changes of benefit terms	(30)		(30)
Differences between expected and actual experience	123,393		123,393
Changes in assumptions	161,415		161,415
Employer contributions		459,500	(459,500)
Member contributions		134,629	(134,629)
Net investment income		2,941,501	(2,941,501)
Benefit payments, including refund to employee contributions	(960,298)	(960,298)	-
Administrative expenses		(3,703)	3,703
Net changes	691,302	2,571,629	(1,880,327)
Balances as of June 30, 2021	\$ 15,502,002	\$ 14,242,769	\$ 1,259,233

Amounts reported as changes of assumptions resulted primarily from an update to the mortality tables.

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 current discount rate, 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 or 1 percentage point higher than the current rate:

Net Pension (Asset) Liability	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Town and BOE	\$ 22,661,823	\$ 6,908,604	\$ (6,476,207)
Ledge Light	237,929	139,795	55,113
Poquonnock Fire District	3,109,229	1,259,233	(289,653)

TOWN OF GROTON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

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

For the year ended June 30, 2021, the Town and BOE, Ledge Light and Fire Pensions recognized pension expense of (\$434,243), \$40,771 and \$66,744, respectively, which totals, (\$326,728). At June 30, 2021, the reported deferred outflows of resources and deferred inflows of resources related to pension were as follows:

	Town and BOE	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 593,663	\$ (80,393)
Changes of assumptions	3,754,629	(317,972)
Net difference between projected and actual earning on pension plan investments		(15,165,129)
Total	<u>\$ 4,348,292</u>	<u>\$ (15,563,494)</u>

	Ledge Light	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 27,097	\$
Changes of assumptions	11,940	(759)
Net difference between projected and actual earning on pension plan investments		(85,796)
Total	<u>\$ 39,037</u>	<u>\$ (86,555)</u>

	Poquonnock Fire District	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 183,760	\$ (302,172)
Changes of assumptions	499,442	(29,314)
Net difference between projected and actual earning on pension plan investments		(1,563,888)
Total	<u>\$ 683,202</u>	<u>\$ (1,895,374)</u>

TOWN OF GROTON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

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

<u>Year Ending June 30</u>	<u>Town and BOE</u>	<u>Ledge Light</u>	<u>Poquonnock Fire District</u>
2022	\$ (2,432,868)	\$ 7,564	\$ (292,837)
2023	(2,589,664)	(10,786)	(321,578)
2024	(2,850,170)	(21,142)	(300,981)
2025	(3,594,394)	(23,154)	(372,164)
2026	251,894		41,884
Thereafter			33,504

Connecticut State Teachers Retirement System - Pension

A. 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.

B. Benefit Provisions

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

Normal Retirement

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

Early Retirement

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

Disability Retirement

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

TOWN OF GROTON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

C. Contributions

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

Employer (School Districts)

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

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

For the year ended June 30, 2021, the amount of "on-behalf" contributions made by the State was \$10,804,674 and is recognized in the General Fund as intergovernmental revenues and education expenditures.

Employees

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.

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

At June 30, 2021, the Town reports no amounts for its proportionate share of the net pension liability, and related deferred outflows and inflows, due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the Town were as follows:

Town's proportionate share of the net pension liability	\$ -
State's proportionate share of the net pension liability associated with the Town	<u>168,450,310</u>
Total	\$ <u>168,450,310</u>

The net pension liability was measured as of June 30, 2020, and the total Pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020. At June 30, 2021, the Town has no proportionate share of the net pension liability.

For the year ended June 30, 2021, the Town recognized pension expense and revenue of \$24,129,708 in Exhibit II.

TOWN OF GROTON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

E. Actuarial Assumptions

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

Inflation	2.50%
Salary increase	3.00-6.50%, including inflation
Investment rate of return	6.90%, net of pension plan investment expense, including inflation

Mortality rates were based on the PubT-2010 Healthy Retiree Table (adjusted 105% for males and 103% for females at ages 82 and above), projected generationally with MP-2019 for the period after service retirement.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the five-year period ending June 30, 2019.

Cost-of-Living Allowance

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

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

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

TOWN OF GROTON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Long-Term Rate of Return

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 State of Connecticut Treasurer's Office are summarized in the following table:

<u>Asset Class</u>	<u>Expected Return</u>	<u>Target Allocation</u>
Domestic Equity Fund	5.60 %	20.00
Developed Market Intl. Stock Fund	6.00	11.00
Emerging Market Intl. Stock Fund	7.90	9.00
Core Fixed Income Fund	2.10	16.00
Inflation Linked Bond Fund	1.10	5.00
Emerging Market Debt Fund	2.70	5.00
High Yield Bond Fund	4.00	6.00
Real Estate Fund	4.50	10.00
Private Equity	7.30	10.00
Alternative Investments	2.90	7.00
Liquidity Fund	0.40	1.00
Total		<u>100.00</u>

F. 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 contribution rates in the future years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

G. 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.

H. 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.

6. POST EMPLOYMENT HEALTHCARE PLAN - GROTON RETIRED EMPLOYEES HEALTHCARE PLAN

A. Plan Description

The Groton Retired Employees Healthcare Plan (GREHP) is a single-employer defined benefit healthcare plan administered by the Town. The GREHP provides medical and dental benefits to eligible retirees and their spouses as established through negotiations between the Town and the various unions representing the employees. Eligible full-time and part-time employees of the Town may elect to participate in the plan.

The plan is considered to be part of the Town's financial reporting entity and is included in the Town's financial report as the Other Post Employment Benefits Trust Fund. The plan does not issue a stand-alone financial report.

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

At July 1, 2020, plan membership consisted of the following:

	<u>Retiree Health Plan</u>
Active members	795
Retired members	307
Beneficiaries	28
Spouses of retirees	<u>70</u>
Total Participants	<u><u>1,200</u></u>

B. Funding Policy

The Town has established a trust fund to irrevocably segregate assets to fund the liability associated with post employment benefits. The fund is reported as a trust fund in accordance with GASB guidelines. The actuarially determined contribution payment is transferred into this account annually from the General Fund and budgeted as part of the budgeting process, which is approved by the Town Council.

The contribution requirements of plan members and the Town/Board of Education are also negotiated with the various unions representing the employees. Retired plan members and beneficiaries currently receiving benefits are required to contribute specified amounts monthly toward the cost of health insurance premiums as listed below. These are average costs with the actual costs to the retirees based on the employee group they were in when they retired.

TOWN OF GROTON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

The annual blended medical and dental premiums are as follows:

Pre-65 Medical Plan:	Employee	Spouse
Town (Future Retirees)	12,433	12,433
BOE (Future Retiree)	12,069	12,069
Town (Current Retirees)	15,170	16,635
BOE (Future Retirees)	15,783	17,602
 Post-65 Medical Plan:		
Town (Future Retirees)	5,407	5,407
BOE (Future Retiree)	5,407	5,407
Town (Current Retirees)	7,126	9,122
BOE (Future Retirees)	6,786	7,335
 Dental Plan:		
Town	444	723
BOE	374	779

C. Investments

The investment policy of the OPEB Plan is established and may be amended by the Town Manager, Finance Director and Human Resources Manager. The investment policy is designed to reflect a prudent investor's tolerance for risk, which is achieved through diversification of the portfolio across a broad selection of asset classes. It is the intent of the policy to pursue an investment strategy that produces a maximum return for the Town through prudent asset allocation and superior investment performance within designated asset classes.

Investment Policy

Rate of Return

For the year ended June 30, 2021, the annual money-weighted rate of return on investments, net of investment expense, was 18.21%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

D. Net OPEB Liability of the Town

The Town's net OPEB liability was measured as of June 30, 2021. The components of the net OPEB liability of the Town at June 30, 2021, were as follows:

Total OPEB Liability	\$	66,155,356
Plan fiduciary net position		<u>28,818,812</u>
Net OPEB Liability	\$	<u><u>37,336,544</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability		43.56%

TOWN OF GROTON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

E. Actuarial Assumptions

The total OPEB liabilities was determined by an actuarial valuation as of July 1, 2020, rolled forward to June 30, 2021, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial cost method	Entry Age Normal
Inflation	2.6%, previously 2.75%
Salary increase	Graded by age for teachers and administrators, 3.50% for all others
Investment rate of return	7.00%, previously 7.25%
Healthcare cost trend rates	Pre Medicare: 6.20% - 4.10% over 53 years Post Medicare: 3.60% - 4.10% over 52 years
Healthy Mortality	
Teachers and Administrators	PubT-2010 Mortality Table for Employees and Healthy Annuitants (adjusted 105% for males and 103% for females at ages 82 and above) with generational projection of future improvements per the MP-2019 Ultimate scale. The PubT-2010 Contingent Survivor Table projected generationally per the MP-2019 Ultimate scale and set forward 1 year for both males and females is used for survivors and beneficiaries. This assumption includes a margin for improvements in longevity beyond the valuation date.
Police	PubS-2010 Mortality Table for Employees and Healthy Annuitants with generational projection of future improvements per the MP- 2019 Ultimate scale. This assumption includes a margin for improvements in longevity beyond the valuation date.
All Others	PubG-2010 Mortality Table for Employees and Healthy Annuitants with generational projection of future improvements per the MP-2019 Ultimate scale. This assumption includes a margin for improvements in longevity beyond the valuation date.
Disabled Mortality	
Teachers and Administrators	PubT-2010 Disabled Mortality Table for males and females with generational projection of future improvements per the MP-2019 Ultimate scale. This assumption includes a margin for mortality improvement beyond the valuation date.
Police	PubS-2010 Disabled Mortality Table for males and females with generational projection of future improvements per the MP-2019 Ultimate scale. This assumption includes a margin for mortality improvement beyond the valuation date.
All Others	PubG-2010 Disabled Mortality Table for males and females with generational projection of future improvements per the MP-2019 Ultimate scale. This assumption includes a margin for mortality improvement beyond the valuation date.

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

TOWN OF GROTON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

The long-term expected rate of return on OPEB plan investments was determined using the building-block method in which best-estimate rates 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, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Actual Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Cash	11 %	-0.06
Core Fixed Income	33	1.28
U.S. Large Cap Equities	56	3.33
	<u>100 %</u>	

F. Discount Rate

The discount rate used to measure the total OPEB liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that Town contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

G. Changes in the Net OPEB Liability

	<u>Total OPEB Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net OPEB Liability (a)-(b)</u>
Balances as of July 1, 2020	\$ 61,670,328	\$ 22,358,452	\$ 39,311,876
Changes for the year:			
Service cost	1,174,539		1,174,539
Interest on total OPEB liability	4,483,647		4,483,647
Differences between expected and actual experience	2,102,503		2,102,503
Changes in assumptions	(1,237,057)		(1,237,057)
Employer contributions		4,111,657	(4,111,657)
Net investment income		4,431,325	(4,431,325)
Benefit payments	(2,038,604)	(2,038,604)	-
Administrative expense		(44,018)	44,018
Net Changes	<u>4,485,028</u>	<u>6,460,360</u>	<u>(1,975,332)</u>
Balances as of June 30, 2021	<u>\$ 66,155,356</u>	<u>\$ 28,818,812</u>	<u>\$ 37,336,544</u>

TOWN OF GROTON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

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

The following presents the net OPEB liability of the Town, calculated using the current discount rate, 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 or 1 percentage point higher than the current discount rate:

		1% Decrease (6.00%)	Current Discount Rate (7.00%)		1% Increase (8.00%)
Net OPEB Liability	\$	45,263,888	\$	37,336,544	\$ 30,776,557

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

The following presents the net OPEB liability of the Town, calculated using the current healthcare cost trend rate, 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 or 1 percentage point higher than the current healthcare cost trend rates:

		1% Decrease (See assumptions)	Healthcare Cost Trend Rates (See assumptions)		1% Increase (See assumptions)
Net OPEB Liability	\$	29,774,057	\$	37,336,544	\$ 46,608,898

J. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2021, the Town recognized OPEB expense of \$3,145,746. At June 30, 2021, 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	\$ 3,713,775	\$ (1,780,189)
Changes of assumptions	903,762	(5,033,147)
Net difference between projected and actual earnings on OPEB plan investments		(1,576,163)
	<u>\$ 4,617,537</u>	<u>\$ (8,389,499)</u>

TOWN OF GROTON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

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

2022	\$	(861,991)
2023		(917,560)
2024		(999,370)
2025		(1,159,852)
2026		(41,329)
Thereafter		208,140

7. PENSION AND OPEB TRUST FUND COMBINING SCHEDULES

Combining Schedule of Net Position - Trust Funds

	Trust Funds		
	<u>Pension Trust Fund</u>	<u>OPEB Trust Fund</u>	<u>Total Trust Funds</u>
Assets:			
Cash and cash equivalents	\$ 3,249	\$ 3,780,655	\$ 3,783,904
Investments, at fair value:			
Mutual funds	153,493,939	25,106,424	178,600,363
Accounts receivable	103,885	182,238	286,123
Total assets	<u>153,601,073</u>	<u>29,069,317</u>	<u>182,670,390</u>
Liabilities:			
Accounts payable	64,528	42,005	106,533
Due to employees/others	27		27
Claims incurred but not reported		208,500	208,500
Total liabilities	<u>64,555</u>	<u>250,505</u>	<u>315,060</u>
Net Position:			
Restricted for employees of Ledge Light	781,832		781,832
Restricted for firefighters	14,242,769		14,242,769
Restricted for benefits and other purposes	138,511,917	28,818,812	167,330,729
Total Net Position	<u>\$ 153,536,518</u>	<u>\$ 28,818,812</u>	<u>\$ 182,355,330</u>

TOWN OF GROTON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

	Trust Funds		
	Pension Trust Fund	OPEB Trust Fund	Total
Additions:			
Contributions:			
Employer	\$ 4,257,300	\$ 4,111,657	\$ 8,368,957
Plan members	1,386,304	-	1,386,304
Total contributions	<u>5,643,604</u>	<u>4,111,657</u>	<u>9,755,261</u>
Investment income:			
Change in fair value of investments	31,957,473	4,461,616	36,419,089
Less investment expenses:			
Investment management fees	245,506	30,291	275,797
Net investment income	<u>31,711,967</u>	<u>4,431,325</u>	<u>36,143,292</u>
Total additions	<u>37,355,571</u>	<u>8,542,982</u>	<u>45,898,553</u>
Deductions:			
Benefits	9,907,217	2,038,604	11,945,821
Administrative expense	39,919	44,018	83,937
Total deductions	<u>9,947,136</u>	<u>2,082,622</u>	<u>12,029,758</u>
Change in Net Position	27,408,435	6,460,360	33,868,795
Net Position - Beginning of Year	<u>126,128,083</u>	<u>22,358,452</u>	<u>148,486,535</u>
Net Position - End of Year	<u>\$ 153,536,518</u>	<u>\$ 28,818,812</u>	<u>\$ 182,355,330</u>

8. OTHER POST EMPLOYMENT BENEFIT - CONNECTICUT STATE TEACHERS RETIREMENT PLAN

A. Plan Description

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

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

B. Benefit Provisions

There are two types of the health care benefits offered through the system. Subsidized Local School District Coverage provides a subsidy paid to members still receiving coverage through their former employer and the CTRB Sponsored Medicare Supplement Plans provide coverage for those participating in Medicare but not receiving Subsidized Local School District Coverage.

TOWN OF GROTON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Any member who 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, and any remaining portion is used to offset the district's cost. The subsidy amount is set by statute and has not increased since July 1996. A subsidy amount of \$220 per month may be paid for a retired member, spouse or the surviving spouse of a member who has attained the normal retirement age to participate in Medicare, is not eligible for Part A of Medicare without cost and contributes at least \$220 per month towards coverage under a local school district plan.

Any member who is currently participating in Medicare Parts A & B is eligible to either continue 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 Supplement Plans. Effective July 1, 2018, the System added a Medicare Advantage Plan option. Active members, retirees and the State pay equally toward the cost of the basic coverage (medical and prescription drug benefits) under the Medicare Advantage Plan. Retired members who choose to enroll in the Medicare Supplement Plan are responsible for the full difference in the premium cost between the two plans. Additionally, effective July 1, 2018, retired members who cancel their health care coverage or elect to not enroll in a CTRB sponsored health care coverage option must wait two years to re-enroll.

Survivor Health Care Coverage

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

C. Eligibility

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

Credited Service

One month for each month of service as a teacher in Connecticut public schools, maximum 10 months for each school year. Ten months of credited service constitutes one year of Credited Service. Certain other types of teaching services, State employment, or wartime military service may be purchased prior to retirement if the member pays one-half the cost.

Normal Retirement

Age 60 with 20 years of Credited Service in Connecticut, or 35 years of Credited Service including at least 25 years of service in Connecticut.

Early Retirement

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

Proratable Retirement

Age 60 with 10 years of Credited Service.

TOWN OF GROTON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Disability Retirement

No service requirement if incurred in the performance of duty, and 5 years of Credited Service in Connecticut if not incurred in the performance of duty.

Termination of Employment

Ten or more years of Credited Service.

D. Contributions

State of Connecticut

Per Connecticut General Statutes Section 10-183z, contribution requirements of active employees and the State of Connecticut are approved, amended and certified by the State Teachers' Retirement Board and appropriated by the General Assembly. The State contributions are not currently actuarially funded. The State appropriates from the General Fund one third of the annual costs of the Plan. Administrative costs of the Plan are financed by the State. Based upon Chapter 167a, Subsection D of Section 10-183t of the Connecticut statutes, it is assumed the State will pay for any long-term shortfall arising from insufficient active member contributions.

Employer (School Districts)

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

For the year ended June 30, 2021, the amount of "on-behalf" contributions made by the State was \$260,754 and is recognized in the General Fund as intergovernmental revenues and education expenditures.

Employees/Retirees

The cost of providing plan benefits is financed on a pay-as-you-go basis as follows: 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.

E. OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2021, 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	<u>25,124,370</u>
Total	\$ <u>25,124,370</u>

TOWN OF GROTON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

The net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as June 30, 2020. At June 30, 2021, the Town has no proportionate share of the net OPEB liability.

For the year ended June 30, 2021, the Town recognized OPEB expense and revenue of \$1,160,555 in Exhibit II.

F. Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2020, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Health care costs trend rate	5.125% for 2020, decreasing to an ultimate Rate of 4.50% by 2023
Salary increases	3.00-6.50%, including inflation
Investment rate of return	2.21%, net of OPEB plan investment expense, including inflation
Year fund net position will be depleted	2021

Mortality rates were based on the PubT-2010 Healthy Retiree Table (adjusted 105% for males and 103% for females at ages 82 and above), projected generationally with MP-2019 for the period after service retirement.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2014 - June 30, 2019.

The long-term expected rate of return on plan assets is reviewed as part of the GASB 75 valuation process. Several factors are considered in evaluating the long-term rate of return assumption, including the plan's current asset allocations and a log-normal distribution analysis using the best-estimate ranges of expected future real rates of return (expected return, net investment expense and inflation) for each major asset class. The long-term expected rate of return was determined by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years. The plan is 100% invested in U.S. Treasuries (Cash Equivalents) for which the expected 10-Year Geometric Real Rate of Return is (0.41%).

G. Discount Rate

The discount rate used to measure the total OPEB liability was 2.21%. The projection of cash flows used to determine the discount rate assumed that total payroll for the initial projection year consists of the payroll of the active membership present on the valuation date. In subsequent projection years, total payroll was assumed to increase annually at a rate of 3.00%; employee contributions will be made at the current member contribution rate and that contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members. Annual State contributions were assumed to be equal to the most recent five-year average of State contributions to the fund. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be depleted in 2021 and, as a result, the Municipal Bond Index Rate was used in the determination.

H. Sensitivity of the Net OPEB Liability to Changes in the Health Care 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 health care cost trend rate or the discount rate would only impact the amount recorded by the State of Connecticut.

I. 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.

9. OTHER INFORMATION

A. Risk Management

The Town is exposed to various risks of loss, including torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; employee and retiree health and medical; and natural disasters. The Town generally obtains commercial insurance for these risks, but has chosen to retain the risks for workers' compensation and employee health and medical claims. Under the Town's current policy, the Health Insurance Fund covers all employee claims up to \$200,000 per claim with a stop-loss policy covering amounts exceeding the limit. The Town also purchases aggregate stop-loss coverage for claims in excess of 125% of expected claim level, which approximates \$10.1 million. The Workers' Compensation Fund covers claims associated with work-related injuries. The Town purchases commercial insurance for claims in excess of coverage provided by the Workers' Compensation Fund with an individual claim maximum of \$300,000 and a \$1,000,000 aggregate maximum per year. The OPEB Trust fund covers all retired employee claims. Town management has estimated a liability using actuarial methods at June 30, 2021 for claims incurred but not reported to be reported for each activity. The estimate for claim liability also includes amounts for incremental claim adjustment expenses.

TOWN OF GROTON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Changes in the claims liability were as follows:

		<u>Liability</u>		<u>Current Year</u>		<u>Claim</u>		<u>Liability</u>		<u>Due Within</u>
		<u>July 1,</u>		<u>Claims and</u>		<u>Payments</u>		<u>June 30,</u>		<u>One Year</u>
				<u>Changes in</u>						
				<u>Estimates</u>						
<u>Health Insurance Fund</u>										
2020 - 2021	\$	692,000	\$	12,493,536	\$	12,394,536	\$	791,000	\$	791,000
2019 - 2020		1,131,000		10,788,768		11,227,768		692,000		692,000
<u>Workers' Compensation Fund</u>										
2020 - 2021	\$	1,649,594	\$	631,382	\$	772,551	\$	1,508,425	\$	107,721
2019 - 2020		2,232,976		410,168		993,550		1,649,594		124,112
<u>OPEB Trust Fund</u>										
2020 - 2021	\$	180,000	\$	2,038,604	\$	2,010,104	\$	208,500	\$	
2019 - 2020		301,000		3,888,054		4,009,054		180,000		

The Town purchases commercial insurance for all other risks of loss, including blanket and umbrella policies. Settled claims have not exceeded commercial coverage in any of the past three fiscal years.

B. Contingencies

The Town is currently involved in several litigation matters. In the estimation of the Town's management and legal counsel, the final settlement of these matters will not materially affect the financial condition of the Town.

C. Concentration of Taxes

The Town's two largest taxpayers, based on the October 1, 2019 grand list, comprise 16.0% of the net taxable grand list of the Town and approximately 10.5% of the total General Fund revenues for the year ended June 30, 2021.

TOWN OF GROTON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

10. GASB 84 - RESTATEMENT

The Town previously reported the activities of the Student Activity Agency Fund, Performance Bonds Agency Fund, Fire District Tax Collections Agency Fund, Francis A. Nye Fund and the Charles and Claudia Dominiononi Fund as fiduciary funds. As a result of implementation of GASB No. 84, *Fiduciary Activities*, as of July 1, 2020, the Town made the following reporting changes: The activities of the Performance Bonds Agency Fund are reported with the general fund activities, the Fire District Tax Collections Fund is reported as a custodial fund, the Student Activity Fund and Francis A. Nye Fund are reported as a special revenue funds, and the Charles and Claudia Dominiononi Trust Fund is now reported as a Permanent Fund. Accordingly, the Town increased the beginning assets and liabilities of the General Fund by \$462,808, and thus no effect to the beginning fund balance. The Town created new special revenue funds for the Student Activity Fund and the Francis A. Nye Fund, thus increasing assets and fund balance of \$265,697, a new permanent fund for the Charles and Claudia Dominiononi Fund increasing assets and fund balance \$5,627 and lastly created a new custodial fund for the Fire District Tax Collections increasing assets and liabilities \$35,608. Accordingly, the Town restated beginning balances of the assets, liabilities, fund balance and net position as follows:

	Governmental Activities Net Position	Nonmajor Governmental Funds Fund Balance	Private Purpose Trust Funds
Governmental Funds:			
Balance as previously reported June 30, 2020	\$ 174,494,148	\$ 8,984,080	\$ 45,945
Adjustment:			
Student Activity Fund now reported as a Special Revenue Fund	263,418	263,418	
Francis A. Nye Fund now reported as a Special Revenue Fund	2,279	2,279	(2,279)
Charles and Claudia Dominiononi Trust now reported as a Permanent Fund	5,627	5,627	(5,627)
Balance as restated July 1, 2020	\$ <u>174,765,472</u>	\$ <u>9,255,404</u>	\$ <u>38,039</u>

	Agency Funds	Custodial Funds
Fiduciary Funds:		
Balance as previously reported June 30, 2020	\$ 761,834	-
Adjustments:		
Student Activity Fund now reported as a Special Revenue Fund	(263,418)	
Performance Bond Fund now reported in the General Fund	(462,808)	
Fire District Fund now reported as a Custodial Fund	(35,608)	35,608
Balance as restated July 1, 2020	\$ <u>-</u>	\$ <u>35,608</u>

Required Supplemental Information

TOWN OF GROTON, CONNECTICUT
GENERAL FUND SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual	Variance With
	Original	Final	Budgetary	Final Budget
			Basis	Positive
				(Negative)
General Property Taxes (Including Interest and Lien Fees)	\$ 92,855,662	\$ 92,855,662	\$ 94,476,067	\$ 1,620,405
Licenses and Permits:				
Building permits	525,000	525,000	466,952	(58,048)
Sporting licenses	280	280	28	(252)
Dog licenses	5,000	5,000	1,735	(3,265)
Other licenses and permits	15,550	15,550	31,406	15,856
Building permits - education fee	750	750	8,591	7,841
State land use fees	100	100	94	(6)
Total licenses and permits	546,680	546,680	508,806	(37,874)
Interest on Investments	100,000	100,000	150,077	50,077
Intergovernmental - State:				
General:				
Town aid road	373,106	373,106	371,847	(1,259)
Nuclear safety drill	50,000	50,000	40,100	(9,900)
Highway illumination	470	470		(470)
Telephone access	131,000	131,000	137,637	6,637
PILOT - enterprise zone			123,136	123,136
PILOT - state and tax exemptions	603,030	603,030	603,313	283
Youth Service Bureau	27,699	27,699	27,888	189
Pequot/Mohegan funds	1,232,069	1,232,069	1,232,069	-
911 Enhancement	160,000	160,000	223,344	63,344
Municipal project grant	1,819,768	1,819,768	1,821,456	1,688
Municipal stabilization grant	466,668	466,668	466,668	-
Miscellaneous state grants			11,635	11,635
Board of Education:				
Education cost sharing	25,040,045	25,040,045	25,006,069	(33,976)
Adult education	116,960	116,960	117,310	350
Special education	900,000	900,000	998,437	98,437
Magnet School transportation	185,000	185,000	143,000	(42,000)
Nonpublic pupil services	26,246	26,246	18,783	(7,463)
Total State of Connecticut	31,132,061	31,132,061	31,342,692	210,631
Intergovernmental - Federal:				
Pupil impact aid	3,283,678	3,283,678	4,213,846	930,168
Education - misc. federal funds	192,100	192,100	90,630	(101,470)
FEMA Reimbursement	-		41,631	41,631
Public safety federal funds		3,211	-	(3,211)
Emergency management	19,000	19,000	19,537	537
Total federal government	3,497,989	3,497,989	4,365,644	867,655

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TOWN OF GROTON, CONNECTICUT
GENERAL FUND SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
Charges for Current Services:				
Planning Commission fees	\$ 8,000	\$ 8,000	\$ 10,265	\$ 2,265
Recording instruments	128,000	128,000	211,136	83,136
Conveyance tax	600,000	600,000	700,546	100,546
Planning department - other	500	500	469	(31)
Collection subdivisions taxes	118,866	118,866	118,867	1
Accident reports	4,800	4,800	4,388	(412)
Dispatch/paramedics services	3,000	3,000	3,000	-
North Stonington - dispatch	52,819	52,819	45,313	(7,506)
Coordinated Medical Emergency Director	22,000	22,000	21,686	(314)
Board of Education - FHS/ground mowing	61,914	61,914	61,914	-
GIS - revenue	245	245	735	490
Vital statistics	5,300	5,300	6,699	1,399
Snow/Ice control services	20,000	20,000	42,383	22,383
Total charges for current services	1,025,444	1,025,444	1,227,401	201,957
Schools, Library and Recreation:				
Tuition from other towns	64,000	64,000	19,006	(44,994)
Other school receipts	25,000	25,000	22,073	(2,927)
Library fines	10,500	10,500	365	(10,135)
Lost and damaged book fees	2,198	2,198	1,285	(913)
Senior Center fees	2,500	2,500	1,802	(698)
Library - copier fees	3,300	3,300	2,201	(1,099)
Library fees	12,000	12,000	4,112	(7,888)
Park rentals				-
Total schools, library and recreation	119,498	119,498	50,844	(68,654)
Other Revenue:				
Court fines	14,000	14,000	5,344	(8,656)
Parking tickets	2,040	2,040	230	(1,810)
Aircraft registration fees	22,000	22,000	20,370	(1,630)
Lease fees	192,478	192,478	194,399	1,921
Land record copies	28,000	28,000	33,875	5,875
Vital copies	58,000	58,000	64,058	6,058
Miscellaneous	8,700	8,700	120,911	112,211
PILOT payment - other	50,000	50,000	50,254	254
Dog warden - sold and redeemed	2,250	2,250	1,274	(976)
Public Works Disposal fees	209,558	209,558	220,571	11,013
Returned check fees	1,000	1,000	839	(161)
Sale of capital assets	10,000	10,000	27,717	17,717
Delinquent MV fees	16,000	16,000	13,816	(2,184)
Finance Dept. copies	600	600	162	(438)
Total other revenue	614,626	614,626	753,820	139,194
Total revenues	129,891,960	129,891,960	132,875,351	2,983,391

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TOWN OF GROTON, CONNECTICUT
GENERAL FUND SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual	Variance With
	Original	Final	Budgetary	Final Budget
			Basis	Positive
				(Negative)
Other Financing Sources:				
Transfers in:				
Golf course	\$	\$	\$	\$ -
Sewer/landfill services	503,108	503,108	503,108	-
Sewer District	51,256	51,256	51,256	-
Mumford Cove	1,160	1,160	1,160	-
Community Investment Act Fund	6,500	6,500	6,500	-
Bond premium				-
Total other financing sources	<u>562,024</u>	<u>562,024</u>	<u>562,024</u>	<u>-</u>
Total Revenues and Other Financing Sources	\$ <u>130,453,984</u>	\$ <u>130,453,984</u>	133,437,375	\$ <u>2,983,391</u>
Budgetary revenues are different than GAAP revenues because:				
State of Connecticut on-behalf contributions to the Connecticut State Teachers Retirement System for Town teachers are not budgeted			10,804,674	
State of Connecticut on-behalf contributions to the Connecticut State Teachers OPEB system for Town teachers are not budgeted			260,754	
Property tax revenue receivable accrual basis change			(29,185)	
The Town does not budget for certain reimbursements that are reported for GAAP financial statement reporting purposes			40,940	
Various funds of the Town did not meet the definition of a special revenue fund for GASB 54 purposes and were, therefore, combined with the General Fund on a GAAP basis only			28,444	
Transfers in from other funds			<u>4,715</u>	
Total Revenues and Other Financing Sources as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds - Exhibit IV			\$ <u>144,547,717</u>	

TOWN OF GROTON, CONNECTICUT
GENERAL FUND SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
General Government:				
Legislative policy	\$ 39,200	\$ 39,200	\$ 15,653	\$ 23,547
Voter registration	183,027	192,027	190,866	1,161
Town Clerk	330,857	330,857	311,531	19,326
Legal services	297,500	297,500	316,289	(18,789)
Total general government	850,584	859,584	834,339	25,245
General Services:				
Executive management	307,097	307,097	295,050	12,047
Information technology	1,070,561	1,070,561	1,012,287	58,274
Human resources	380,682	380,682	376,983	3,699
Financial administration	1,655,446	1,655,446	1,555,465	99,981
Total general services	3,413,786	3,413,786	3,239,785	174,001
Public Safety:				
Police services	8,890,208	8,890,208	8,852,780	37,428
Public Works	6,003,099	6,003,099	5,611,693	391,406
Planning and Development Services	1,474,027	1,474,027	1,466,222	7,805
Human Services:				
Human services	581,541	581,541	517,787	63,754
Community Services:				
Parks and recreation	1,659,372	1,659,372	1,530,821	128,551
Library	1,653,248	1,653,248	1,511,548	141,700
Total community services	3,312,620	3,312,620	3,042,369	270,251
Nondepartmental:				
Insurance and claims	690,581	705,581	669,998	35,583
Contingency	350,000	180,896		180,896
Self-funded plans	10,331,944	10,331,944	10,330,116	1,828
Total nondepartmental	11,372,525	11,218,421	11,000,114	218,307
Education	77,438,090	77,438,090	77,435,673	2,417
Debt Service:				
Town	2,552,782	2,552,782	2,500,621	52,161
Board of Education	5,551,700	5,564,804	5,614,465	(49,661)
Total debt service	8,104,482	8,117,586	8,115,086	2,500

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TOWN OF GROTON, CONNECTICUT
GENERAL FUND SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual	Variance With
	Original	Final	Budgetary	Final Budget
			Basis	Positive
				(Negative)
Outside Agencies:				
Regional agencies	\$ 136,499	\$ 136,499	\$ 136,498	\$ 1
Health services - cultural agencies	1,709,602	1,711,602	1,516,885	194,717
Total outside agencies	1,846,101	1,848,101	1,653,383	194,718
Subdivisions:				
City of Groton	4,895,609	4,895,609	4,872,691	22,918
Groton Long Point	512,971	512,971	512,338	633
Fire districts	246,000	246,000	246,000	-
Total subdivisions	5,654,580	5,654,580	5,631,029	23,551
Total expenditures	128,941,643	128,811,643	127,400,260	1,411,383
Other Financing Uses:				
Transfers out:				
Capital Reserve	535,000	535,000	535,000	-
Revaluation	280,000	410,000	410,000	-
Fleet	633,326	633,326	633,326	-
Computer Replacement	64,015	64,015	64,015	-
Total other financing uses	1,512,341	1,642,341	1,642,341	-
Total Expenditures and Other Financing Uses	\$ 130,453,984	\$ 130,453,984	129,042,601	\$ 1,411,383
Budgetary expenditures are different than GAAP expenditures because:				
Capital improvements transfers, included in separate line items above, are netted for GAAP purposes				
State of Connecticut on-behalf contributions to the Connecticut State Teachers Retirement System for Town teachers are not budgeted			10,804,674	
State of Connecticut on-behalf contributions to the Connecticut State Teachers OPEB system for Town teachers are not budgeted			260,754	
Encumbrances for purchases and commitments ordered in the previous year that were received and liquidated in the current year are reported for GAAP financial statement reporting purposes			622,947	
Encumbrances for purchases and commitments ordered in the current year that were not received and liquidated in the current year are not reported for GAAP purposes			(942,594)	
The Town does not budget for certain reimbursements that are reported for GAAP financial statement reporting purposes				
Various funds of the Town did not meet the definition of a special revenue fund for GASB 54 purposes and were, therefore, combined with the General Fund on a GAAP basis only			334,928	
Elimination of transfers between General Fund and funds combined for GASB 54 purposes			(471,640)	
Total Expenditures and Other Financing Uses as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds - Exhibit IV			\$ 139,651,670	

TOWN OF GROTON, CONNECTICUT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
LAST EIGHT FISCAL YEARS
TOWN AND BOE

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Total pension liability:								
Service cost	\$ 2,451,526	\$ 2,525,072	\$ 2,318,892	\$ 2,409,250	\$ 2,569,350	\$ 2,600,342	\$ 2,799,491	\$ 2,809,869
Interest	8,757,689	9,188,020	8,666,967	9,011,518	9,112,990	9,419,582	9,669,256	9,949,410
Changes of benefit terms						688,115		(6,096)
Differences between expected and actual experience		(3,089,277)	(831,909)	(198,443)	646,369	437,415	289,128	(44,592)
Changes of assumptions		(5,208,074)	1,002,922	1,129,130	(447,999)	2,665,163	(278,347)	2,815,386
Benefit payments, including refunds of member contributions	<u>(5,929,846)</u>	<u>(5,876,377)</u>	<u>(6,589,487)</u>	<u>(7,020,884)</u>	<u>(7,550,511)</u>	<u>(8,107,166)</u>	<u>(8,362,876)</u>	<u>(8,897,921)</u>
Net change in total pension liability	5,279,369	(2,460,636)	4,567,385	5,330,571	4,330,199	7,703,451	4,116,652	6,626,056
Total pension liability - beginning	<u>109,927,474</u>	<u>115,206,843</u>	<u>112,746,207</u>	<u>117,313,592</u>	<u>122,644,163</u>	<u>126,974,362</u>	<u>134,677,813</u>	<u>138,794,465</u>
Total pension liability - ending	<u>115,206,843</u>	<u>112,746,207</u>	<u>117,313,592</u>	<u>122,644,163</u>	<u>126,974,362</u>	<u>134,677,813</u>	<u>138,794,465</u>	<u>145,420,521</u>
Plan fiduciary net position:								
Contributions - employer	3,114,144	3,192,047	2,553,991	2,488,575	2,848,100	2,996,600	3,540,900	3,773,000
Contributions - member	1,114,042	1,131,674	1,169,678	1,201,342	1,220,752	1,212,995	1,243,638	1,246,290
Net investment income (loss)	13,481,409	3,540,403	(53,985)	9,878,756	7,613,030	7,581,103	6,129,100	28,609,009
member contributions	(5,929,846)	(5,876,377)	(6,589,487)	(7,020,884)	(7,550,511)	(8,107,166)	(8,362,876)	(8,897,921)
Administrative expense	<u>(54,307)</u>	<u>(37,255)</u>	<u>(30,685)</u>	<u>(32,163)</u>	<u>(45,162)</u>	<u>(36,257)</u>	<u>(50,529)</u>	<u>(36,013)</u>
Net change in plan fiduciary net position	11,725,442	1,950,492	(2,950,488)	6,515,626	4,086,209	3,647,275	2,500,233	24,694,365
Plan fiduciary net position - beginning	<u>86,342,763</u>	<u>98,068,205</u>	<u>100,018,697</u>	<u>97,068,209</u>	<u>103,583,835</u>	<u>107,670,044</u>	<u>111,317,319</u>	<u>113,817,552</u>
Plan fiduciary net position - ending	<u>98,068,205</u>	<u>100,018,697</u>	<u>97,068,209</u>	<u>103,583,835</u>	<u>107,670,044</u>	<u>111,317,319</u>	<u>113,817,552</u>	<u>138,511,917</u>
Net Pension Liability - Ending	\$ <u>17,138,638</u>	\$ <u>12,727,510</u>	\$ <u>20,245,383</u>	\$ <u>19,060,328</u>	\$ <u>19,304,318</u>	\$ <u>23,360,494</u>	\$ <u>24,976,913</u>	\$ <u>6,908,604</u>
Plan fiduciary net position as a percentage of the total pension liability	85.12%	88.71%	82.74%	84.46%	84.80%	82.65%	82.00%	95.25%
Covered payroll	\$ 23,026,395	\$ 23,605,993	\$ 21,927,290	\$ 22,096,847	\$ 22,229,457	\$ 22,934,460	\$ 23,062,178	\$ 23,105,918
Net pension liability as a percentage of covered payroll	74.43%	53.92%	92.33%	86.26%	86.84%	101.86%	108.30%	29.90%

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

TOWN OF GROTON, CONNECTICUT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
LAST EIGHT FISCAL YEARS
LEDGE LIGHT

	2014	2015	2016	2017	2018	2019	2020	2021
Total pension liability:								
Service cost	\$ 6,972	\$ 7,181	\$ 621,108	\$ 7,714	\$ 8,701	\$ 8,959	\$ 9,829	\$ 10,578
Interest	44,858	46,078	94,625	48,675	51,179	54,160	56,837	61,063
Differences between expected and actual experience		(7,730)	(651,642)	29,608	21,741	23,550	39,206	24,596
Changes of assumptions		23,355	(5,817)	5,161	(4,319)	14,387	(2,655)	18,648
Benefit payments, including refunds of member contributions	(35,815)	(37,804)	(37,804)	(37,804)	(37,804)	(37,804)	(42,468)	(48,998)
Net change in total pension liability	16,015	31,080	20,470	53,354	39,498	63,252	60,749	65,887
Total pension liability - beginning	571,322	587,337	618,417	638,887	692,241	731,739	794,991	855,740
Total pension liability - ending	587,337	618,417	638,887	692,241	731,739	794,991	855,740	921,627
Plan fiduciary net position:								
Contributions - employer	9,556	6,764	8,971	8,958	13,200	15,700	20,500	24,800
Contributions - member	3,483	3,627	4,052	4,265	4,442	4,905	5,101	5,385
Net investment income (loss)	79,029	19,083	(380)	55,221	42,251	42,276	34,415	161,457
Benefit payments, including refunds of member contributions	(35,815)	(37,804)	(37,804)	(37,804)	(37,804)	(37,804)	(42,468)	(48,998)
Administrative expense	(321)	(212)	(172)	(179)	(251)	(203)	(284)	(203)
Net change in plan fiduciary net position	55,932	(8,542)	(25,333)	30,461	21,838	24,874	17,264	142,441
Plan fiduciary net position - beginning	522,897	578,829	570,287	544,954	575,415	597,253	622,127	639,391
Plan fiduciary net position - ending	578,829	570,287	544,954	575,415	597,253	622,127	639,391	781,832
Net Pension Liability - Ending	\$ 8,508	\$ 48,130	\$ 93,933	\$ 116,826	\$ 134,486	\$ 172,864	\$ 216,349	\$ 139,795
Plan fiduciary net position as a percentage of the total pension liability	98.55%	92.22%	85.30%	83.12%	81.62%	78.26%	74.72%	84.83%
Covered payroll	\$ 120,539	\$ 89,652	\$ 90,125	\$ 101,308	\$ 105,474	\$ 112,203	\$ 122,630	\$ 127,535
Net pension liability as a percentage of covered payroll	7.06%	53.69%	104.23%	115.32%	127.51%	154.06%	176.42%	109.61%

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

TOWN OF GROTON, CONNECTICUT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
LAST EIGHT FISCAL YEARS
FIREFIGHTERS

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Total pension liability:								
Service cost	\$ 401,849	\$ 413,904	\$ 299,682	\$ 257,236	\$ 267,597	\$ 283,839	\$ 300,521	\$ 305,127
Interest	843,728	889,636	918,671	983,590	976,011	998,983	1,026,342	1,061,695
Changes of benefit terms			96					(30)
Differences between expected and actual experience		(520,189)	390,732	(439,015)	(243,622)	(20,907)	42,441	123,393
Changes of assumptions		799,434	(78,888)	158,125	(52,104)	317,667	19,909	161,415
Benefit payments, including refunds of member contributions	(558,385)	(814,075)	(652,848)	(647,882)	(647,882)	(668,119)	(853,947)	(960,298)
Net change in total pension liability	687,192	768,710	877,445	312,054	300,000	911,463	535,266	691,302
Total pension liability - beginning	10,418,570	11,105,762	11,874,472	12,751,917	13,063,971	13,363,971	14,275,434	14,810,700
Total pension liability - ending	11,105,762	11,874,472	12,751,917	13,063,971	13,363,971	14,275,434	14,810,700	15,502,002
Plan fiduciary net position:								
Contributions - employer	428,378	414,790	392,293	385,674	389,100	385,000	434,600	459,500
Contributions - member	128,634	94,356	106,863	116,552	120,435	119,614	122,578	134,629
Net investment income (loss)	1,308,508	326,423	(4,042)	956,168	754,460	767,838	628,164	2,941,501
Benefit payments, including refunds of member contributions	(558,385)	(814,075)	(652,848)	(647,882)	(647,882)	(668,119)	(853,947)	(960,298)
Administrative expense	(5,243)	(3,534)	(2,949)	(3,149)	(4,507)	(3,695)	(5,181)	(3,703)
Net change in plan fiduciary net position	1,301,892	17,960	(160,683)	807,363	611,606	600,638	326,214	2,571,629
Plan fiduciary net position - beginning	8,166,150	9,468,042	9,486,002	9,325,319	10,132,682	10,744,288	11,344,926	11,671,140
Plan fiduciary net position - ending	9,468,042	9,486,002	9,325,319	10,132,682	10,744,288	11,344,926	11,671,140	14,242,769
Net Pension Liability - Ending	\$ <u>1,637,720</u>	\$ <u>2,388,470</u>	\$ <u>3,426,598</u>	\$ <u>2,931,289</u>	\$ <u>2,619,683</u>	\$ <u>2,930,508</u>	\$ <u>3,139,560</u>	\$ <u>1,259,233</u>
Plan fiduciary net position as a percentage of the total pension liability	85.25%	79.89%	73.13%	77.56%	80.40%	79.47%	78.80%	91.88%
Covered payroll	\$ 2,287,906	\$ 2,281,958	\$ 2,010,535	\$ 1,704,664	\$ 1,724,791	\$ 1,761,916	\$ 1,772,131	\$ 1,752,880
Net pension liability as a percentage of covered payroll	71.58%	104.67%	170.43%	171.96%	151.88%	166.33%	177.16%	71.84%

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

TOWN OF GROTON, CONNECTICUT
SCHEDULE OF EMPLOYER CONTRIBUTIONS
LAST TEN FISCAL YEARS
TOWN AND BOE

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Actuarially determined contribution	\$ 2,614,225	\$ 2,886,997	\$ 3,114,144	\$ 3,192,047	\$ 2,553,991	\$ 2,488,575	\$ 2,848,100	\$ 2,996,600	\$ 3,529,800	\$ 3,773,000
Contributions in relation to the actuarially determined contribution	2,614,225	2,886,997	3,114,144	3,192,047	2,553,991	2,488,575	2,848,100	2,996,600	3,540,900	3,773,000
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (11,100)	\$ -
Covered payroll	\$ N/A	\$ N/A	\$ N/A	\$ 23,026,395	\$ 23,605,993	\$ 21,927,290	\$ 22,096,847	\$ 22,229,457	\$ 23,062,178	\$ 23,105,918
Contributions as a percentage of covered payroll				13.86%	10.82%	11.35%	12.89%	13.48%	15.35%	16.33%

Notes to Schedule

Valuation date: July 1, 2020
Measurement date: June 30, 2021
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: Normal Actuarial Cost
Remaining amortization period: 19 years (Prior: 20 years)
Asset valuation method: Adjusted value of assets
Inflation: 2.40%
Salary increases: Varies by age group
Investment rate of return: 7.25%, net of pension plan investment expenses
Retirement age: Age related table
Mortality: Pub-2010 Public Retirement Plans Amount-Weighted Mortality Tables (with separate tables for Public Safety), projected to the valuation date with Scale MP-2000
(Prior: RP-2014 Adjusted to 2006 Total Dataset Mortality Table projected to valuation date with Scale MP-2019)

N/A Not Available

TOWN OF GROTON, CONNECTICUT
SCHEDULE OF EMPLOYER CONTRIBUTIONS
LAST TEN FISCAL YEARS
LEDGE LIGHT

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Actuarially determined contribution	\$ 6,918	\$ 10,599	\$ 9,556	\$ 6,764	\$ 8,971	\$ 8,958	\$ 13,200	\$ 15,700	\$ 19,900	\$ 24,800
Contributions in relation to the actuarially determined contribution	6,918	10,599	9,556	6,764	8,971	8,958	13,200	15,700	20,500	24,800
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (600)	\$ -
Covered payroll	\$ N/A	\$ N/A	\$ N/A	\$ 120,539	\$ 89,652	\$ 90,125	\$ 101,308	\$ 105,474	\$ 122,630	\$ 127,535
Contributions as a percentage of covered payroll				5.61%	10.01%	9.94%	13.03%	14.89%	16.72%	19.45%

Notes to Schedule

Valuation date: July 1, 2020
Measurement date: June 30, 2021
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 Normal Actuarial Cost
Remaining amortization period 19 years (Prior: 20 years)
Asset valuation method Adjusted value of assets
Inflation 2.40%
Salary increases Varies by age group
Investment rate of return 7.25%, net of pension plan investment expenses
Retirement age Age related table
Mortality Pub-2010 Public Retirement Plans Amount-Weighted Mortality Tables (with separate tables for Public Safety), projected to the valuation date with Scale MP-2000
(Prior: RP-2014 Adjusted to 2006 Total Dataset Mortality Table projected to valuation date with Scale MP-2019)

N/A Not Available

**TOWN OF GROTON, CONNECTICUT
SCHEDULE OF EMPLOYER CONTRIBUTIONS
LAST TEN FISCAL YEARS
FIREFIGHTERS**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Actuarially determined contribution	\$ 347,332	\$ 378,701	\$ 428,378	\$ 414,790	\$ 392,293	\$ 385,674	\$ 389,100	\$ 385,000	\$ 427,500	\$ 459,500
Contributions in relation to the actuarially determined contribution	347,332	378,701	428,378	414,790	392,293	385,674	389,100	385,000	434,600	459,500
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (7,100)	\$ -
Covered payroll	\$ N/A	\$ N/A	\$ N/A	\$ 2,287,906	\$ 2,281,958	\$ 2,010,535	\$ 1,704,664	\$ 1,724,791	\$ 1,772,131	\$ 1,752,880
Contributions as a percentage of covered payroll				18.13%	17.19%	19.18%	22.83%	22.32%	24.52%	26.21%

Notes to Schedule

Valuation date: July 1, 2020
Measurement date: June 30, 2021
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: Normal Actuarial Cost
Remaining amortization period: 19 years (Prior: 20 years)
Asset valuation method: Adjusted value of assets
Inflation: 2.40%
Salary increases: Varies by age group
Investment rate of return: 7.25%, net of pension plan investment expenses
Retirement age: Age related table
Mortality: Pub-2010 Public Retirement Plans Amount-Weighted Mortality Tables (with separate tables for Public Safety), projected to the valuation date with Scale MP-2000
(Prior: RP-2014 Adjusted to 2006 Total Dataset Mortality Table projected to valuation date with Scale MP-2019)

N/A Not Available

**TOWN OF GROTON, CONNECTICUT
SCHEDULE OF INVESTMENT RETURNS
PENSION
LAST EIGHT FISCAL YEARS**

	2014	2015	2016	2017	2018	2019	2020	2021
Annual money-weighted rate of return, net of investment expense	15.51%	3.62%	-0.03%	7.10%	7.44%	7.14%	5.58%	25.39%

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

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Town's proportion of the net pension liability	0.00%	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	<u>93,604,919</u>	<u>101,271,189</u>	<u>132,909,163</u>	<u>125,979,335</u>	<u>118,214,690</u>	<u>153,314,894</u>	<u>168,450,310</u>
Total	<u>\$ 93,604,919</u>	<u>\$ 101,271,189</u>	<u>\$ 132,909,163</u>	<u>\$ 125,979,335</u>	<u>\$ 118,214,690</u>	<u>\$ 153,314,894</u>	<u>\$ 168,450,310</u>
Town's covered payroll	\$ 36,486,290	\$ 36,797,537	\$ 37,787,402	\$ 36,426,040	\$ 36,820,958	\$ 36,820,958	\$ 38,395,135
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%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	61.51%	59.50%	52.26%	0.00%	55.93%	52.00%	49.24%

Notes to Schedule

Changes in benefit terms	None
Changes of assumptions	<p>The Board adopted new assumptions as the result of an experience study for the five-year period ending June 30, 2019:</p> <ul style="list-style-type: none"> - Decrease the annual rate of real wage increase assumption from 0.75% to 0.50%. - Decrease payroll growth assumption from 3.25% to 3.00%. - Rates of withdrawal, disability, retirement, mortality, and assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience.
Actuarial cost method	Entry age
Amortization method	Level percent of pay, closed
Single equivalent amortization period	30 years
Asset valuation method	4-year smoothed market
Inflation	2.50%
Salary increase	3.25%-6.50%, including inflation
Investment rate of return	6.90%, net of investment related expense

- This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.
- The measurement date is one year earlier than the employer's reporting date.

TOWN OF GROTON, CONNECTICUT
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
OPEB
LAST FIVE FISCAL YEARS

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Total OPEB liability:					
Service cost	\$ 1,130,295	\$ 1,216,495	\$ 1,133,767	\$ 1,286,669	\$ 1,174,539
Interest	4,020,268	4,229,669	4,446,927	4,449,941	4,483,647
Changes of benefit terms	180,725		152,032		
Differences between expected and actual experience		216,681	(3,115,333)	2,622,691	2,102,503
Changes of assumptions			1,581,582	(5,791,133)	(1,237,057)
Benefit payments	<u>(2,467,692)</u>	<u>(2,789,067)</u>	<u>(2,573,742)</u>	<u>(1,945,268)</u>	<u>(2,038,604)</u>
Net change in total OPEB liability	2,863,596	2,873,778	1,625,233	622,900	4,485,028
Total OPEB liability - beginning	<u>53,684,821</u>	<u>56,548,417</u>	<u>59,422,195</u>	<u>61,047,428</u>	<u>61,670,328</u>
Total OPEB liability - ending	<u>56,548,417</u>	<u>59,422,195</u>	<u>61,047,428</u>	<u>61,670,328</u>	<u>66,155,356</u>
Plan fiduciary net position:					
Contributions - employer	3,500,259	3,535,030	3,563,051	3,500,000	4,111,657
Net investment income	1,420,995	977,456	986,434	815,859	4,431,325
Benefit payments	(2,779,678)	(2,789,067)	(2,573,742)	(1,945,268)	(2,038,604)
Administrative expense	<u>(456,671)</u>	<u>(14,825)</u>	<u>(47,235)</u>	<u>(33,050)</u>	<u>(44,018)</u>
Other					
Net change in plan fiduciary net position	1,684,905	1,708,594	1,928,508	2,337,541	6,460,360
Plan fiduciary net position - beginning	<u>14,698,904</u>	<u>16,383,809</u>	<u>18,092,403</u>	<u>20,020,911</u>	<u>22,358,452</u>
Plan fiduciary net position - ending	<u>16,383,809</u>	<u>18,092,403</u>	<u>20,020,911</u>	<u>22,358,452</u>	<u>28,818,812</u>
Net OPEB Liability - Ending	<u>\$ 40,164,608</u>	<u>\$ 41,329,792</u>	<u>\$ 41,026,517</u>	<u>\$ 39,311,876</u>	<u>\$ 37,336,544</u>
Plan fiduciary net position as a percentage of the total OPEB liability	28.97%	30.45%	32.80%	36.25%	43.56%
Covered payroll	\$ 50,195,108	\$ 51,499,012	\$ 51,499,012	\$ 47,424,335	\$ 47,424,335
Net OPEB liability as a percentage of covered payroll	80.02%	80.25%	79.66%	82.89%	78.73%

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

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Actuarially determined contribution (1)	\$ 3,463,000	\$ 3,566,000	\$ 3,552,000	\$ 3,694,000	\$ 3,799,204	\$ 4,044,025	\$ 3,966,559	\$ 4,279,549	\$ 4,285,764	\$ 4,721,960
Contributions in relation to the actuarially determined contribution	3,226,700	3,764,700	3,738,481	4,050,481	3,709,834	3,500,259	3,535,030	3,563,051	3,500,000	4,111,657
Contribution Deficiency (Excess)	\$ 236,300	\$ (198,700)	\$ (186,481)	\$ (356,481)	\$ 89,370	\$ 543,766	\$ 431,529	\$ 716,498	\$ 785,764	\$ 610,303
Covered payroll	\$ N/A	\$ N/A	\$ N/A	\$ 52,762,000	\$ 52,762,000	\$ 50,195,108	\$ 50,195,108	\$ 51,499,012	\$ 47,424,335	\$ 47,424,335
Contributions as a percentage of covered payroll	N/A	N/A	N/A	7.68%	7.03%	6.97%	7.04%	6.92%	7.38%	8.67%

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

Notes to Schedule

Valuation date: July 1, 2020
Measurement date: June 30, 2021
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 percentage of payroll, closed
Amortization period	17 years
Asset valuation method	Market value
Inflation	2.60%
Healthcare cost trend rates	Pre Medicare 6.20% - 4.10% over 53 years Post Medicare 3.60% - 4.10% over 52 years
Salary increases	Graded by age for teachers and administrators, 3.50% for all others
Investment rate of return	7.00%, net of pension plan investment expense, including inflation

TOWN OF GROTON, CONNECTICUT
SCHEDULE OF INVESTMENT RETURNS
OPEB
LAST FIVE FISCAL YEARS

	2017	2018	2019	2020	2021
Annual money-weighted rate of return, net of investment expense	8.83%	5.48%	5.06%	3.83%	18.21%

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

TOWN OF GROTON, CONNECTICUT
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
TEACHERS RETIREMENT PLAN
LAST FOUR FISCAL YEARS

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Town's proportion of the net OPEB liability	0.00%	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	<u>32,425,655</u>	<u>23,631,877</u>	<u>23,910,321</u>	<u>25,124,370</u>
Total	<u>\$ 32,425,655</u>	<u>\$ 23,631,877</u>	<u>\$ 23,910,321</u>	<u>\$ 25,124,370</u>
Town's covered payroll	\$ 36,426,040	\$ 36,820,958	\$ 38,404,501	\$ 38,395,135
Town's proportionate share of the net OPEB liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	1.79%	1.49%	2.08%	2.50%

Notes to Schedule

Changes in benefit terms None

Changes of assumptions Based on the procedure described in GASB 75, the discount rate used to measure plan obligations for financial accounting purposes as of June 30, 2020 was updated to equal the Municipal Bond Index Rate as of June 30, 2020;

Expected annual per capita claims costs were updated to better reflect anticipated medical and prescription drug claim experience;

Long-term health care cost trend rates were updated;

The percentages of participating retirees who are expected to enroll in the Medicare Supplement Plan and the Medicare Advantage Plan options were updated based on observed plan experience. Additionally, participants are no longer assumed to migrate from the Medicare Supplement Plan to the Medicare Advantage Plan after selecting an option; and,

The Board adopted new assumptions as the result of an experience study for the five-year period ending June 30, 2019. The changes in assumptions are summarized below:

- Decrease the annual rate of real wage increase assumption from 0.75% to 0.50%.
- Decrease payroll growth assumption from 3.25% to 3.00%.
- Rates of withdrawal, disability, retirement, mortality, and assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience.

The expected rate of inflation was decreased, and the

Actuarial cost method Entry age

Amortization method Level percent of payroll over an open period

Remaining amortization period 30 years

Asset valuation method Market value of assets

Investment rate of return 3.00%, net of investment related expense including price inflation

Price inflation 2.75%

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

Supplemental and Combining Fund Statements and Schedules

General Fund

TOWN OF GROTON, CONNECTICUT
GENERAL FUND
BALANCE SHEET
JUNE 30, 2021 WITH COMPARATIVE TOTALS FOR 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and cash equivalents	\$ 42,252,594	\$ 32,940,338
Investments	1,614,591	3,372,865
Property taxes receivable, net of allowance of \$220,000 in 2021 and 2020	1,512,003	1,492,565
Due from other funds	226,745	319,028
Prepaid items and other assets	<u>11,716</u>	<u>19,978</u>
Total Assets	\$ <u>45,617,649</u>	\$ <u>38,144,774</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE		
Liabilities:		
Accounts payable	\$ 10,827,166	\$ 8,029,909
Unearned revenues	<u>60,796</u>	<u>65,757</u>
Total liabilities	<u>10,887,962</u>	<u>8,095,666</u>
Deferred Inflows of Resources:		
Unavailable revenue - property taxes	763,195	1,009,920
Unavailable revenue - property tax interest	<u>286,958</u>	<u>255,701</u>
Total deferred inflows of resources	<u>1,050,153</u>	<u>1,265,621</u>
Fund Balance:		
Nonspendable:		
Prepaid items and other assets	11,716	19,978
Assigned:		
Subsequent years' budget	2,851,000	
Revaluation	496,268	337,173
Computer replacement	344,713	358,756
Encumbrances	974,909	780,306
Unassigned	<u>29,000,928</u>	<u>27,287,274</u>
Total fund balance	<u>33,679,534</u>	<u>28,783,487</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ <u>45,617,649</u>	\$ <u>38,144,774</u>

TOWN OF GROTON, CONNECTICUT
GENERAL FUND
STATEMENT OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual	Variance With
	Original	Final	Budgetary	Final Budget
			Basis	Positive (Negative)
Revenues:				
General property taxes	\$ 92,855,662	\$ 92,855,662	\$ 94,476,067	\$ 1,620,405
Licenses and permits	546,680	546,680	508,806	(37,874)
Interest on investments	100,000	100,000	150,077	50,077
Intergovernmental - Federal	3,497,989	3,497,989	4,365,644	867,655
Intergovernmental - State	31,132,061	31,132,061	31,342,692	210,631
Charges for current services	1,025,444	1,025,444	1,227,401	201,957
Schools, library and recreation fees	119,498	119,498	50,844	(68,654)
Other revenue	614,626	614,626	753,820	139,194
Total revenues	<u>129,891,960</u>	<u>129,891,960</u>	<u>132,875,351</u>	<u>2,983,391</u>
Expenditures:				
Current:				
General government	850,584	859,584	834,339	25,245
General services	3,413,786	3,413,786	3,239,785	174,001
Public safety	8,890,208	8,890,208	8,852,780	37,428
Public works	6,003,099	6,003,099	5,611,693	391,406
Planning and development	1,474,027	1,474,027	1,466,222	7,805
Health and human services	581,541	581,541	517,787	63,754
Community services	3,312,620	3,312,620	3,042,369	270,251
Education	77,438,090	77,438,090	77,435,673	2,417
Subdivisions	5,654,580	5,654,580	5,631,029	23,551
Nondepartmental	11,372,525	11,218,421	11,000,114	218,307
Outside agencies	1,846,101	1,848,101	1,653,383	194,718
Debt service	8,104,482	8,117,586	8,115,086	2,500
Total expenditures	<u>128,941,643</u>	<u>128,811,643</u>	<u>127,400,260</u>	<u>1,411,383</u>
Excess of Revenues over Expenditures	<u>950,317</u>	<u>1,080,317</u>	<u>5,475,091</u>	<u>4,394,774</u>
Other Financing Sources (Uses):				
Transfers in	562,024	562,024	562,024	-
Transfers out	(1,512,341)	(1,642,341)	(1,642,341)	-
Bond premium				-
Total other financing uses	<u>(950,317)</u>	<u>(1,080,317)</u>	<u>(1,080,317)</u>	<u>-</u>
Net Change in Fund Balance	\$ <u>-</u>	\$ <u>-</u>	4,394,774	\$ <u>4,394,774</u>
Fund Balance at Beginning of Year			27,088,600	
Encumbrances Cancelled			<u>125,044</u>	
Fund Balance at End of Year			\$ <u>31,608,418</u>	

TOWN OF GROTON, CONNECTICUT

GENERAL FUND

SCHEDULE OF BOARD OF EDUCATION EXPENDITURES

AND ENCUMBRANCES COMPARED WITH APPROPRIATIONS - BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual		Total	Variance With Final Budget Positive (Negative)
	Original	Final	Expended	Encumbered		
Instruction:						
Regular	\$ 28,806,379	\$ 28,806,379	\$ 29,890,936	\$ 305,642	\$ 30,196,578	\$ (1,390,199)
Special	13,470,990	13,470,990	12,965,579	9,088	12,974,667	496,323
Continuing	290,995	290,995	284,799	286	285,085	5,910
Total instruction	<u>42,568,364</u>	<u>42,568,364</u>	<u>43,141,314</u>	<u>315,016</u>	<u>43,456,330</u>	<u>(887,966)</u>
Supporting Services:						
Pupils	6,522,824	6,522,824	6,490,404	28,966	6,519,370	3,454
Staff	1,557,119	1,557,119	1,864,142	22,036	1,886,178	(329,059)
General support	7,085,702	7,085,702	6,871,574	83,247	6,954,820	130,882
Operational support	14,294,202	14,294,202	13,662,083	160,231	13,822,314	471,888
Total supporting services	<u>29,459,847</u>	<u>29,459,847</u>	<u>28,888,203</u>	<u>294,480</u>	<u>29,182,682</u>	<u>277,165</u>
Community Services:						
Nonpublic school pupils	<u>115,000</u>	<u>115,000</u>	<u>77,899</u>	<u>19,649</u>	<u>97,548</u>	<u>17,452</u>
Nonprogrammed Changes:						
Tuition payments	<u>5,294,879</u>	<u>5,294,879</u>	<u>4,699,113</u>		<u>4,699,113</u>	<u>595,766</u>
Total	<u>\$ 77,438,090</u>	<u>\$ 77,438,090</u>	<u>\$ 76,806,529</u>	<u>\$ 629,145</u>	<u>\$ 77,435,673</u>	<u>\$ 2,417</u>

**TOWN OF GROTON, CONNECTICUT
GENERAL FUND
COMBINING BALANCE SHEET SCHEDULE
JUNE 30, 2021**

	General Fund	Revaluation Fund	Computer Replacement Fund	Total Combined Funds
ASSETS				
Cash and cash equivalents	\$ 41,368,500	\$ 539,356	\$ 344,738	\$ 42,252,594
Investments	1,614,591			1,614,591
Receivables, net	1,511,977		26	1,512,003
Due from other funds	226,745			226,745
Other assets	11,716			11,716
Total Assets	<u>\$ 44,733,529</u>	<u>\$ 539,356</u>	<u>\$ 344,764</u>	<u>\$ 45,617,649</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 10,784,027	\$ 43,088	\$ 51	\$ 10,827,166
Unearned revenues	60,796			60,796
Total liabilities	<u>10,844,823</u>	<u>43,088</u>	<u>51</u>	<u>10,887,962</u>
Deferred inflows of resources:				
Unavailable revenue - property taxes	763,195			763,195
Unavailable revenue - property tax interest	286,958			286,958
Total deferred inflows of resources	<u>1,050,153</u>	<u>-</u>	<u>-</u>	<u>1,050,153</u>
Fund balances:				
Nonspendable	11,716			11,716
Assigned	3,825,909	496,268	344,713	4,666,890
Unassigned	29,000,928			29,000,928
Total fund balances	<u>32,838,553</u>	<u>496,268</u>	<u>344,713</u>	<u>33,679,534</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 44,733,529</u>	<u>\$ 539,356</u>	<u>\$ 344,764</u>	<u>\$ 45,617,649</u>

TOWN OF GROTON, CONNECTICUT

GENERAL FUND

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2021

	General Fund	Revaluation Fund	Computer Replacement Fund	Elimination	Total Combined Funds
Revenues:					
Property taxes, interest and lien fees	\$ 94,446,881	\$	\$	\$	\$ 94,446,881
Licenses and permits	508,807				508,807
Intergovernmental - state	42,408,119				42,408,119
Interest on investments	150,077	787	545		151,409
Intergovernmental - federal	4,365,645				4,365,645
Charges for current services	1,252,220		2,293		1,254,513
Schools, library and recreation fees	50,844				50,844
Other revenue	794,760				794,760
Total revenues	<u>143,977,353</u>	<u>787</u>	<u>2,838</u>	<u>-</u>	<u>143,980,978</u>
Expenditures:					
Current:					
General government	768,544	251,692	600		1,020,836
General services	3,404,363				3,404,363
Public safety	8,557,172				8,557,172
Public works	5,550,316				5,550,316
Planning and development	1,411,350				1,411,350
Health and human services	517,250				517,250
Community services	3,101,593				3,101,593
Education	90,080,828				90,080,828
Subdivisions	5,631,029				5,631,029
Nondepartmental	11,008,510				11,008,510
Outside agencies					-
Debt service	8,115,086				8,115,086
Capital outlay			82,636		82,636
Total expenditures	<u>138,146,041</u>	<u>251,692</u>	<u>83,236</u>	<u>-</u>	<u>138,480,969</u>
Revenues over (under) Expenditures	<u>5,831,312</u>	<u>(250,905)</u>	<u>(80,398)</u>	<u>-</u>	<u>5,500,009</u>
Other Financing Sources (Uses):					
Transfers in	562,024	410,000	66,355	(471,640)	566,739
Transfers out	(1,642,341)			471,640	(1,170,701)
Total other financing sources (uses)	<u>(1,080,317)</u>	<u>410,000</u>	<u>66,355</u>	<u>-</u>	<u>(603,962)</u>
Net Change in Fund Balances	4,750,995	159,095	(14,043)	-	4,896,047
Fund Balances at Beginning of Year	<u>28,087,558</u>	<u>337,173</u>	<u>358,756</u>	<u>-</u>	<u>28,783,487</u>
Fund Balances at End of Year	<u>\$ 32,838,553</u>	<u>\$ 496,268</u>	<u>\$ 344,713</u>	<u>\$ -</u>	<u>\$ 33,679,534</u>

TOWN OF GROTON, CONNECTICUT
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
BUDGET AND ACTUAL - REVALUATION FUND
FOR THE YEAR ENDED JUNE 30, 2021

	Budgeted		Actual	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Interest income	\$ 800	\$ 800	\$ 787	\$ (13)
Expenditures:				
Property revaluation	<u>502,025</u>	<u>502,025</u>	<u>494,195</u>	<u>7,830</u>
Revenues over (under) Expenditures	(501,225)	(501,225)	(493,408)	7,817
Other Financing Sources:				
Transfers in	<u>280,000</u>	<u>280,000</u>	<u>410,000</u>	<u>130,000</u>
Net Change in Fund Balance	\$ <u>(221,225)</u>	\$ <u>(221,225)</u>	\$ <u>(83,408)</u>	\$ <u>137,817</u>
<u>Reconciliation to GAAP Basis</u>				
	<u>Revenues</u>	<u>Expenditures</u>	<u>Change in Fund Balance</u>	
Current year encumbrances	\$	\$ 322,912	\$ 322,912	
Liquidated prior year encumbrances		(80,409)	<u>(80,409)</u>	
Net Change in Fund Balance, GAAP			\$ <u>159,095</u>	

TOWN OF GROTON, CONNECTICUT
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
BUDGET AND ACTUAL - COMPUTER REPLACEMENT FUND
FOR THE YEAR ENDED JUNE 30, 2021

	Budgeted		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Interest income	\$ 700	\$ 700	\$ 545	\$ (155)
Other agencies	1,125	1,125	1,125	-
Outside agencies - MDT	1,440	1,440	1,168	(272)
Total revenues	<u>3,265</u>	<u>3,265</u>	<u>2,838</u>	<u>(427)</u>
Expenditures:				
Computer equipment	<u>90,215</u>	<u>90,215</u>	<u>79,128</u>	<u>11,087</u>
Revenues over (under) Expenditures	(86,950)	(86,950)	(76,290)	10,660
Other Financing Sources:				
Transfers in	<u>66,355</u>	<u>66,355</u>	<u>66,355</u>	<u>-</u>
Net Change in Fund Balance	\$ <u>(20,595)</u>	\$ <u>(20,595)</u>	\$ <u>(9,935)</u>	\$ <u>10,660</u>
<u>Reconciliation to GAAP Basis</u>				
	<u>Revenues</u>	<u>Expenditures</u>	<u>Change in Fund Balance</u>	
Liquidated prior year encumbrances	\$	\$ (4,108)	\$ <u>(4,108)</u>	
Net Change in Fund Balance, GAAP			\$ <u>(14,043)</u>	

Nonmajor Governmental Funds

Nonmajor Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Educational Grants: Accounts for all specially financed education programs under grants received from the federal or state government.

School Cafeteria: Accounts for revenue and expenditures of the food service operations in the Groton Public Schools.

Student Activities: Accounts for activities of various student groups

Community Development: Accounts for block grants received from the United States Department of Housing and Urban Development.

Donation Fund: Accounts for miscellaneous donations.

Fitch Senior High Library Media Fund: Accounts for media fund at the Fitch Senior High School.

Board of Education Grants (DOD): Accounts for federal grants in accordance with Title II of P.L. 101-511 Department of Defense Appropriations Act.

Special Library Fund: Accounts for revenue and expenditures of state grants that can be used for general library purposes only.

Golf Course Fund: Accounts for revenue and expenditures of the municipal-owned golf course.

Sewer Operating Fund: Accounts for the costs associated with the administration, operation and maintenance of the Water Pollution Control Facility, collection sewers and pumping stations.

Solid Waste Fund: Accounts for the administration, operation and environmental management associated with the handling and disposal of solid waste within the Town.

Mumford Cove District: Accounts for taxes paid by residents to cover costs of fire protection contracted through Noank Fire District.

Emergency Energy Fund: Fuel assistance for those Town residents that meet below-poverty guidelines.

DECD Brownfield Mystic Education Center Fund: Accounts for revenues and expenditures for State Brownfield Funds utilized to finance public outreach, zoning change and marketing efforts by the Town for the redevelopment of the 48 acre state-owned former Mystic Education Center.

Other Special Revenue: Accounts for miscellaneous special revenue fund grants and other programs.

Escrow Fund: Accounts for funds that are received and held until services are rendered or contract terms are met. Also accounts for miscellaneous planning and zoning fees.

Parks and Recreation Revolving: Accounts for parks and recreation programs and trips that are mostly self-supporting.

Outside Police Work: Accounts for the revenues and expenditures associated with police officers hired for traffic control.

Land Acquisition: Accounts for funds set aside for the purchase of open space.

Economic Assistance: Accounts for funds provided for the construction of necessary public infrastructure improvements associated with new job-creating development opportunities.

Vehicle Maintenance: Accounts for revenues and expenditures associated with fuel and vehicle maintenance provided to agencies outside of the Town.

Rec & Senior Activities: Accounts for revenues and expenditures associated with certain recreation and senior activities.

SECT Regional Probate Court: Accounts for revenues and expenditures associated with the Southeastern Connecticut Regional Probate Court, which is now located on the premises of the Town of Groton Town Hall.

Energy Conservation Fund: Accounts for revenues from energy rebates and expenditures funded by those rebates for energy efficiency improvements.

American Rescue Plan Act Fund: Accounts for the American Rescue Plan Act federal grant.

LED Light Conversion Project: Accounts for revenues from energy rebates and third party financing and expenditures funded by those sources for the conversion of street and parking lot lights to light-emitting diode (LED).

Blight Remediation: Accounts for funds set aside for the cleanup of nuisance or blighted properties in the town.

Francis A. Nye Fund: Scholarship fund established to encourage the artistic talents of elementary school students.

Debt Service Fund

Groton Sewer District: Accounts for revenues and expenditures related to the maintenance of the Groton Sewer District. This fund also accounts for the payment of principal and interest on general long-term debt of the sewer district of the Town.

Permanent Funds

Williams Library Trust: Created by the will of Eliza K. Williams, the income of which is to be used for the purchase of educational books and current periodicals for the library in the Robert E. Fitch High School.

Julia Bill Library Trust: Created by the will of Julia Bill, the income of which is to be used to purchase equipment for Fitch Middle School.

Charles and Claudia Dominioni: Scholarship fund established with the recipient to be the student attaining the highest standard at West Side Middle School

Rispoli Scholarship: Created by the will of Elizabeth Rispoli's Trust, the income of which is to be used to provide scholarship money for Fitch High School students.

**TOWN OF GROTON, CONNECTICUT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021**

	Special Revenue Funds								
	Educational Grants	School Cafeteria	Student Activities	Community Development	Donation Fund	Fitch Senior High Library Media Fund	Board of Education Grants (DOD)	Special Library Fund	Golf Course Fund
ASSETS									
Cash and cash equivalents	\$ 327,491	\$ 500,895	\$ 254,809	\$ 235,407	\$ 350,376	\$ 498	\$ 1,519,434	\$ 59,306	\$ 559,734
Investments									
Receivables, net	757,923	194,804		1,259,105	55				4,583
Prepaid items									75,552
Other assets									
Total Assets	\$ 1,085,414	\$ 695,699	\$ 254,809	\$ 1,494,512	\$ 350,431	\$ 498	\$ 1,519,434	\$ 59,306	\$ 639,869
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ 835,656	\$ (526)	\$	\$ 238,035	\$ 601	\$	\$	\$	\$ 94,925
Due to State	27,920								
Due to other funds				226,745					
Unearned Revenue	62,519								
Total liabilities	926,095	(526)	-	464,780	601	-	-	-	94,925
Deferred inflows of resources:									
Unavailable revenue - special assessments									
Unavailable revenue - loans receivable				871,257					
Total deferred inflows of resources	-	-	-	871,257	-	-	-	-	-
Fund balances:									
Nonspendable									
Restricted	159,319			158,475			1,519,434		
Committed		696,225	254,809		349,830	498		59,306	544,944
Total fund balances	159,319	696,225	254,809	158,475	349,830	498	1,519,434	59,306	544,944
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 1,085,414	\$ 695,699	\$ 254,809	\$ 1,494,512	\$ 350,431	\$ 498	\$ 1,519,434	\$ 59,306	\$ 639,869

(Continued on next page)

TOWN OF GROTON, CONNECTICUT
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

	Special Revenue Funds								
	Sewer Operating Fund	Solid Waste Fund	Mumford Cove District	Emergency Energy Fund	DECD Brownfield Mystic Education Center Fund	Other Special Revenue	Escrow Fund	Parks and Recreation Revolving	Outside Police Work
ASSETS									
Cash and cash equivalents	\$ 3,436,154	\$ 37,607	\$ 1,359	\$ 45,128	\$ 16,600	\$ 456,603	\$ 656,785	\$ 198,427	\$ 71,733
Investments									
Receivables, net	599,784	244,472				57,015			26,979
Prepaid items									
Other assets									
Total Assets	<u>\$ 4,035,938</u>	<u>\$ 282,079</u>	<u>\$ 1,359</u>	<u>\$ 45,128</u>	<u>\$ 16,600</u>	<u>\$ 513,618</u>	<u>\$ 656,785</u>	<u>\$ 198,427</u>	<u>\$ 98,712</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ 166,048	\$ 140,210	\$	\$ 905	\$	\$ 26,695	\$ 4,005	\$ 3,406	\$ 2,594
Due to State						23,995			
Due to other funds									
Unearned Revenue					13,591	126,760			239
Total liabilities	<u>166,048</u>	<u>140,210</u>	<u>-</u>	<u>905</u>	<u>13,591</u>	<u>177,450</u>	<u>4,005</u>	<u>3,406</u>	<u>2,833</u>
Deferred inflows of resources:									
Unavailable revenue - special assessments									
Unavailable revenue - loans receivable									
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:									
Nonspendable									
Restricted					3,009	336,168			
Committed	3,869,890	141,869	1,359	44,223			652,780	195,021	95,879
Total fund balances	<u>3,869,890</u>	<u>141,869</u>	<u>1,359</u>	<u>44,223</u>	<u>3,009</u>	<u>336,168</u>	<u>652,780</u>	<u>195,021</u>	<u>95,879</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 4,035,938</u>	<u>\$ 282,079</u>	<u>\$ 1,359</u>	<u>\$ 45,128</u>	<u>\$ 16,600</u>	<u>\$ 513,618</u>	<u>\$ 656,785</u>	<u>\$ 198,427</u>	<u>\$ 98,712</u>

(Continued on next page)

TOWN OF GROTON, CONNECTICUT
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

	Special Revenue Funds									
	Land Acquisition	Economic Assistance	Vehicle Maintenance	Rec & Senior Activities	SECT Regional Probate Court	Energy Conservation Fund	American Rescue Plan Act Fund	LED Light Conversion Project	Blight Remediation	Francis A. Nye Fund
ASSETS										
Cash and cash equivalents	\$ 74,668	\$ 390,776	\$ 189,564	\$ 178,874	\$ 26,225	\$ 19,669	\$ 4,293,947	\$ 49,484	\$ 15,222	\$ 2,280
Investments										
Receivables, net			29,648	259						
Prepaid items										
Other assets										
Total Assets	\$ 74,668	\$ 390,776	\$ 219,212	\$ 179,133	\$ 26,225	\$ 19,669	\$ 4,293,947	\$ 49,484	\$ 15,222	\$ 2,280
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES										
Liabilities:										
Accounts payable	\$	\$ 625	\$	\$ 92,976	\$ 883	\$	\$	\$	\$	\$
Due to State										
Due to other funds										
Unearned Revenue							4,293,947			
Total liabilities	-	625	-	92,976	883	-	4,293,947	-	-	-
Deferred inflows of resources:										
Unavailable revenue - special assessments										
Unavailable revenue - loans receivable										
Total deferred inflows of resources	-	-	-	-	-	-	-	-	-	-
Fund balances:										
Nonspendable										
Restricted					25,342					
Committed	74,668	390,151	219,212	86,157		19,669		49,484	15,222	2,280
Total fund balances	74,668	390,151	219,212	86,157	25,342	19,669	-	49,484	15,222	2,280
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 74,668	\$ 390,776	\$ 219,212	\$ 179,133	\$ 26,225	\$ 19,669	\$ 4,293,947	\$ 49,484	\$ 15,222	\$ 2,280

(Continued on next page)

TOWN OF GROTON, CONNECTICUT
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

	Debt Service Fund		Permanent Funds			
	Groton Sewer District	Williams Library Trust	Julia Bill Library Trust	Charles and Claudia Dominioni	Rispoli Scholarship	Totals
ASSETS						
Cash and cash equivalents	\$ 1,268,630	\$ 79,815	\$ 41,751	\$ 5,646	\$ 200,150	\$ 15,565,047
Investments		140,618	9,884			150,502
Receivables, net	5,130					3,179,757
Prepaid items						75,552
Other assets	2,726					2,726
Total Assets	<u>\$ 1,276,486</u>	<u>\$ 220,433</u>	<u>\$ 51,635</u>	<u>\$ 5,646</u>	<u>\$ 200,150</u>	<u>\$ 18,973,584</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 2,320	\$	\$	\$	\$	\$ 1,609,358
Due to State						51,915
Due to other funds						226,745
Unearned Revenue						4,497,056
Total liabilities	<u>2,320</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,385,074</u>
Deferred inflows of resources:						
Unavailable revenue - special assessments	3,106					3,106
Unavailable revenue - loans receivable						871,257
Total deferred inflows of resources	<u>3,106</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>874,363</u>
Fund balances:						
Nonspendable	2,726	20,000	27,543		200,000	250,269
Restricted	1,268,334	200,433	24,092	5,646	150	3,700,402
Committed						7,763,476
Total fund balances	<u>1,271,060</u>	<u>220,433</u>	<u>51,635</u>	<u>5,646</u>	<u>200,150</u>	<u>11,714,147</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 1,276,486</u>	<u>\$ 220,433</u>	<u>\$ 51,635</u>	<u>\$ 5,646</u>	<u>\$ 200,150</u>	<u>\$ 18,973,584</u>

TOWN OF GROTON, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Special Revenue Funds								
	Educational Grants	School Cafeteria	Student Activities	Community Development	Donation Fund	Fitch Senior High Library Media Fund	Board of Education Grants (DOD)	Special Library Fund	Golf Course Fund
Revenues:									
Property taxes, interest and lien fees	\$	\$	\$	\$	\$	\$	\$	\$	\$
State of Connecticut	3,738,014	46,967		1,220,842				23,184	
Investment earnings		15		151		1	2,165	54	27
Federal government	1,650,006	2,328,792					461,185		
Charges for services		65,891							1,456,682
Sewer use charges									
Solid waste management									
Other revenue	519,907	6,092	145,295	41,369	117,715				127
Total revenues	<u>5,907,927</u>	<u>2,447,757</u>	<u>145,295</u>	<u>1,262,362</u>	<u>117,715</u>	<u>1</u>	<u>463,350</u>	<u>23,238</u>	<u>1,456,836</u>
Expenditures:									
General government									
Public safety									
Public works									
Health and human services				938,076	52,642				
Community services								17,656	1,202,762
Education	5,943,441	2,216,562	153,904						
Sewer operations									
Solid waste management									
Outside agencies									
Debt service									
Capital outlay							56,001		
Total expenditures	<u>5,943,441</u>	<u>2,216,562</u>	<u>153,904</u>	<u>938,076</u>	<u>52,642</u>	<u>-</u>	<u>56,001</u>	<u>17,656</u>	<u>1,202,762</u>
Revenues over (under) Expenditures	<u>(35,514)</u>	<u>231,195</u>	<u>(8,609)</u>	<u>324,286</u>	<u>65,073</u>	<u>1</u>	<u>407,349</u>	<u>5,582</u>	<u>254,074</u>
Other Financing Sources (Uses):									
Transfers in									
Transfers out									(2,350)
Premiums/discounts on bond issuance									
Total other financing uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,350)</u>
Net Change in Fund Balances	(35,514)	231,195	(8,609)	324,286	65,073	1	407,349	5,582	251,724
Fund Balance - Beginning of Year, as restated	<u>194,833</u>	<u>465,030</u>	<u>263,418</u>	<u>(165,811)</u>	<u>284,757</u>	<u>497</u>	<u>1,112,085</u>	<u>53,724</u>	<u>293,220</u>
Fund Balance - End of Year	<u>\$ 159,319</u>	<u>\$ 696,225</u>	<u>\$ 254,809</u>	<u>\$ 158,475</u>	<u>\$ 349,830</u>	<u>\$ 498</u>	<u>\$ 1,519,434</u>	<u>\$ 59,306</u>	<u>\$ 544,944</u>

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TOWN OF GROTON, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Special Revenue Funds								
	Sewer Operating Fund	Solid Waste Fund	Mumford Cove District	Emergency Energy Fund	DECD Brownfield Mystic Education Center Fund	Other Special Revenue	Escrow Fund	Parks and Recreation Revolving	Outside Police Work
Revenues:									
Property taxes, interest and lien fees	\$	\$	\$ 20,740	\$	\$	\$	\$	\$	\$
State of Connecticut					6,088	380,135			
Investment earnings	3,114	3							
Federal government						17,772			
Charges for services						20,120		19,861	374,543
Sewer use charges	6,768,408								
Solid waste management		1,394,098							
Other revenue	16,864			76,958		10,455	205,123	10,720	
Total revenues	6,788,386	1,394,101	20,740	76,958	6,088	428,482	205,123	30,581	374,543
Expenditures:									
General government						13,811	308,894		
Public safety			20,000			54,953			218,732
Public works					6,088				
Health and human services				59,482		9,142			
Community services						248,797		34,129	
Education									
Sewer operations	4,147,751								
Solid waste management		1,454,780							
Outside agencies									
Debt service	426,550								
Capital outlay						46,432			
Total expenditures	4,574,301	1,454,780	20,000	59,482	6,088	373,135	308,894	34,129	218,732
Revenues over (under) Expenditures	2,214,085	(60,679)	740	17,476	-	55,347	(103,771)	(3,548)	155,811
Other Financing Sources (Uses):									
Transfers in	97,883								
Transfers out	(2,010,784)		(1,160)			(6,500)			(107,500)
Premiums/discounts on bond issuance									
Total other financing uses	(1,912,901)	-	(1,160)	-	-	(6,500)	-	-	(107,500)
Net Change in Fund Balances	301,184	(60,679)	(420)	17,476	-	48,847	(103,771)	(3,548)	48,311
Fund Balance - Beginning of Year, as restated	3,568,706	202,548	1,779	26,747	3,009	287,321	756,551	198,569	47,568
Fund Balance - End of Year	\$ 3,869,890	\$ 141,869	\$ 1,359	\$ 44,223	\$ 3,009	\$ 336,168	\$ 652,780	\$ 195,021	\$ 95,879

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TOWN OF GROTON, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Special Revenue Funds							
	Land Acquisition	Economic Assistance	Vehicle Maintenance	Rec & Senior Activities	SECT Regional Probate Court	Energy Conservation Fund	American Rescue Plan Act Fund	LED Light Conversion Project
Revenues:								
Property taxes, interest and lien fees	\$	\$	\$	\$	\$	\$	\$	\$
State of Connecticut				713				
Investment earnings	121	742				32		
Federal government								
Charges for services				334,620				
Sewer use charges								
Solid waste management								
Other revenue			154,296	3,218	26,700			
Total revenues	121	742	154,296	338,551	26,700	32	-	-
Expenditures:								
General government					25,233			
Public safety								
Public works		112,875						
Health and human services								
Community services				425,557				
Education								
Sewer operations								
Solid waste management								
Outside agencies			143,870					
Debt service								
Capital outlay								
Total expenditures	-	112,875	143,870	425,557	25,233	-	-	-
Revenues over (under) Expenditures	121	(112,133)	10,426	(87,006)	1,467	32	-	-
Other Financing Sources (Uses):								
Transfers in								
Transfers out								
Premiums/discounts on bond issuance								
Total other financing uses	-	-	-	-	-	-	-	-
Net Change in Fund Balances	121	(112,133)	10,426	(87,006)	1,467	32	-	-
Fund Balance - Beginning of Year, as restated	74,547	502,284	208,786	173,163	23,875	19,637	-	49,484
Fund Balance - End of Year	\$ 74,668	\$ 390,151	\$ 219,212	\$ 86,157	\$ 25,342	\$ 19,669	\$ -	\$ 49,484

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TOWN OF GROTON, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Special Revenue Funds		Debt Service Fund	Permanent Funds				
	Blight Remediation	Francis A. Nye Fund	Groton Sewer District	Williams Library Trust	Julia Bill Library Trust	Charles and Claudia Dominioni	Rispoli Scholarship	Totals
Revenues:								
Property taxes, interest and lien fees	\$	\$	\$ 1,357,341	\$	\$	\$	\$	\$ 1,378,081
State of Connecticut			1,121					5,417,064
Investment earnings	29	1	313	40,752	2,278	19	703	50,520
Federal government								4,457,755
Charges for services								2,271,717
Sewer use charges								6,768,408
Solid waste management								1,394,098
Other revenue				473				1,335,312
Total revenues	<u>29</u>	<u>1</u>	<u>1,358,775</u>	<u>41,225</u>	<u>2,278</u>	<u>19</u>	<u>703</u>	<u>23,072,955</u>
Expenditures:								
General government			11,248					359,186
Public safety								293,685
Public works								118,963
Health and human services								1,059,342
Community services				7,727			803	1,937,431
Education								8,313,907
Sewer operations								4,147,751
Solid waste management								1,454,780
Outside agencies								143,870
Debt service			914,407					1,340,957
Capital outlay								102,433
Total expenditures	<u>-</u>	<u>-</u>	<u>925,655</u>	<u>7,727</u>	<u>-</u>	<u>-</u>	<u>803</u>	<u>19,272,305</u>
Revenues over (under) Expenditures	<u>29</u>	<u>1</u>	<u>433,120</u>	<u>33,498</u>	<u>2,278</u>	<u>19</u>	<u>(100)</u>	<u>3,800,650</u>
Other Financing Sources (Uses):								
Transfers in								97,883
Transfers out			(51,256)					(2,179,550)
Premiums/discounts on bond issuance			739,760					739,760
Total other financing uses	<u>-</u>	<u>-</u>	<u>688,504</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,341,907)</u>
Net Change in Fund Balances	29	1	1,121,624	33,498	2,278	19	(100)	2,458,743
Fund Balance - Beginning of Year, as restated	<u>15,193</u>	<u>2,279</u>	<u>149,436</u>	<u>186,935</u>	<u>49,357</u>	<u>5,627</u>	<u>200,250</u>	<u>9,255,404</u>
Fund Balance - End of Year	<u>\$ 15,222</u>	<u>\$ 2,280</u>	<u>\$ 1,271,060</u>	<u>\$ 220,433</u>	<u>\$ 51,635</u>	<u>\$ 5,646</u>	<u>\$ 200,150</u>	<u>\$ 11,714,147</u>

TOWN OF GROTON, CONNECTICUT
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
BUDGET AND ACTUAL - SPECIAL LIBRARY FUND
FOR THE YEAR ENDED JUNE 30, 2021

	Budgeted		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Interest income	\$ 80	\$ 80	\$ 54	\$ (26)
ConnectiCard grant			23,184	23,184
Total revenues	<u>80</u>	<u>80</u>	<u>23,238</u>	<u>23,158</u>
Expenditures:				
Software maintenance fees	25,000	25,000	17,140	7,860
Computer equipment			516	(516)
Total expenditures	<u>25,000</u>	<u>25,000</u>	<u>17,656</u>	<u>7,344</u>
Net Change in Fund Balance	\$ <u>(24,920)</u>	\$ <u>(24,920)</u>	\$ <u>5,582</u>	\$ <u>30,502</u>

TOWN OF GROTON, CONNECTICUT
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
BUDGET AND ACTUAL - GOLF COURSE FUND
FOR THE YEAR ENDED JUNE 30, 2021

	Budgeted		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 1,211,950	\$ 1,211,950	\$ 27	\$ (1,211,923)
State grants			1,456,677	1,456,677
Interest income			131	131
Total revenues	<u>1,211,950</u>	<u>1,211,950</u>	<u>1,456,835</u>	<u>244,885</u>
Expenditures:				
Community services	<u>1,266,598</u>	<u>1,266,598</u>	<u>1,203,431</u>	<u>63,167</u>
Revenues over (under) Expenditures	(54,648)	(54,648)	253,404	308,052
Other Financing Uses:				
Transfers out				-
Net Change in Fund Balance	<u>\$ (54,648)</u>	<u>\$ (54,648)</u>	<u>\$ 253,404</u>	<u>\$ 308,052</u>
<u>Reconciliation to GAAP Basis</u>				
	<u>Revenues</u>	<u>Expenditures</u>	<u>Change in Fund Balance</u>	
Current year encumbrances	\$	\$ -	\$	
Liquidated prior year encumbrances		(1,680)	<u>(1,680)</u>	
Net Change in Fund Balance, GAAP			<u>\$ 251,724</u>	

TOWN OF GROTON, CONNECTICUT
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
BUDGET AND ACTUAL - SEWER OPERATING FUND
FOR THE YEAR ENDED JUNE 30, 2021

	Budgeted		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Sewer use charges	\$ 6,879,819	\$ 6,879,819	\$ 6,768,408	\$ (111,411)
Interest income	1,000	1,000	3,114	2,114
State grants			3,737	3,737
Other revenue			13,127	13,127
Total revenues	<u>6,880,819</u>	<u>6,880,819</u>	<u>6,788,386</u>	<u>(92,433)</u>
Expenditures:				
Sewer system maintenance	<u>5,712,253</u>	<u>5,712,253</u>	<u>4,591,632</u>	<u>1,120,621</u>
Revenues over (under) Expenditures	<u>1,168,566</u>	<u>1,168,566</u>	<u>2,196,754</u>	<u>1,028,188</u>
Other Financing Uses:				
Transfers in	71,645	71,645	97,883	26,238
Transfers out	<u>(1,978,108)</u>	<u>(1,978,108)</u>	<u>(2,010,784)</u>	<u>(32,676)</u>
Total other financing uses	<u>(1,906,463)</u>	<u>(1,906,463)</u>	<u>(1,912,901)</u>	<u>(6,438)</u>
Net Change in Fund Balance	\$ <u>(737,897)</u>	\$ <u>(737,897)</u>	\$ <u>283,853</u>	\$ <u>1,021,750</u>
<u>Reconciliation to GAAP Basis</u>				
	Revenues	Expenditures	Change in Fund Balance	
Current year encumbrances	\$	\$ 37,814	\$ 37,814	
Liquidated prior year encumbrances		(20,483)	<u>(20,483)</u>	
Net Change in Fund Balance, GAAP			\$ <u>301,184</u>	

TOWN OF GROTON, CONNECTICUT
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
BUDGET AND ACTUAL - SOLID WASTE FUND
FOR THE YEAR ENDED JUNE 30, 2021

	Budgeted		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Solid waste management	\$ 1,514,804	\$ 1,514,804	\$ 1,394,098	\$ (120,706)
Interest income	300	300	3	(297)
Total revenues	<u>1,515,104</u>	<u>1,515,104</u>	<u>1,394,101</u>	<u>(121,003)</u>
Expenditures:				
Solid waste management	<u>1,627,537</u>	<u>1,627,537</u>	<u>1,454,780</u>	<u>172,757</u>
Net Change in Fund Balance	\$ <u>(112,433)</u>	\$ <u>(112,433)</u>	\$ <u>(60,679)</u>	\$ <u>51,754</u>

TOWN OF GROTON, CONNECTICUT
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
BUDGET AND ACTUAL - MUMFORD COVE DISTRICT
FOR THE YEAR ENDED JUNE 30, 2021

	Budgeted		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property taxes, interest and lien fees	\$ 20,480	\$ 20,480	\$ 20,740	\$ 260
Expenditures:				
Public safety	20,020	20,020	20,000	20
Revenues over (under) Expenditures	460	460	740	280
Other Financial Uses:				
Transfers out	(1,160)	(1,160)	(1,160)	-
Net Change in Fund Balance	\$ <u>(700)</u>	\$ <u>(700)</u>	\$ <u>(420)</u>	\$ <u>280</u>

TOWN OF GROTON, CONNECTICUT
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
BUDGET AND ACTUAL - GROTON SEWER DISTRICT
FOR THE YEAR ENDED JUNE 30, 2021

	Budgeted		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property taxes and other	\$ 1,347,945	\$ 1,347,945	\$ 1,358,462	\$ 10,517
Other revenue			701,611	701,611
Interest income	800	800	313	(487)
Total revenues	<u>1,348,745</u>	<u>1,348,745</u>	<u>2,060,386</u>	<u>711,641</u>
Expenditures:				
Debt service	1,334,341	1,334,341	876,258	458,083
Operating expense	13,148	13,148	11,248	1,900
Total expenditures	<u>1,347,489</u>	<u>1,347,489</u>	<u>887,506</u>	<u>459,983</u>
Revenues over (under) Expenditures	1,256	1,256	1,172,880	1,171,624
Other Financing Uses:				
Transfers out	<u>(51,256)</u>	<u>(51,256)</u>	<u>(51,256)</u>	<u>-</u>
Net Change in Fund Balance	\$ <u>(50,000)</u>	\$ <u>(50,000)</u>	\$ <u>1,121,624</u>	\$ <u>1,171,624</u>

TOWN OF GROTON, CONNECTICUT
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
BUDGET AND ACTUAL - REC & SENIOR ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

	Budgeted		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Recreation programs	\$ 825,000	\$ 825,000	\$ 259,204	\$ (565,796)
Senior programs	160,000	160,000	30,743	(129,257)
Senior food concession	83,000	83,000	44,672	(38,328)
State grants			2,318	2,318
Miscellaneous revenues			15,580	15,580
Total revenues	<u>1,068,000</u>	<u>1,068,000</u>	<u>352,517</u>	<u>(715,483)</u>
Expenditures:				
Recreation programs	889,301	889,301	294,026	595,275
Senior programs	302,226	302,226	76,997	225,229
Senior food concession	116,975	116,975	83,989	32,986
Total expenditures	<u>1,308,502</u>	<u>1,308,502</u>	<u>455,012</u>	<u>853,490</u>
Net Change in Fund Balance	\$ <u>(240,502)</u>	\$ <u>(240,502)</u>	\$ <u>(102,495)</u>	\$ <u>138,007</u>

Reconciliation to GAAP Basis

	Revenues	Expenditures	Change in Fund Balance
Current year encumbrances	\$	\$ 39,013	\$ 39,013
Liquidated prior year encumbrances		(9,558)	(9,558)
Canceled prior year encumbrances	(13,966)		<u>(13,966)</u>
Net Change in Fund Balance, GAAP			\$ <u>(87,006)</u>

Internal Service Funds

Internal Service Funds

Internal service funds are used to account for the financing of goods or services by one department or agency to other departments or agencies of the Town, or to other governments, on a cost reimbursement basis. The Town has three such funds.

Fleet Reserve Fund - is used to account for the use and replacement of motor vehicles to other departments and related costs.

Health Insurance Fund - is used to account for the revenues and related expenses for the health self-insurance plan.

Workers' Compensation Fund - is used to account for the revenues and related expenses for the workers' compensation and heart and hypertension benefits.

TOWN OF GROTON, CONNECTICUT
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2021

	<u>Fleet Reserve</u>	<u>Health Insurance</u>	<u>Workers' Compensation</u>	<u>Total</u>
Assets:				
Current assets:				
Cash and cash equivalents	\$ 1,270,277	\$ 9,310,542	\$ 2,139,455	\$ 12,720,274
Accounts receivable	7,598	26,990		34,588
Other assets			25,000	25,000
Total current assets	<u>1,277,875</u>	<u>9,337,532</u>	<u>2,164,455</u>	<u>12,779,862</u>
Noncurrent assets:				
Property and equipment	9,511,720			9,511,720
Accumulated depreciation	(7,350,354)			(7,350,354)
Property and equipment, net	<u>2,161,366</u>	<u>-</u>	<u>-</u>	<u>2,161,366</u>
Total assets	<u>3,439,241</u>	<u>9,337,532</u>	<u>2,164,455</u>	<u>14,941,228</u>
Liabilities:				
Current liabilities:				
Accounts payable	55,685		298	55,983
Claims incurred but not reported		791,000	107,721	898,721
Total current liabilities	<u>55,685</u>	<u>791,000</u>	<u>108,019</u>	<u>954,704</u>
Noncurrent liabilities:				
Claims incurred but not reported, net of current portion			1,400,704	1,400,704
Net Position:				
Invested in capital assets	2,161,366			2,161,366
Unrestricted	<u>1,222,190</u>	<u>8,546,532</u>	<u>655,732</u>	<u>10,424,454</u>
Total Net Position	<u>\$ 3,383,556</u>	<u>\$ 8,546,532</u>	<u>\$ 655,732</u>	<u>\$ 12,585,820</u>

TOWN OF GROTON, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Fleet Reserve</u>	<u>Health Insurance</u>	<u>Workers' Compensation</u>	<u>Total</u>
Operating Revenue:				
Charges for services	\$	\$ 14,148,458	\$ 1,199,079	\$ 15,347,537
Other revenue	10,625		20,104	30,729
Total operating revenue	<u>10,625</u>	<u>14,148,458</u>	<u>1,219,183</u>	<u>15,378,266</u>
Operating Expenses:				
Operating expenses	728,296			728,296
Claims - operating		12,493,536		12,493,536
Claims - workers' compensation			631,382	631,382
Depreciation	366,527			366,527
Administrative		1,077,332	50,000	1,127,332
Total operating expenses	<u>1,094,823</u>	<u>13,570,868</u>	<u>681,382</u>	<u>15,347,073</u>
Operating Income (Loss)	(1,084,198)	577,590	537,801	31,193
Nonoperating Revenue (Expenses):				
Interest on investments	<u>1,508</u>	<u>11,170</u>	<u>3,644</u>	<u>16,322</u>
Income (Loss) Before Transfers	(1,082,690)	588,760	541,445	47,515
Transfers in	773,512			773,512
Transfers out	<u>(97,883)</u>			<u>(97,883)</u>
Change in Net Position	(407,061)	588,760	541,445	723,144
Net Position - Beginning of Year	<u>3,790,617</u>	<u>7,957,772</u>	<u>114,287</u>	<u>11,862,676</u>
Net Position - End of Year	<u>\$ 3,383,556</u>	<u>\$ 8,546,532</u>	<u>\$ 655,732</u>	<u>\$ 12,585,820</u>

TOWN OF GROTON, CONNECTICUT
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Fleet Reserve</u>	<u>Health Insurance</u>	<u>Workers' Compensation</u>	<u>Total</u>
Cash Flows from Operating Activities:				
Receipts from customers and users	\$ 3,029	\$ 14,127,947	\$ 1,219,183	\$ 15,350,159
Cash paid to vendors	(780,552)			(780,552)
Cash paid to beneficiaries		(13,472,082)	(959,518)	(14,431,600)
Net cash provided by (used in) operating activities	(777,523)	655,865	259,665	138,007
Cash Flows from Capital and Related Financing Activities:				
Purchases of property and equipment	(176,142)			(176,142)
Cash Flows from Noncapital Financing Activities:				
Transfer In	773,512			773,512
Transfers out	(97,883)			(97,883)
Net cash provided by noncapital financing activities	675,629	-	-	675,629
Cash Flows from Investing Activities:				
Interest on investments	1,508	11,170	3,644	16,322
Net Increase in Cash and Cash Equivalents	(276,528)	667,035	263,309	653,816
Cash and Cash Equivalents - Beginning of Year	1,546,805	8,643,507	1,876,146	12,066,458
Cash and Cash Equivalents - End of Year	\$ 1,270,277	\$ 9,310,542	\$ 2,139,455	\$ 12,720,274
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:				
Operating income (loss)	\$ (1,084,198)	\$ 577,590	\$ 537,801	\$ 31,193
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	366,527			366,527
Changes in assets and liabilities:				
Decrease (increase) in accounts receivable	(7,596)	(20,511)		(28,107)
(Decrease) in accounts payable	(52,256)			(52,256)
(Decrease) increase in claims payable		98,786	(278,136)	(179,350)
Net Cash Provided by (Used in) Operating Activities	\$ (777,523)	\$ 655,865	\$ 259,665	\$ 138,007

Other Schedules

TOWN OF GROTON, CONNECTICUT
SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021

Grand List Year	Uncollected Taxes 7/1/2020	Current Levy	Lawful Corrections		Suspense Transfers and Adjustments	Adjusted Uncollected Taxes	Collections				Uncollected Taxes 6/30/2021	
			Additions	Deletions			Taxes	Interest, Liens and Other Fees	Suspense Taxes Collected	Total		
2019	\$	\$ 94,531,901	\$ 128,152	\$ 525,920	\$ 237,417	\$ 93,896,716	\$ 93,217,429	\$ 236,366	\$ 8,744	\$ 93,462,539	\$ 679,287	
2018		893,059	40,291	87,175	47,678	798,497	597,337	147,592	58,476	803,405	201,160	
2017		256,171	23,883	7,540	18,500	254,014	136,369	63,780	28,692	228,841	117,645	
2016		138,781	116	432	4,692	133,773	42,715	30,461	28,481	101,657	91,058	
2015		35,764		65	265	35,434	3,619	21,722	23,359	48,700	31,815	
2014		20,291			325	19,966	800	13,843	17,284	31,927	19,166	
2013		16,459			143	16,316	581	6,415	5,077	12,073	15,735	
2012		8,308			148	8,160	588	6,148	4,530	11,266	7,572	
2011		3,678			144	3,534		4,065	3,763	7,828	3,534	
2010		5,469			129	5,340	2,677	6,343	2,161	11,181	2,663	
2009		2,548			126	2,422	1,958	3,759	1,370	7,087	464	
2008		4,861			123	4,738	3,023	5,281	1,520	9,824	1,715	
2007		1,487			132	1,355		195	87	282	1,355	
2006		404			145	259		741	312	1,053	259	
2005		623			207	416		1,642	645	2,287	416	
2004		595		595		-				-	-	
	\$	1,388,498	\$ 94,531,901	\$ 192,442	\$ 621,727	\$ 310,174	\$ 95,180,940	\$ 94,007,096	\$ 548,353	\$ 184,501	\$ 94,739,950	\$ 1,173,844

TOWN OF GROTON, CONNECTICUT
SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING
MUMFORD COVE DISTRICT
FOR THE YEAR ENDED JUNE 30, 2021

Grand List Year	Uncollected Taxes 7/1/2020	Current Levy	Lawful Corrections		Suspense Transfers and Adjustments	Adjusted Uncollected Taxes	Collections				Uncollected Taxes 6/30/2021
			Additions	Deletions			Taxes	Interest, Liens and Other Fees	Suspense Taxes Collected	Total	
2019	\$	\$ 20,920	\$ 43	\$ 35	\$ 3	\$ 20,925	\$ 20,728	\$ 23	\$	\$ 20,751	\$ 197
2018				11		(11)	(11)			(11)	-
	\$ -	\$ 20,920	\$ 43	\$ 46	\$ 3	\$ 20,914	\$ 20,717	\$ 23	\$ -	\$ 20,740	\$ 197

TOWN OF GROTON, CONNECTICUT
SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING
GROTON SEWER DISTRICT - DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2021

Grand List Year	Uncollected Taxes 7/1/2020	Current Levy	Lawful Corrections		Suspense Transfers and Adjustments	Adjusted Uncollected Taxes	Collections				Uncollected Taxes 6/30/2021																						
			Additions	Deletions			Taxes	Interest, Liens and Other Fees	Suspense Taxes Collected	Total																							
2019	\$	\$	1,352,777	\$	1,879	\$	4,149	\$	90	\$	1,350,417	\$	1,346,911	\$	3,535	\$	1,350,446	\$	3,506														
2018			2,541		112		4		70		2,579		2,032		2,044		4,076		547														
2017			655		65		1		39		680		333		440		5		778	347													
2016			523				1		11		511		310		386		67		763	201													
2015			201						2		199		9		87		62		158	190													
2014			77						2		75		9		35		2		46	66													
2013			68						2		66		11		57				68	55													
2012			24						2		22								-	22													
2011			17						2		15				7		4		11	15													
2010			18						2		16		10		82		10		102	6													
2009			9						2		7								-	7													
2008			9						2		7								-	7													
2007			10						2		8								-	8													
2006			10						2		8								-	8													
2005			19						4		15								-	15													
2004			20				20												-	-													
	\$		4,201	\$		1,352,777	\$		2,056	\$		4,175	\$		234	\$		1,354,625	\$		1,349,625	\$		6,673	\$		150	\$		1,356,448	\$		5,000

**TOWN OF GROTON, CONNECTICUT
SCHEDULE OF CHANGES IN BOND INDEBTEDNESS
FOR THE YEAR ENDED JUNE 30, 2021**

Description	Interest Rate (%)	Issue Date	Maturity Date	Original Amount	Balance Beginning of Year	Additions	Deductions	Balance End of of Year	Interest Paid
General Purpose Refunding Issue of 2013	3.0-4.0	3-12-2013	10-1-2029	6,752,000	\$ 4,535,000	\$	\$ 427,000	\$ 4,108,000	\$ 160,000
General Purpose Bond Issue of 2018 (Rd Maint)	3.0-5.0	4-18-2018	4-15-2028	6,690,000	5,350,000		670,000	4,680,000	207,400
Sewer Refunding Issue of 2012	2.0-3.75	12-13-2011	10-15-2028	2,710,000	1,505,000		190,000	1,315,000	44,363
Sewer Refunding Issue of 2013	2.75-3.0	3-12-2013	10-1-2027	2,020,000	1,215,000		160,000	1,055,000	32,188
School Bond Refunding Issue of 2013	3.0-4.0	3-12-2013	10-1-2029	12,308,000	8,430,000		768,000	7,662,000	313,600
School Bond Refunding Issue of 2019 (School 2020 Construction)	2.0-5.0	5-8-2019	5-1-2039	20,000,000	19,000,000		1,000,000	18,000,000	621,250
General Purpose Refunding Issue of 2020	5.0-5.0	4-30-2020	10-15-2033	5,648,000	5,648,000		792,000	4,856,000	244,221
Sewer Refunding Issue of 2020	4.0-5.0	4-30-2020	10-15-2028	4,337,000	4,337,000		918,000	3,419,000	184,865
School Bond Refunding Issue of 2020 (School 2020 Construction)	3.0-5.0	4-30-2020	10-15-2039	20,000,000	20,000,000		1,000,000	19,000,000	808,750
School Bond Issue of 2021 (School 2020 Construction)	1.1-4.0	4-29-2021	4-15-2041	18,000,000		18,000,000		18,000,000	
Sewer Fund Pump Stations	2.0-5.0	4-29-2021	4-15-2041	7,045,000		7,045,000		7,045,000	
Total Bonded Debt					\$ 70,020,000	\$ 25,045,000	\$ 5,925,000	\$ 89,140,000	\$ 2,616,637

**TOWN OF GROTON, CONNECTICUT
SCHEDULE OF EXPENDITURES AND ENCUMBRANCES COMPARED WITH APPROPRIATIONS
CAPITAL IMPROVEMENTS FUND
FOR THE YEAR ENDED JUNE 30, 2021**

	Appropriation	Expenditures			Encumbrances	Unencumbered Balance
		Balance	Current	Balance		
		July 1, 2020	Year	June 30, 2021		
LOCIP Projects:						
GC Comfort Station	\$ 50,000		\$	\$ -	\$	50,000
Senior Center Closed Circuit TV System	40,000			-		40,000
Sidewalk Midway	100,000	62,484	12,903	75,387	2,787	21,826
New Sidewalk, Rt 1 Mystic	80,000	67,339		67,339		12,661
Storage Area Network	100,000	97,800		97,800		2,200
HVAC Annex	70,000		9,100	9,100	14,650	46,250
PD Locker Room	105,000		4,900	4,900	11,510	88,590
Groton Ambulance Parking Lot	45,000		41,410	41,410	23	3,567
HVAC Upgrade Golf Course	140,000		69,157	69,157	33,843	37,000
Town Hall Complex Radon Improvements	85,000		10,961	10,961		74,039
Spicer House Painting and Roof Replacement	170,000		7,900	7,900	7,000	155,100
Park Improv ADA	60,000	3,995		3,995		56,005
Athletic Field Development	100,000			-		100,000
Park Improv ADA Compliance	41,000		12,153	12,153		28,847
Esker Point Beach Bathhouse	90,000	50,049	7,356	57,405		32,595
Town Hall Complex Improvements	267,000	41,764	25,919	67,683	15,160	184,157
FYE 2017 Capital Improvement Projects:						
Crystal Lake/Military Hwy Intersection	120,000	107,337	216	107,553		12,447
FYE 2018 Capital Improvement Projects:						
Golf Course Facilities	\$ 30,000	\$ 2,890	\$ 2,750	5,640	5,000	19,360
Info Tech Acq SW Systems	658,000	426,382	15,530	441,912	148,848	67,240
WPCF-Treatment Facility	668,000	80,744	23,543	104,287	15,957	547,756
WPCF-Pump Stations	651,000	148,263	3,201	151,464	11,875	487,661
Town Hall Complex	375,000	357,224		357,224		17,776
FYE 2019 Capital Improvement Projects:						
Police Station	50,000	8,007	26,742	34,749		15,251
Sewer Line Infrastructure Repairs-WPCF	479,000	2,247		2,247		476,753
Bridge Reconstruction - GLP	300,000	26,980		26,980	273,020	-
Groton Ambulance Building	21,000	18,696		18,696		2,304
Tech - IT Security	92,000	49,459	808	50,267		41,733
Tech PS CAD/RMS Intergration	320,000	196,668		196,668		123,332
Tech Website Redesign	50,000	8,600	31,700	40,300		9,700
WPCF-Treatment Facility	52,000		4,555	4,555	46,150	1,295
WPCF-Pump Stations	200,000	116,125	27,875	144,000	46,000	10,000
Upgrade Radio Sys Police	1,000,000	939,764	9,243	949,007		50,993

(Continued on next page)

TOWN OF GROTON, CONNECTICUT
SCHEDULE OF EXPENDITURES AND ENCUMBRANCES COMPARED WITH APPROPRIATIONS
CAPITAL IMPROVEMENTS FUND (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

	Appropriation	Expenditures			Encumbrances	Unencumbered Balance
		Balance	Current	Balance		
		July 1, 2020	Year	June 30, 2021		
FYE 2020 Capital Improvement Projects:						
Golf Course Facilities	15,000			\$ -	\$ 14,950	\$ 50
Poq/South Rd Underpasses	30,000			-		30,000
Police Station	37,000			-		37,000
Sewer Line Infrastructure Repairs-WPCF	100,000	20,280	10,920	31,200		68,800
Groton Public Library	95,000	7,200	82,211	89,411		5,589
Sidewalk Construction	157,000	6,144	32,932	39,076	7,510	110,414
Info Tech Acq Network	135,000	55,290	41,188	96,478		38,522
Tech TW Meeting Room Equipment	77,000		18,615	18,615	20,621	37,764
City Radios Upgrade	186,000		181,523	181,523		4,477
Park Improv - ADA Compliance	68,000		60,665	60,665		7,335
Trail Improvement Program	50,000		2,800	2,800		47,200
WPCF-Treatment Facility	138,000			-		138,000
WPCF-Pump Stations	100,000		29,000	29,000		71,000
Town Pavement - Management	85,000	39,681	8,160	47,841		37,159
BOE-Fitch Sr High School	300,000	195	299,805	300,000		-
BOE-Asbestos Tile Removal	518,000	14,250	3,950	18,200		499,800
Mystic Ed Various Studies	116,500	61,335	46,609	107,944	8,556	-
Open Space Improvements	43,000		300	300		42,700
Vacant School Properties	35,000	12,855	2,177	15,032		19,968
Town Hall Complex	110,000	75,809		75,809		34,191
Mystic Streetscaped Phase 3	150,000			-		150,000
FYE 2021 Capital Improvement Projects:						
Wayfinding Signage	40,000			-		40,000
Crystal Lake/Mil HWY Intersection	55,320		55,320	55,320		-
Sewer Line Infrastructure Repairs-WPCF	50,000		9,687	9,687	36,313	4,000
Groton Public Library	90,000		16,875	16,875	30,395	42,730
North Stonnington Road Bridge	25,000		9,475	9,475		15,525
Sidewalk Construction	55,000			-		55,000
Info Tech Acq Network	191,000		28,367	28,367	476	162,157
Info Tech Phone System	25,000			-		25,000
Culvert Rehabilitation	195,000		10,500	10,500	157,780	26,720
WPCF Pump Stations	1,425,000		112,911	112,911	1,087,401	224,688
BOE Fitch HS Athletics	12,500		12,500	12,500		-
BOE District Storage	155,000		68,367	68,367		86,633
BOE Northeast Academy	84,000		17,436	17,436		66,564
BOE Video Surveillance	45,000			-		45,000
BOE School Kitchen Dishwasher	120,000		42,657	42,657		77,343
Town Hall Annex	25,000			-		25,000
Downtown Mystic Parking	25,000		12,029	12,029		12,971
Total	\$ 11,772,320	\$ 3,105,856	\$ 1,564,901	\$ 4,670,757	\$ 1,995,825	\$ 5,105,738

Statistical Section

Statistical Section

The objectives of statistical section information are to provide financial statement users with additional historical perspective, context and detail to assist in using the information in the financial statements, notes to financial statements and required supplementary information to understand and assess economic condition.

Statistical section information is presented in the following categories:

- *Financial trends information* is intended to assist users in understanding and assessing how financial position has changed over time.
- *Revenue capacity information* is intended to assist users in understanding and assessing the factors affecting the ability to generate *own-source revenues* (property taxes, charges for services, etc.).
- *Debt capacity information* is intended to assist users in understanding and assessing debt burden and the ability to issue additional debt.
- *Demographic and economic information* is intended 1) to assist users in understanding the socioeconomic environment and 2) to provide information that facilitates comparisons of financial statement information over time and among governments.
- *Operating information* is intended to provide contextual information about operations and resources to assist readers in using financial statement information to understand and assess economic condition.

The accompanying tables are presented in the above order. Refer to the Table of Contents for applicable page number locations.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

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

	FISCAL YEAR									
	2012	2013	2014	2015 (2)	2016	2017	2018 (3)	2019	2020	2021
Governmental Activities:										
Net investment in capital assets	\$ 155,538,608	\$ 161,736,383	\$ 154,930,034	\$ 159,430,245	\$ 162,347,720	\$ 164,500,510	\$ 160,357,068	\$ 158,733,947	\$ 181,279,605	\$ 200,751,149
Restricted	247,543	336,163	338,581	347,495	340,967	333,424	339,348	343,595	342,653	4,819,202
Unrestricted	<u>38,257,761</u>	<u>35,517,240</u>	<u>27,268,797</u>	<u>23,007,408</u>	<u>17,012,268</u>	<u>(30,030,306)</u>	<u>(20,577,444)</u>	<u>(13,342,285)</u>	<u>(7,128,110)</u>	<u>17,034,535</u>
Total Governmental Activities										
Net Position	<u>\$ 194,043,912</u>	<u>\$ 197,589,786</u>	<u>\$ 182,537,412</u>	<u>\$ 182,785,148</u>	<u>\$ 179,700,955</u>	<u>\$ 134,803,628</u>	<u>\$ 140,118,972</u>	<u>\$ 145,735,257</u>	<u>\$ 174,494,148</u>	<u>\$ 222,604,886</u>

Notes:

- (1) Schedule prepared on the accrual basis of accounting.
- (2) Restated for GASB 68
- (3) Restated for GASB 75

TABLE 2

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

	FISCAL YEAR									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses:										
Governmental activities:										
General government/services	\$ 9,060,730	\$ 8,529,609	\$ 8,691,422	\$ 8,337,626	\$ 10,821,540	\$ 8,042,247	\$ 8,960,439	\$ 8,337,603	\$ 8,427,187	\$ 8,704,252
Public safety	12,370,594	12,295,551	12,501,644	12,789,334	12,712,112	14,090,590	13,259,508	15,938,456	15,533,546	14,379,634
Public works	17,351,740	13,628,816	13,377,760	12,342,955	11,171,462	12,658,004	12,805,514	13,423,118	14,283,893	12,834,858
Planning and development	1,640,918	1,830,563	1,716,137	1,570,770	1,844,956	2,035,174	1,990,801	2,144,663	2,076,867	1,663,301
Human services	2,743,285	2,715,295	2,759,569	3,180,545	4,489,168	4,049,046	4,322,148	4,427,733	3,767,528	3,028,357
Community services	6,797,684	7,107,094	7,563,406	7,450,944	7,846,378	6,850,753	6,194,652	6,864,514	6,106,213	4,659,914
Board of Education	87,768,560	89,023,978	90,079,021	89,228,450	90,277,870	100,289,882	101,768,169	93,035,027	99,314,979	118,783,150
Sewer operations	4,925,362	5,863,816	5,780,402	5,653,724	5,838,562	5,652,542	6,050,701	6,155,419	5,270,255	4,889,830
Solid waste management	2,286,841	2,199,954	2,132,903	2,085,798	1,609,559	1,613,576	1,590,816	1,545,066	1,499,935	1,454,780
Interest on long-term debt	2,639,790	1,310,199	2,083,263	1,751,362	1,616,896	1,463,234	1,304,961	1,456,464	969,505	2,121,400
Total governmental activities expenses	<u>147,585,504</u>	<u>144,504,875</u>	<u>146,685,527</u>	<u>144,391,508</u>	<u>148,228,503</u>	<u>156,745,048</u>	<u>158,247,709</u>	<u>153,328,063</u>	<u>157,249,908</u>	<u>172,519,476</u>
Program Revenues:										
Governmental activities:										
Charges for services:										
General government	1,003,874	1,158,126	1,351,390	1,512,226	1,299,150	1,762,441	1,579,665	2,058,244	1,463,823	1,620,491
Public safety	653,758	398,165	346,820	231,852	152,122	416,583	364,315	424,920	374,444	378,931
Public works	672,005	745,253	807,774	654,007	595,574	464,321	188,827	215,810	194,854	196,679
Planning and development	166,196	159,644	301,056	334,146	421,811	285,835	11,839	14,379	17,000	19,419
Health and human services	141,195	135,357	136,358	278,018	78,964	168,992	60,465	24,017	71,582	43,929
Community services	2,094,870	2,010,172	2,185,314	2,332,015	2,405,872	2,342,306	2,185,130	2,256,834	2,034,704	1,888,877
Education	1,060,826	1,042,262	1,066,571	959,511	1,027,754	1,086,729	1,075,491	1,021,488	672,746	254,480
Sewer system maintenance	5,040,588	5,291,252	5,758,271	5,796,587	6,006,143	6,074,091	6,283,486	6,530,281	6,448,601	6,768,408
Solid waste management	2,489,314	2,411,917	2,351,710	2,201,040	1,791,595	1,553,358	1,531,088	1,475,121	1,419,700	1,394,098
Operating grants and contributions	45,276,670	43,653,893	47,200,162	45,952,894	46,302,479	52,017,815	55,681,310	47,472,391	53,694,777	69,041,690
Capital grants and contributions	6,163,449	3,667,168	1,807,869	783,148	702,498	706,509	1,864,558	1,996,148	23,777,643	39,181,379
Total governmental activities program revenues	<u>64,762,745</u>	<u>60,673,209</u>	<u>63,313,295</u>	<u>61,035,444</u>	<u>60,783,962</u>	<u>66,878,980</u>	<u>70,826,174</u>	<u>63,489,633</u>	<u>90,169,874</u>	<u>120,788,381</u>
Net Expenses	<u>(82,822,759)</u>	<u>(83,831,666)</u>	<u>(83,372,232)</u>	<u>(83,356,064)</u>	<u>(87,444,541)</u>	<u>(89,866,068)</u>	<u>(87,421,535)</u>	<u>(89,838,430)</u>	<u>(67,080,034)</u>	<u>(51,731,095)</u>
General Revenues and Other										
Changes in Net Position:										
Governmental activities:										
Property taxes	79,097,987	81,627,072	82,290,623	79,210,399	80,725,773	82,864,039	88,753,308	90,445,440	91,070,741	95,609,494
Payments in lieu of taxes	1,622,860	1,479,465	1,454,422	1,350,490	986,196	1,011,019	605,607	603,686	603,142	603,313
Grants and contributions										
not restricted to specific programs	3,848,708	4,144,285	2,601,740	2,873,504	2,499,693	1,517,211	2,217,558	2,285,803	2,257,899	2,327,200
Unrestricted investment earnings	129,036	126,718	129,179	143,093	148,535	240,806	509,867	1,249,239	1,166,949	264,999
Miscellaneous revenue				26,314	151	148,332	650,539	870,547	740,194	765,503
Total governmental activities	<u>84,698,591</u>	<u>87,377,540</u>	<u>86,475,964</u>	<u>83,603,800</u>	<u>84,360,348</u>	<u>85,781,407</u>	<u>92,736,879</u>	<u>95,454,715</u>	<u>95,838,925</u>	<u>99,570,509</u>
Change in Net Position	<u>\$ 1,875,832</u>	<u>\$ 3,545,874</u>	<u>\$ 3,103,732</u>	<u>\$ 247,736</u>	<u>\$ (3,084,193)</u>	<u>\$ (4,084,661)</u>	<u>\$ 5,315,344</u>	<u>\$ 5,616,285</u>	<u>\$ 28,758,891</u>	<u>\$ 47,839,414</u>

TABLE 3

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

	FISCAL YEAR									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General fund:										
Nonspendable	\$	\$	\$	\$	\$	\$	\$	\$	19,978	11,716
Committed			2,700,000	2,700,000	666,693	481,258		1,095,000		
Assigned	3,325,543	3,003,114	4,346,530	4,556,108	2,026,112	1,889,794	1,420,789	1,248,696	1,476,235	4,666,890
Unassigned	<u>9,421,348</u>	<u>11,617,470</u>	<u>11,442,314</u>	<u>9,510,492</u>	<u>10,097,227</u>	<u>11,457,895</u>	<u>18,888,114</u>	<u>23,710,943</u>	<u>27,287,274</u>	<u>29,000,928</u>
Total General Fund	<u>\$ 12,746,891</u>	<u>\$ 14,620,584</u>	<u>\$ 18,488,844</u>	<u>\$ 16,766,600</u>	<u>\$ 12,790,032</u>	<u>\$ 13,828,947</u>	<u>\$ 20,308,903</u>	<u>\$ 26,054,639</u>	<u>\$ 28,783,487</u>	<u>\$ 33,679,534</u>
All other governmental funds:										
Nonspendable	\$ 261,566	\$ 268,278	\$ 256,543	\$ 248,803	\$ 252,753	\$ 251,637	\$ 250,279	\$ 250,231	\$ 250,290	\$ 250,269
Restricted	7,636,668	7,909,457	14,297,309	10,770,323	10,246,352	6,804,065	10,228,832	1,949,478	2,126,965	3,700,402
Committed	8,799,862	6,266,751	6,213,171	5,424,407	5,568,197	5,855,884	5,606,256	75,814,672	6,772,636	7,763,476
Unassigned	<u>(250,479)</u>	<u>(250,281)</u>				<u>(49,486)</u>	<u>(452,056)</u>	<u>(56,925,277)</u>	<u>(997,260)</u>	<u>(10,973,894)</u>
Total All Other Governmental Funds	<u>\$ 16,447,617</u>	<u>\$ 14,194,205</u>	<u>\$ 20,767,023</u>	<u>\$ 16,443,533</u>	<u>\$ 16,067,302</u>	<u>\$ 12,862,100</u>	<u>\$ 15,633,311</u>	<u>\$ 21,089,104</u>	<u>\$ 8,152,631</u>	<u>\$ 740,253</u>

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

	FISCAL YEAR									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues:										
Taxes, interest and lien fees	\$ 78,391,217	\$ 82,339,630	\$ 82,526,804	\$ 79,238,570	\$ 80,676,749	\$ 83,824,932	\$ 88,942,127	\$ 90,715,443	\$ 90,888,810	\$ 95,824,962
Assessments	28,252	4,375	7,999	59,972	13,393	42,119	5,374	666	309	-
Licenses and permits	172,551	175,081	317,422	342,131	434,229	303,096	381,024	554,690	562,457	508,807
Intergovernmental - state	47,119,568	46,511,395	46,617,234	43,814,938	44,422,970	50,146,722	46,655,450	48,652,084	71,220,650	86,926,303
Intergovernmental - federal	117,160	107,531	115,560	126,196	127,189	220,140	487,258	1,044,889	1,049,626	248,677
Interest on investments	7,288,202	5,804,355	5,905,398	6,373,371	5,136,168	4,961,642	6,265,832	8,927,968	7,799,970	8,823,400
Charges for current services	4,749,468	4,554,660	4,743,472	4,922,677	4,647,691	5,219,590	4,810,232	5,101,327	3,894,068	3,532,829
Schools, library and recreation fees	328,918	338,553	313,187	260,937	293,474	282,921	222,374	202,511	162,369	50,844
Sewer use charges	5,040,588	5,291,252	5,758,271	5,796,587	6,006,143	6,074,091	6,283,486	6,530,281	6,448,601	6,768,408
Solid waste management charges	2,489,102	2,411,917	2,287,817	2,201,040	1,507,441	1,553,358	1,531,088	1,475,121	1,419,700	1,394,098
Other revenue	1,465,363	1,118,262	1,331,789	1,311,473	1,871,966	1,458,743	2,037,098	1,902,271	2,263,047	2,142,224
Total revenues	<u>147,190,389</u>	<u>148,657,011</u>	<u>149,924,953</u>	<u>144,447,892</u>	<u>145,137,413</u>	<u>154,087,354</u>	<u>157,621,343</u>	<u>165,107,251</u>	<u>185,709,607</u>	<u>206,220,552</u>
Expenditures:										
Current:										
General government	1,581,682	1,266,793	1,068,673	1,384,263	1,629,681	1,513,910	1,027,494	945,145	1,117,231	1,380,022
General services	4,319,947	4,315,863	4,482,277	4,475,963	4,307,726	4,289,828	4,428,036	3,062,846	3,159,294	3,404,363
Public safety	7,143,513	6,882,693	6,847,447	6,826,320	6,798,575	6,854,164	7,055,011	8,714,934	8,773,910	8,850,857
Public works	6,146,907	6,293,359	6,411,003	6,466,672	6,201,908	5,824,089	5,868,134	5,786,617	5,528,840	5,669,279
Planning and development	1,103,737	1,201,607	1,105,233	1,021,024	1,238,980	1,230,650	1,394,682	1,361,420	1,431,888	1,411,350
Health and human services	841,222	748,171	834,766	1,186,125	1,431,937	1,129,009	1,607,690	1,319,398	829,041	1,576,592
Community services	5,501,721	5,506,737	5,890,493	5,910,146	5,699,342	5,566,051	5,563,302	5,686,560	5,406,661	5,039,024
Education	85,613,686	85,311,379	86,821,236	86,519,344	89,075,467	96,601,412	93,326,799	96,254,221	96,755,250	98,394,735
Subdivisions	4,883,336	5,228,234	5,212,930	5,045,084	4,192,898	4,897,090	5,588,096	5,315,236	5,488,998	5,631,029
Sewer operations	4,274,215	4,354,333	4,343,233	4,290,302	4,406,312	4,331,286	4,564,077	4,726,802	4,278,263	4,147,751
Solid waste management	2,286,841	2,199,954	2,132,903	2,085,798	1,609,559	1,613,576	1,590,816	1,545,066	1,499,935	1,454,780
Nondepartmental (1)	8,589,044	8,743,450	8,850,191	9,283,830	9,136,274	8,186,453	8,257,824	9,306,977	10,080,534	11,008,510
Outside agencies (2)	2,391,992	2,351,809	2,331,064	2,368,305	2,373,697	2,106,756	1,963,254	1,972,982	1,643,942	143,870
Debt service interest	2,639,790	1,310,199	2,083,263	1,751,362	1,616,896	1,463,234	1,304,961	1,456,464	969,505	2,121,400
Debt service principal	5,192,925	4,642,857	3,623,883	4,785,687	4,763,414	4,752,228	4,377,435	5,003,435	7,021,310	7,456,773
Capital outlay	6,336,975	8,896,614	7,081,129	7,158,401	4,942,546	5,439,175	6,894,643	20,986,752	63,789,436	78,764,141
Total expenditures	<u>148,847,533</u>	<u>149,254,052</u>	<u>149,119,724</u>	<u>150,558,626</u>	<u>149,425,212</u>	<u>155,798,911</u>	<u>154,812,254</u>	<u>173,444,855</u>	<u>217,774,038</u>	<u>236,454,476</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(1,657,144)</u>	<u>(597,041)</u>	<u>805,229</u>	<u>(6,110,734)</u>	<u>(4,287,799)</u>	<u>(1,711,557)</u>	<u>2,809,089</u>	<u>(8,337,604)</u>	<u>(32,064,431)</u>	<u>(30,233,924)</u>
Other Financing Sources (Uses):										
Issuance of bonds			9,320,000				6,690,000	20,000,000	20,000,000	25,045,000
Bond premium			181,455					969,328	3,079,380	3,076,898
Refunding bond issuance	19,015,000	21,080,000							9,985,000	
Refunding bond premiums	1,301,282	2,336,722							1,227,152	
Payment to escrow agent	(20,107,027)	(23,199,400)							(11,130,548)	
Issuance of capital lease			134,394						22,561	
Transfers in	4,094,412	5,350,360	3,777,844	4,737,718	4,421,441	1,825,029	2,563,875	3,731,908	2,636,898	2,674,622
Transfers out	(4,094,412)	(5,350,360)	(3,777,844)	(4,672,718)	(4,486,441)	(2,279,759)	(2,811,797)	(5,135,107)	(3,990,633)	(3,350,251)
Total other financing sources (uses)	<u>209,255</u>	<u>217,322</u>	<u>9,635,849</u>	<u>65,000</u>	<u>(65,000)</u>	<u>(454,730)</u>	<u>6,442,078</u>	<u>19,566,129</u>	<u>21,829,810</u>	<u>27,446,269</u>
Net Change in Fund Balances	<u>(1,447,889)</u>	<u>(379,719)</u>	<u>10,441,078</u>	<u>(6,045,734)</u>	<u>(4,352,799)</u>	<u>(2,166,287)</u>	<u>9,251,167</u>	<u>11,228,525</u>	<u>(10,234,621)</u>	<u>(2,787,655)</u>
Fund Balance at Beginning of Year	<u>30,642,397</u>	<u>29,194,508</u>	<u>28,814,789</u>	<u>39,255,867</u>	<u>33,210,133</u>	<u>28,857,334</u>	<u>26,691,047</u>	<u>35,942,214</u>	<u>47,170,739</u>	<u>37,207,442</u>
Fund Balance at End of Year	<u>\$ 29,194,508</u>	<u>\$ 28,814,789</u>	<u>\$ 39,255,867</u>	<u>\$ 33,210,133</u>	<u>\$ 28,857,334</u>	<u>\$ 26,691,047</u>	<u>\$ 35,942,214</u>	<u>\$ 47,170,739</u>	<u>\$ 36,936,118</u>	<u>\$ 34,419,787</u>
Debt Service as a Percentage to Noncapital Expenditures	5.33%	4.26%	4.01%	4.58%	4.46%	4.14%	3.68%	4.42%	5.20%	6.07%

(1) Employee benefits were budgeted at the function level for Fiscal Year 2004. For all other years, Employee benefits were included in Nondepartmental.

(2) In Fiscal Year 2005, Outside Agencies was created as a new area of service. In prior years these agencies were included in various areas of service.

TABLE 5

TOWN OF GROTON, CONNECTICUT
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(In Thousands)

Fiscal Year	Real Property		Motor Vehicles	Personal Property	Tax Exempt Property	Less Exemptions	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property								
2012	2,425,700	1,261,870	204,404	449,628	912,845	231,000	4,110,602	18.89	5,872,289	70.0 %
2013 **	2,255,322	1,183,933	222,949	512,177	982,988	236,104	3,938,277	20.22	5,626,110	70.0 %
2014	2,256,738	1,182,093	216,669	419,881	982,879	218,018	3,857,363	20.72	5,510,519	70.0 %
2015	2,260,934	1,174,250	221,200	446,431	990,958	205,212	3,897,603	20.13	5,568,004	70.0 %
2016	2,264,812	1,094,956	223,311	443,907	996,132	218,335	3,808,651	20.95	5,440,930	70.0 %
2017	2,277,608	1,086,145	221,983	412,078	987,271	208,274	3,789,539	21.73	5,413,627	70.0 %
2018	2,120,973	1,129,692	223,491	445,161	1,319,882	213,796	3,705,521	23.63	5,293,601	70.0 %
2019	2,125,410	1,146,708	224,005	455,938	1,306,441	227,157	3,724,904	24.17	5,737,031	70.0 %
2020	2,129,129	1,149,450	227,833	462,907	1,315,704	235,539	3,733,780	25.11	6,469,982	70.0 %
2021	2,132,893	1,143,050	232,039	453,367	1,318,982	239,640	3,721,708	24.17	5,950,167	70.0 %

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

** Denotes years in which a revaluation of real estate properties occurred.

Except in years of a revaluation, the estimated actual amount is calculated using the sales ratios developed by the State of Connecticut, Office of Policy and Management.

TABLE 6

**TOWN OF GROTON, CONNECTICUT
PRINCIPAL TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
(In Thousands)**

Taxpayer	Nature of Business	2021			2012		
		Taxable Assessed Value	Rank	Percentage of Gross Taxable Assessed Grand List	Taxable Assessed Value	Rank	Percentage of Gross Taxable Assessed Grand List
Pfizer, Inc.	Pharmaceutical	\$ 313,175	1	8.4%	\$ 543,405	1	13.3%
Electric Boat Corp.	Submarine Mfg./R&D	287,461	2	7.8%	194,463	2	4.8%
Merion Group LP	Ledges Apartments	27,943	3	0.8%	21,636	4	0.5%
Groton Devel Assoc Ltd	Country Glen Apartments	21,913	4	0.6%	20,537	5	0.5%
Exit 88 Hotel LLC	Mystic Marriott Hotel	21,827	5	0.6%	27,889	3	0.7%
CW Groton Square LLC	Groton Square Shopping Center	18,480	6	0.5%	17,670	6	0.4%
ELK La Triumphe LLC	LaTriumphe Apartments	16,277	7	0.4%	17,437	7	0.4%
Winterfell Windham Falls	Windham Falls Elderly Apts	15,401	8	0.4%			
Groton Fuel Cell 1 LLC	Fuel Cell @ Pfizer	13,541	9	0.4%			
Yankee Gas Services Co	Natural Gas Utility	13,529	10	0.4%			
Groton Estates LLC	Colonial Manor Apartments				13,081	8	0.3%
Groton Shoppers Mart LLC	Shopping Center				12,184	9	0.3%
Cedar Groton LLC	Shopping Center				11,506	10	0.3%
		<u>\$ 749,547</u>		<u>20.3%</u>	<u>\$ 879,808</u>		<u>21.5%</u>

Source: Town Assessor's office

TABLE 7

**TOWN OF GROTON, CONNECTICUT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(In Thousands)**

Fiscal Year	Taxes Levied for the Fiscal Year *	Subsequent Adjustments	Adjusted Tax Levy	Collected within the Fiscal Year of the Levy			Collections in Subsequent Years	Total Collections to Date		
				Amount	Percentage of Levy	Percentage Uncollected		Amount *	Percentage of Levy	Percentage Uncollected
2012	\$ 77,465	\$ 458	\$ 77,923	\$ 75,868	\$ 97.36%	2.64%	\$ 2,055	\$ 77,923	100.00%	0.00%
2013	80,232		80,232	78,991	98.45%	1.55%	930	79,921	99.61%	0.39%
2014	80,265		80,265	79,198	98.67%	1.33%	834	80,032	99.71%	0.29%
2015	78,060		78,060	76,900	98.51%	1.49%	669	77,569	99.37%	0.63%
2016	79,533		79,533	78,407	98.58%	1.42%	n/a	78,407	98.58%	1.42%
2017	82,404		82,404	81,432	98.82%	1.18%	n/a	81,432	98.82%	1.18%
2018	87,457		87,457	86,440	98.84%	1.16%	n/a	86,440	98.84%	1.16%
2019	89,230		89,230	88,419	99.09%	0.91%	n/a	88,419	99.09%	0.91%
2020	90,293		90,293	89,400	99.01%	0.99%	n/a	89,400	99.01%	0.99%
2021	93,896		93,896	93,217	99.28%	0.72%	n/a	93,217	99.28%	0.72%

Source: Town Assessor's office and Finance office

* The "Taxes Levied for the Fiscal Year" figure is based on the adjusted October 1 Grand List for each of the fiscal years listed.

TABLE 8

**TOWN OF GROTON, CONNECTICUT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN YEARS
(Rate per \$1,000 of Assessed Value)**

Town Direct Rate		Overlapping Rates													Groton Long Point Association Total Direct Rate
Fiscal Year	Basic Rate	Groton Sewer District	City of Groton	City of Groton Total Direct Rate	Poquunnock Bridge Fire District	Poquunnock Bridge Fire District Total Direct Rate	Mystic Fire District	Mystic Fire District Total Direct Rate	Noank Fire District	Noank Fire District Total Direct Rate	Old Mystic Fire District	Old Mystic Fire District Total Direct Rate	Groton Long Point Association		
2012	\$ 18.89	0.250	\$ 4.135	\$ 23.025	\$ 5.500	\$ 24.640	\$ 1.940	\$ 21.080	\$ 1.140	\$ 20.280	\$ 2.200	\$ 21.340	\$ 2.780	\$ 21.920	
2013	20.22	0.250	4.595	24.815	5.900	26.370	2.050	22.520	1.190	21.660	2.400	22.870	2.835	23.305	
2014	20.72	0.250	4.595	25.315	5.200	26.170	2.160	23.130	1.390	22.360	2.800	23.770	2.928	23.898	
2015	20.13	0.250	4.822	24.952	5.900	26.280	2.310	22.690	1.390	21.770	2.800	23.180	2.795	23.175	
2016	20.95	0.250	5.868	26.818	6.050	27.250	2.290	23.490	1.390	22.590	2.900	24.100	2.995	24.195	
2017	21.73	0.250	5.432	27.162	6.350	28.330	2.310	24.290	1.490	23.470	2.950	24.930	2.994	24.974	
2018	23.63	0.270	5.220	28.850	5.730	29.630	2.290	26.190	1.490	25.390	2.950	26.850	3.710	27.610	
2019	24.17	0.270	4.580	28.750	5.970	30.410	2.240	26.680	1.390	25.830	2.900	27.340	3.710	28.150	
2020	24.17	0.280	4.300	28.470	6.000	30.450	2.280	26.730	1.280	25.730	2.900	27.350	3.997	28.447	
2021	25.11	0.560	4.300	29.410	5.950	31.620	2.270	27.940	1.280	26.950	2.900	28.570	3.997	29.667	

Fiscal Year	Basic Rate	Groton Sewer District	Center Groton Fire District	Center Groton Fire District Total Direct Rate	West Pleasant Valley Fire District	West Pleasant Valley Fire District Total Direct Rate	Mumford Cove District	Mumford Cove District Total Direct Rate	First Taxing District	First Taxing District Total Direct Rate	Second Taxing District	Second Taxing District Total Direct Tax
2012	\$ 18.89	0.250	\$ 3.000	\$ 22.140	\$ 2.750	\$ 21.890	\$ 0.279	\$ 19.419	N/A	N/A	N/A	N/A
2013	20.22	0.250	3.500	23.970	2.820	23.290	0.305	20.775	N/A	N/A	N/A	N/A
2014	20.72	0.250	3.500	24.470	2.800	23.770	0.305	21.275	N/A	N/A	N/A	N/A
2015	20.13	0.250	3.500	23.880	3.400	23.780	0.305	20.685	N/A	N/A	N/A	N/A
2016	20.95	0.250	3.500	24.700	3.760	24.960	0.309	21.509	N/A	N/A	N/A	N/A
2017	21.73	0.250	3.500	25.480	3.800	25.780	0.310	22.290	N/A	N/A	N/A	N/A
2018	23.63	0.270	3.500	27.400	3.500	27.400	0.340	24.240	N/A	N/A	N/A	N/A
2019	24.17	0.270	3.500	27.940	4.480	28.920	0.340	24.780	N/A	N/A	N/A	N/A
2020	24.17	0.280	3.500	27.950	4.310	28.760	0.340	24.790	N/A	N/A	N/A	N/A
2021	25.11	0.560	3.500	29.170	4.310	29.980	0.330	26.000	N/A	N/A	N/A	N/A

Note: The Total Direct Rate is arrived at by combining the Town Direct Rate with the various Overlapping Rates.
 For City of Groton residents their total tax rate is made up of two components; the Town Direct Rate plus their Overlapping Rate.
 For all other residents of the Town, their Total Direct Rate is made up of three components; the Town Direct Rate, their Overlapping Rate, and the Groton Sewer District Rate.

TOWN OF GROTON, CONNECTICUT
RATIO OF NET GENERAL BONDED DEBT TO
ASSESSED VALUE AND NET GENERAL BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS

Fiscal Year	General Bonded Debt			Total Primary Government	Debt as a Percentage of Actual Taxable Value of Property (1)	Debt Per Capita
	General Obligation Bonds	Other Bonds	Unamortized Premiums			
2012	42,340,000	5,650,000	1,263,009	49,253,009	1.2%	1,196
2013	38,580,000	5,195,000	3,488,821	47,263,821	1.2%	1,093
2014	44,835,000	4,880,000	3,456,276	53,171,276	1.4%	1,249
2015	41,090,000	4,520,000	3,233,203	48,843,203	1.3%	1,146
2016	37,390,000	4,150,000	3,010,131	44,550,131	1.2%	1,048
2017	33,710,000	3,785,000	2,787,058	40,282,058	1.1%	1,026
2018	37,110,000	3,425,000	2,958,427	43,493,427	1.2%	1,113
2019	53,155,000	3,070,000	3,456,382	59,681,382	1.6%	1,542
2020	67,300,000	2,720,000	6,073,173	76,093,173	2.0%	1,980
2021	86,770,000	2,370,000	7,865,062	97,005,062	2.6%	2,525

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

TABLE 10

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

Fiscal Year	General Bonded Debt					Total Primary Government	Debt as a Percentage of Personal Income (1)	Debt Per Capita
	General Obligation Bonds	Other Bonds	Unamortized Premiums	Clean Water Fund Loans	Capital Leases			
2012	42,340,000	5,650,000	1,263,009	10,665,325	11,876	59,930,210	4.78%	1,497
2013	38,580,000	5,195,000	3,488,821	10,052,962	4,013	57,320,796	4.50%	1,437
2014	44,835,000	4,880,000	3,456,276	9,440,599	126,439	62,738,314	5.05%	1,562
2015	41,090,000	4,520,000	3,233,203	8,828,236	101,765	57,773,204	4.77%	1,438
2016	37,390,000	4,150,000	3,010,131	8,215,873	75,830	52,841,834	4.26%	1,331
2017	33,710,000	3,785,000	2,787,058	7,603,509	48,569	47,934,136	3.43%	1,221
2018	37,110,000	3,425,000	2,958,427	6,991,146	21,308	50,505,881	3.61%	1,293
2019	53,155,000	3,070,000	3,456,382	6,378,783	-	66,060,165	4.76%	1,707
2020	67,300,000	2,720,000	6,073,173	5,766,420	21,300	81,880,893	5.89%	2,130
2021	86,770,000	2,370,000	7,865,062	5,154,056	22,561	102,181,679	7.13%	2,660

(1) See Table 14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

**TOWN OF GROTON, CONNECTICUT
SCHEDULE OF DEBT LIMITATION
FOR THE YEAR ENDED JUNE 30, 2021**

Tax Base:

Total tax collections (including interest and lien fees) for the year ended June 30, 2020	\$ 90,594,972
Total tax collections (including interest and lien fees) of coterminous municipalities for the year ended June 30, 2020	<u>13,586,339</u>

Total Base	\$ <u>104,181,311</u>
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	<u>Public Improvement</u>	<u>Schools</u>	<u>Sewers</u>	<u>Urban Renewal</u>	<u>Pension Deficit</u>
Debt Limitation:					
2 1/4 times base	\$ 234,407,950	\$	\$	\$	\$
4 1/2 times base		468,815,900			
3 3/4 times base			390,679,916		
3 1/4 times base				338,589,261	
3 times base					312,543,933
	<u>234,407,950</u>	<u>468,815,900</u>	<u>390,679,916</u>	<u>338,589,261</u>	<u>312,543,933</u>
Total limitations					
	<u>234,407,950</u>	<u>468,815,900</u>	<u>390,679,916</u>	<u>338,589,261</u>	<u>312,543,933</u>
Indebtedness:					
Bonds outstanding	13,644,000	66,081,000	9,415,000		
Bond anticipation notes payable		38,000,000			
Clean Water fund loans			5,154,057		
Authorized and unissued	3,221	17,788,865	1,185,000		
School building grants					
Underlying debt:					
Bonds and serial notes	3,471,437		5,360,000		
Authorized and unissued	854,189		106,000		
	<u>17,972,847</u>	<u>121,869,865</u>	<u>21,220,057</u>	<u>-</u>	<u>-</u>
Total indebtedness					
	<u>17,972,847</u>	<u>121,869,865</u>	<u>21,220,057</u>	<u>-</u>	<u>-</u>
Debt Limitation in Excess of Outstanding and Authorized Debt	\$ <u>216,435,103</u>	\$ <u>346,946,035</u>	\$ <u>369,459,859</u>	\$ <u>338,589,261</u>	\$ <u>312,543,933</u>

Notes: (1) The total of the above indebtedness amounts to: \$ 161,062,769

In no event shall total indebtedness exceed seven times the base for debt limitation computation: \$ 729,269,177

(2) Bonds authorized and unissued represent bond authorizations for which bonds have been issued to partially finance the project or bond anticipation notes are outstanding.

TABLE 12

**TOWN OF GROTON, CONNECTICUT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(In Thousands)**

	FISCAL YEAR									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debt limit	\$ 643,465	\$ 637,479	\$ 669,064	\$ 669,870	\$ 648,611	\$ 668,181	\$ 685,611	\$ 720,401	\$ 725,323	\$ 729,269
Total net debt applicable to limit	<u>58,276</u>	<u>56,413</u>	<u>67,524</u>	<u>62,943</u>	<u>60,676</u>	<u>66,344</u>	<u>58,933</u>	<u>218,110</u>	<u>177,277</u>	<u>161,063</u>
Legal Debt Margin	<u>\$ 585,189</u>	<u>\$ 581,066</u>	<u>\$ 601,540</u>	<u>\$ 606,927</u>	<u>\$ 587,935</u>	<u>\$ 601,837</u>	<u>\$ 626,678</u>	<u>\$ 502,291</u>	<u>\$ 548,046</u>	<u>\$ 568,206</u>
Total net debt applicable to the limit as a percentage of debt limit	9.06%	8.85%	10.09%	9.40%	9.35%	9.93%	8.60%	30.28%	24.44%	22.09%

Note: The State of Connecticut General Statutes require that in no event shall the total debt of the Town exceed seven (7) times the annual receipts from taxation. The calculation of the 2020 debt limit can be found on Table 11.

TOWN OF GROTON, CONNECTICUT
CALCULATION OF DIRECT DEBT AND CURRENT DEBT RATIOS
LAST TEN FISCAL YEARS
(unaudited)

Fiscal Year	Population	Governmental Activities										Total Overall Debt (1)	Direct Debt Per Capita	Net Direct Debt Per Capita	Overall Net Debt Per Capita	Net Taxable Grand List (2)	Direct Debt to Net Taxable G/L	Net Direct Debt to Net Taxable G/L	Overall Total Debt to Net Taxable G/L
		General Fund Bonds	Other Bonds	Clean Water Fund Loans	Notes Payable	Capital Leases	Total Direct Debt	State Grants Receivable	Self-supporting Sewer Debt (CWF Loans)	Net Direct Debt									
2012	40,038	\$ 42,340,000	\$ 5,650,000	\$ 10,665,325	\$	\$ 11,876	\$ 58,667,201	\$	\$ 10,665,325	\$ 48,001,876	\$ 53,509,632	\$ 1,465	\$ 1,199	\$ 1,336	\$ 4,110,602,000	1.43%	1.17%	1.30%	
2013	39,896	38,580,000	5,195,000	10,052,962		4,013	53,831,975		10,052,962	43,779,013	51,709,741	1,349	1,097	1,296	3,938,277,000	1.37%	1.11%	1.31%	
2014	40,176	44,835,000	4,880,000	9,440,599		126,439	59,282,038		9,440,599	49,841,439	56,648,750	1,476	1,241	1,410	3,857,363,000	1.54%	1.29%	1.47%	
2015	40,167	41,090,000	4,520,000	8,828,236		101,765	54,540,001		8,828,236	45,711,765	52,183,835	1,358	1,138	1,299	3,897,603,000	1.40%	1.17%	1.34%	
2016	39,692	37,390,000	4,150,000	8,215,873		75,830	49,831,703		8,215,873	41,615,830	47,401,767	1,255	1,048	1,194	3,808,651,000	1.31%	1.09%	1.24%	
2017	39,261	33,710,000	3,785,000	7,603,510		48,569	45,147,079		7,603,510	37,543,569	42,688,460	1,150	956	1,087	3,789,539,000	1.19%	0.99%	1.13%	
2018	39,075	37,110,000	3,425,000	6,991,146		21,308	47,547,454	58,300	6,991,146	40,498,008	50,995,018	1,217	1,036	1,305	3,715,881,000	1.28%	1.09%	1.37%	
2019	38,692	53,155,000	3,070,000	6,378,782	21,700,000	-	84,303,782	3,676,307	6,378,782	74,248,693	83,927,171	2,179	1,919	2,169	3,701,681,000	2.28%	2.01%	2.27%	
2020	38,436	67,300,000	2,720,000	5,766,420	63,045,000	21,300	138,852,720	5,434,820	5,766,420	127,651,480	137,459,932	3,613	3,321	3,576	3,734,667,000	3.72%	3.42%	3.68%	
2021	38,411	86,770,000	2,370,000	5,154,056	38,000,000	22,561	132,316,617	7,150,304	5,154,056	120,012,257	128,843,694	3,445	3,124	3,354	3,709,883,000	3.57%	3.23%	3.47%	

(1) Includes net Underlying Debt related to the various taxing districts

(2) Gross taxable Grand List for FY21 is \$3,709,882,767

Note: Data is presented in accordance with the Town's continuing disclosure agreement

TABLE 14

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

Fiscal Year	Population (1)	Personal Income (thousands of dollars)	Per Capita Personal Income	Median Age	High School Graduate or Higher	School Enrollment (2)	Unemployment Rate (3)
2011	40,125	\$ 1,256,795	\$ 31,322	33.3	90.4%	4,969	8.4%
2012	40,038	1,254,070	31,322	33.3	90.4%	4,961	8.2%
2013	39,896	1,274,597	31,948	32.8	90.9%	4,778	7.7%
2014	40,176	1,243,126	30,942	33.2	92.2%	4,657	6.2%
2015	40,167	1,212,401	30,184	33.2	92.4%	4,565	5.2%
2016	39,692	1,241,169	31,270	32.4	93.6%	4,519	5.3%
2017	39,261	1,399,184	35,638	34.0	94.8%	4,461	4.3%
2018	39,075	1,399,276	35,810	34.0	94.3%	4,381	4.1%
2019	38,692	1,389,159	35,903	33.0	94.0%	4,324	3.6%
2020	38,436	1,389,500	36,151	33.0	94.1%	4,324	11.8%
2021	38,411	1,433,076	37,309	34.1	93.5%	4,068	7.1%

Sources: Per capita income, median age and education level provided by U.S. Census Bureau, Census 2010

(1) Population provided by State of Connecticut, Department of Public Health

(2) Town of Groton Board of Education

(3) State of Connecticut, Department of Labor

TABLE 15

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

Name	Nature of Business	2021			2012		
		Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
U.S. Navy Submarine Base	Military Base	10,747	1	38.9%	9,710	1	33.5%
Electric Boat Corporation	Submarine Mfg/R&D	8,543	2	30.9%	5,897	2	20.3%
Pfizer, Inc.	Pharmaceutical	5,281	3	19.1%	4,013	3	13.8%
Town of Groton	Municipality	985	4	3.6%	952	4	3.3%
Theater Aviation (2) Sustainment Maintenance Group	Helicopter repair	630	5	2.3%	502	5	1.7%
City of Groton	Municipality	213	6	0.8%	227	6	0.8%
Fairview Retirement Community	Senior Living	191	7	0.7%			
PCC Structurals (1)	Manufacturer	165	8	0.6%	180	9	0.6%
Chelsea Groton Bank	Banking/Financial Services	136	9	0.5%			0.0%
Mystic Marriott	Hotel/Conference Center	126	10	0.5%	216	7	0.7%
Lawrence & Memorial Facilities	Emergency & Health Care Svcs			0.0%	198	8	0.7%
Doncaster Precision Castings	Manufacturer			0.0%	125	10	0.4%
		<u>27,017</u>		<u>97.7%</u>	<u>22,020</u>		<u>75.9%</u>

(1) Formerly known as Wyman Gordon Company

(2) Formerly known as AVCRAD

Source: Telephone survey

TABLE 16

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
General government	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
General services	48.00	49.00	49.00	49.00	49.00	46.00	47.00	32.00	32.00	32.00
Public safety	72.00	72.00	72.00	72.00	73.00	73.00	73.00	85.00	86.00	88.00
Public works	52.25	52.25	52.25	52.25	52.25	48.25	46.25	43.00	43.00	43.00
Planning and development	16.00	16.00	16.00	14.00	14.00	14.00	14.00	15.00	15.00	15.00
Human services	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
Community services	40.50	40.75	40.50	40.75	40.75	39.75	39.75	37.75	37.75	35.75
Golf course	6.50	6.25	6.50	6.25	6.25	6.25	6.25	6.25	6.25	6.25
Sewer system maintenance	18.75	18.75	18.75	18.75	18.75	18.75	19.75	19.00	19.00	19.00
Solid waste management	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Project manager - school construction	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	1.00	1.00
Fleet reserve	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Subtotal town government	267.00	268.00	534.00	266.00	267.00	259.00	259.00	252.00	253.00	253.00
Board of Education	<u>683.00</u>	<u>683.00</u>	<u>641.00</u>	<u>733.00</u>	<u>758.00</u>	<u>817.00</u>	<u>764.00</u>	<u>755.00</u>	<u>778.00</u>	<u>762.00</u>
Total	<u>950.00</u>	<u>951.00</u>	<u>1,175.00</u>	<u>999.00</u>	<u>1,025.00</u>	<u>1,076.00</u>	<u>1,023.00</u>	<u>1,007.00</u>	<u>1,031.00</u>	<u>1,015.00</u>

Source: Adopted Town Budgets

Notes: A full-time employee is scheduled to work either 2,080 or 1,820 hours per year (including vacation and sick leave) depending on bargaining unit.

TABLE 17

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<u>General Government</u>										
Marriages and civil unions of residents	464	495	544	498	507	460	301	437	234	401
Births to Groton residents	419	556	569	528	526	483	462	386	462	269
Deaths of Groton residents	338	418	382	378	401	423	392	351	324	364
<u>Boards and Agencies</u>										
Registered voters	20,138	19,082	17,600	17,640	18,677	18,905	19,023	19,759	21,649	21,232
Elections and referenda	2	1	2	2	2	2	3	0	2	2
<u>Planning and Development</u>										
Building permits issued	1,355	1,300	1,347	1,403	1,458	1,416	1,540	1,679	1,582	1,745
Building inspections conducted	3,100	3,000	3,300	3,500	3,900	3,400	3,600	3,900	3,850	4,100
Value of building permits	\$ 15,235,881	\$ 14,676,632	\$ 26,771,903	\$ 28,906,319	\$ 39,767,943	\$ 27,737,183	\$ 39,911,213	\$ 73,136,178	\$ 47,160,422	\$ 33,545,081
<u>Public Safety</u>										
Arrests	755	1,555	1,376	1,135	1,055	955	996	1,047	747	564
Parking violations	244	263	282	50	27	41	80	106	92	62
Traffic violations	5,857	7,872	8,295	5,237	4,963	3,360	5,350	5,172	5,176	1,852
<u>Public Works</u>										
Street resurfacing (in miles)	3.25	3.18	3.45	3.24	3.64	2.40	1.60	1.10	2.56	1.84
Number of snow and ice control callouts	6	16	21	24	9	12	15	11	6	9
Miles of roads maintained (excludes GLP in 2006)	95.21	95.21	95.21	95.21	95.84	95.84	95.84	95.84	96.03	95.84
<u>Parks and Recreation</u>										
Athletic field permits issued	86	89	106	158	105	135	131	361	101	66
Summer season programs	201	186	161	160	130	158	234	180	156	53
Indoor season programs	537	398	453	461	446	463	459	429	463	153
Acres of grounds maintained	143	150	150	155	155	155	155	155	155	155
<u>Public Libraries</u>										
Volumes in collection	144,416	144,199	146,616	150,297	151,781	156,425	163,460	156,866	130,074	138,319
Items circulated	368,587	354,923	354,683	336,680	320,460	287,571	298,349	279,547	220,682	160,955
<u>Senior Center</u>										
Meals on wheels provided	16,270	14,935	12,500	23,399	n/a *	n/a *	n/a *	n/a *	n/a *	n/a *
Kitchen meals served	n/a	15,689	18,919	20,507	20,791	16,313	14,171	17,604	14,169	16,118
Senior mini-bus trips	35	31	49	33	47	31	44	31	17	1
<u>Human Services</u>										
Households provided energy assistance	1,660	1,670	1,675	1,700	1,750	1,775	1,775	1,775	1,800	1,800
Households utilizing Groton Food Locker	4,600	4,600	4,600	4,650	4,700	4,725	4,725	4,725	5,000	5,000
Households receiving rent assistance	1,875	1,800	1,900	1,950	1,975	2,000	2,000	2,000	2,100	2,100
<u>Education</u>										
Elementary schools	7	7	7	7	7	6	6	6	6	6
Middle schools	3	2	2	2	2	2	2	2	2	1
High schools	1	1	1	1	1	1	1	1	1	1
<u>Sewer</u>										
Miles of Sewer Line Maintained	136.3	136.3	136.3	136.3	136.5	136.1	136.1	136.1	136.1	136.1

Source(s): Various Town Departments

N/A Information not available

* This is now outsourced

TABLE 18

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

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<u>General Government</u>										
<u>Public Safety</u>										
Police stations	1	1	1	1	1	1	1	1	1	1
Police vehicles	45	43	43	43	41	41	41	46	43	45
<u>Public Works</u>										
Miles of town streets	95.21	95.21	95.21	95.21	95.84	95.84	95.84	95.84	95.84	95.84
Streetlights	1,339	1,371	1,330	1,330	1,330	1,373	1,373	1,373	1,373	1,373
Public works vehicles	197	197	198	198	196	196	196	196	194	194
<u>Parks and Recreation</u>										
Acreage	1,237	1,266	1270.8	1276.8	1276.8	1276.8	1276.8	1276.8	1276.8	1270.8
Parks	53	54	55	57	57	57	57	57	57	55
<u>Public Libraries</u>										
Libraries	1	1	1	1	1	1	1	1	1	1
<u>Human Services (Senior Center)</u>										
Community center	1	1	1	1	1	1	1	1	1	1
Senior mini-buses	6	6	6	6	6	6	6	4	4	4
<u>Education</u>										
Schools	11	11	11	11	10	9	9	9	9	8
<u>Sewer</u>										
Sanitary sewers (miles)	136.3	136.3	136.3	136.3	136.5	136.1	136.1	136.1	136.1	136.1
Treatment capacity (thousands of gallons)	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500

Source(s): Various Town Departments