

# **Comprehensive Annual Financial Report**

of the

## **Town of Groton**



**Fiscal Year Ended June 30, 2019**

# **TOWN OF GROTON, CONNECTICUT**

## **Comprehensive Annual Financial Report**

**for**

**the Fiscal Year Ended  
June 30, 2019**

**Prepared By:**

**The Finance Department**

**TOWN OF GROTON**  
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# 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 Comprehensive Annual Financial Report (CAFR) of the Town of Groton for the fiscal year ended June 30, 2019.

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 Blum Shapiro & Company, P.C., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town of Groton for the fiscal year ended June 30, 2019, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent 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, 2019, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the Town of 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 38,692 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 2019, approximately 252 full-time municipal employees provided services to a community of 38 square miles and 38,692 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 14<sup>th</sup>. The Board of Education and the political subdivisions within the Town of Groton are required to submit requests for appropriation on or before February 28<sup>th</sup>. 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 15<sup>th</sup>. The Council is required to hold at least one public hearing on the proposed budget not later than April 6<sup>th</sup>. On or before April 28<sup>th</sup>, 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 25<sup>th</sup>. Following RTM approval of a final budget, the Council shall determine the final tax rate on or before June 9<sup>th</sup>. 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 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 2019, the Town solicited formal competitive bids for expenditures at or above \$15,000. 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 2019, the Town had an unemployment rate of 3.6% as compared to the New London County rate of 3.7%, the state's average rate of 3.8% and the national average of 3.7%. New London County has an employed labor force of approximately 133,586 residents.

**Grand List increases by 1.4%:** The October 1, 2018 net adjusted taxable Grand List increased 1.4% from the 2017 Grand List after the Board of Assessment Appeals. The net adjusted grand list now totals \$3,729,602,117. The combined assessments of the top ten taxpayers rose from \$747 million to about \$765. Pfizer remains the Town's largest taxpayer but Electric Boat remains strong as the second largest taxpayer. Net real estate increased to \$3.252 billion. The net personal property grand list increased 17.9%. Most of this increase is attributed to assessments reinstated from last year's reduction for a Pfizer lawsuit settlement. The motor vehicles portion of the grand list grew by 1.6% from \$201 million to \$205 million. A more detailed analysis is presented in the Management Discussion and Analysis (MD&A) section of the CAFR.

**Long-term Financial Planning/Relevant Financial Policies:**

The unassigned fund balance in the general fund (18% of the FYE 2020 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 November 2017. The policy states that the unassigned fund balance shall be maintained in an amount equal to at least eleven (11 %) percent with a gradual increase to a minimum of fifteen (15%).

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

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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 \$2,535,000 was reduced by the RTM to \$2,297,000.

**Major Initiatives for the Fiscal Year Ended June 30, 2019:**

**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 November 2022, allowing sufficient time to complete the program.

**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. Contract was awarded in June of 2017 with construction starting in the Fall of 2017. The project has been completed 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, flood resiliency modifications, and replacement of significant underground piping and valve infrastructure. The project was awarded in July 2018 and construction started in August 2018. The project is scheduled to be completed in December 2019.

**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 two aging elementary schools. The two vacated elementary schools will be returned to the Town for future disposition.

The Public Works Department has selected a Program Management firm to assist the Department in managing the Architects and Construction Managers-Risk for all three schools. The selection of the firms has been completed. 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.

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Construction of the middle school began in March 2019 and is scheduled to be completed in June 2020. The elementary schools are currently under design with scheduled bid dates in January 2020.

**Economic Development Marketing:**

Following the completion of the Market Analysis, staff has been working on implementing both the digital and print promotional marketing capacity of the Town of Groton. The website developer and digital marketing consultants Golden Shovel Agency developed a stand-alone Economic Development website which can be found at [www.exploremoregroton.com](http://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. Since the website launch, town staff members have been working with Golden Shovel to build a social media presence. The website also includes monthly long-form 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 as well as local community events. At the events, staff members distribute printed marketing materials as well as promotional items. In addition to these campaigns, a new 'Guide to Doing Business in Groton' is in its final phase of development. This guide will help new business owners through the process of opening a business in Groton.

**Wayfinding Sign Master Plan:**

Staff worked with Beta Group to finalize a 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.

**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 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 will be approved in the summer and fall of 2019.

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**Public Property Redevelopment:**

Staff has been actively marketing property owned by the Town. Currently 517/529 Gold Star Highway, Groton Heights School and the Seely School are the high priorities for redevelopment. The Town of Groton is also working with the State of Connecticut to market the State owned Mystic Education Center. Most properties are offered by way of a Request for Proposal (RFP) versus a traditional sale. An RFP allows the Town to find the best fit for the property and ensure that the development happens. An RFP was released for 517/529 Gold Star Highway and staff has been in discussions with the “preferred developer”. Staff released an RFP in fall 2017 for the Mystic Education Center which is a 77+ acre parcel of land with existing buildings totaling over 150,000 square feet in size. A “Preferred Developer” was chosen and a future project unveiling is planned to inform the public. The project involves a significant mixed-use development forming a new village within Groton located just outside of Mystic. Staff worked with the City of Groton for a zone change for Groton Heights School to make the property more appealing to developers. An RFP for Groton Heights was released in the spring of 2018 and a letter of intent was signed with Thayer Mahan, a Groton based business to open a second headquarters at the site of the former school. The Town is working with the real estate brokerage firm of Goman York to market and sell the William Seely School. Staff anticipates that the Pleasant Valley and Colonel Ledyard Schools will be marketed for sale or lease by the Town in 2019.

**Small Cities Community Development Block Grants:**

**2013 for Housing Rehabilitation:**

The Town received a \$400,000 grant with a Town match of \$150,000. The grant and the match have been expended. Pre-closeout certification was filed in October 2016 and an audit from the State DOH was completed in May 2017. A certificate of completion has not yet been issued.

**2014 for Housing Authority:**

The Town received an \$800,000 grant with a Housing Authority match of \$80,000 (and associated tax credits of \$150,000 and \$450,000). Both the grant and the match were 100% expended as of March 31, 2016. This project was accomplished 90 days ahead of schedule. An Audit from the State DOH was requested in October of 2016. An audit was completed in May 2018. A certificate of completion has not yet been issued.

**2016 for Housing Authority:**

The Town received a \$800,000 grant with a Housing Authority match of \$80,000. The grant was awarded in July 2016 and is currently under construction. This is the second phase of the Housing Authority’s project and will continue to upgrade electrical systems, update bathrooms, mitigate for asbestos, and update code compliance and energy conservations systems within the Pequot Village apartments. Both the grant and the match were 100% expended as of August 28, 2018. A pre-closeout certificate was presented on July 20, 2018. The State DOH has not yet conducted an audit. A certificate of completion has not yet been issued.

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**2017 for Mystic River Homes Cottages:**

The Town received an \$800,000 grant with a match from Mystic River Homes for \$163,000. The grant was awarded in August of 2017. The grant is administered through a three party relationship with the Town's Economic and Community Development Division, Mystic River Homes, and ECHO. A contract was generated and signed, bidding completed, a contractor selected and work is underway. The grant is fully expended. A certificate of substantial completion was signed on September 19, 2019.

**Regulatory Overhaul:**

The Department of Planning and Development Services has been working with the Zoning Commission and consultants, The Horsley Witten Group on the complete re-write of our Zoning Regulations for over 2 years. The Regulations have not been completely overhauled in over 30 years. These new regulations will be adopted prior to July 31, 2019 and will go into effect on October 1, 2019.

<http://www.groton-ct.gov/uploads/Interactive%20ZRegs%20Final%2010-1-19.pdf>

**JLUS Report and Implementation Project:**

In 2017, the Southeastern Connecticut Council of Governments (SCCOG), SUBASE New London, the City of Groton, the Town of Groton, Ledyard, Montville, New London and Waterford worked together to prepare a Joint Land Use Study (JLUS). This study was funded by the Department of Defense, Office of Economic Adjustment (OEA) with in-kind contributions from the SCCOG and participating municipalities. The JLUS analyzed compatibility issues between the towns and the SUBASE and proposed strategies to address these issues in the areas of transportation, the Thames River, land use and development, and coordination and cost sharing. The JLUS summary and complete report can be reviewed at the following websites:

[http://www.seccog.org/pdfs/SNL\\_JLUS\\_ProjectOverview\\_Final\\_2017-12-06.pdf](http://www.seccog.org/pdfs/SNL_JLUS_ProjectOverview_Final_2017-12-06.pdf)

[http://www.seccog.org/pdfs/SNL\\_JLUS\\_Final\\_2017-12-01\\_sm.pdf](http://www.seccog.org/pdfs/SNL_JLUS_Final_2017-12-01_sm.pdf)

A number of the JLUS recommendations are eligible for funding through the OEA. The SCCOG and the Towns applied for a grant from OEA with funding in the amount of \$313,000 to study and make recommendations on the impacts of the Subbase and General Dynamics on housing and transportation needs for the region, and to analyze the Crystal Lake Road and Route 12 land uses and change the zoning in that district to reflect the needs of the SUBASE and the Town of Groton. The Town and The Horsley Witten Group have been actively working on updating the Nautilus Memorial Design District (NMDD) zoning regulation for the area surrounding the SUBASE with an adoption date for those regulations prior to December 31, 2019.

**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. The Department will entertain vendor proposals for the solar field based on new State programs.

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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.

### **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 percent. A program will be put in place to document compliance with the requirements of CRS.

### **Community Development Block Grant - 2019 for Mystic River Homes Congregate:**

The Town received a \$1.5 million grant with a match from Mystic River Homes for \$75,000. The grant was awarded in October of 2019. The grant is administered through a three party relationship with the Town's Economic and Community Development Division, Mystic River Homes, and ECHO. As soon as a contract from the State DOH is presented the Town will immediately commence contractual and bidding procedures.

### **Municipal and state excess property redevelopment**

The Town of Groton continues to market its excess properties for redevelopment purposes. A letter of intent was signed for the redevelopment of the Groton Heights School into a new business space for ThayerMahan. A Purchase and Sales (P&S) agreement is being drafted for the sale. A \$225,000 State Brownfield Grant from the state is being finalized and applied to this property on behalf of the Town and ThayerMahan. Excess land located at 529 Gold Star Highway (Route 184) now has a signed option agreement involving a future sale and development of approximately 300 multi-family housing units. The Mystic Education Center, a state owned property, has had a purchase and sales agreement executed with a "preferred developer" for the project. The property will be redeveloped into a new mixed use village with a restaurant, small retail market, office space, active public recreation center, and approximately 800 residential housing units. The town is in negotiations to select a "preferred developer" for the Seely School. The proposal would see the property redeveloped into an amenity rich multi-

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family housing development. The Colonel Ledyard School redevelopment project is seeking a “preferred developer” from submitted proposals. The Pleasant Valley School is being actively marketed this year with an RFP expected to be released in the spring of 2020.

**Wayfinding Sign Master Plan:** Staff is advancing the implementation of the Wayfinding Signage program. The developed plan helps orient travelers (motor vehicle, bicyclists, and pedestrians) throughout Groton with cohesive signage. The goal of rebranding and actively marketing Groton is to attract new businesses as well as residents to the area. Plan implementation will be completed in phases as funding is made available. Targeted first phase locations include the intersection of Route 1/Route 117 and the Route 117 corridor for the full array of various signs. Also, downtown Mystic is slated for a pedestrian kiosk and orientation map.

**Debt Administration:**

In April 2019, presentations were made to the three rating agencies; Fitch Ratings, Moody’s Investors Service and Standard & Poor’s Rating Services. All three agencies affirmed their previous ratings for the Town:

Fitch “AA”

Moody’s “Aa2”

Standard & Poor’s “AA+.

In April 2019 the Town conducted a sale of General Obligation Bonds in the amount of \$20,000,000 for the Groton 2020 School Facilities Improvement Plan. Hutchinson, Shockey, Erley & Co. placed the winning bid with a true interest cost of 2.678141%. The bonds were issued for twenty years maturing in 2039. The Town also conducted a sale of General Obligation Bond Anticipation notes in the amount of \$15,000,000 for the Groton 2020 School Facilities Improvement Plan and in the amount of \$6,700,000 for the Water Pollution Control Facility Effluent & Fishtown Road Pump Stations. The Notes mature in April 2020.

At year-end, the Town had a number of debt issues outstanding. These issues, net of applicable unamortized discounts, included \$53,155,000 of general obligation bonds, \$3,070,000 of general obligation sewer bonds paid by special assessments/fees for total bonds payable of \$56,225,000. Last fiscal year that total amount was \$40,535,000.

In November 2017, 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 to an amount equal to at least eleven (11%) percent of the annual general fund expenditures. The Town Council had previously adopted the following limits to guide the issuance of debt and they are compared to the FYE 2019 data.

	<u>Adopted Policy</u>	<u>FYE 2019</u>
Comparison to State’s Statutory Debt Limit:	not to exceed 50%	33.28%
Net Direct Indebtedness to assessed value	not to exceed 5%	1.6%
Debt Service as compared to Expenditures	not to exceed 10%	4.2%

“Submarine Capital of the World”



**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 comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2018. 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 comprehensive annual financial report whose contents conform to program standards. The CAFR 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-five (25) consecutive years (FYE 1994 through FYE 2018). 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 Comprehensive Annual Financial Report (CAFR). 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 CAFR 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

“Submarine Capital of the World”



Government Finance Officers Association

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

Presented to

**Town of Groton  
Connecticut**

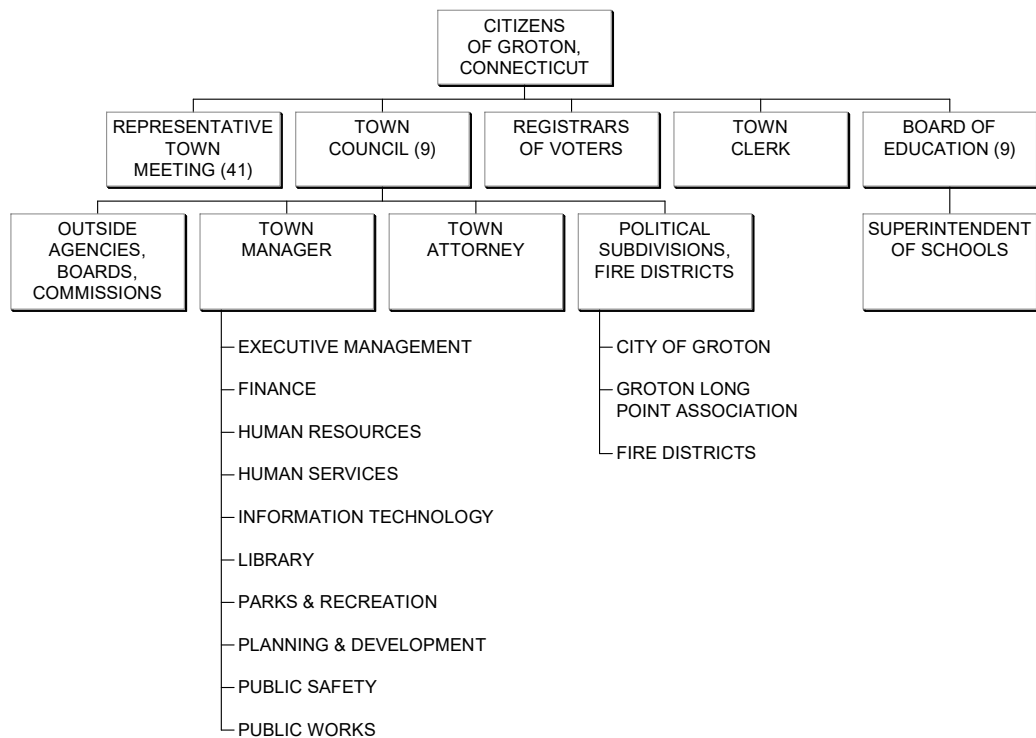
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2018**

*Christopher P. Morill*

Executive Director/CEO

# TOWN OF GROTON ORGANIZATION CHART



FYE 2019

**TOWN OF GROTON**  
**PRINCIPAL OFFICIALS**  
**AS OF JUNE 30, 2019**

**Town Council**

Patrice Granatosky, Mayor  
David Atwater  
Aundré Bumgardner  
Rachael Franco  
Conrad F. Heede  
Lian Obrey  
Juliette Parker  
Rita Schmidt  
Joe Zeppieri

**Board of Education**

Kim Shepardson Watson, Chairperson  
Andrea Ackerman, Vice-Chairperson  
Katrina Fitzgerald  
Jane Giulini  
Gretchen Newsome  
Rosemary Robertson  
Rita Volkmann  
Jay Weitlauf  
Lee White

**Appointed Officials**

John Burt, Town Manager  
Dr. Michael Graner, 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, 2019, 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 auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Groton, Connecticut, as of June 30, 2019 and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management'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, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of 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 and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we do not express an opinion or provide any assurance on them.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the Town of Groton, Connecticut, as of and for the year ended June 30, 2018 (not presented herein), and have issued our report thereon dated December 20, 2018, which contained unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. The accompanying General Fund balance sheet as of June 30, 2018 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 2018 financial statements. The accompanying General Fund balance sheet has been subjected to the auditing procedures applied in the audit of the 2018 basic financial statements and certain additional procedures including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the General Fund balance sheet is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2018.

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2019 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.

*Blum, Shapiro & Company, P.C.*

West Hartford, Connecticut  
December 21, 2019



**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, 2019 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 \$145,736 (net position).
- The government's total net position increased by \$5,616. 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 in progress and OPEB asset changes in actuarial assumptions, which is offset by increases in bonds payable, net pension liability 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 \$47,170.
- For the fiscal year ended June 30, 2019, the unassigned fund balance for the General Fund was \$23,711 or 18% of the FYE 2020 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 \$15,078 (31.7%) during the current fiscal year. This was mainly due to an increase (\$15,690) 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 2010 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 Reserve 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 **individual** non-major 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-six special revenue funds, a Debt Service Fund and three Permanent Funds are combined into aggregate funds in this presentation. Individual fund data for each of these non-major 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 non-major 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 nine fiduciary funds; one pension trust fund, one Other Post-Employment Benefit trust fund (OPEB), four private purpose trust funds and three agency funds. 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 on pages 28-71 of this report.

**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 non-major 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 beginning on page 89 of this report.

**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 \$145,736 on June 30, 2019.

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

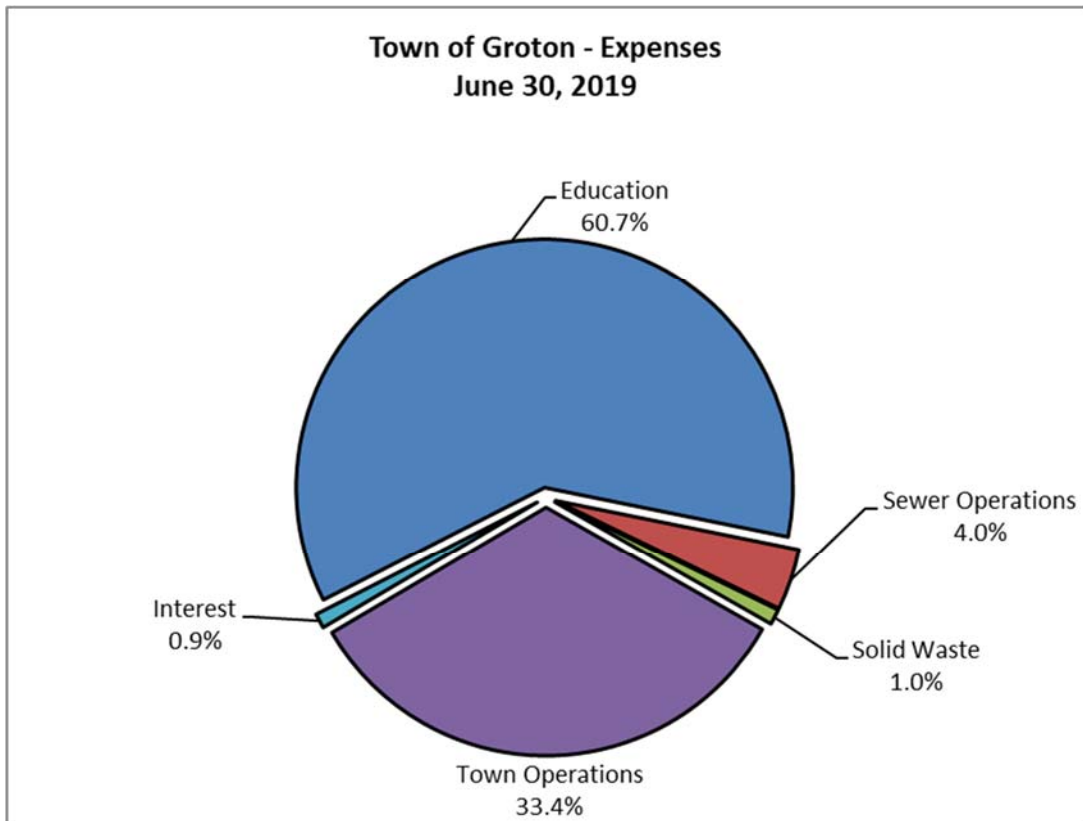
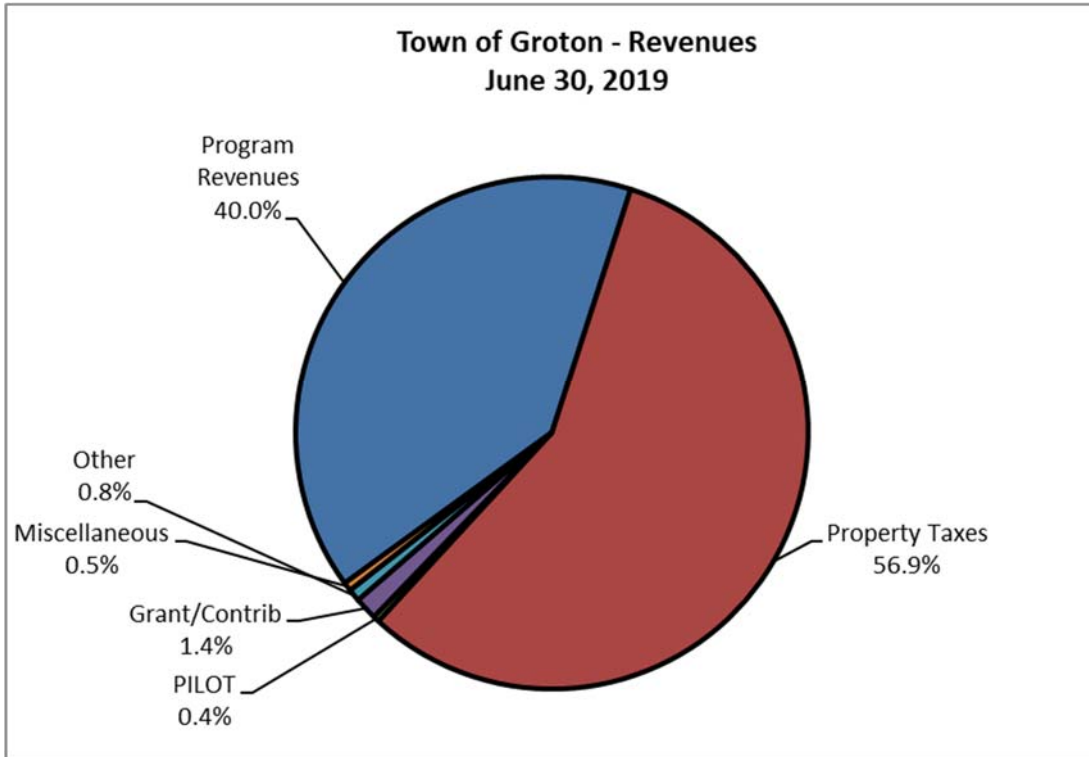
	<b>Governmental Activities</b>	
	<b>2019</b>	<b>2018</b>
Current assets	\$ 102,251	\$ 59,870
Capital assets, net of accumulated depreciation	220,542	209,024
Total assets	<u>322,793</u>	<u>268,894</u>
Deferred outflows of resources	<u>8,358</u>	<u>6,492</u>
Long-term liabilities outstanding	137,146	117,713
Other liabilities	42,726	13,213
Total liabilities	<u>179,872</u>	<u>130,926</u>
Deferred inflows of resources	<u>5,544</u>	<u>4,341</u>
Net Position:		
Net investment in capital assets	158,734	160,357
Restricted	344	339
Unrestricted	<u>(13,343)</u>	<u>(20,577)</u>
Total Net Position	<u>\$ 145,735</u>	<u>\$ 140,119</u>

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 56.9% of the revenues were derived from property taxes, followed by 40.0% from program revenues, 1.4% 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)**

	<b>Governmental Activities</b>	
	<b>2019</b>	<b>2018</b>
Revenues:		
Program revenues:		
Charges for services	\$ 14,021	\$ 13,280
Operating grants and contributions	47,472	55,681
Capital grants and contributions	1,996	1,865
General revenues:		
Property taxes	90,445	88,753
Payments in lieu of taxes	604	606
Grants and contributions (not restricted)	2,286	2,218
Other unrestricted investment earnings	1,249	510
Miscellaneous revenue	871	651
Total revenues	<u>158,944</u>	<u>163,564</u>
Expenses:		
General government/services	8,338	8,960
Public safety	15,938	13,260
Public works	13,423	12,806
Planning and development	2,145	1,991
Human services	4,428	4,322
Community services	6,865	6,195
Board of Education	93,035	101,768
Sewer operations	6,155	6,051
Solid waste	1,545	1,591
Interest on long-term debt	1,456	1,305
Total expenses	<u>153,328</u>	<u>158,249</u>
Increase in Net Position	5,616	5,315
Net Position July 1	<u>140,119</u>	<u>134,804</u>
Net Position June 30	<u>\$ 145,735</u>	<u>\$ 140,119</u>



Major revenue factors for all Governmental Funds included:

- ◆ Total revenues were \$4,620 lower in 2019 when compared to 2018 or a decrease of 2.8%.
- ◆ Grants and Contributions were lower in 2019 as the Town realized less in State and Federal grants.
- ◆ Property tax revenues recorded for fiscal year 2019 increased primarily due to an increase in the Town's tax rate from 23.63 mills to 24.17 mills.
- ◆ Investment earnings increased by \$739 from the prior fiscal year to \$1,249 for the fiscal year ended June 30, 2019. The increase to interest and dividend earnings was the result of slightly more funds available for investment purposes and the use of accounts paying a higher rate of return.

For Governmental Activities, 60.7% of the Town's expenses relate to education, 8.8% relate to public works, 10.4% relate to public safety, 5.4% to general government/services, 4.5% 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 \$4,921 lower in 2019 when compared to 2018 or a decrease of 3.1%.
- ◆ Town Operations expenses were \$3,603 higher in 2019 when compared to 2018 or an increase of 33.4%.
- ◆ Education expenses were \$8,733 lower in 2019 when compared to 2018 or a decrease 8.6%.
- ◆ Results of operation in Sewer Operations, Solid Waste and Interest on Long-Term Debt accounted for an increase of \$209 in expenses compared to 2018 or an increase of 2.3%.

**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 \$47,170, an increase of \$11,228 in comparison with the prior year. Of this amount, (\$33,214) 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 \$23,710, which is included in the total fund balance of \$26,082. 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 18.3% of total FYE 2020 Adopted general fund budget, while total fund balance represents 20.2% of that same amount.

The total fund balance of the Town of Groton's General Fund increased by \$5,773 during the current fiscal year. The unassigned fund balance increased by \$4,849. Key factors in the total fund balance increase of \$5,773 are as follows:

- ◆ Revenues were \$4,607 more than anticipated primarily due to increases in tax collections, interest income, conveyance tax and additional Federal intergovernmental revenue.
- ◆ Expenditures were under budget by \$1,208 due to unexpended funds in Town Operations, Education, and Non-departmentals.
- ◆ No fund balance was applied to the adopted FYE 2019 budget.
- ◆ The amount designated for the subsequent year budget totals \$1,095.

**Capital Improvements Fund.** This fund has a total fund balance of \$13,419 an increase from \$5,251 in the prior year and is related to the receipt of school construction grants and bond/note proceeds for school construction and sewer pump stations.

**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 \$778 for the Fleet Reserve Fund, \$7,156 for the Health Insurance Fund and a deficit of \$681 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 \$1,454 and reflects increases in all three funds: Fleet Reserve, Health Insurance and Workers' Compensation.

**General Fund Budgetary Highlights:**

Transfers of \$201 occurred from Contingency to other functions within the General Fund to cover wage adjustments for collective bargaining unit contracts settled during the year, the Board of Education for emergency impact aid for displaced students to meet the State of CT Minimum Budget Requirement, unanticipated referendum costs, and costs associated with the Charter Revision Commission.



During the year, actual revenues and other financing sources on a budgetary basis amounted to \$130,463 which was over the adopted budget by \$4,606. The majority of this increase can be attributed to increases in taxes, interest income and Federal revenue. Pupil Impact Aid payments were also higher than expected. Pupil impact aid is a federal reimbursement for educating military dependents.

Actual expenditures were under budget by \$1,208 with town operations returning \$1,130 and Board of Education returning \$39.

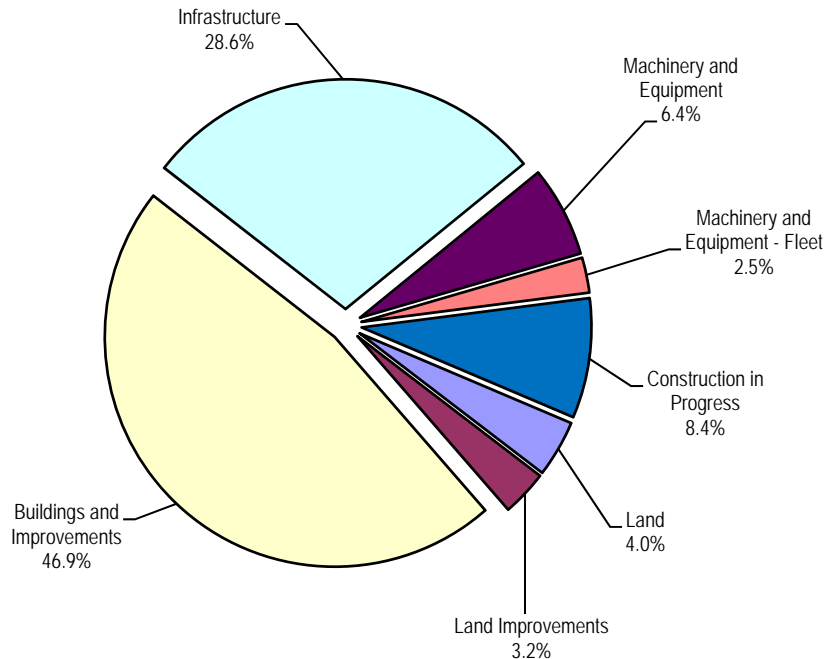
**Capital Asset and Debt Administration:**

**Capital Assets.** The Town of Groton's investment in capital assets for its governmental activities as of June 30, 2019 amounts to \$384,529. 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 5.5% mainly which reflects Water Pollution Control Facility improvements, road resurfacing, building renovations and new school construction

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

	<b>Governmental Activities</b>	
	<b>2019</b>	<b>2018</b>
Land	\$ 15,372	\$ 15,188
Land improvements	12,420	6,494
Buildings and improvements	180,404	178,794
Infrastructure	109,902	108,923
Machinery and equipment	24,525	23,200
Machinery and equipment - fleet	9,497	9,469
Construction in progress	32,409	22,453
Total	<u>\$ 384,529</u>	<u>\$ 364,521</u>

Town of Groton - Capital Assets  
June 30, 2019



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:
 

Sidewalk Midway Oval	\$56
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- Regarding the use of local capital funds, the following major amounts (over \$50) were expended:
 

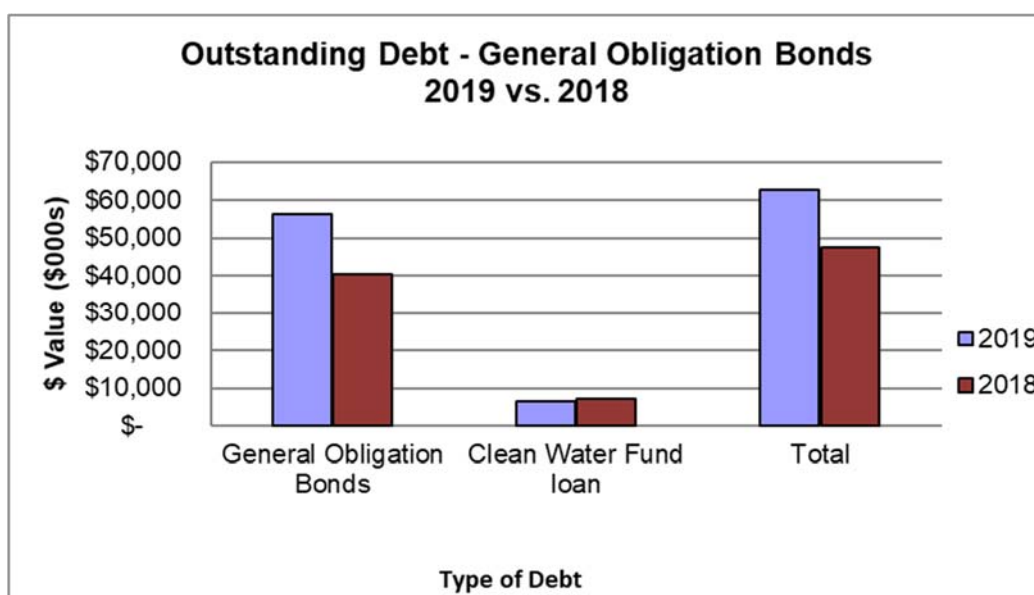
Town Hall Complex	\$127
Information Technology Acquisition-Software Systems	\$280
Water Pollution Control Facility; Treatment Facility	\$236
Water Pollution Control Facility Sewer Line Infrastructure Repairs	\$193
Water Pollution Control Facility Pump Stations	\$447
Water Pollution Control Facility – Treatment Facility	\$234
Replace Uninterrupted Power Supply (UPS)-Emergency Communication Center	\$192
Upgrade Police Radio System	\$929
Natural Gas Conversion	\$376

Additional information on the Town of Groton's capital assets can be found in Note 3D on page 41 and on pages 121 and 122 of this report.

**Outstanding Debt.** At the end of the current fiscal year, the Town of Groton had total debt outstanding of \$62,604. Of this amount, \$59,534 comprises debt backed by the full faith and credit of the government and \$3,070 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**

	<b>Governmental Activities</b>	
	<b>2019</b>	<b>2018</b>
General obligation bonds	\$ 56,225	\$ 40,535
Clean Water Fund loan	6,379	6,991
<b>Total</b>	<b>\$ 62,604</b>	<b>\$ 47,526</b>



The Town of Groton's general obligation bonds have increased \$15,078 or 31.7% during the current fiscal year mainly due to issuance of new long term bonds during the year.

In March 2019 presentations were made to three rating agencies in preparation for a sale of General Obligation Bonds in April 2019. The Town of Groton's bond rating was maintained at an "AA" rating with Fitch Ratings and an "Aa2" rating with Moody's Investors Service and AA+ by Standard & Poor's.

The Town Council recently amended the debt policy to increase the unassigned General Fund reserve balance to a minimum of 11% from 7.75%.

The overall statutory debt limit for the Town of Groton is equal to seven times annual receipts from taxation or \$720,400. As of June 30, 2019, the Town recorded total indebtedness of \$239,809 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 on pages 45-47 of this report.

**Economic Factors and Next Year's Budgets and Rates:**

- As of June 2019, the Town had an unemployment rate of 3.6% as compared to the New London County rate of 3.7%, the state's average rate of 3.8% and the national average of 3.7%.
- New London County has an employed labor force of approximately 133,586 residents.
- Inflationary trends in the region compare similarly to national indices.

**Grand List increase by 1.4%:**

The October 1, 2018 net adjusted taxable Grand List increased 1.4% from the adjusted 10/1/17 list after appeals were heard by the Board of Assessment Appeals. The net adjusted grand list now totals \$3,729,602,117 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 \$3.252 billion and comprises 87% of the grand list compared to 88.1% of the 2017 grand list. Net residential real estate assessments rose from about \$2.118 billion to \$2.124 billion. The residential real estate's share of the entire net grand list remains level at 57% of the 2018 grand list compared to the 2017 grand list. Net commercial real estate rose this year to \$607 million primarily due to construction projects underway. The net assessment for industrial property, which includes Pfizer and Electric Boat, remains stable at \$521 and represents 14% of the net overall grand list.

Thirteen single-family homes were started for the October 1, 2018 grand List, compared to seven last year.

The **personal property** grand list experienced growth of 17.9% in net assessments. Most of the increase for 2018 is attributed to assessments reinstated from a reduction in 2017 for a lawsuit settlement related to the Manufacturing & Machinery Equipment (MM&E) exemption program. 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 2018 is in excess of \$4 million.

The personal property grand list rose from \$236 million in 2017 to \$278 million in 2018. The net assessment of personal property now comprises 7.4% of the grand list compared to 6.9% of the previous grand list.

The number of business personal property accounts fell slightly while the volume of accounts experiencing penalties for late or non-filing has stabilized. The assessed value of the penalties dipped slightly for the 2018 grand list to \$7.1 million, from \$7.2 million in 2017. The final number of taxable businesses for the 2018 grand list was 1,883 accounts.

The **motor vehicle** portion of the grand list, adjusted for military exemptions, grew by 1.6% this year from \$201,874 in 2017 to \$205,054. The net assessment on motor vehicles now comprises 5.4% of the grand list, the same as the 2017 grand list.

**Other Information:**

During the fiscal year ended June 30, 2019, the Town of Groton's General Fund on a budgetary basis received 27.6% 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 2019 is at 18% of FYE 2020 operating expenses which is above the minimum acceptable guideline set by the Town Council of 11.0%. With a reliance on property taxes, 68.9% 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 \$23,711. The Town Council assigned \$1,095 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, 2019**

	<b>Governmental Activities</b>
Assets:	
Cash and cash equivalents	\$ 89,634,417
Investments	3,983,804
Receivables (net of allowances for collection losses):	
Property taxes	1,250,437
Special assessments	956,089
Accounts	673,665
Federal and state governments	4,461,731
Other	988,916
Other assets	54,684
Restricted assets:	
Cash	125,351
Investments	122,192
Capital assets, nondepreciable	47,780,944
Capital assets, net of accumulated depreciation	172,761,238
Total assets	<u>322,793,468</u>
Deferred Outflows of Resources:	
Deferred charge on refunding	1,672,958
Deferred outflows related to pension	4,722,503
Deferred outflows related to OPEB	1,962,792
Total deferred outflows of resources	<u>8,358,253</u>
Liabilities:	
Accounts payable and accrued liabilities	17,187,832
Bond anticipation notes payable	21,700,000
Unearned revenue	3,838,329
Noncurrent liabilities:	
Due within one year	7,650,250
Due in more than one year	129,495,955
Total liabilities	<u>179,872,366</u>
Deferred Inflows of Resources:	
Deferred inflows related to pension	2,873,813
Deferred inflows related to OPEB	2,670,285
Total deferred inflows of resources	<u>5,544,098</u>
Net Position:	
Net investment in capital assets	158,733,947
Restricted for:	
Trust, nonexpendable	343,595
Unrestricted	<u>(13,342,285)</u>
Total Net Position	<u>\$ 145,735,257</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, 2019**

<b>Functions/Programs</b>	<b>Expenses</b>	<b>Program Revenues</b>		<b>Net (Expense) Revenue and Changes in Net Position</b>
		<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	
			<b>Capital Grants and Contributions</b>	<b>Total</b>
Governmental activities:				
General government/services	\$ 8,337,603	\$ 2,058,244	\$ 617,982	\$ 348,920
Public safety	15,938,456	424,920	340,989	
Public works	13,423,118	215,810	1,617,629	6,575
Planning and development	2,144,663	14,379	539,371	
Health and human services	4,427,733	24,017	34,648	
Community services	6,864,514	2,256,834	380,387	
Education	93,035,027	1,021,488	43,941,385	1,640,653
Sewer operations	6,155,419	6,530,281		
Solid waste management	1,545,066	1,475,121		
Interest on long-term debt	1,456,464			
Total Governmental Activities	\$ 153,328,063	\$ 14,021,094	\$ 47,472,391	\$ 1,996,148
General revenues:				
Property taxes				90,445,440
Payments in lieu of taxes				603,686
Grants and contributions not restricted to specific programs				2,285,803
Unrestricted investment earnings				1,249,239
Miscellaneous revenue				870,547
Total general revenues				95,454,715
Change in net position				5,616,285
Net Position at Beginning of Year				140,118,972
Net Position at End of Year				\$ 145,735,257

The accompanying notes are an integral part of the financial statements



**TOWN OF GROTON, CONNECTICUT**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**JUNE 30, 2019**

	<b>General Fund</b>	<b>Capital Improvements Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 29,312,328	\$ 42,555,703	\$ 7,744,380	\$ 79,612,411
Investments	3,983,804		122,192	4,105,996
Receivables, net	1,568,582	3,716,565	2,545,846	7,830,993
Due from other funds	459,670			459,670
Other assets	26,996		2,688	29,684
Total Assets	<u>\$ 35,351,380</u>	<u>\$ 46,272,268</u>	<u>\$ 10,415,106</u>	<u>\$ 92,038,754</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 8,122,617	\$ 7,476,461	\$ 1,196,128	\$ 16,795,206
Bond anticipation notes payable		21,700,000		21,700,000
Due to State			34,722	34,722
Due to other funds			459,670	459,670
Unearned revenues	65,757	3,676,307	96,265	3,838,329
Total liabilities	<u>8,188,374</u>	<u>32,852,768</u>	<u>1,786,785</u>	<u>42,827,927</u>
Deferred inflows of resources:				
Unavailable revenue - property taxes	842,456			842,456
Unavailable revenue - property tax interest	238,915			238,915
Unavailable revenue - special assessments			2,628	2,628
Unavailable revenue - loans receivable			956,089	956,089
Total deferred inflows of resources	<u>1,081,371</u>	<u>-</u>	<u>958,717</u>	<u>2,040,088</u>
Fund balances:				
Nonspendable	26,996		250,231	277,227
Restricted			1,949,478	1,949,478
Committed	1,095,000	70,167,450	5,647,222	76,909,672
Assigned	1,248,696			1,248,696
Unassigned	23,710,943	(56,747,950)	(177,327)	(33,214,334)
Total fund balances	<u>26,081,635</u>	<u>13,419,500</u>	<u>7,669,604</u>	<u>47,170,739</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 35,351,380</u>	<u>\$ 46,272,268</u>	<u>\$ 10,415,106</u>	<u>\$ 92,038,754</u>

(Continued on next page)

**TOWN OF GROTON, CONNECTICUT**  
**BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)**  
**JUNE 30, 2019**

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)	\$ 47,170,739
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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	\$ 375,031,981	
Less accumulated depreciation	<u>157,196,455</u>	
Net capital assets		217,835,526

Other long-term assets 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	845,084
Loan receivables greater than 60 days	956,089
Interest receivable on property taxes	238,915
Deferred outflows related pension	4,722,503
Deferred outflows related to OPEB	1,962,792

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.

9,959,411

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:

Bonds payable	(56,225,000)
Bond premium	(3,456,382)
Deferred charge on refunding	1,672,958
Clean water fund loan payable	(6,378,783)
Interest payable on bonds	(302,433)
Net pension liability	(23,360,494)
Deferred inflows related to pension	(2,873,813)
Net OPEB liability	(41,026,517)
Deferred inflows related to OPEB	(2,670,285)
Compensated absences	(1,890,853)
Landfill closure costs	<u>(1,444,200)</u>

Net Position of Governmental Activities (Exhibit I)	<u>\$ 145,735,257</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, 2019**

	<b>General Fund</b>	<b>Capital Improvements Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
Revenues:				
Property taxes, interest and lien fees	\$ 90,041,343	\$	\$ 674,100	\$ 90,715,443
Assessments			666	666
Licenses and permits	554,690			554,690
Intergovernmental - state	35,950,160	1,735,059	4,641,703	42,326,922
Interest on investments	759,102	220,273	65,514	1,044,889
Intergovernmental - federal	5,544,755		3,383,213	8,927,968
Charges for current services	1,683,070	931	3,417,326	5,101,327
Schools, library and recreation fees	202,511			202,511
Sewer use charges			6,530,281	6,530,281
Solid waste management charges			1,475,121	1,475,121
Other revenue	647,952	23,269	1,231,050	1,902,271
Total revenues	<u>135,383,583</u>	<u>1,979,532</u>	<u>21,418,974</u>	<u>158,782,089</u>
Expenditures:				
Current:				
General government	783,005		162,140	945,145
General services	3,062,846			3,062,846
Public safety	8,319,166		395,768	8,714,934
Public works	5,618,638		167,979	5,786,617
Planning and development	1,361,420			1,361,420
Health and human services	592,766		726,632	1,319,398
Community services	3,108,220		2,578,340	5,686,560
Education	81,936,235		7,992,824	89,929,059
Subdivisions	5,315,236			5,315,236
Sewer operations			4,726,802	4,726,802
Solid waste management			1,545,066	1,545,066
Nondepartmental	9,306,977			9,306,977
Outside agencies	1,799,000		173,982	1,972,982
Debt service	5,264,288		1,195,611	6,459,899
Capital outlay	49,981	20,737,553	199,218	20,986,752
Total expenditures	<u>126,517,778</u>	<u>20,737,553</u>	<u>19,864,362</u>	<u>167,119,693</u>
Revenues over (under) Expenditures	<u>8,865,805</u>	<u>(18,758,021)</u>	<u>1,554,612</u>	<u>(8,337,604)</u>
Other Financing Sources (Uses):				
Issuance of bonds		20,000,000		20,000,000
Bond premium		969,328		969,328
Transfers in	605,150	3,039,999	86,759	3,731,908
Transfers out	(3,698,223)		(1,436,884)	(5,135,107)
Total other financing sources (uses)	<u>(3,093,073)</u>	<u>24,009,327</u>	<u>(1,350,125)</u>	<u>19,566,129</u>
Net Change in Fund Balances	5,772,732	5,251,306	204,487	11,228,525
Fund Balances at Beginning of Year	<u>20,308,903</u>	<u>8,168,194</u>	<u>7,465,117</u>	<u>35,942,214</u>
Fund Balances at End of Year	<u>\$ 26,081,635</u>	<u>\$ 13,419,500</u>	<u>\$ 7,669,604</u>	<u>\$ 47,170,739</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, 2019**

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)	\$ 11,228,525
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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	20,843,654
Depreciation expense	(8,251,912)

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	(827,390)
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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	(237,884)
Interest income on property taxes	(32,785)
Revenue on loan receivables greater than 60 days	(41,201)
Changes in deferred outflows related to pension	474,476
Changes in deferred outflows related OPEB	1,556,180

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	(17,141)
Principal payments on bonds	4,310,000
Principal payments on Clean Water Fund loan payable	612,363
Principal payments on capital leases	19,914
Bond proceeds	(20,000,000)
Bond premium issuance	(740,750)
Amortization of bond premium	242,795
Net pension liability	(4,056,176)
Change in deferred inflows related to pension	1,467,452
Change in net OPEB liability	303,275
Change in deferred inflows related to OPEB	(2,670,285)
Deferred charge on refunding	(164,496)
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	(25,101)
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The net expense of certain activities of internal service funds is reported in governmental activities	<u>1,454,572</u>
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Change in Net Position of Governmental Activities (Exhibit II)	<u>\$ 5,616,285</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, 2019**

	<b>Governmental Activities Internal Service Funds</b>
<b>Assets:</b>	
Current assets:	
Cash and cash equivalents	\$ 10,147,357
Accounts receivable	499,845
Other assets	25,000
Total current assets	<u>10,672,202</u>
Noncurrent assets:	
Property and equipment	9,496,781
Accumulated depreciation	<u>(6,790,125)</u>
Property and equipment, net	<u>2,706,656</u>
Total assets	<u>13,378,858</u>
<b>Liabilities:</b>	
Current liabilities:	
Accounts payable	55,471
Claims incurred but not reported	<u>1,254,459</u>
Total current liabilities	<u>1,309,930</u>
Noncurrent liabilities:	
Claims incurred but not reported, net of current portion	<u>2,109,517</u>
Total liabilities	<u>3,419,447</u>
<b>Net Position:</b>	
Invested in capital assets	2,706,656
Unrestricted	<u>7,252,755</u>
<b>Total Net Position</b>	<b>\$ <u><u>9,959,411</u></u></b>

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, 2019**

	<b>Governmental Activities Internal Service Funds</b>
Operating Revenues:	
Charges for services	\$ 15,910,934
Other revenue	40,208
Total operating revenues	<u>15,951,142</u>
Operating Expenses:	
Operating expenses	611,149
Claims	13,867,518
Depreciation	486,431
Administration	1,139,021
Total operating expenses	<u>16,104,119</u>
Operating Loss	(152,977)
Nonoperating Revenues:	
Interest on investments	<u>204,350</u>
Income Before Transfers	51,373
Transfer In	1,489,958
Transfers Out	<u>(86,759)</u>
Change in Net Position	1,454,572
Net Position at Beginning of Year	<u>8,504,839</u>
Net Position at End of Year	<u>\$ 9,959,411</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, 2019**

	<b>Governmental Activities Internal Service Funds</b>
Cash Flows from Operating Activities:	
Cash received from customers and users	\$ 15,736,025
Cash paid to vendors	(684,371)
Cash paid to beneficiaries	(14,747,079)
Net cash provided by (used in) operating activities	<u>304,575</u>
Cash Flows from Capital and Related Financing Activities:	
Purchase of property and equipment	<u>(240,160)</u>
Cash Flows from Noncapital Financing Activities:	
Transfer in	1,489,958
Transfers out	(86,759)
Net cash provided by (used in) noncapital financing activities	<u>1,403,199</u>
Cash Flows from Investing Activities:	
Interest on investments	<u>204,350</u>
Net Increase (Decrease) in Cash and Cash Equivalents	1,671,964
Cash and Cash Equivalents at Beginning of Year	<u>8,475,393</u>
Cash and Cash Equivalents at End of Year	<u>\$ 10,147,357</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:	
Operating income (loss)	\$ (152,977)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:	
Depreciation	486,431
Changes in assets and liabilities:	
Decrease (increase) in accounts receivable	(190,117)
Decrease (increase) in other assets	(25,000)
(Decrease) increase in accounts payable	(73,222)
(Decrease) increase in claims payable	259,460
Net Cash Provided by (Used in) Operating Activities	<u>\$ 304,575</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, 2019**

	<b>Pension and Other Employee Benefit Trust Funds</b>	<b>Private Purpose Trust Funds</b>	<b>Agency Funds</b>
<b>Assets:</b>			
Cash and cash equivalents	\$ 1,524,990	\$ 53,294	\$ 770,607
Investments, at fair value:			
Mutual funds	141,980,182		
Accounts receivable	291,799		
Total assets	<u>143,796,971</u>	<u>53,294</u>	<u>770,607</u>
<b>Liabilities:</b>			
Accounts payable	158,765		
Due to employees/others	63		
Claims incurred but not reported	301,000		
Due to contractors/developers			462,660
Due to student groups			283,057
Due to fire districts			24,890
Other liabilities	31,860		
Total liabilities	<u>491,688</u>	<u>-</u>	<u>770,607</u>
<b>Net Position:</b>			
Restricted for Ledge Light pensions	622,126		
Restricted for Poquonnock Fire District pensions	11,344,909		
Restricted for Town and BOE pensions	131,338,248		
Restricted for trusts		53,294	
<b>Total Net Position</b>	<u>\$ 143,305,283</u>	<u>\$ 53,294</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, 2019**

	<b>Pension and Other Employee Benefit Trust Funds</b>	<b>Private Purpose Trust Funds</b>
Additions:		
Contributions:		
Employer	\$ 6,913,997	\$
Plan members	3,820,801	
Other additions		
Total contributions	<u>10,734,798</u>	<u>-</u>
Investment income:		
Net change in fair value of investments	9,642,487	
Interest and dividends		1,155
	<u>9,642,487</u>	<u>1,155</u>
Less investment expenses:		
Investment management fees	563,565	
Net investment income	<u>9,078,922</u>	<u>1,155</u>
Total additions	<u>19,813,720</u>	<u>1,155</u>
Deductions:		
Benefits	13,525,035	8,631
Administrative expense	87,390	
Total deductions	<u>13,612,425</u>	<u>8,631</u>
Change in Net Position	6,201,295	(7,476)
Net Position at Beginning of Year	<u>137,103,988</u>	<u>60,770</u>
Net Position at End of Year	<u>\$ 143,305,283</u>	<u>\$ 53,294</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 States of America require that the reporting entity include: 1) the primary government, 2) organizations for which the primary government is financially accountable, and 3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. These criteria have been considered, and there are no agencies or entities that should be presented with the Town.

### **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.

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, 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. Agency funds use the accrual basis of accounting but have no measurement focus because they report only assets and liabilities.

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 only when cash is received by the Town, or specifically identified.

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.

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.

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*Private Purpose Trust Funds* are used to account for resources legally held in trust for scholarships, 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.

*Agency Funds* are used to account for monies that the Town holds as a custodian for student groups, contractors/developers and its fire districts.

**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.

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

<b>Assets</b>	<b>Years</b>
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, 2019 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.

## **I. 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.

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 seven and one-half 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.



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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, 2019, 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.

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NOTES TO FINANCIAL STATEMENTS  
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**B. Deficit Fund Equity**

The following funds had deficit fund balances/net position at June 30, 2019:

Nonmajor Governmental Funds:		
Community Development Fund	\$	26,876
Other Special Revenue Fund		150,451
Internal Service Funds:		
Workers' Compensation Fund		681,630

These deficits will be funded with grants, transfers and grant reimbursements.

**C. Expenditures Exceeding Appropriations**

There were no line items in the General Fund that exceeded appropriations.

**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.

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**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.

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$90,906,257 of the Town's bank balance of \$96,218,662 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 81,592,144
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name	<u>9,314,113</u>
Total Amount Subject to Custodial Credit Risk	<u>\$ 90,906,257</u>

**Cash Equivalents**

At June 30, 2019, the Town's cash equivalents amounted to \$4,509,219. 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><b>Standard &amp; Poor's</b></u>
State Short-Term Investment Fund (STIF)	AAAm
Bank of America, N.A. Cash Management Assets	Not rated
Northern Capital	Not rated

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**NOTES TO FINANCIAL STATEMENTS**  
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**Investments**

As of June 30, 2019, the Town had the following investments:

Investment Type	Credit Rating	Fair Value	Maturity in Years		
			Less Than 1	1 - 10	More Than 10
Interest-bearing investments:					
Certificate of Deposit *		\$ 3,990,708	\$ <u>2,731,706</u>	\$ <u>1,259,002</u>	\$ <u>-</u>
Other investments:					
Mutual Funds	N/A	142,086,967			
Common Stock	N/A	<u>8,503</u>			
Total Investments		\$ <u>146,086,178</u>			

\* Subject to coverage by Federal Depository Insurance and Collateralization

**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, 2019, the Town did not have any uninsured and unregistered securities held by counterparts, 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.

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The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements); followed by quoted prices in inactive markets or for similar assets or with observable inputs (Level 2 measurements); and the lowest priority to unobservable inputs (Level 3 measurements). The Town has the following recurring fair value measurements as of June 30, 2019:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Common Stock	\$ 8,503	\$ 8,503	\$	\$
Mutual Funds	142,086,967	142,045,061	41,906	
Certificates of Deposit	<u>3,990,708</u>	<u>3,990,708</u>		
Total Investments by Fair Value Level	<u>\$ 146,086,178</u>	<u>\$ 146,044,272</u>	<u>\$ 41,906</u>	<u>\$ -</u>

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

**B. Endowments Received**

	<u>Williams Library Trust</u>	<u>Julia Bill Library Trust</u>	<u>Rispoli Scholarship</u>	<u>Total</u>
Original principal received	\$ 20,000	\$ 27,543	\$ 200,000	\$ 247,543
Net appreciation on investments	<u>164,465</u>	<u>22,091</u>	<u>250</u>	<u>186,806</u>
Total Value	<u>\$ 184,465</u>	<u>\$ 49,634</u>	<u>\$ 200,250</u>	<u>\$ 434,349</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.

**TOWN OF GROTON**  
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**C. Fund Receivables**

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

	<u>General</u>	<u>Capital Improvement</u>	<u>Nonmajor and Other Funds</u>	<u>Total</u>
Property taxes	\$ 1,228,387	\$	\$ 3,135	\$ 1,231,522
Property tax interest	238,915			238,915
Assessments			956,164	956,164
Intergovernmental		3,716,565	745,166	4,461,731
Accounts receivable	321,280		939,353	1,260,633
User fees receivable			853,672	853,672
Gross receivables	<u>1,788,582</u>	<u>3,716,565</u>	<u>3,497,490</u>	<u>9,002,637</u>
Allowance for collection losses	<u>(220,000)</u>		<u>(160,000)</u>	<u>(380,000)</u>
Net Receivables	\$ <u><u>1,568,582</u></u>	\$ <u><u>3,716,565</u></u>	\$ <u><u>3,337,490</u></u>	\$ <u><u>8,622,637</u></u>

**TOWN OF GROTON**  
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**D. Capital Assets**

Capital asset activity for the year ended June 30, 2019 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	\$ 15,187,657	\$ 184,396	\$	\$ 15,372,053
Construction in progress	<u>22,452,522</u>	<u>20,426,317</u>	<u>10,469,948</u>	<u>32,408,891</u>
Total capital assets not being depreciated	<u>37,640,179</u>	<u>20,610,713</u>	<u>10,469,948</u>	<u>47,780,944</u>
Capital assets being depreciated:				
Land improvements	6,493,681	5,926,307		12,419,988
Buildings and improvements	178,793,631	1,610,690		180,404,321
Machinery and equipment	23,067,411	1,388,023	65,381	24,390,053
Machinery and equipment - fleet	9,468,979	240,160	212,358	9,496,781
Infrastructure	108,922,979	979,057		109,902,036
Machinery and equipment - capital-leased	<u>134,639</u>			<u>134,639</u>
Total capital assets being depreciated	<u>326,881,320</u>	<u>10,144,237</u>	<u>277,739</u>	<u>336,747,818</u>
Less accumulated depreciation for:				
Land improvements	3,658,068	170,000		3,828,068
Buildings and improvements	59,679,284	3,866,997		63,546,281
Machinery and equipment	13,902,431	1,036,889	36,803	14,902,517
Machinery and equipment - fleet	6,516,052	486,431	212,358	6,790,125
Infrastructure	71,679,623	3,162,541		74,842,164
Machinery and equipment - capital-leased	<u>61,940</u>	<u>15,485</u>		<u>77,425</u>
Total accumulated depreciation	<u>155,497,398</u>	<u>8,738,343</u>	<u>249,161</u>	<u>163,986,580</u>
Total capital assets being depreciated, net	<u>171,383,922</u>	<u>1,405,894</u>	<u>28,578</u>	<u>172,761,238</u>
Governmental Activities Capital Assets, Net	<u>\$ 209,024,101</u>	<u>\$ 22,016,607</u>	<u>\$ 10,498,526</u>	<u>\$ 220,542,182</u>

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

Governmental Activities:	
General government services	\$ 2,021,380
Public safety	123,358
Public works, including depreciation of general infrastructure assets	2,127,548
Community services	28,496
Education	2,537,110
Sewer operating	1,332,631
Golf Course	<u>81,389</u>
Total Depreciation Expense - Governmental Activities	\$ <u>8,251,912</u>

**Construction Commitments**

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

	<u>Project Amount</u>
Roads/Streets/Sidewalks:	
Streetlight pole grounding	\$ 334
Pearl Street Noank	27,086
WPCF Projects:	
WPCF roofs and handrails	2,032
Pump station	139,000
Land Improvements:	
Noank Dock	1,750
Building Improvements:	
Fitch Middle School Renovation	108,768

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



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**E. Interfund Receivables, Payables and Transfers**

As of June 30, 2019, 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>459,670</u>

**Interfund Transfers**

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

	<u>Transfers In</u>				
	<u>General Fund</u>	<u>Capital Improvements Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Internal Service Fund</u>	<u>Total Transfers Out</u>
Transfers out:					
General Fund	\$	\$ 2,208,265	\$	\$ 1,489,958	\$ 3,698,223
Nonmajor Funds	605,150	831,734			1,436,884
Internal Service Funds			86,759		86,759
Total Transfers In	\$ <u>605,150</u>	\$ <u>3,039,999</u>	\$ <u>86,759</u>	\$ <u>1,489,958</u>	\$ <u>5,221,866</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.

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**F. Fund Balance**

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

	<u>General Fund</u>	<u>Capital Improvements Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Fund balances:				
Nonspendable:				
Other assets	\$ 26,996	\$	\$ 2,688	\$ 29,684
Endowments			247,543	247,543
Restricted for:				
Debt service			256,589	256,589
Regional probate court			20,296	20,296
Recreation and senior activities			410,873	410,873
Trust purposes			186,806	186,806
Education			1,074,914	1,074,914
Committed to:				
Subsequent year's budget	1,095,000			1,095,000
Bonded capital projects		70,167,450		70,167,450
Escrow funds			780,426	780,426
Land acquisition			73,344	73,344
Outside police services			128,659	128,659
Energy conservation			19,343	19,343
Human services donations			229,708	229,708
Emergency energy			17,598	17,598
DECD Brownfield Mystic Education Center Fund			3,009	3,009
Public infrastructure improvements			563,336	563,336
Library			45,869	45,869
Golf course operations			183,016	183,016
Parks & recreation			167,413	167,413
School cafeteria			404,266	404,266
Fitch High School library media			494	494
LED Conversion Project			49,484	49,484
Blight remediation			15,021	15,021
Sewer			2,486,685	2,486,685
Solid waste management			282,216	282,216
Outside agencies			196,123	196,123
Other			1,212	1,212
Assigned to:				
Public safety - encumbrances	25,865			25,865
Public works - encumbrances	130,717			130,717
Planning and development - encumbrances	55,951			55,951
Health and human services - encumbrances	493			493
Community services - encumbrances	10,885			10,885
Education services - encumbrances	439,314			439,314
Revaluation	221,509			221,509
Technology	363,962			363,962
Unassigned	23,710,943	(56,747,950)	(177,327)	(33,214,334)
Total Fund Balance	\$ 26,081,635	\$ 13,419,500	\$ 7,669,604	\$ 47,170,739

Encumbrances of \$682,075 are contained in the above table in the assigned category of the General Fund at June 30, 2019. Encumbrances of \$231,258 and \$70,167,450 are contained in the above table in the committed category of the Nonmajor Governmental Funds and Capital Improvements Fund, respectively, at June 30, 2019.

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**G. Leases**

**Operating Leases**

The Town leases buildings and copiers under noncancelable operating leases. The total costs for such leases were \$104,884 for the year ended June 30, 2019. The future minimum lease payments for these leases are as follows:

<u>Year Ending June 30</u>	<u>Governmental Activities</u>
2020	\$ 104,884
2021	92,319
2022	70,982
2023	54,192
	49,461

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

**H. Long-Term Debt**

Long-term liability activity for the year ended June 30, 2019 was as follows:

	<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	\$ 40,535,000	\$ 20,000,000	\$ 4,310,000	\$ 56,225,000	\$ 5,110,000
Clean Water Fund loan	6,991,146		612,363	6,378,783	612,363
Premium	2,958,427	740,750	242,795	3,456,382	279,832
Total bonds and loans payable	50,484,573	20,740,750	5,165,158	66,060,165	6,002,195
Landfill post-closure monitoring	1,612,400		168,200	1,444,200	168,200
Capital lease obligations	19,914		19,914	-	-
Compensated absences	1,865,752	278,800	253,699	1,890,853	225,396
Claims payable	3,096,578	1,199,510	932,112	3,363,976	1,254,459
Net pension liability	19,304,318	4,056,176		23,360,494	
Net OPEB Liability	41,329,792		303,275	41,026,517	
Long-Term Liabilities	<u>\$ 117,713,327</u>	<u>\$ 26,275,236</u>	<u>\$ 6,842,358</u>	<u>\$ 137,146,205</u>	<u>\$ 7,650,250</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.

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**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% to 5.5% and mature as follows:

<b>Town of Groton</b>		
<b>Fiscal Year</b>	<b>Principal Payments</b>	<b>Interest Payments</b>
2020	\$ 5,110,000	\$ 1,902,354
2021	5,090,000	1,714,781
2022	5,080,000	1,512,006
2023	5,065,000	1,310,419
2024	5,045,000	1,114,463
2025-2029	19,075,000	3,198,275
2030-2034	6,760,000	1,326,550
2035-2039	5,000,000	450,000
	<u>\$ 56,225,000</u>	<u>\$ 12,528,848</u>

**General Obligation Bond Anticipation Notes Payable**

<b>Date Issued</b>	<b>Maturity Date</b>	<b>Interest Rate (%)</b>	<b>Balance June 30, 2019</b>	<b>Issued</b>	<b>Retired</b>	<b>Balance July 1, 2018</b>
5/8/2019	4/30/2020	1.62	\$ -	\$ 6,700,000	\$ -	\$ 6,700,000
5/8/2019	4/30/2020	1.62	-	15,000,000		15,000,000

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:

<b>Category</b>	<b>Debt Limit</b>	<b>Indebtedness</b>	<b>Balance</b>
Public improvement	\$ 231,557,463	\$ 22,802,888	\$ 208,754,575
Schools	463,114,926	178,213,941	284,900,985
Sewers	385,929,105	17,092,783	368,836,322
Urban renewal	334,471,891		334,471,891
Pension deficit	308,743,284		308,743,284

**TOWN OF GROTON**  
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The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, including coterminous municipalities, or \$720,400,996. 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 \$9,678,478 (and \$960,189 authorized and unissued) is included in the calculation of indebtedness. Total authorized but unissued long-term debt at June 30, 2019 consists of \$3,221 remaining for road maintenance and Rehabilitation (Paving), \$143,333,941 for school facilities improvement plan and \$1,530,000 for the Effluent/Fishtown Pump Station (WPCF).

**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, 2019, 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:

<b>Fiscal Year</b>	<b>Debt Service Fund</b>	
	<b>Principal Payments</b>	<b>Interest Payments</b>
2020	\$ 612,363	\$ 121,962
2021	612,363	109,715
2022	612,363	97,468
2023	612,363	85,221
2024	612,363	72,973
2025-2029	3,061,816	181,157
2030-2034	255,152	1,276
	<u>\$ 6,378,783</u>	<u>\$ 669,772</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 \$710,500 (\$101,500 per year for 7 years). The other landfill site stopped accepting waste in the fall of 2001, and its remaining postclosure cost is \$733,700 (\$66,700 for 11 years). Actual costs may be higher due to inflation, changes in technology or changes in regulations.

**TOWN OF GROTON**  
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**4. TAX ABATEMENTS**

The Town of Groton currently has five 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:

<b>Local Business</b>	<b>Branford Manor Preservation</b>	<b>AHEPA 250-III Inc.</b>	<b>Mystic River Homes</b>	<b>Mystic Indoor Sports</b>
<b>Purpose</b>	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).
<b>Tax being abated</b>	Real Property	Real Property	Real Property	Real Property
<b>Authority under which agreements are entered into</b>	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.
<b>Eligibility criteria for tax abatement</b>	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.
<b>How recipient's tax are reduced</b>	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
<b>How the tax abatement is determined</b>	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.
<b>Gross dollar amount, on an accrual basis, by which the government's tax revenues were reduced as a result of the abatement agreement.</b>	Tax stabilization agreement. Taxes were not reduced, but stabilized to increase 3% per year for 20 years. Initial FYE2018	\$18,210 Town \$203 Sewer \$4,498 Poquonnock Bridge Fire District	\$152,244 Town \$1,701 Sewer \$8,756 Noank Fire District	\$18,628 Town \$208 Sewer \$2,235 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.

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**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, 2018, 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	279	18	1
Terminated employees entitled to benefits but not yet receiving them	26		1
Active plan members	<u>347</u>	<u>24</u>	<u>1</u>
Total	<u><u>652</u></u>	<u><u>42</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.



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**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, 2019:

<b>Asset Class</b>	<b>Target Allocation</b>
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)	3.00
Total	<u>100.00%</u>

**Rate of Return**

For the year ended June 30, 2019, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 7.14%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**TOWN OF GROTON**  
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**E. Net Pension Liability**

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

	<b>Town and BOE</b>	<b>Ledge Light</b>	<b>Fire</b>	<b>Total</b>
Total pension liability	\$ 134,677,813	\$ 794,991	\$ 14,275,434	\$ 149,748,238
Plan fiduciary net position	<u>111,317,319</u>	<u>622,127</u>	<u>11,344,926</u>	<u>123,284,372</u>
Total Net Pension Liability	<u>\$ 23,360,494</u>	<u>\$ 172,864</u>	<u>\$ 2,930,508</u>	<u>\$ 26,463,866</u>
Plan fiduciary net position as a percentage of the total pension liability	82.65%	78.26%	79.47%	82.33%

**Actuarial Assumptions**

The total pension liability was determined by an actuarial valuation as of July 1, 2018, using the following actuarial assumptions, applied to all periods included in the measurement.

Inflation	2.6% (prior: 2.75%)
Salary increases	Vary by age group
Investment rate of return	7.25% (Prior 7.5%)

Mortality rates were based on the RP-2017 Adjusted to 2006 Total Dataset Mortality Table projected to valuation date with Scale MP-2017.

The actuarial assumptions used in the July 1, 2018 valuation were based on the 2014 Experience Study Report published in August 2014.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2019 (see discussion of the pension plan's investment policy) are summarized in the following table:

<b>Asset Class</b>	<b>Long-Term Expected Real Rate of Return</b>
U.S. Large Cap	6.00%
U.S. Small Cap	6.40
Developed International Equities	6.10
Emerging International Equities	7.10
Core Fixed Income	2.25
High-Yield Bonds	4.50
Real Estate (REITs)	4.50

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**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.

**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, 2018	\$ 126,974,362	\$ 107,670,044	\$ 19,304,318
Changes for the year:			
Service cost	2,600,342		2,600,342
Interest on total pension liability	9,419,582		9,419,582
Changes of benefit terms	688,115		688,115
Differences between expected and actual experience	437,415		437,415
Changes in assumptions	2,665,163		2,665,163
Employer contributions		2,996,600	(2,996,600)
Member contributions		1,212,995	(1,212,995)
Net investment income		7,581,103	(7,581,103)
Benefit payments, including refund to employee contributions	(8,107,166)	(8,107,166)	-
Administrative expenses		(36,257)	36,257
Net changes	7,703,451	3,647,275	4,056,176
Balances as of June 30, 2019	\$ 134,677,813	\$ 111,317,319	\$ 23,360,494

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<b>Ledge Light</b>			
	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Net Pension Liability</b>
	<b>(a)</b>	<b>(b)</b>	<b>(a)-(b)</b>
Balances as of July 1, 2018	\$ 731,739	\$ 597,253	\$ 134,486
Changes for the year:			
Service cost	8,959		8,959
Interest on total pension liability	54,160		54,160
Differences between expected and actual experience	23,550		23,550
Changes in assumptions	14,387		14,387
Employer contributions		15,700	(15,700)
Member contributions		4,905	(4,905)
Net investment income		42,276	(42,276)
Benefit payments, including refund to employee contributions	(37,804)	(37,804)	-
Administrative expenses		(203)	203
Net changes	63,252	24,874	38,378
Balances as of June 30, 2019	\$ 794,991	\$ 622,127	\$ 172,864

<b>Poquonnock Fire District</b>			
	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Net Pension Liability</b>
	<b>(a)</b>	<b>(b)</b>	<b>(a)-(b)</b>
Balances as of July 1, 2018	\$ 13,363,971	\$ 10,744,288	\$ 2,619,683
Changes for the year:			
Service cost	283,839		283,839
Interest on total pension liability	998,983		998,983
Differences between expected and actual experience	(20,907)		(20,907)
Changes in assumptions	317,667		317,667
Employer contributions		385,000	(385,000)
Member contributions		119,614	(119,614)
Net investment income		767,838	(767,838)
Benefit payments, including refund to employee contributions	(668,119)	(668,119)	-
Administrative expenses		(3,695)	3,695
Net changes	911,463	600,638	310,825
Balances as of June 30, 2019	\$ 14,275,434	\$ 11,344,926	\$ 2,930,508

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

**TOWN OF GROTON**  
**NOTES TO FINANCIAL STATEMENTS**  
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**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:

<b>Net Pension Liability</b>	<b>1% Decrease (6.25%)</b>	<b>Current Discount Rate (7.25%)</b>	<b>1% Increase (8.25%)</b>
Town and BOE	\$ 38,192,800	\$ 23,360,494	\$ 10,766,871
Ledge Light	260,504	172,864	97,496
Poquonnock Fire District	4,656,865	2,930,508	1,483,583

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

For the year ended June 30, 2019, the Town and BOE, Ledge Light and Fire Pensions recognized pension expense (revenue) of \$5,110,848, \$(83,070) and \$593,701, respectively. At June 30, 2019, the reported deferred outflows of resources and deferred inflows of resources related to pension were as follows:

	<b>Town and BOE</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 784,159	\$ (1,201,687)
Changes of assumptions	3,097,857	(1,672,126)
Net difference between projected and actual earning on pension plan investments	840,487	
Total	<u>\$ 4,722,503</u>	<u>\$ (2,873,813)</u>
	<b>Ledge Light</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 29,454	\$
Changes of assumptions	10,605	(1,701)
Net difference between projected and actual earning on pension plan investments	4,747	
Total	<u>\$ 44,806</u>	<u>\$ (1,701)</u>

**TOWN OF GROTON**  
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	<b>Poquonnock Fire District</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 164,220	\$ (641,266)
Changes of assumptions	688,958	(68,720)
Net difference between projected and actual earning on pension plan investments	76,606	
Total	<u>\$ 929,784</u>	<u>\$ (709,986)</u>

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

<b>Year Ending June 30</b>	<b>Town and BOE</b>	<b>Ledge Light</b>	<b>Poquonnock Fire District</b>
2020	\$ 661,412	\$ 29,657	\$ 142,680
2021	(633,603)	11,445	(3,977)
2022	798,327	1,629	39,326
2023	641,531	374	10,585
2024	381,023		31,184
Thereafter			

**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](http://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).

**TOWN OF GROTON**  
**NOTES TO FINANCIAL STATEMENTS**  
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**Early Retirement**

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

**Disability Retirement**

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

**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.

*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, 2019, the Town reports no amounts for its proportionate share of the net pension liability, and related deferred outflows and inflows, due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the Town were as follows:

Town's proportionate share of the net pension liability	\$ -
State's proportionate share of the net pension liability associated with the Town	<u>118,214,690</u>
Total	<u>\$ 118,214,690</u>

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

**TOWN OF GROTON**  
**NOTES TO FINANCIAL STATEMENTS**  
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For the year ended June 30, 2019, the Town recognized pension expense and revenue of \$13,267,510.

**E. Actuarial Assumptions**

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

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

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

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

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

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

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



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

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

**F. Discount Rate**

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

**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.

**TOWN OF GROTON  
NOTES TO FINANCIAL STATEMENTS  
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**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, 2018, plan membership consisted of the following:

<b>Retiree Health Plan</b>	
Active members	657
Retired members	221
Beneficiaries	31
Spouses of retirees	63
Total Participants	<u>972</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 Employees*

The cost per month for Town employees receiving coverage under Anthem Blue Cross Blue Shield is \$1,945 per month for retiree only coverage and \$2,417 per month for retiree and spouse coverage, to age 65, and \$1,059 and \$1,359 per month, respectively, thereafter.

**TOWN OF GROTON**  
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*Board of Education Employees*

The cost per month for Board of Education employees receiving coverage under Anthem Blue Cross is \$943 per month for retiree only coverage and \$1,108 per month for retiree and spouse coverage to age 65. The cost for Medicare eligible employees is \$469 per month for retiree only and \$565 per month for retiree and spouse.

**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, 2019, the annual money-weighted rate of return on investments, net of investment expense, was 5.06%. 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, 2019. The components of the net OPEB liability of the Town at June 30, 2019, were as follows:

Total OPEB Liability	\$	61,047,428
Plan fiduciary net position		<u>20,020,911</u>
Net OPEB Liability	\$	<u><u>41,026,517</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability		32.80%

**TOWN OF GROTON**  
**NOTES TO FINANCIAL STATEMENTS**  
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**E. Actuarial Assumptions**

The total OPEB liabilities was determined by an actuarial valuation as of July 1, 2018, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.75%
Salary increase	Graded by service from 6.50% to 3.25% for teachers and administrators, 3.50% for all others
Investment rate of return	7.25%
Healthcare cost trend rates	5.70% - 4.40% over 66 years
Healthy Mortality	
Teachers and Administrators	RP-2000 Combined Healthy Mortality Table for males and females projected forward 19 years using Scale AA, with a two-year age setback. This assumption included a margin for mortality improvement beyond the valuation date. (Prior: RP-2000 Combined Healthy Mortality Table for males and females, and separate tables for active employees and annuitants, with generational projection per Scale BB, and with a one-year age set forward. This assumption included a margin for mortality improvement beyond the valuation date.)
All Others	RP-2000 Healthy Mortality Table for males and females, and separate tables for active employees and annuitants, with generational projection per Scale BB, and with one-year age set forward. This assumption includes a margin for motility improvement beyond the valuation date.
Disabled Mortality	
Teachers and Administrators	RP-2000 Combined Healthy Mortality Table for males and females projected forward 19 years using Scale AA, with an eight-year age set forward. This assumption includes a margin for mortality improvement beyond the valuation date.
All Others	RP-2000 Disabled Mortality Table for males and females. This assumption does not include a margin for mortality improvement beyond the valuation

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

**TOWN OF GROTON**  
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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, 2019 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	7 %	0.36 %
Core Fixed Income	35	2.4
U.S. Large Cap Equities	58	4.33
	<u>100 %</u>	

**F. Discount Rate**

The discount rate used to measure the total OPEB liability was 7.25%. 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, 2018	\$ 59,422,195	\$ 18,092,403	\$ 41,329,792
Changes for the year:			
Service cost	1,133,767		1,133,767
Interest on total OPEB liability	4,446,927		4,446,927
Changes of benefit terms	152,032		152,032
Differences between expected and actual experience	(3,115,333)		(3,115,333)
Changes in assumptions	1,581,582		1,581,582
Employer contributions		3,563,051	(3,563,051)
Net investment income		986,434	(986,434)
Benefit payments	(2,573,742)	(2,573,742)	-
Administrative expense		(47,235)	47,235
Net Changes	<u>1,625,233</u>	<u>1,928,508</u>	<u>(303,275)</u>
Balances as of June 30, 2019	\$ <u>61,047,428</u>	\$ <u>20,020,911</u>	\$ <u>41,026,517</u>

**TOWN OF GROTON**  
**NOTES TO FINANCIAL STATEMENTS**  
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**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:

	<b>1% Decrease (6.25%)</b>	<b>Current Discount Rate (7.25%)</b>	<b>1% Increase (8.25%)</b>
Net OPEB Liability	\$ 49,771,098	\$ 41,026,517	\$ 33,917,608

**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:

	<b>1% Decrease (4.70% Decreasing to 3.4%)</b>	<b>Healthcare Cost Trend Rates (5.70% Decreasing to 4.4%)</b>	<b>1% Increase (6.70% Decreasing to 5.4%)</b>
Net OPEB Liability	\$ 32,958,680	\$ 41,026,517	\$ 51,104,124

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

For the year ended June 30, 2019, the Town recognized OPEB expense of \$4,373,881. At June 30, 2019, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows Of Resources</b>	<b>Deferred Inflows Of Resources</b>
Differences between expected and actual experience	\$ 152,001	\$ (2,670,285)
Changes of assumptions	1,355,642	
Net difference between projected and actual earnings on OPEB plan investments	455,149	
	<u>\$ 1,962,792</u>	<u>\$ (2,670,285)</u>

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

**Year Ending June 30**

2020	\$	(59,088)
2021		(59,088)
2022		(59,089)
2023		(114,658)
2024		(196,467)
Thereafter		(219,103)

**7. PENSION AND OPEB TRUST FUND COMBINING SCHEDULES**

**Combining Schedule of Net Position - Trust Funds**

	<b>Trust Funds</b>		
	<b><u>Pension Trust Fund</u></b>	<b><u>OPEB Trust Fund</u></b>	<b><u>Total Trust Funds</u></b>
Assets:			
Cash and cash equivalents	\$ 855	\$ 1,524,135	\$ 1,524,990
Investments, at fair value:			
Mutual funds	123,185,283	18,794,899	141,980,182
Accounts receivable	151,665	140,134	291,799
Total assets	<u>123,337,803</u>	<u>20,459,168</u>	<u>143,796,971</u>
Liabilities:			
Accounts payable	53,368	105,397	158,765
Due to employees/others	63		63
Claims incurred but not reported		301,000	301,000
Other liabilities		31,860	31,860
Total liabilities	<u>53,431</u>	<u>438,257</u>	<u>491,688</u>
Net Position:			
Restricted for employees of Ledge Light	622,126		622,126
Restricted for firefighters	11,344,909		11,344,909
Restricted for benefits and other purposes	111,317,337	20,020,911	131,338,248
Total Net Position	<u>\$ 123,284,372</u>	<u>\$ 20,020,911</u>	<u>\$ 143,305,283</u>

**TOWN OF GROTON**  
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	<b>Trust Funds</b>		
	<b>Pension Trust Fund</b>	<b>OPEB Trust Fund</b>	<b>Total</b>
Additions:			
Contributions:			
Employer	\$ 3,397,300	\$ 3,516,697	\$ 6,913,997
Plan members	1,337,514	2,483,287	3,820,801
Total contributions	<u>4,734,814</u>	<u>5,999,984</u>	<u>10,734,798</u>
Investment income:			
Change in fair value of investments	8,609,699	1,032,788	9,642,487
Less investment expenses:			
Investment management fees	218,482	345,083	563,565
Net investment income	<u>8,391,217</u>	<u>687,705</u>	<u>9,078,922</u>
Total additions	<u>13,126,031</u>	<u>6,687,689</u>	<u>19,813,720</u>
Deductions:			
Benefits	8,813,089	4,711,946	13,525,035
Administrative expense	40,155	47,235	87,390
Total deductions	<u>8,853,244</u>	<u>4,759,181</u>	<u>13,612,425</u>
Change in Net Position	4,272,787	1,928,508	6,201,295
Net Position - Beginning of Year	<u>119,011,585</u>	<u>18,092,403</u>	<u>137,103,988</u>
Net Position - End of Year	<u>\$ 123,284,372</u>	<u>\$ 20,020,911</u>	<u>\$ 143,305,283</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](http://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**  
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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, 2019**

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**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.

*Employees*

Each member is required to contribute 1.25% of their annual salary up to \$500,000. Contributions in excess of \$500,000 will be credited to the Retiree Health Insurance Plan.

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

At June 30, 2019, the Town reports no amounts for its proportionate share of the net OPEB liability, and related deferred outflows and inflows, due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net OPEB liability, the related State support and the total portion of the net OPEB liability that was associated with the Town was as follows:

Town's proportionate share of the net OPEB liability	\$ -
State's proportionate share of the net OPEB liability associated with the Town	<u>23,631,877</u>
Total	\$ <u><u>23,631,877</u></u>

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

For the year ended June 30, 2019, the Town recognized OPEB expense and revenue of (\$7,850,496) in Exhibit II for on-behalf amounts for the benefits provided by the State.

**TOWN OF GROTON**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

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**F. Actuarial Assumptions**

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

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

Mortality rates were based on the RPH-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale, and further adjusted to grade in increases (5% for females and 8% for males) over age 80. For disabled retirees, mortality rates were based on the RPH-2014 Disabled Mortality Table projected to 2020 using the BB improvement scale.

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

The long-term expected rate of return on plan assets is reviewed as part of the GASB 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 (0.27%).

**G. Discount Rate**

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

**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.

**TOWN OF GROTON**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

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**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](http://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, 2019 for claims incurred but not reported to be \$1,131,000 in the Health Insurance Fund and \$2,232,976 in the Workers' Compensation Fund, which includes heart and hypertension of \$840,574, and \$301,000 in the OPEB Trust Fund. The estimate for claim liability also includes amounts for incremental claim adjustment expenses.

Changes in the claims liability were as follows:

			<b>Current Year Claims and Changes in Estimates</b>	<b>Claim Payments</b>	<b>Liability June 30,</b>	<b>Due Within One Year</b>
	<b>Liability July 1,</b>					
<u>Health Insurance Fund</u>						
2018 - 2019	\$ 827,000	\$	12,810,250	\$ 12,506,250	\$ 1,131,000	\$ 1,131,000
2017 - 2018	1,036,000		10,756,612	10,965,612	827,000	827,000
<u>Workers' Compensation Fund</u>						
2018 - 2019	\$ 2,269,578	\$	1,057,268	\$ 1,093,870	\$ 2,232,976	\$ 123,459
2017 - 2018	3,134,983		84,087	949,492	2,269,578	105,112
<u>OPEB Trust Fund</u>						
2018 - 2019	\$ 300,338	\$	4,711,946	\$ 4,711,284	\$ 301,000	\$ -
2017 - 2018	312,000		4,842,661	4,854,323	300,338	-

**TOWN OF GROTON**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

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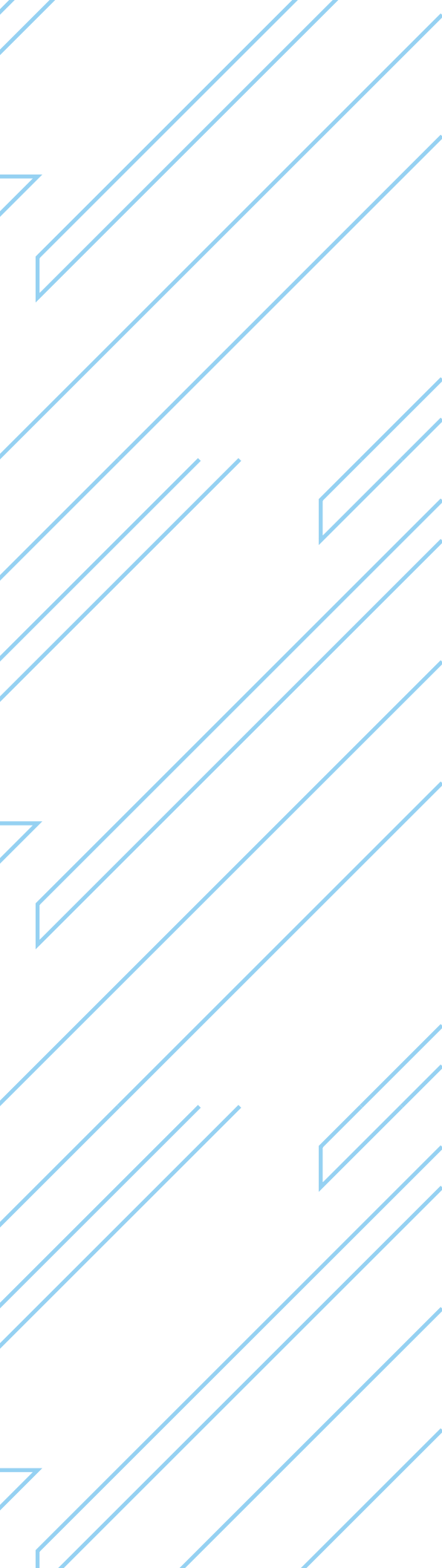
The Town purchases commercial insurance for all other risks of loss, including blanket and umbrella policies. Settled claims have not exceeded commercial coverage in any of the past three fiscal years.

**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 June 30, 2017 grand list, comprise 15.4% of the net taxable grand list of the Town and approximately 10.3% of the total General Fund revenues for the year ended June 30, 2019.



## 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, 2019**

	<b>Budgeted Amounts</b>		<b>Actual Budgetary Basis</b>	<b>Variance With Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
General Property Taxes (Including Interest and Lien Fees)	\$ 89,147,584	\$ 89,147,584	\$ 89,971,270	\$ 823,686
Licenses and Permits:				
Building permits	340,335	340,335	531,631	191,296
Sporting licenses	500	500	651	151
Dog licenses	7,000	7,000	7,019	19
Other licenses and permits	17,790	17,790	14,537	(3,253)
Building permits - education fee	325	325	760	435
State land use fees	100	100	92	(8)
Total licenses and permits	<u>366,050</u>	<u>366,050</u>	<u>554,690</u>	<u>188,640</u>
Interest on Investments	<u>200,000</u>	<u>200,000</u>	<u>751,511</u>	<u>551,511</u>
Intergovernmental - State:				
General:				
Town aid road	377,036	377,036	375,122	(1,914)
Nuclear safety drill	38,000	38,000	50,948	12,948
Highway illumination	470	470		(470)
Telephone access	138,808	138,808	134,971	(3,837)
PILOT - enterprise zone			73,567	73,567
PILOT - state and tax exemptions	605,530	605,530	603,686	(1,844)
Youth Service Bureau	26,510	26,510	27,699	1,189
Pequot/Mohegan funds	1,232,069	1,232,069	1,232,069	-
911 Enhancement	165,318	165,318	142,046	(23,272)
Municipal project grant	1,240,819	1,240,819	1,242,507	1,688
Municipal aid adjustment grant	466,668	466,668	466,668	-
Board of Education:				
Education cost sharing	25,040,045	25,040,045	25,025,766	(14,279)
Adult education	102,334	102,334	102,394	60
Special education	800,000	800,000	917,145	117,145
Transportation - private school				-
Magnet School transportation	188,000	188,000	116,243	(71,757)
Nonpublic pupil services	22,000	22,000	22,315	315
Total State of Connecticut	<u>30,443,607</u>	<u>30,443,607</u>	<u>30,533,146</u>	<u>89,539</u>
Intergovernmental - Federal:				
Pupil impact aid	3,214,533	3,214,533	5,253,028	2,038,495
Education - misc. federal funds	93,000	93,000	269,291	176,291
Public safety federal funds			2,590	2,590
Emergency management	20,019	20,019	19,846	(173)
Total federal government	<u>3,327,552</u>	<u>3,327,552</u>	<u>5,544,755</u>	<u>2,217,203</u>

(Continued on next page)

**TOWN OF GROTON, CONNECTICUT**  
**GENERAL FUND SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES**  
**BUDGET AND ACTUAL (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance With</b>
	<b>Original</b>	<b>Final</b>	<b>Budgetary</b>	<b>Final Budget</b>
			<b>Basis</b>	<b>Positive</b>
				<b>(Negative)</b>
Charges for Current Services:				
Planning Commission fees	\$ 8,000	\$ 8,000	\$ 11,820	\$ 3,820
Recording instruments	150,000	150,000	129,910	(20,090)
Conveyance tax	700,000	700,000	1,237,870	537,870
Finance department - other			39	39
Planning department - other	500	500	1,707	1,207
Collection subdivisions taxes	104,784	104,784	104,784	-
Accident reports	2,850	2,850	4,736	1,886
Dispatch/paramedics services	2,000	2,000	2,000	-
North Stonington - dispatch	52,819	52,819	52,819	-
Coordinated Medical Emergency Director	22,257	22,257	29,081	6,824
Board of Education - FHS/ground mowing	60,111	60,111	60,111	-
GIS - revenue	600	600	1,528	928
Vital statistics	5,000	5,000	6,101	1,101
Snow/Ice control services	20,000	20,000	35,669	15,669
Total charges for current services	<u>1,128,921</u>	<u>1,128,921</u>	<u>1,678,175</u>	<u>549,254</u>
Schools, Library and Recreation:				
Tuition from other towns	70,000	70,000	104,855	34,855
Other school receipts	19,000	19,000	33,549	14,549
Library fines	15,000	15,000	13,769	(1,231)
Lost and damaged book fees	2,200	2,200	2,630	430
Senior Center fees	2,500	2,500	3,118	618
Library - copier fees	6,700	6,700	5,678	(1,022)
Library fees	14,000	14,000	15,912	1,912
Park rentals	500	500		(500)
Total schools, library and recreation	<u>129,900</u>	<u>129,900</u>	<u>179,511</u>	<u>49,611</u>
Other Revenue:				
Court fines	17,000	17,000	13,000	(4,000)
Parking tickets	1,100	1,100	1,565	465
Aircraft registration fees	21,000	21,000	22,560	1,560
Lease fees	169,691	169,691	192,432	22,741
Land record copies	28,000	28,000	27,599	(401)
Vital copies	64,000	64,000	61,611	(2,389)
Miscellaneous	7,000	7,000	30,029	23,029
PILOT payment - other	50,000	50,000	51,178	1,178
Dog warden - sold and redeemed	2,300	2,300	2,235	(65)
Public Works Disposal fees	130,000	130,000	218,091	88,091
Returned check fees	1,100	1,100	1,008	(92)
Sale of capital assets	2,500	2,500	7,109	4,609
Delinquent MV fees	16,000	16,000	18,652	2,652
Finance Dept. copies	900	900	840	(60)
Total other revenue	<u>510,591</u>	<u>510,591</u>	<u>647,909</u>	<u>137,318</u>
Total revenues	<u>125,254,205</u>	<u>125,254,205</u>	<u>129,860,967</u>	<u>4,606,762</u>

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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, 2019**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance With</b>
	<b>Original</b>	<b>Final</b>	<b>Budgetary</b>	<b>Final Budget</b>
			<b>Basis</b>	<b>Positive</b>
				<b>(Negative)</b>
Other Financing Sources:				
Transfers in:				
Golf course	\$ 59,433	\$ 59,433	\$ 59,433	\$ -
Sewer/landfill services	445,874	445,874	445,874	-
Sewer District	45,184	45,184	45,184	-
Mumford Cove	1,023	1,023	1,023	-
Community Investment Act Fund	5,000	5,000	5,000	-
Outside Police services	46,011	46,011	46,011	-
Bond premium				-
Total other financing sources	<u>602,525</u>	<u>602,525</u>	<u>602,525</u>	<u>-</u>
Total Revenues and Other Financing Sources	<u>\$ 125,856,730</u>	<u>\$ 125,856,730</u>	130,463,492	<u>\$ 4,606,762</u>
Budgetary revenues are different than GAAP revenues because:				
State of Connecticut pension expense related to the Connecticut State Teachers Retirement System for Town teachers are not budget			13,267,510	
State of Connecticut OPEB revenue related to the Connecticut State Teachers OPEB system for Town teachers are not budgeted			(7,850,496)	
Property tax revenue receivable accrual basis change			70,079	
The Town does not budget for certain reimbursements that are reported for GAAP financial statement reporting purposes			23,000	
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			<u>15,148</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>\$ 135,988,733</u>	

**TOWN OF GROTON, CONNECTICUT**  
**GENERAL FUND SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	<b>Budgeted Amounts</b>		<b>Actual Budgetary Basis</b>	<b>Variance With Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
General Government:				
Legislative policy	\$ 54,955	\$ 57,240	\$ 54,089	\$ 3,151
Voter registration	157,224	182,204	177,376	4,828
Town Clerk	316,203	316,203	295,587	20,616
Legal services	300,000	300,000	202,464	97,536
Total general government	828,382	855,647	729,516	126,131
General Services:				
Executive management	346,869	346,869	279,602	67,267
Information technology	1,016,689	1,016,689	994,462	22,227
Human resources	317,074	328,474	323,636	4,838
Financial administration	1,465,313	1,493,196	1,453,218	39,978
Total general services	3,145,945	3,185,228	3,050,918	134,310
Public Safety:				
Police services	8,347,016	8,347,016	8,118,320	228,696
Public Works	5,739,146	5,815,305	5,661,464	153,841
Planning and Development Services	1,323,531	1,323,531	1,265,644	57,887
Human Services:				
Human services	610,523	610,523	592,765	17,758
Community Services:				
Parks and recreation	1,529,832	1,540,995	1,512,454	28,541
Library	1,663,646	1,685,646	1,588,299	97,347
Total community services	3,193,478	3,226,641	3,100,753	125,888
Nondepartmental:				
Insurance and claims	647,498	647,498	614,798	32,700
Contingency	450,000	248,573		248,573
Self-funded plans	8,696,656	8,696,656	8,692,677	3,979
Total nondepartmental	9,794,154	9,592,727	9,307,475	285,252
Education	76,468,239	76,485,922	76,446,462	39,460
Debt Service:				
Town	2,917,757	2,917,757	2,915,255	2,502
Board of Education	2,349,033	2,349,033	2,349,033	-
Total debt service	5,266,790	5,266,790	5,264,288	2,502

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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, 2019**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance With</b>
	<b>Original</b>	<b>Final</b>	<b>Budgetary</b>	<b>Final Budget</b>
			<b>Basis</b>	<b>Positive</b>
				<b>(Negative)</b>
Outside Agencies:				
Regional agencies	\$ 132,034	\$ 132,034	\$ 132,033	\$ 1
Health services - cultural agencies	1,694,213	1,694,213	1,666,967	27,246
Total outside agencies	1,826,247	1,826,247	1,799,000	27,247
Subdivisions:				
City of Groton	4,609,036	\$ 4,616,468	\$ 4,607,829	8,639
Groton Long Point	462,084	462,526	461,406	1,120
Fire districts	246,000	246,000	246,000	-
Total subdivisions	5,317,120	5,324,994	5,315,235	9,759
Total expenditures	121,860,571	121,860,571	120,651,840	1,208,731
Other Financing Uses:				
Transfers out:				
Capital Reserve	2,297,000	2,297,000	2,297,000	-
Revaluation	225,000	225,000	225,000	-
Fleet	1,401,223	1,401,223	1,401,223	-
Computer Replacement	72,936	72,936	72,936	-
Total other financing uses	3,996,159	3,996,159	3,996,159	-
Total Expenditures and Other Financing Uses	\$ 125,856,730	\$ 125,856,730	124,647,999	\$ 1,208,731
Budgetary expenditures are different than GAAP expenditures because:				
State of Connecticut on-behalf contributions to the Connecticut State Teachers' Retirement System for Town teachers pension are not budgeted			13,267,510	
State of Connecticut on-behalf contributions to the Connecticut State Teachers' Retirement System for Town teachers OPEB are not budgeted			(7,850,496)	
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			954,356	
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			(619,273)	
The Town does not budget for certain reimbursements that are reported for GAAP financial statement reporting purposes			23,000	
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			90,841	
Elimination of transfers between General Fund and funds combined for GASB 54 purposes			(297,936)	
Total Expenditures and Other Financing Uses as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds - Exhibit IV			\$ 130,216,001	

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Total pension liability:						
Service cost	\$ 2,451,526	\$ 2,525,072	\$ 2,318,892	\$ 2,409,250	\$ 2,569,350	\$ 2,600,342
Interest	8,757,689	9,188,020	8,666,967	9,011,518	9,112,990	9,419,582
Changes of benefit terms						688,115
Differences between expected and actual experience		(3,089,277)	(831,909)	(198,443)	646,369	437,415
Changes of assumptions		(5,208,074)	1,002,922	1,129,130	(447,999)	2,665,163
Benefit payments, including refunds of member contributions	(5,929,846)	(5,876,377)	(6,589,487)	(7,020,884)	(7,550,511)	(8,107,166)
Net change in total pension liability	5,279,369	(2,460,636)	4,567,385	5,330,571	4,330,199	7,703,451
Total pension liability - beginning	109,927,474	115,206,843	112,746,207	117,313,592	122,644,163	126,974,362
Total pension liability - ending	115,206,843	112,746,207	117,313,592	122,644,163	126,974,362	134,677,813
Plan fiduciary net position:						
Contributions - employer	3,114,144	3,192,047	2,553,991	2,488,575	2,848,100	2,996,600
Contributions - member	1,114,042	1,131,674	1,169,678	1,201,342	1,220,752	1,212,995
Net investment income (loss)	13,481,409	3,540,403	(53,985)	9,878,756	7,613,030	7,581,103
member contributions	(5,929,846)	(5,876,377)	(6,589,487)	(7,020,884)	(7,550,511)	(8,107,166)
Administrative expense	(54,307)	(37,255)	(30,685)	(32,163)	(45,162)	(36,257)
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
Plan fiduciary net position - beginning	86,342,763	98,068,205	100,018,697	97,068,209	103,583,835	107,670,044
Plan fiduciary net position - ending	98,068,205	100,018,697	97,068,209	103,583,835	107,670,044	111,317,319
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>
Plan fiduciary net position as a percentage of the total pension liability	85.12%	88.71%	82.74%	84.46%	84.80%	82.65%
Covered payroll	\$ 23,026,395	\$ 23,605,993	\$ 21,927,290	\$ 22,096,847	\$ 22,229,457	\$ 22,934,460
Net pension liability as a percentage of covered payroll	74.43%	53.92%	92.33%	86.26%	86.84%	101.86%

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 SIX FISCAL YEARS**  
**LEDGE LIGHT**

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

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 SIX FISCAL YEARS**  
**FIREFIGHTERS**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Total pension liability:						
Service cost	\$ 401,849	\$ 413,904	\$ 299,682	\$ 257,236	\$ 267,597	\$ 283,839
Interest	843,728	889,636	918,671	983,590	976,011	998,983
Changes of benefit terms			96			
Differences between expected and actual experience		(520,189)	390,732	(439,015)	(243,622)	(20,907)
Changes of assumptions		799,434	(78,888)	158,125	(52,104)	317,667
Benefit payments, including refunds of member contributions	<u>(558,385)</u>	<u>(814,075)</u>	<u>(652,848)</u>	<u>(647,882)</u>	<u>(647,882)</u>	<u>(668,119)</u>
Net change in total pension liability	687,192	768,710	877,445	312,054	300,000	911,463
Total pension liability - beginning	<u>10,418,570</u>	<u>11,105,762</u>	<u>11,874,472</u>	<u>12,751,917</u>	<u>13,063,971</u>	<u>13,363,971</u>
Total pension liability - ending	<u>11,105,762</u>	<u>11,874,472</u>	<u>12,751,917</u>	<u>13,063,971</u>	<u>13,363,971</u>	<u>14,275,434</u>
Plan fiduciary net position:						
Contributions - employer	428,378	414,790	392,293	385,674	389,100	385,000
Contributions - member	128,634	94,356	106,863	116,552	120,435	119,614
Net investment income (loss)	1,308,508	326,423	(4,042)	956,168	754,460	767,838
Benefit payments, including refunds of member contributions	<u>(558,385)</u>	<u>(814,075)</u>	<u>(652,848)</u>	<u>(647,882)</u>	<u>(647,882)</u>	<u>(668,119)</u>
Administrative expense	<u>(5,243)</u>	<u>(3,534)</u>	<u>(2,949)</u>	<u>(3,149)</u>	<u>(4,507)</u>	<u>(3,695)</u>
Net change in plan fiduciary net position	1,301,892	17,960	(160,683)	807,363	611,606	600,638
Plan fiduciary net position - beginning	<u>8,166,150</u>	<u>9,468,042</u>	<u>9,486,002</u>	<u>9,325,319</u>	<u>10,132,682</u>	<u>10,744,288</u>
Plan fiduciary net position - ending	<u>9,468,042</u>	<u>9,486,002</u>	<u>9,325,319</u>	<u>10,132,682</u>	<u>10,744,288</u>	<u>11,344,926</u>
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>
Plan fiduciary net position as a percentage of the total pension liability	85.25%	79.89%	73.13%	77.56%	80.40%	79.47%
Covered payroll	\$ 2,287,906	\$ 2,281,958	\$ 2,010,535	\$ 1,704,664	\$ 1,724,791	\$ 1,761,916
Net pension liability as a percentage of covered payroll	71.58%	104.67%	170.43%	171.96%	151.88%	166.33%

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**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Actuarially determined contribution	\$ 1,305,560	\$ 2,073,417	\$ 2,614,225	\$ 2,886,997	\$ 3,114,144	\$ 3,192,047	\$ 2,553,991	\$ 2,488,575	\$ 2,848,100	\$ 2,996,600
Contributions in relation to the actuarially determined contribution	1,305,560	2,073,417	2,614,225	2,886,997	3,114,144	3,192,047	2,553,991	2,488,575	2,848,100	2,996,600
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ 23,026,395	\$ 23,605,993	\$ 21,927,290	\$ 22,096,847	\$ 22,229,457	\$ 22,934,460
Contributions as a percentage of covered payroll					13.52%	13.52%	11.65%	11.26%	12.81%	13.07%

**Notes to Schedule**

Valuation date: July 1, 2018  
Measurement date: June 30, 2019  
Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Normal Actuarial Cost
Remaining amortization period	21 years (Prior: 22 years)
Asset valuation method	Adjusted value of assets
Inflation	2.60% (Prior: 2.75%)
Salary increases	Vary by age group
Investment rate of return	7.25%, net of pension plan investment expenses (Prior: 7.5%)
Retirement age	Age related table
Mortality	RP-2014 Adjusted to 2006 Total Dataset Mortality Table projected to valuation date with Scale MP-2018 Prior: RP-2014 Adjusted to 2006 Total Dataset, Mortality Table projected to valuation date with Scale MP-2017

N/A Not Available

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Actuarially determined contribution	\$ -	\$ 1,940	\$ 6,918	\$ 10,599	\$ 9,556	\$ 6,764	\$ 8,971	\$ 8,958	\$ 13,200	\$ 15,700
Contributions in relation to the actuarially determined contribution	-	1,940	6,918	10,599	9,556	6,764	8,971	8,958	13,200	15,700
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ 120,539	\$ 89,652	\$ 90,125	\$ 101,308	\$ 105,474	\$ 112,203
Contributions as a percentage of covered payroll						7.54%	9.95%	8.84%	12.51%	13.99%

**Notes to Schedule**

Valuation date: July 1, 2018  
Measurement date: June 30, 2019  
Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:

Actuarial cost method Entry Age Normal  
Amortization method Normal Actuarial Cost  
Remaining amortization period 21 years (Prior: 22 years)  
Asset valuation method Adjusted value of assets  
Inflation 2.60% (Prior: 2.75%)  
Salary increases Vary by age group  
Investment rate of return 7.25%, net of pension plan investment expenses (Prior: 7.5%)  
Retirement age Age related table  
Mortality RP-2014 Adjusted to 2006 Total Dataset Mortality Table projected to valuation date with Scale MP-2018  
Prior: RP-2014 Adjusted to 2006 Total Dataset, Mortality Table projected to valuation date with Scale MP-2017

N/A Not Available



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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Actuarially determined contribution	\$ 135,773	\$ 208,535	\$ 347,332	\$ 378,701	\$ 428,378	\$ 414,790	\$ 392,293	\$ 385,674	\$ 389,100	\$ 385,000
Contributions in relation to the actuarially determined contribution	135,773	208,535	347,332	378,701	428,378	414,790	392,293	385,674	389,100	385,000
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ 2,287,906	\$ 2,281,958	\$ 2,010,535	\$ 1,704,664	\$ 1,724,791	\$ 1,761,916
Contributions as a percentage of covered payroll						18.18%	19.51%	22.62%	22.56%	21.85%

**Notes to Schedule**

Valuation date: July 1, 2018  
Measurement date: June 30, 2019  
Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported

**Methods and assumptions used to determine contribution rates:**

Actuarial cost method Entry Age Normal  
Amortization method Normal Actuarial Cost  
Remaining amortization period 21 years (Prior: 22 years)  
Asset valuation method Adjusted value of assets  
Inflation 2.60% (Prior: 2.75%)  
Salary increases Vary by age group  
Investment rate of return 7.25%, net of pension plan investment expenses (Prior: 7.5%)  
Retirement age Age related table  
Mortality RP-2014 Adjusted to 2006 Total Dataset Mortality Table projected to valuation date with Scale MP-2018  
Prior: RP-2014 Adjusted to 2006 Total Dataset, Mortality Table projected to valuation date with Scale MP-2017

N/A Not Available

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

	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
Annual money-weighted rate of return, net of investment expense	15.51%	3.62%	-0.03%	7.10%	7.44%	7.14%

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 FIVE FISCAL YEARS**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Town's proportion of the net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%
Town's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the Town	<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>
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>
Town's covered payroll	\$ 36,486,290	\$ 36,797,537	\$ 37,787,402	\$ 36,426,040	\$ 36,820,958
Town's proportionate share of the net pension liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	61.51%	59.50%	52.26%	0.00%	55.93%

**Notes to Schedule**

Changes in benefit terms	Beginning January 1, 2018, member contributions increased from 6% to 7% of salary.
Changes of assumptions	During 2016, rates of withdrawal, disability, retirement, mortality and assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience. These assumptions were recommended as part of the Experience Study for the System for the five-year period ended June 30, 2015.
Actuarial cost method	Entry age
Amortization method	Level percent of salary, closed
Single equivalent amortization period	
Remaining amortization period	17.6 years
Asset valuation method	4-year smoothed market
Investment rate of return	8.00%, net of investment related expense

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 OPEB LIABILITY AND RELATED RATIOS**  
**OPEB**  
**LAST THREE FISCAL YEARS**

	<u>2017</u>	<u>2018</u>	<u>2019</u>
Total OPEB liability:			
Service cost	\$ 1,130,295	\$ 1,216,495	\$ 1,133,767
Interest	4,020,268	4,229,669	4,446,927
Changes of benefit terms	180,725		152,032
Differences between expected and actual experience		216,681	(3,115,333)
Changes of assumptions			1,581,582
Benefit payments	<u>(2,467,692)</u>	<u>(2,789,067)</u>	<u>(2,573,742)</u>
Net change in total OPEB liability	2,863,596	2,873,778	1,625,233
Total OPEB liability - beginning	<u>53,684,821</u>	<u>56,548,417</u>	<u>59,422,195</u>
Total OPEB liability - ending	<u>56,548,417</u>	<u>59,422,195</u>	<u>61,047,428</u>
Plan fiduciary net position:			
Contributions - employer	3,500,259	3,535,030	3,563,051
Net investment income	1,420,995	977,456	986,434
Benefit payments	<u>(2,779,678)</u>	<u>(2,789,067)</u>	<u>(2,573,742)</u>
Administrative expense	<u>(456,671)</u>	<u>(14,825)</u>	<u>(47,235)</u>
Other			
Net change in plan fiduciary net position	1,684,905	1,708,594	1,928,508
Plan fiduciary net position - beginning	<u>14,698,904</u>	<u>16,383,809</u>	<u>18,092,403</u>
Plan fiduciary net position - ending	<u>16,383,809</u>	<u>18,092,403</u>	<u>20,020,911</u>
Net OPEB Liability - Ending	<u>\$ 40,164,608</u>	<u>\$ 41,329,792</u>	<u>\$ 41,026,517</u>
Plan fiduciary net position as a percentage of the total OPEB liability	28.97%	30.45%	32.80%
Covered payroll	\$ 50,195,108	\$ 51,499,012	\$ 51,499,012
Net OPEB liability as a percentage of covered payroll	80.02%	80.25%	79.66%

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**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Actuarially determined contribution (1)	\$ 3,053,000	\$ 3,315,000	\$ 3,463,000	\$ 3,566,000	\$ 3,552,000	\$ 3,694,000	\$ 3,799,204	\$ 4,044,025	\$ 3,966,559	\$ 4,279,549
Contributions in relation to the actuarially determined contribution	3,143,700	3,258,700	3,226,700	3,764,700	3,738,481	4,050,481	3,709,834	3,500,259	3,535,030	3,563,051
Contribution Deficiency (Excess)	\$ (90,700)	\$ 56,300	\$ 236,300	\$ (198,700)	\$ (186,481)	\$ (356,481)	\$ 89,370	\$ 543,766	\$ 431,529	\$ 716,498
Covered payroll	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ 52,762,000	\$ 52,762,000	\$ 50,195,108	\$ 50,195,108	\$ 51,499,012	\$ 51,499,012
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	7.09%	7.68%	7.39%	6.97%	6.86%	6.92%

(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, 2018  
Measurement date: June 30, 2019  
Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Amortization period	19 years
Asset valuation method	Market value
Inflation	2.75%
Healthcare cost trend rates	5.70% - 4.4% over 66 years
Salary increases	Graded by service from 6.50% to 3.25% for teachers and administrators, 3.50% for all others
Investment rate of return	7.25%, net of pension plan investment expense, including inflation
Retirement age	In the 2016 actuarial valuation, expected retirement ages of general employees were adjusted to more closely reflect actual experience
Mortality	
Healthy Mortality	
Teachers and Administrators	RP-2000 Combined Healthy Mortality Table for males and females projected forward 19 years using Scale AA, with a two-year age setback. This assumption included a margin for mortality improvement beyond the valuation date.  (Prior: RP-2000 Combined Healthy Mortality Table for males and females, and separate tables for active employees and annuitants, with generational projection per Scale BB, and with a one-year age set forward. This assumption included a margin for mortality improvement beyond the valuation date.)
All Others	RP-2000 Healthy Mortality Table for males and females, and separate tables for active employees and annuitants, with generational projection per Scale BB, and with one-year age set forward. This assumption includes a margin for mortality improvement beyond the valuation date.
Disabled Mortality	
Teachers and Administrators	RP-2000 Combined Healthy Mortality Table for males and females projected forward 19 years using Scale AA, with an eight-year age set forward. This assumption includes a margin for mortality improvement beyond the valuation date.
All Others	RP-2000 Disabled Mortality Table for males and females. This assumption does not include a margin for mortality improvement beyond the valuation date.

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

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	<b>2017</b>	<b>2018</b>	<b>2019</b>
Annual money-weighted rate of return, net of investment expense	8.83%	5.48%	5.06%

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 TWO FISCAL YEARS**

	<u>2018</u>	<u>2019</u>
Town's proportion of the net OPEB liability	0.00%	0.00%
Town's proportionate share of the net OPEB liability	\$ -	\$ -
State's proportionate share of the net OPEB liability associated with the Town	<u>32,425,655</u>	<u>23,631,877</u>
Total	<u>\$ 32,425,655</u>	<u>\$ 23,631,877</u>
Town's covered payroll	\$ 36,426,040	\$ 36,820,958
Town's proportionate share of the net OPEB liability as a percentage of its covered payroll	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	1.79%	1.49%

**Notes to Schedule**

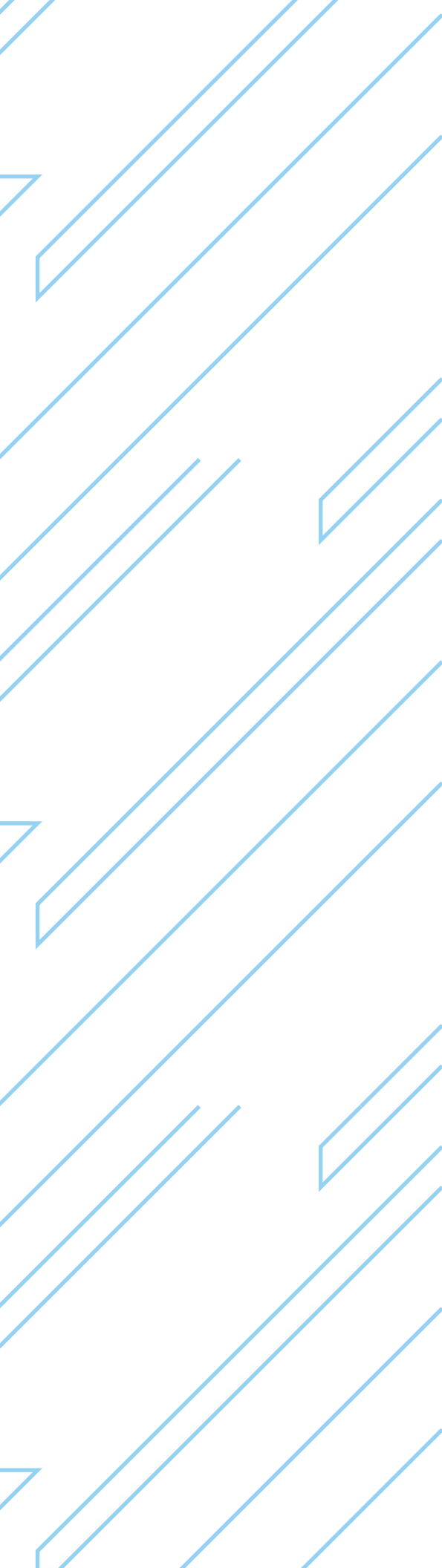
Changes in benefit terms	Effective July 1, 2018, Medicare Advantage Plan was added to available options, changed the base plan to the Medicare Advantage Plan for the purposes of determining retiree subsidies and/or cost sharing amounts, and introduced a two-year waiting period for re-enrollment in a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

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



## **Supplemental and Combining Fund Statements and Schedules**





**General Fund**

**TOWN OF GROTON, CONNECTICUT**  
**GENERAL FUND**  
**BALANCE SHEET**  
**JUNE 30, 2019 WITH COMPARATIVE TOTALS FOR 2018**

	<u>2019</u>	<u>2018</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 29,312,328	\$ 26,138,941
Investments	3,983,804	3,119,000
Property taxes receivable, net of allowance of \$220,000 in 2019 and 2018	1,568,582	1,646,374
Due from other funds	459,670	276,276
Prepaid items and other assets	<u>26,996</u>	<u>26,423</u>
Total Assets	\$ <u>35,351,380</u>	\$ <u>31,207,014</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable	\$ 8,122,617	\$ 9,546,318
Unearned revenues	<u>65,757</u>	
Total liabilities	<u>8,188,374</u>	<u>9,546,318</u>
Deferred Inflows of Resources:		
Unavailable revenue - property taxes	842,456	1,080,093
Unavailable revenue - property tax interest	<u>238,915</u>	<u>271,700</u>
Total deferred inflows of resources	<u>1,081,371</u>	<u>1,351,793</u>
Fund Balance:		
Nonspendable:		
Other assets	26,996	26,423
Committed:		
Subsequent years' budget	1,095,000	
Assigned:		
Revaluation	221,509	33,375
Computer replacement	363,962	329,850
Encumbrances	663,225	1,057,564
Unassigned	<u>23,710,943</u>	<u>18,861,691</u>
Total fund balance	<u>26,081,635</u>	<u>20,308,903</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ <u>35,351,380</u>	\$ <u>31,207,014</u>

**TOWN OF GROTON, CONNECTICUT**  
**GENERAL FUND**  
**STATEMENT OF REVENUES AND EXPENDITURES - BUDGETARY BASIS**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance With</b>
	<b>Original</b>	<b>Final</b>	<b>Budgetary</b>	<b>Final Budget</b>
			<b>Basis</b>	<b>Positive (Negative)</b>
Revenues:				
General property taxes	\$ 89,147,584	\$ 89,147,584	\$ 89,971,270	\$ 823,686
Licenses and permits	366,050	366,050	554,690	188,640
Interest on investments	200,000	200,000	751,511	551,511
Intergovernmental - Federal	3,327,552	3,327,552	5,544,755	2,217,203
Intergovernmental - State	30,443,607	30,443,607	30,533,146	89,539
Charges for current services	1,128,921	1,128,921	1,678,175	549,254
Schools, library and recreation fees	129,900	129,900	179,511	49,611
Other revenue	510,591	510,591	647,909	137,318
Total revenues	<u>125,254,205</u>	<u>125,254,205</u>	<u>129,860,967</u>	<u>4,606,762</u>
Expenditures:				
Current:				
General government	828,382	855,647	729,516	126,131
General services	3,145,945	3,185,228	3,050,918	134,310
Public safety	8,347,016	8,347,016	8,118,320	228,696
Public works	5,739,146	5,815,305	5,661,464	153,841
Planning and development	1,323,531	1,323,531	1,265,644	57,887
Health and human services	610,523	610,523	592,765	17,758
Community services	3,193,478	3,226,641	3,100,753	125,888
Education	76,468,239	76,485,922	76,446,462	39,460
Subdivisions	5,317,120	5,324,994	5,315,235	9,759
Nondepartmental	9,794,154	9,592,727	9,307,475	285,252
Outside agencies	1,826,247	1,826,247	1,799,000	27,247
Debt service	5,266,790	5,266,790	5,264,288	2,502
Total expenditures	<u>121,860,571</u>	<u>121,860,571</u>	<u>120,651,840</u>	<u>1,208,731</u>
Excess of Revenues over Expenditures	<u>3,393,634</u>	<u>3,393,634</u>	<u>9,209,127</u>	<u>5,815,493</u>
Other Financing Sources (Uses):				
Transfers in	602,525	602,525	602,525	-
Transfers out	(3,996,159)	(3,996,159)	(3,996,159)	-
Total other financing uses	<u>(3,393,634)</u>	<u>(3,393,634)</u>	<u>(3,393,634)</u>	<u>-</u>
Net Change in Fund Balance	\$ <u>-</u>	\$ <u>-</u>	5,815,493	\$ <u>5,815,493</u>
Fund Balance at Beginning of Year			18,745,117	
Encumbrances Cancelled			<u>59,256</u>	
Fund Balance at End of Year			<u>\$ 24,619,866</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, 2019**

	<b>Budgeted Amounts</b>		<b>Actual</b>			<b>Variance With Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Expended</b>	<b>Encumbered</b>	<b>Total</b>	
Instruction:						
Regular	\$ 29,683,684	\$ 29,683,684	\$ 30,417,112	\$ 91,589	\$ 30,508,701	\$ (825,017)
Special	12,968,836	12,968,836	12,799,821	34,919	12,834,740	134,096
Continuing	287,161	287,161	270,917		270,917	16,244
Total instruction	<u>42,939,681</u>	<u>42,939,681</u>	<u>43,487,850</u>	<u>126,508</u>	<u>43,614,358</u>	<u>(674,677)</u>
Supporting Services:						
Pupils	6,541,019	6,541,019	6,081,775	728	6,082,503	458,516
Staff	1,585,444	1,585,444	1,541,835	4,749	1,546,584	38,860
General support	6,423,089	6,423,089	6,542,422	28,131	6,570,553	(147,464)
Operational support	13,775,865	13,775,865	13,618,818	121,197	13,740,015	35,850
Total supporting services	<u>28,325,417</u>	<u>28,325,417</u>	<u>27,784,850</u>	<u>154,805</u>	<u>27,939,655</u>	<u>385,762</u>
Community Services:						
Nonpublic school pupils			92,230		92,230	(92,230)
Nonprogrammed Changes:						
Tuition payments	<u>5,220,824</u>	<u>5,220,824</u>	<u>4,642,217</u>	<u>158,002</u>	<u>4,800,219</u>	<u>420,605</u>
Total	<u>\$ 76,485,922</u>	<u>\$ 76,485,922</u>	<u>\$ 76,007,147</u>	<u>\$ 439,315</u>	<u>\$ 76,446,462</u>	<u>\$ 39,460</u>

**TOWN OF GROTON, CONNECTICUT**  
**GENERAL FUND**  
**COMBINING BALANCE SHEET SCHEDULE**  
**JUNE 30, 2019**

	<b>General Fund</b>	<b>Revaluation Fund</b>	<b>Computer Replacement Fund</b>	<b>Total Combined Funds</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 28,720,221	\$ 226,639	\$ 365,468	\$ 29,312,328
Investments	3,983,804			3,983,804
Receivables, net	1,568,370		212	1,568,582
Due from other funds	459,670			459,670
Other assets	26,996			26,996
Total Assets	<u>\$ 34,759,061</u>	<u>\$ 226,639</u>	<u>\$ 365,680</u>	<u>\$ 35,351,380</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 8,115,769	\$ 5,130	\$ 1,718	\$ 8,122,617
Unearned revenues	65,757			65,757
Total liabilities	<u>8,181,526</u>	<u>5,130</u>	<u>1,718</u>	<u>8,188,374</u>
Deferred inflows of resources:				
Unavailable revenue - property taxes	842,456			842,456
Unavailable revenue - property tax interest	238,915			238,915
Total deferred inflows of resources	<u>1,081,371</u>	<u>-</u>	<u>-</u>	<u>1,081,371</u>
Fund balances:				
Nonspendable	26,996			26,996
Committed	1,095,000			1,095,000
Assigned	663,225	221,509	363,962	1,248,696
Unassigned	23,710,943			23,710,943
Total fund balances	<u>25,496,164</u>	<u>221,509</u>	<u>363,962</u>	<u>26,081,635</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 34,759,061</u>	<u>\$ 226,639</u>	<u>\$ 365,680</u>	<u>\$ 35,351,380</u>

## TOWN OF GROTON, CONNECTICUT

## GENERAL FUND

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2019

	General Fund	Revaluation Fund	Computer Replacement Fund	Elimination	Total Combined Funds
Revenues:					
Property taxes, interest and lien fees	\$ 90,041,343	\$	\$	\$	\$ 90,041,343
Licenses and permits	554,690				554,690
Intergovernmental - state	35,950,160				35,950,160
Interest on investments	751,511	3,394	4,197		759,102
Intergovernmental - federal	5,544,755				5,544,755
Charges for current services	1,678,135		4,935		1,683,070
Schools, library and recreation fees	202,511				202,511
Other revenue	647,952				647,952
Total revenues	135,371,057	3,394	9,132	-	135,383,583
Expenditures:					
Current:					
General government	742,145	40,260	600		783,005
General services	3,062,846				3,062,846
Public safety	8,319,166				8,319,166
Public works	5,618,638				5,618,638
Planning and development	1,361,420				1,361,420
Health and human services	592,766				592,766
Community services	3,108,220				3,108,220
Education	81,936,235				81,936,235
Subdivisions	5,315,236				5,315,236
Nondepartmental	9,306,977				9,306,977
Outside agencies	1,799,000				1,799,000
Debt service	5,264,288				5,264,288
Capital outlay			49,981		49,981
Total expenditures	126,426,937	40,260	50,581	-	126,517,778
Revenues over (under) Expenditures	8,944,120	(36,866)	(41,449)	-	8,865,805
Other Financing Sources (Uses):					
Transfers in	602,525	225,000	75,561	(297,936)	605,150
Transfers out	(3,996,159)			297,936	(3,698,223)
Total other financing sources (uses)	(3,393,634)	225,000	75,561	-	(3,093,073)
Net Change in Fund Balances	5,550,486	188,134	34,112	-	5,772,732
Fund Balances at Beginning of Year	19,945,678	33,375	329,850	-	20,308,903
Fund Balances at End of Year	\$ 25,496,164	\$ 221,509	\$ 363,962	\$ -	\$ 26,081,635

**TOWN OF GROTON, CONNECTICUT**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS**  
**BUDGET AND ACTUAL - REVALUATION FUND**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	<b>Budgeted</b>		<b>Actual</b>	<b>Variance With Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Revenues:				
Interest income	\$ 150	\$ 150	\$ 3,393	\$ 3,243
Expenditures:				
Property revaluation	<u>88,800</u>	<u>88,800</u>	<u>40,259</u>	<u>48,541</u>
Revenues over (under) Expenditures	(88,650)	(88,650)	(36,866)	51,784
Other Financing Sources:				
Transfers in	<u>225,000</u>	<u>225,000</u>	<u>225,000</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ 136,350</u>	<u>\$ 136,350</u>	<u>\$ 188,134</u>	<u>\$ 51,784</u>

**TOWN OF GROTON, CONNECTICUT**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS**  
**BUDGET AND ACTUAL - COMPUTER REPLACEMENT FUND**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	<b>Budgeted</b>			<b>Variance With Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
Revenues:				
Interest income	\$ 2,000	\$ 2,000	\$ 4,197	\$ 2,197
Other revenue			3	3
Other agencies	1,040	1,040	1,040	-
Outside agencies - MDT	3,888	3,888	3,892	4
Total revenues	6,928	6,928	9,132	2,204
Expenditures:				
Computer equipment	58,988	58,988	48,581	10,407
Revenues over (under) Expenditures	(52,060)	(52,060)	(39,449)	12,611
Other Financing Sources:				
Transfers in	75,561	75,561	75,561	-
Net Change in Fund Balance	\$ 23,501	\$ 23,501	\$ 36,112	\$ 12,611
<u>Reconciliation to GAAP Basis</u>				
	<b>Revenues</b>	<b>Expenditures</b>	<b>Change in Fund Balance</b>	
Current year encumbrances	\$	\$ (2,000)	\$ (2,000)	
Net Change in Fund Balance, GAAP			\$ 34,112	





## **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.

**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.

**Undersea Supply Chain Consortium Project:** Accounts for revenues from local grant funding and expenditures funded by those sources for assisting in efforts to boost the areas economic climate and attract growing businesses in southeastern Connecticut.

**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.

### ***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.

**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, 2019**

	Special Revenue Funds							
	Educational Grants	School Cafeteria	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	\$	\$ 358,696	\$ 147,072	\$ 235,273	\$ 494	\$ 1,061,026	\$ 45,869	\$ 224,544
Investments								
Receivables, net	426,882	45,570	1,228,520					18,130
Other assets								
Total Assets	\$ 426,882	\$ 404,266	\$ 1,375,592	\$ 235,273	\$ 494	\$ 1,061,026	\$ 45,869	\$ 242,674
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ 310,817	\$	\$ 65,089	\$ 5,565	\$	\$ 36,738	\$	\$ 59,658
Due to State	34,722							
Due to other funds	24,230		381,290					
Unearned Revenue	6,487							
Total liabilities	376,256	-	446,379	5,565	-	36,738	-	59,658
Deferred inflows of resources:								
Unavailable revenue - special assessments								
Unavailable revenue - loans receivable			956,089					
Total deferred inflows of resources	-	-	956,089	-	-	-	-	-
Fund balances:								
Nonspendable								
Restricted	50,626					1,024,288		
Committed		404,266		229,708	494		45,869	183,016
Unassigned			(26,876)					
Total fund balances	50,626	404,266	(26,876)	229,708	494	1,024,288	45,869	183,016
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 426,882	\$ 404,266	\$ 1,375,592	\$ 235,273	\$ 494	\$ 1,061,026	\$ 45,869	\$ 242,674

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**TOWN OF GROTON, CONNECTICUT  
COMBINING BALANCE SHEET (CONTINUED)  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2019**

	Special Revenue Funds						
	Sewer Operating Fund	Solid Waste Fund	Mumford Cove District	Emergency Energy Fund	DECD Brownfield Mystic Education Center Fund	Other Special Revenue	Parks and Recreation Revolving
<b>ASSETS</b>							
Cash and cash equivalents	\$ 2,450,516	\$ 258,468	\$ 1,212	\$ 20,302	\$ 3,009	\$	\$ 167,694
Investments							
Receivables, net	539,369	154,652					2,664
Other assets							
<b>Total Assets</b>	<u>\$ 2,989,885</u>	<u>\$ 413,120</u>	<u>\$ 1,212</u>	<u>\$ 20,302</u>	<u>\$ 3,009</u>	<u>\$</u>	<u>\$ 170,358</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>							
Liabilities:							
Accounts payable	\$ 503,200	\$ 130,904	\$	\$ 2,704	\$	\$ 6,523	\$ 2,945
Due to State							
Due to other funds						54,150	
Unearned Revenue						89,778	
Total liabilities	<u>503,200</u>	<u>130,904</u>	<u>-</u>	<u>2,704</u>	<u>-</u>	<u>150,451</u>	<u>2,945</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>
Fund balances:							
Nonspendable							
Restricted							
Committed	2,486,685	282,216	1,212	17,598	3,009		167,413
Unassigned						(150,451)	
Total fund balances	<u>2,486,685</u>	<u>282,216</u>	<u>1,212</u>	<u>17,598</u>	<u>3,009</u>	<u>(150,451)</u>	<u>167,413</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>\$ 2,989,885</u>	<u>\$ 413,120</u>	<u>\$ 1,212</u>	<u>\$ 20,302</u>	<u>\$ 3,009</u>	<u>\$ -</u>	<u>\$ 170,358</u>

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**TOWN OF GROTON, CONNECTICUT  
COMBINING BALANCE SHEET (CONTINUED)  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2019**

	Special Revenue Funds						
	Outside Police Work	Land Acquisition	Economic Assistance	Vehicle Maintenance	Rec & Senior Activities	SECT Regional Probate Court	Energy Conservation Fund
<b>ASSETS</b>							
Cash and cash equivalents	\$ 36,836	\$ 73,344	\$ 594,636	\$ 162,308	\$ 445,366	\$ 20,926	\$ 19,343
Investments							
Receivables, net	92,057			33,815	351		
Other assets							
Total Assets	<u>\$ 128,893</u>	<u>\$ 73,344</u>	<u>\$ 594,636</u>	<u>\$ 196,123</u>	<u>\$ 445,717</u>	<u>\$ 20,926</u>	<u>\$ 19,343</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>							
Liabilities:							
Accounts payable	\$ 234		\$ 31,300		\$ 34,844	\$ 630	\$
Due to State							
Due to other funds							
Unearned Revenue							
Total liabilities	<u>234</u>	<u>-</u>	<u>31,300</u>	<u>-</u>	<u>34,844</u>	<u>630</u>	<u>-</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>
Fund balances:							
Nonspendable							
Restricted					410,873	20,296	
Committed	128,659	73,344	563,336	196,123			19,343
Unassigned							
Total fund balances	<u>128,659</u>	<u>73,344</u>	<u>563,336</u>	<u>196,123</u>	<u>410,873</u>	<u>20,296</u>	<u>19,343</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 128,893</u>	<u>\$ 73,344</u>	<u>\$ 594,636</u>	<u>\$ 196,123</u>	<u>\$ 445,717</u>	<u>\$ 20,926</u>	<u>\$ 19,343</u>

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**TOWN OF GROTON, CONNECTICUT  
COMBINING BALANCE SHEET (CONTINUED)  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2019**

	Special Revenue Funds			Debt Service Fund	Permanent Funds			
	Undersea Supply Chain Consortium Project Fund	LED Light Conversion Project	Blight Remediation	Groton Sewer District	Williams Library Trust	Julia Bill Library Trust	Rispoli Scholarship	Totals
<b>ASSETS</b>								
Cash and cash equivalents	\$	\$ 49,484	\$ 15,021	\$ 256,167	\$ 70,776	\$ 41,131	\$ 200,250	\$ 7,744,380
Investments					113,689	8,503		122,192
Receivables, net				3,135				2,545,846
Other assets				2,688				2,688
Total Assets	\$	\$ 49,484	\$ 15,021	\$ 261,990	\$ 184,465	\$ 49,634	\$ 200,250	\$ 10,415,106
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>								
Liabilities:								
Accounts payable	\$	\$	\$	85	\$	\$	\$	1,196,128
Due to State								34,722
Due to other funds								459,670
Unearned Revenue								96,265
Total liabilities	-	-	-	85	-	-	-	1,786,785
Deferred inflows of resources:								
Unavailable revenue - special assessments				2,628				2,628
Unavailable revenue - loans receivable								956,089
Total deferred inflows of resources	-	-	-	2,628	-	-	-	958,717
Fund balances:								
Nonspendable				2,688	20,000	27,543	200,000	250,231
Restricted				256,589	164,465	22,091	250	1,949,478
Committed		49,484	15,021					5,647,222
Unassigned								(177,327)
Total fund balances	-	49,484	15,021	259,277	184,465	49,634	200,250	7,669,604
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ -	\$ 49,484	\$ 15,021	\$ 261,990	\$ 184,465	\$ 49,634	\$ 200,250	\$ 10,415,106

**TOWN OF GROTON, CONNECTICUT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	Special Revenue Funds							
	Educational Grants	School Cafeteria	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	\$	\$	\$	\$	\$	\$	\$	\$
Sewer assessments								
State of Connecticut	3,354,165	74,973	788,860				23,820	
Investment earnings		18	146		2	18,613	379	
Federal government	1,670,956	1,439,668				261,006		
Charges for services		834,534						1,103,838
Sewer use charges								
Solid waste management								
Other revenue	492,330	18,207	19,482	66,052				
Total revenues	<u>5,517,451</u>	<u>2,367,400</u>	<u>808,488</u>	<u>66,052</u>	<u>2</u>	<u>279,619</u>	<u>24,199</u>	<u>1,103,838</u>
Expenditures:								
General government								
Public safety								
Public works								
Health and human services			612,927	75,911				
Community services							16,813	1,185,075
Education	5,577,216	2,415,608						
Sewer operations								
Solid waste management								
Outside agencies								
Debt service								
Capital outlay						198,560		
Total expenditures	<u>5,577,216</u>	<u>2,415,608</u>	<u>612,927</u>	<u>75,911</u>	<u>-</u>	<u>198,560</u>	<u>16,813</u>	<u>1,185,075</u>
Revenues over (under) Expenditures	<u>(59,765)</u>	<u>(48,208)</u>	<u>195,561</u>	<u>(9,859)</u>	<u>2</u>	<u>81,059</u>	<u>7,386</u>	<u>(81,237)</u>
Other Financing Sources (Uses):								
Transfers in								66
Transfers out								(60,038)
Total other financing uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(59,972)</u>
Net Change in Fund Balances	(59,765)	(48,208)	195,561	(9,859)	2	81,059	7,386	(141,209)
Fund Balance - Beginning of Year	<u>110,391</u>	<u>452,474</u>	<u>(222,437)</u>	<u>239,567</u>	<u>492</u>	<u>943,229</u>	<u>38,483</u>	<u>324,225</u>
Fund Balance - End of Year	<u>\$ 50,626</u>	<u>\$ 404,266</u>	<u>\$ (26,876)</u>	<u>\$ 229,708</u>	<u>\$ 494</u>	<u>\$ 1,024,288</u>	<u>\$ 45,869</u>	<u>\$ 183,016</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, 2019**

	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
Revenues:								
Property taxes, interest and lien fees	\$	\$	\$ 21,404	\$	\$	\$	\$	\$
Sewer assessments								
State of Connecticut					9,909	388,399		
Investment earnings	11,856	1,369						
Federal government						11,583		
Charges for services						26,566		28,278
Sewer use charges	6,530,281							
Solid waste management		1,475,121						
Other revenue	3,209			23,803		26,342	301,269	38,611
Total revenues	<u>6,545,346</u>	<u>1,476,490</u>	<u>21,404</u>	<u>23,803</u>	<u>9,909</u>	<u>452,890</u>	<u>301,269</u>	<u>66,889</u>
Expenditures:								
General government						7,890	119,777	
Public safety			20,010			16,916		
Public works						13,050		
Health and human services				26,752		11,042		
Community services						326,066		41,869
Education								
Sewer operations	4,726,802							
Solid waste management		1,545,066						
Outside agencies								
Debt service	449,038							
Capital outlay						658		
Total expenditures	<u>5,175,840</u>	<u>1,545,066</u>	<u>20,010</u>	<u>26,752</u>	<u>-</u>	<u>375,622</u>	<u>119,777</u>	<u>41,869</u>
Revenues over (under) Expenditures	<u>1,369,506</u>	<u>(68,576)</u>	<u>1,394</u>	<u>(2,949)</u>	<u>9,909</u>	<u>77,268</u>	<u>181,492</u>	<u>25,020</u>
Other Financing Sources (Uses):								
Transfers in	86,693							
Transfers out	(1,227,967)		(1,023)			(5,000)		
Total other financing uses	<u>(1,141,274)</u>	<u>-</u>	<u>(1,023)</u>	<u>-</u>	<u>-</u>	<u>(5,000)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	228,232	(68,576)	371	(2,949)	9,909	72,268	181,492	25,020
Fund Balance - Beginning of Year	<u>2,258,453</u>	<u>350,792</u>	<u>841</u>	<u>20,547</u>	<u>(6,900)</u>	<u>(222,719)</u>	<u>598,934</u>	<u>142,393</u>
Fund Balance - End of Year	<u>\$ 2,486,685</u>	<u>\$ 282,216</u>	<u>\$ 1,212</u>	<u>\$ 17,598</u>	<u>\$ 3,009</u>	<u>\$ (150,451)</u>	<u>\$ 780,426</u>	<u>\$ 167,413</u>

(Continued on next page)

**TOWN OF GROTON, CONNECTICUT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	Special Revenue Funds						
	Outside Police Work	Land Acquisition	Economic Assistance	Vehicle Maintenance	Rec & Senior Activities	SECT Regional Probate Court	Energy Conservation Fund
Revenues:							
Property taxes, interest and lien fees	\$	\$	\$	\$	\$	\$	\$
Sewer assessments							
State of Connecticut							
Investment earnings		1,611	15,034				476
Federal government							
Charges for services	420,184				1,003,926		
Sewer use charges							
Solid waste management							
Other revenue		9,000		180,141	337	26,700	
Total revenues	<u>420,184</u>	<u>10,611</u>	<u>15,034</u>	<u>180,141</u>	<u>1,004,263</u>	<u>26,700</u>	<u>476</u>
Expenditures:							
General government						25,191	
Public safety	358,842						
Public works			55,300				
Health and human services							
Community services					1,000,773		
Education							
Sewer operations							
Solid waste management							
Outside agencies				173,982			
Debt service							
Capital outlay							
Total expenditures	<u>358,842</u>	<u>-</u>	<u>55,300</u>	<u>173,982</u>	<u>1,000,773</u>	<u>25,191</u>	<u>-</u>
Revenues over (under) Expenditures	<u>61,342</u>	<u>10,611</u>	<u>(40,266)</u>	<u>6,159</u>	<u>3,490</u>	<u>1,509</u>	<u>476</u>
Other Financing Sources (Uses):							
Transfers in							
Transfers out	(97,672)						
Total other financing uses	<u>(97,672)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(36,330)	10,611	(40,266)	6,159	3,490	1,509	476
Fund Balance - Beginning of Year	<u>164,989</u>	<u>62,733</u>	<u>603,602</u>	<u>189,964</u>	<u>407,383</u>	<u>18,787</u>	<u>18,867</u>
Fund Balance - End of Year	<u>\$ 128,659</u>	<u>\$ 73,344</u>	<u>\$ 563,336</u>	<u>\$ 196,123</u>	<u>\$ 410,873</u>	<u>\$ 20,296</u>	<u>\$ 19,343</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, 2019**

	Special Revenue Funds			Debt Service Fund	Permanent Funds			Totals
	Undersea Supply Chain Consortium Project Fund	LED Light Conversion Project	Blight Remediation	Groton Sewer District	Williams Library Trust	Julia Bill Library Trust	Rispoli Scholarship	
Revenues:								
Property taxes, interest and lien fees	\$	\$	\$	\$ 652,696	\$	\$	\$	\$ 674,100
Sewer assessments				666				666
State of Connecticut				1,577				4,641,703
Investment earnings			21	7,039	9,354	(1,405)	1,001	65,514
Federal government								3,383,213
Charges for services								3,417,326
Sewer use charges								6,530,281
Solid waste management								1,475,121
Other revenue	10,213		15,000		354			1,231,050
Total revenues	10,213	-	15,021	661,978	9,708	(1,405)	1,001	21,418,974
Expenditures:								
General government				9,282				162,140
Public safety								395,768
Public works	99,629							167,979
Health and human services								726,632
Community services					6,743		1,001	2,578,340
Education								7,992,824
Sewer operations								4,726,802
Solid waste management								1,545,066
Outside agencies								173,982
Debt service				746,573				1,195,611
Capital outlay								199,218
Total expenditures	99,629	-	-	755,855	6,743	-	1,001	19,864,362
Revenues over (under) Expenditures	(89,416)	-	15,021	(93,877)	2,965	(1,405)	-	1,554,612
Other Financing Sources (Uses):								
Transfers in								86,759
Transfers out				(45,184)				(1,436,884)
Total other financing uses	-	-	-	(45,184)	-	-	-	(1,350,125)
Net Change in Fund Balances	(89,416)	-	15,021	(139,061)	2,965	(1,405)	-	204,487
Fund Balance - Beginning of Year	89,416	49,484	-	398,338	181,500	51,039	200,250	7,465,117
Fund Balance - End of Year	\$ -	\$ 49,484	\$ 15,021	\$ 259,277	\$ 184,465	\$ 49,634	\$ 200,250	\$ 7,669,604

**TOWN OF GROTON, CONNECTICUT**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS**  
**BUDGET AND ACTUAL - SPECIAL LIBRARY FUND**  
**FOR THE YEAR ENDED JUNE 30, 2019**

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	<b>Budgeted</b>			<b>Variance With Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
Revenues:				
Interest income	\$ 250	\$ 250	\$ 379	\$ 129
ConnectiCard grant			23,820	23,820
Total revenues	<u>250</u>	<u>250</u>	<u>24,199</u>	<u>23,949</u>
Expenditures:				
Software maintenance fees	<u>18,300</u>	<u>18,300</u>	<u>16,813</u>	<u>1,487</u>
Net Change in Fund Balance	\$ <u>(18,050)</u>	\$ <u>(18,050)</u>	\$ <u>7,386</u>	\$ <u>25,436</u>

**TOWN OF GROTON, CONNECTICUT**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS**  
**BUDGET AND ACTUAL - GOLF COURSE FUND**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	<b>Budgeted</b>		<b>Actual</b>	<b>Variance With Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Revenues:				
Charges for services	\$ 1,221,627	\$ 1,221,627	\$ 1,103,903	\$ (117,724)
Expenditures:				
Community services	<u>1,298,400</u>	<u>1,298,400</u>	<u>1,185,679</u>	<u>112,721</u>
Revenues over (under) Expenditures	(76,773)	(76,773)	(81,776)	(5,003)
Other Financing Uses:				
Transfers out	<u>(59,433)</u>	<u>(59,433)</u>	<u>(59,433)</u>	<u>-</u>
Net Change in Fund Balance	\$ <u><u>(136,206)</u></u>	\$ <u><u>(136,206)</u></u>	\$ <u><u>(141,209)</u></u>	\$ <u><u>(5,003)</u></u>

**TOWN OF GROTON, CONNECTICUT**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS**  
**BUDGET AND ACTUAL - SEWER OPERATING FUND**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	<b>Budgeted</b>			<b>Variance With Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
Revenues:				
Sewer use charges	\$ 6,448,099	\$ 6,448,099	\$ 6,530,281	\$ 82,182
Interest income	2,500	2,500	11,856	9,356
Other revenue			3,209	3,209
Total revenues	<u>6,450,599</u>	<u>6,450,599</u>	<u>6,545,346</u>	<u>94,747</u>
Expenditures:				
Sewer system maintenance	<u>5,638,625</u>	<u>5,638,625</u>	<u>5,201,912</u>	<u>436,713</u>
Revenues over (under) Expenditures	<u>811,974</u>	<u>811,974</u>	<u>1,343,434</u>	<u>531,460</u>
Other Financing Uses:				
Transfers in			86,693	86,693
Transfers out	<u>(1,176,874)</u>	<u>(1,176,874)</u>	<u>(1,176,874)</u>	<u>-</u>
Total other financing uses	<u>(1,176,874)</u>	<u>(1,176,874)</u>	<u>(1,090,181)</u>	<u>86,693</u>
Net Change in Fund Balance	\$ <u>(364,900)</u>	\$ <u>(364,900)</u>	\$ <u>253,253</u>	\$ <u>618,153</u>
Fund Balance - Beginning of Year				
Fund Balance - End of Year				
<u>Reconciliation to GAAP Basis</u>				
	<b>Revenues</b>	<b>Expenditures</b>	<b>Change in Fund Balance</b>	
Current year encumbrances	\$	\$ 9,216	\$ 9,216	
Liquidated prior year encumbrances		(34,237)	<u>(34,237)</u>	
Net Change in Fund Balance, GAAP			\$ <u>228,232</u>	

**TOWN OF GROTON, CONNECTICUT**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS**  
**BUDGET AND ACTUAL - SOLID WASTE FUND**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	<b>Budgeted</b>		<b>Actual</b>	<b>Variance With Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Revenues:				
Solid waste management	\$ 1,707,497	\$ 1,707,497	\$ 1,475,121	\$ (232,376)
Interest income	900	900	1,368	468
Total revenues	<u>1,708,397</u>	<u>1,708,397</u>	<u>1,476,489</u>	<u>(231,908)</u>
Expenditures:				
Solid waste management	<u>1,694,483</u>	<u>1,694,483</u>	<u>1,545,065</u>	<u>149,418</u>
Net Change in Fund Balance	\$ <u>13,914</u>	\$ <u>13,914</u>	\$ <u>(68,576)</u>	\$ <u>(82,490)</u>

**TOWN OF GROTON, CONNECTICUT**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS**  
**BUDGET AND ACTUAL - MUMFORD COVE DISTRICT**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	<b>Budgeted</b>		<b>Actual</b>	<b>Variance With Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Revenues:				
Property taxes, interest and lien fees	\$ 21,043	\$ 21,043	\$ 21,404	\$ 361
Expenditures:				
Public safety	20,020	20,020	20,010	10
Revenues over (under) Expenditures	1,023	1,023	1,394	371
Other Financial Uses:				
Transfers out	(1,023)	(1,023)	(1,023)	-
Net Change in Fund Balance	\$ -	\$ -	\$ 371	\$ 371



**TOWN OF GROTON, CONNECTICUT**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS**  
**BUDGET AND ACTUAL - GROTON SEWER DISTRICT**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	<b>Budgeted</b>		<b>Actual</b>	<b>Variance With Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Revenues:				
Property taxes and other	\$ 649,445	\$ 649,445	\$ 654,939	\$ 5,494
Interest income	5,000	5,000	7,039	2,039
Total revenues	<u>654,445</u>	<u>654,445</u>	<u>661,978</u>	<u>7,533</u>
Expenditures:				
Debt service	746,574	746,574	746,573	1
Operating expense	<u>11,687</u>	<u>11,687</u>	<u>9,282</u>	<u>2,405</u>
Total expenditures	<u>758,261</u>	<u>758,261</u>	<u>755,855</u>	<u>2,406</u>
Revenues over (under) Expenditures	(103,816)	(103,816)	(93,877)	9,939
Other Financing Uses:				
Transfers out	<u>(45,184)</u>	<u>(45,184)</u>	<u>(45,184)</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ (149,000)</u>	<u>\$ (149,000)</u>	<u>\$ (139,061)</u>	<u>\$ 9,939</u>

**TOWN OF GROTON, CONNECTICUT**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS**  
**BUDGET AND ACTUAL - REC & SENIOR ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	<b>Budgeted</b>			<b>Variance With Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
Revenues:				
Recreation programs	\$ 768,214	\$ 768,214	\$ 691,804	\$ (76,410)
Senior programs	233,000	233,000	227,277	(5,723)
Senior food concession	82,000	82,000	84,845	2,845
Miscellaneous revenues			337	337
Total revenues	<u>1,083,214</u>	<u>1,083,214</u>	<u>1,004,263</u>	<u>(78,951)</u>
Expenditures:				
Recreation programs	749,714	749,714	739,132	10,582
Senior programs	232,989	232,989	181,483	51,506
Senior food concession	111,246	111,246	101,857	9,389
Total expenditures	<u>1,093,949</u>	<u>1,093,949</u>	<u>1,022,472</u>	<u>71,477</u>
Net Change in Fund Balance	\$ <u>(10,735)</u>	\$ <u>(10,735)</u>	\$ <u>(18,209)</u>	\$ <u>(7,474)</u>

Reconciliation to GAAP Basis

	<b>Revenues</b>	<b>Expenditures</b>	<b>Change in Fund Balance</b>
Current year encumbrances	\$	\$ 33,507	\$ 33,507
Liquidated prior year encumbrances		(11,808)	<u>(11,808)</u>
Net Change in Fund Balance, GAAP			\$ <u>3,490</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, 2019**

	<u>Fleet Reserve</u>	<u>Health Insurance</u>	<u>Workers' Compensation</u>	<u>Total</u>
Assets:				
Current assets:				
Cash and cash equivalents	\$ 820,796	\$ 7,797,359	\$ 1,529,202	\$ 10,147,357
Accounts receivable	10,007	489,838		499,845
Other assets			25,000	25,000
Total current assets	<u>830,803</u>	<u>8,287,197</u>	<u>1,554,202</u>	<u>10,672,202</u>
Noncurrent assets:				
Property and equipment	9,496,781			9,496,781
Accumulated depreciation	(6,790,125)			(6,790,125)
Property and equipment, net	<u>2,706,656</u>	<u>-</u>	<u>-</u>	<u>2,706,656</u>
Total assets	<u>3,537,459</u>	<u>8,287,197</u>	<u>1,554,202</u>	<u>13,378,858</u>
Liabilities:				
Current liabilities:				
Accounts payable	52,538	77	2,856	55,471
Claims incurred but not reported		1,131,000	123,459	1,254,459
Total current liabilities	<u>52,538</u>	<u>1,131,077</u>	<u>126,315</u>	<u>1,309,930</u>
Noncurrent liabilities:				
Claims incurred but not reported, net of current portion			2,109,517	2,109,517
Total liabilities	<u>52,538</u>	<u>1,131,077</u>	<u>2,235,832</u>	<u>3,419,447</u>
Net Position:				
Invested in capital assets	2,706,656			2,706,656
Unrestricted	<u>778,265</u>	<u>7,156,120</u>	<u>(681,630)</u>	<u>7,252,755</u>
Total Net Position	<u>\$ 3,484,921</u>	<u>\$ 7,156,120</u>	<u>\$ (681,630)</u>	<u>\$ 9,959,411</u>

**TOWN OF GROTON, CONNECTICUT**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Fleet Reserve</u>	<u>Health Insurance</u>	<u>Workers' Compensation</u>	<u>Total</u>
Operating Revenue:				
Charges for services	\$	\$ 14,556,033	\$ 1,354,901	\$ 15,910,934
Other revenue	13,779		26,429	40,208
Total operating revenue	<u>13,779</u>	<u>14,556,033</u>	<u>1,381,330</u>	<u>15,951,142</u>
Operating Expenses:				
Operating expenses	611,149			611,149
Claims - operating		12,810,250		12,810,250
Claims - workers' compensation			958,245	958,245
Claims - heart and hypertension			99,023	99,023
Depreciation	486,431			486,431
Administrative		1,087,421	51,600	1,139,021
Total operating expenses	<u>1,097,580</u>	<u>13,897,671</u>	<u>1,108,868</u>	<u>16,104,119</u>
Operating Income (Loss)	(1,083,801)	658,362	272,462	(152,977)
Nonoperating Revenue (Expenses):				
Interest on investments	15,963	158,617	29,770	204,350
Income (Loss) Before Transfers	(1,067,838)	816,979	302,232	51,373
Transfers in	1,489,958			1,489,958
Transfers out	<u>(86,759)</u>			<u>(86,759)</u>
Change in Net Position	335,361	816,979	302,232	1,454,572
Net Position - Beginning of Year	<u>3,149,560</u>	<u>6,339,141</u>	<u>(983,862)</u>	<u>8,504,839</u>
Net Position - End of Year	<u>\$ 3,484,921</u>	<u>\$ 7,156,120</u>	<u>\$ (681,630)</u>	<u>\$ 9,959,411</u>

**TOWN OF GROTON, CONNECTICUT**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	<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	\$ 5,100	\$ 14,374,443	\$ 1,356,482	\$ 15,736,025
Cash paid to vendors	(684,371)			(684,371)
Cash paid to beneficiaries		(13,598,435)	(1,148,644)	(14,747,079)
Net cash provided by (used in) operating activities	(679,271)	776,008	207,838	304,575
Cash Flows from Capital and Related Financing Activities:				
Purchases of property and equipment	(240,160)			(240,160)
Cash Flows from Noncapital Financing Activities:				
Transfer In	1,489,958			1,489,958
Transfers out	(86,759)			(86,759)
Net cash provided by noncapital financing activities	1,403,199	-	-	1,403,199
Cash Flows from Investing Activities:				
Interest on investments	15,963	158,617	29,770	204,350
Net Increase in Cash and Cash Equivalents	499,731	934,625	237,608	1,671,964
Cash and Cash Equivalents - Beginning of Year	321,065	6,862,734	1,291,594	8,475,393
Cash and Cash Equivalents - End of Year	\$ 820,796	\$ 7,797,359	\$ 1,529,202	\$ 10,147,357
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:				
Operating income (loss)	\$ (1,083,801)	\$ 658,362	\$ 272,462	\$ (152,977)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	486,431			486,431
Changes in assets and liabilities:				
Decrease (increase) in accounts receivable	(8,679)	(181,590)	152	(190,117)
(Increase) in other assets			(25,000)	(25,000)
(Decrease) in accounts payable	(73,222)			(73,222)
(Decrease) increase in claims payable		299,236	(39,776)	259,460
Net Cash Provided by (Used in) Operating Activities	\$ (679,271)	\$ 776,008	\$ 207,838	\$ 304,575



## Fiduciary Funds



## **Fiduciary Funds**

Fiduciary funds are used to account for assets held in a trustee capacity for others, and include Pension Trusts, OPEB Trust, Private Purpose Trusts and Agency Funds.

- i. **Pension Trust Fund** - utilizes the accrual basis of accounting and is used for the accumulation of resources to be used for retirement benefits. The financial statements for the Pension Trust Fund can be found at Exhibits VIII and IX.
- ii. **OPEB Trust Fund** - utilizes the accrual basis of accounting and is used for the accumulation of resources to be used for other postemployment benefits. The financial statements for the OPEB Trust Fund can be found at Exhibits VIII and IX.
- iii. **Private Purpose Trust Funds** - are used to account for resources legally held in trust for the benefit of individuals, private organizations or other governments. The Town's Private Purpose Trust Funds are listed below:

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

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

**Elihu Spicer Trust:** Fund established by stipulated judgment that specified it would be used for the benefit, maintenance and support of poor residents of the Town.

**Flora Perkins Trust:** This Trust, established in memory of Flora Perkins, is to be used by Groton for youth and family services.

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

**Performance Bonds:** Accounts for all cash and cash equivalents held by the Town until the completion of a project.

**Student Activities:** Accounts for the various student activities and clubs.

**Fire District Tax Collections:** Accounts for tax collections by the Town on behalf of its fire districts.

## TOWN OF GROTON, CONNECTICUT

## COMBINING STATEMENT OF NET POSITION - PRIVATE PURPOSE TRUST FUNDS

JUNE 30, 2019

	Private Purpose Trust Funds				
	Francis A. Nye	Charles and Claudia Dominioni	Elihu Spicer Trust	Flora Perkins Trust	Total
Assets:					
Cash and cash equivalents	\$ <u>2,279</u>	\$ <u>5,627</u>	\$ <u>-</u>	\$ <u>45,388</u>	\$ <u>53,294</u>
Net Position:					
Held in Trust for Benefits and Other Purposes	\$ <u>2,279</u>	\$ <u>5,627</u>	\$ <u>-</u>	\$ <u>45,388</u>	\$ <u>53,294</u>

**TOWN OF GROTON, CONNECTICUT**  
**COMBINING STATEMENT OF CHANGES IN NET POSITION**  
**PRIVATE PURPOSE TRUST FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	Private Purpose Trust Funds				Total
	Francis A. Nye	Charles and Claudia Dominioni	Elihu Spicer Trust	Flora Perkins Trust	
Additions:					
Investment income:					
Interest and dividends	\$	\$ 28	\$	\$ 1,127	\$ 1,155
Deductions:					
Benefits		28		8,603	8,631
Change in Net Position				(7,476)	(7,476)
Net Position at Beginning of Year	2,279	5,627		52,864	60,770
Net Position at End of Year	\$ 2,279	\$ 5,627	\$ -	\$ 45,388	\$ 53,294

**TOWN OF GROTON, CONNECTICUT**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Balance July 1, 2018</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2019</u>
<b>Performance Bonds</b>				
Assets:				
Cash	\$ <u>476,388</u>	\$ <u>123</u>	\$ <u>13,851</u>	\$ <u>462,660</u>
Liabilities:				
Due to contractors/developers	\$ <u>476,388</u>	\$ <u>123</u>	\$ <u>13,851</u>	\$ <u>462,660</u>
<b>Student Activities</b>				
Assets:				
Cash	\$ <u>282,085</u>	\$ <u>358,321</u>	\$ <u>357,349</u>	\$ <u>283,057</u>
Liabilities:				
Due to student groups	\$ <u>282,085</u>	\$ <u>358,321</u>	\$ <u>357,349</u>	\$ <u>283,057</u>
<b>Fire District Tax Collections</b>				
Assets:				
Cash	\$ <u>31,353</u>	\$ <u>14,393,327</u>	\$ <u>14,399,790</u>	\$ <u>24,890</u>
Liabilities:				
Due to fire districts	\$ <u>31,353</u>	\$ <u>14,393,327</u>	\$ <u>14,399,790</u>	\$ <u>24,890</u>
<b>Total</b>				
Assets:				
Cash	\$ <u>789,826</u>	\$ <u>14,751,771</u>	\$ <u>14,770,990</u>	\$ <u>770,607</u>
Liabilities:				
Due to contractors/developers	\$ 476,388	\$ 123	\$ 13,851	\$ 462,660
Due to student groups	282,085	358,321	357,349	283,057
Due to fire districts	<u>31,353</u>	<u>14,393,327</u>	<u>14,399,790</u>	<u>24,890</u>
Total Liabilities	\$ <u>789,826</u>	\$ <u>14,751,771</u>	\$ <u>14,770,990</u>	\$ <u>770,607</u>



## Other Schedules

**TOWN OF GROTON, CONNECTICUT**  
**SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING**  
**GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2019**

Grand List Year	Uncollected Taxes 7/1/2018	Current Levy	Lawful Corrections		Suspense Transfers and Adjustments	Adjusted Uncollected Taxes	Collections				Uncollected Taxes 6/30/2019
			Additions	Deletions			Taxes	Interest, Liens and Other Fees	Suspense Taxes Collected	Total	
2017	\$	\$ 90,100,212	\$ 88,868	\$ 634,189	\$ 324,105	\$ 89,230,786	\$ 88,419,020	\$ 276,287	\$ 3,365	\$ 88,698,672	\$ 811,766
2016	1,017,125		22,663	60,600	91,152	888,036	657,169	141,858	67,636	866,663	230,867
2015	169,732		46,396	4,113	31,963	180,052	81,320	41,731	19,502	142,553	98,732
2014	122,575		400	1,239	13,537	108,199	79,119	18,048	8,357	105,524	29,080
2013	30,077		292	235	4,219	25,915	3,391	9,662	6,016	19,069	22,524
2012	14,144				1,806	12,338	2,258	6,162	3,665	12,085	10,080
2011	15,105				947	14,158	5,813	18,265	14,274	38,352	8,345
2010	8,704				1,525	7,179	1,710	12,997	9,371	24,078	5,469
2009	5,702		5	5	1,487	4,215	1,667	12,097	6,357	20,121	2,548
2008	8,353				1,449	6,904	1,625	9,465	4,672	15,762	5,279
2007	2,826				966	1,860	373	7,600	3,811	11,784	1,487
2006	1,661				930	731	327	6,407	2,739	9,473	404
2005	1,527				904	623		1,308	576	1,884	623
2004	1,320				725	595		1,658	684	2,342	595
2003	925				337	588		1,971	914	2,885	588
	<u>\$ 1,399,776</u>	<u>\$ 90,100,212</u>	<u>\$ 158,624</u>	<u>\$ 700,381</u>	<u>\$ 476,052</u>	<u>\$ 90,482,179</u>	<u>\$ 89,253,792</u>	<u>\$ 565,516</u>	<u>\$ 151,939</u>	<u>\$ 89,971,247</u>	<u>\$ 1,228,387</u>

**TOWN OF GROTON, CONNECTICUT**  
**SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING**  
**MUMFORD COVE DISTRICT**  
**FOR THE YEAR ENDED JUNE 30, 2019**

Grand List Year	Uncollected Taxes 7/1/2018	Current Levy	Lawful Corrections		Suspense Transfers and Adjustments	Adjusted Uncollected Taxes	Collections				Uncollected Taxes 6/30/2019
			Additions	Deletions			Taxes	Interest, Liens and Other Fees	Suspense Taxes Collected	Total	
2017	\$	\$ 21,331	\$	\$ 20	\$	\$ 21,311	\$ 21,092	\$ 18	\$	\$ 21,110	\$ 219
2016	209			2		207	199	93		292	8
2015	1					1	1	1		2	-
2014						-				-	-
	\$ 210	\$ 21,331	\$ -	\$ 22	\$ -	\$ 21,519	\$ 21,292	\$ 112	\$ -	\$ 21,404	\$ 227

**TOWN OF GROTON, CONNECTICUT**  
**SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING**  
**GROTON SEWER DISTRICT - DEBT SERVICE FUND**  
**FOR THE YEAR ENDED JUNE 30, 2019**

Grand List Year	Uncollected Taxes 7/1/2018	Current Levy	Lawful Corrections		Suspense Transfers and Adjustments	Adjusted Uncollected Taxes	Collections				Uncollected Taxes 6/30/2019
			Additions	Deletions			Taxes	Interest, Liens and Other Fees	Suspense Taxes Collected	Total	
2017	\$	\$ 647,792	\$ 342	\$ 2,635	\$ 164	\$ 645,335	\$ 643,493	\$ 2,848	\$ 1	\$ 646,342	\$ 1,842
2016	2,387		161	283	387	1,878	1,243	1,610	37	2,890	635
2015	560		156		27	689	399	578	33	1,010	290
2014	201				15	186	60	123	17	200	126
2013	113				15	98	19	75	16	110	79
2012	67				15	52	28	105	7	140	24
2011	44				11	33	16	237	161	414	17
2010	61				20	41	23	182	82	287	18
2009	66				24	42	26	196	91	313	16
2008	32				16	16	7	133	59	199	9
2007	33				17	16	6	127	50	183	10
2006	27				17	10		67	34	101	10
2005	47				28	19				-	19
2004	31				11	20				-	20
2003	20					20				-	20
	<u>\$ 3,689</u>	<u>\$ 647,792</u>	<u>\$ 659</u>	<u>\$ 2,918</u>	<u>\$ 767</u>	<u>\$ 648,455</u>	<u>\$ 645,320</u>	<u>\$ 6,281</u>	<u>\$ 588</u>	<u>\$ 652,189</u>	<u>\$ 3,135</u>



**TOWN OF GROTON, CONNECTICUT  
SCHEDULE OF CHANGES IN BOND INDEBTEDNESS  
FOR THE YEAR ENDED JUNE 30, 2019**

<b>Description</b>	<b>Interest Rate (%)</b>	<b>Issue Date</b>	<b>Maturity Date</b>	<b>Original Amount</b>	<b>Balance Beginning of Year</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance End of of Year</b>	<b>Interest Paid</b>
General Purpose Bond Issue of 2014 (Rd Maint & Thames St)	2.0-4.0	4-16-2014	4-1-2034	\$ 8,945,000	\$ 6,410,000	\$	\$ 635,000	\$ 5,775,000	\$ 178,744
General Purpose Bond Issue of 2014 (Sr Center)	2.0-2.25	4-16-2014	4-1-2019	375,000	75,000		75,000	-	1,687
General Purpose Refunding Issue of 2012	2.0-5.0	12-13-2011	10-15-2024	5,675,000	1,897,000		392,000	1,505,000	62,415
General Purpose Refunding Issue of 2013	3.0-4.0	3-12-2013	10-1-2029	6,752,000	5,415,000		440,000	4,975,000	194,940
General Purpose Bond Issue of 2018 (Rd Maint)	3.0-5.0	4-18-2018	4-15-2028	6,690,000	6,690,000		670,000	6,020,000	265,469
Sewer Refunding Issue of 2012	2.0-3.75	12-13-2011	10-15-2028	2,710,000	1,890,000		195,000	1,695,000	52,250
Sewer Refunding Issue of 2013	2.75-3.0	3-12-2013	10-1-2027	2,020,000	1,535,000		160,000	1,375,000	41,787
School Bond Refunding Issue of 2019 (School 2020 Construction)	2.0-5.0	5-8-2019	5-1-2039	20,000,000		20,000,000		20,000,000	
School Bond Refunding Issue of 2012	2.0-5.0	12-13-2011	10-15-2028	10,630,000	6,653,000		973,000	5,680,000	230,873
School Bond Refunding Issue of 2013	3.0-4.0	3-12-2013	10-1-2029	12,308,000	9,970,000		770,000	9,200,000	375,160
Total Bonded Debt					<u>\$ 40,535,000</u>	<u>\$ 20,000,000</u>	<u>\$ 4,310,000</u>	<u>\$ 56,225,000</u>	<u>\$ 1,403,325</u>

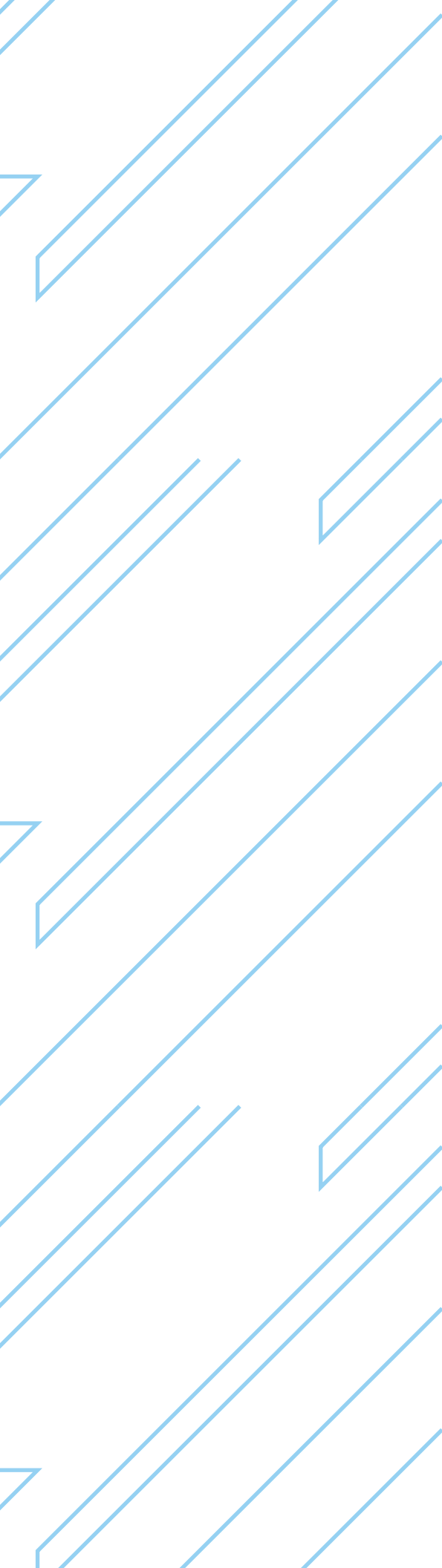
**TOWN OF GROTON, CONNECTICUT**  
**SCHEDULE OF EXPENDITURES AND ENCUMBRANCES COMPARED WITH APPROPRIATIONS**  
**CAPITAL IMPROVEMENTS FUND**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	Appropriation	Expenditures			Encumbrances	Unencumbered Balance
		Balance July 1, 2018	Current Year	Balance June 30, 2019		
LOCIP Projects:						
Noank Dock	\$ 93,000	\$ 86,425	\$ 6,575	\$ 93,000	\$ -	-
Mystic Streetscape Phase III	15,000			-		15,000
Police Station	279,000	250,330	28,670	279,000		-
GC Comfort Station	50,000			-		50,000
Sidewalk Midway	100,000	6,690	55,794	62,484	17,287	20,229
New Sidewalk, Rt 1 Mystic	80,000	63,972	3,367	67,339		12,661
Storage Area Network	100,000	97,800		97,800		2,200
Police Station Improvements	168,000	160,767		160,767		7,233
Park Improv ADA Compliance	60,000	3,995		3,995		56,005
FYE 2015 Capital Improvement Projects:						
Sewer Line Infrastructure Repairs-WPCF	285,000	4,085	143,230	147,315		137,685
Groton Public Library	39,000	30,700	8,100	38,800		200
Trail Improvement Plan	50,000	22,203	2,000	24,203		25,797
Spicer House P&R Office	45,000	40,166		40,166		4,834
FYE 2016 Capital Improvement Projects:						
LED Streetlights	28,000	24,896		24,896		3,104
Replace UPS-Emer Comm Ctr	110,000	9,020	90,182	99,202	10,798	-
Groton Public Library	445,000	273,504		273,504	12,618	158,878
WPCF-Pump Stations	213,000	159,635	33,365	193,000		20,000
Town Hall Complex	475,000	397,402		397,402		77,598
Info Tech Acq SW Systems	380,400	253,062	9,681	262,743	12,451	105,206
Park Improv-ADA Compliance	60,000	39,300		39,300		20,700
BOE-Asbestos Tile Removal	845,000	326,506		326,506		518,494
FYE 2017 Capital Improvement Projects:						
WPCF-Treatment Facility	551,000	16,880	159,074	175,954	31,435	343,611
WPCF-Pump Stations	549,000	28,093	378,012	406,105	57,882	85,013
Town Hall Complex	350,000	347,320	678	347,998		2,002
LOCIP Roads & Intersections	160,000	66,471	7,611	74,082		85,918
Mystic Streetscapes Ph 3	15,000		14,000	14,000		1,000
Leased Buildings	35,000	34,137		34,137		863
Mktg Excess Town Property	15,000	14,120	880	15,000		-
Sewer Line Infrastructure Repairs-WPCF	51,000	29,479		29,479	2,161	19,360
Noank Town Dock Area Improvements	43,500	35,988	1,750	37,738	413	5,349
Crystal Lake/Military Hwy Intersection	120,000	105,796		105,796		14,204

(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, 2019**

	Appropriation	Expenditures			Encumbrances	Unencumbered Balance
		Balance July 1, 2018	Current Year	Balance June 30, 2019		
FYE 2018 Capital Improvement Projects:						
Golf Course Facilities	\$ 30,000	\$	\$ 2,890	\$ 2,890	\$ 2,250	\$ 24,860
Sewer Line Infrastructure Repairs-WPCF	50,000		50,000	50,000		-
Info Tech Acq SW Systems	658,000		279,946	279,946	308,871	69,183
Culvert Rehabilitation	25,000			-		25,000
Fuel Tank Replacement	45,000	7,000	21,331	28,331	16,669	-
WPCF-Treatment Facility	668,000	38	76,741	76,779		591,221
WPCF-Pump Stations	651,000	37	69,049	69,086	91,977	489,937
Town Hall Complex	375,000	230,320	126,904	357,224		17,776
Natural Gas Conversion	75,000	21,781	7,719	29,500	500	45,000
Leased Buildings	40,000		17,611	17,611		22,389
FYE 2019 Capital Improvement Projects:						
Golf Course Facilities	44,000		25,617	25,617	18,383	-
Police Station	50,000		8,000	8,000	2,500	39,500
Sewer Line Infrastructure Repairs-WPCF	479,000		2,247	2,247	16,523	460,230
Bridge Reconstruction - GLP	300,000			-		300,000
Groton Ambulance Building	21,000		14,917	14,917		6,083
Tech - IT Security	92,000		27,271	27,271	7,600	57,129
Tech PS CAD/RMS Integration	320,000			-	191,096	128,904
Tech Website Redesign	50,000			-		50,000
Lib GMTV Servers	49,000			-		49,000
Tech TW Meeting Rm Equip	18,000		17,991	17,991		9
Fuel Tank Replacement	400,000		900	900	298,641	100,459
WPCF-Treatment Facility	52,000			-		52,000
WPCF-Pump Stations	200,000			-		200,000
BOE Water Service Needs	50,000			-		50,000
Replace UPS-Emer Comm Ctr	330,000		101,914	101,914	75,446	152,640
Upgrade Radio Sys Police	1,000,000		929,176	929,176		70,824
Natural Gas Conversion	400,000		376,003	376,003	19,784	4,213
Mystic Streetscapes Ph 2	12,000		12,000	12,000		-
Other Projects:						
Mystic Streetscapes Improvements	1,226,000	637,901		637,901		588,099
Mystic Streetscapes Utility Reloc	118,276	138,030		138,030		(19,754)
Mystic Streetscapes Demand Deposit	1,224,174	231,402		231,402		992,772
Mystic Streetscapes Construction (TCSP)	849,311	912,144		912,144		(62,833)
Mystic Streetscapes Construction (ARRA)	3,561,200	3,430,138		3,430,138		131,062
Mystic Streetscapes Phase 2	22,523	85,257		85,257		(62,734)
Total	\$ 19,295,384	\$ 8,622,790	\$ 3,111,196	\$ 11,733,986	\$ 1,195,285	\$ 6,366,113



**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									
	2010	2011	2012	2013	2014 (2)	2015	2016	2017 (3)	2018	2019
Governmental Activities:										
Net investment in capital assets	\$ 147,045,269	\$ 151,539,570	\$ 155,538,608	\$ 161,736,383	\$ 154,930,034	\$ 159,430,245	\$ 162,347,720	\$ 164,500,510	\$ 160,357,068	\$ 158,733,947
Restricted	329,493	325,935	247,543	336,163	338,581	347,495	340,967	333,424	339,348	343,595
Unrestricted	<u>36,186,358</u>	<u>40,302,575</u>	<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>
Total Governmental Activities										
Net Position	<u>\$ 183,561,120</u>	<u>\$ 192,168,080</u>	<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>

## 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									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses:										
Governmental activities:										
General government/services	\$ 8,001,661	\$ 7,953,840	\$ 9,060,730	\$ 8,529,609	\$ 8,691,422	\$ 8,337,626	\$ 10,821,540	\$ 8,042,247	\$ 8,960,439	\$ 8,337,603
Public safety	11,561,486	11,270,325	12,370,594	12,295,551	12,501,644	12,789,334	12,712,112	14,090,590	13,259,508	15,938,456
Public works	13,719,457	11,857,453	17,351,740	13,628,816	13,377,760	12,342,955	11,171,462	12,658,004	12,805,514	13,423,118
Planning and development	1,782,280	1,576,259	1,640,918	1,830,563	1,716,137	1,570,770	1,844,956	2,035,174	1,990,801	2,144,663
Human services	2,602,544	2,861,366	2,743,285	2,715,295	2,759,569	3,180,545	4,489,168	4,049,046	4,322,148	4,427,733
Community services	7,202,408	7,031,916	6,797,684	7,107,094	7,563,406	7,450,944	7,846,378	6,850,753	6,194,652	6,864,514
Board of Education	86,698,278	84,644,995	87,768,560	89,023,978	90,079,021	89,228,450	90,277,870	100,289,882	101,768,169	93,035,027
Sewer operations	4,458,483	4,550,117	4,925,362	5,863,816	5,780,402	5,653,724	5,838,562	5,652,542	6,050,701	6,155,419
Solid waste management	2,369,490	2,635,527	2,286,841	2,199,954	2,132,903	2,085,798	1,609,559	1,613,576	1,590,816	1,545,066
Interest on long-term debt	1,821,202	2,226,005	2,639,790	1,310,199	2,083,263	1,751,362	1,616,896	1,463,234	1,304,961	1,456,464
Total governmental activities expenses	140,217,289	136,607,803	147,585,504	144,504,875	146,685,527	144,391,508	148,228,503	156,745,048	158,247,709	153,328,063
Program Revenues:										
Governmental activities:										
Charges for services:										
General government	1,071,530	1,053,881	1,003,874	1,158,126	1,351,390	1,512,226	1,299,150	1,762,441	1,579,665	2,058,244
Public safety	141,692	316,817	653,758	398,165	346,820	231,852	152,122	416,583	364,315	424,920
Public works	571,102	584,879	672,005	745,253	807,774	654,007	595,574	464,321	188,827	215,810
Planning and development	197,516	205,591	166,196	159,644	301,056	334,146	421,811	285,835	11,839	14,379
Health and human services	189,290	252,668	141,195	135,357	136,358	278,018	78,964	168,992	60,465	24,017
Community services	1,952,166	1,988,062	2,094,870	2,010,172	2,185,314	2,332,015	2,405,872	2,342,306	2,185,130	2,256,834
Education	1,052,259	1,013,632	1,060,826	1,042,262	1,066,571	959,511	1,027,754	1,086,729	1,075,491	1,021,488
Sewer system maintenance	5,489,977	5,390,630	5,040,588	5,291,252	5,758,271	5,796,587	6,006,143	6,074,091	6,283,486	6,530,281
Solid waste management	2,729,052	2,799,026	2,489,314	2,411,917	2,351,710	2,201,040	1,791,595	1,553,358	1,531,088	1,475,121
Operating grants and contributions	42,740,303	43,753,008	45,276,670	43,653,893	47,200,162	45,952,894	46,302,479	52,017,815	55,681,310	47,472,391
Capital grants and contributions	2,758,010	3,762,656	6,163,449	3,667,168	1,807,869	783,148	702,498	706,509	1,864,558	1,996,148
Total governmental activities program revenues	58,892,897	61,120,850	64,762,745	60,673,209	63,313,295	61,035,444	60,783,962	66,878,980	70,826,174	63,489,633
Net Expenses	(81,324,392)	(75,486,953)	(82,822,759)	(83,831,666)	(83,372,232)	(83,356,064)	(87,444,541)	(89,866,068)	(87,421,535)	(89,838,430)
General Revenues and Other										
Changes in Net Position:										
Governmental activities:										
Property taxes	75,989,758	79,309,946	79,097,987	81,627,072	82,290,623	79,210,399	80,725,773	82,864,039	88,753,308	90,445,440
Payments in lieu of taxes	3,291,461	1,946,018	1,622,860	1,479,465	1,454,422	1,350,490	986,196	1,011,019	605,607	603,686
Grants and contributions					2,601,740					
not restricted to specific programs	2,252,493	2,595,727	3,848,708	4,144,285	129,179	2,873,504	2,499,693	1,517,211	2,217,558	2,285,803
Unrestricted investment earnings	280,825	242,222	129,036	126,718		143,093	148,535	240,806	509,867	1,249,239
Miscellaneous revenue						26,314	151	148,332	650,539	870,547
Total governmental activities	81,814,537	84,093,913	84,698,591	87,377,540	86,475,964	83,603,800	84,360,348	85,781,407	92,736,879	95,454,715
Change in Net Position	\$ 490,145	\$ 8,606,960	\$ 1,875,832	\$ 3,545,874	\$ 3,103,732	\$ 247,736	\$ (3,084,193)	\$ (4,084,661)	\$ 5,315,344	\$ 5,616,285

TABLE 3

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

	FISCAL YEAR									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General fund:										
Committed	\$	\$	\$	\$	\$ 2,700,000	\$ 2,700,000	\$ 666,693	\$ 481,258	\$	\$ 1,095,000
Assigned		3,029,419	3,325,543	3,003,114	4,346,530	4,556,108	2,026,112	1,889,794	1,420,789	1,248,696
Unassigned		10,160,823	9,421,348	11,617,470	11,442,314	9,510,492	10,097,227	11,457,895	18,888,114	23,710,943
Reserved	2,139,367									
Designated for subsequent year budget	932,201									
Unreserved/undesignated	8,829,424									
Total General Fund	<u>\$ 11,900,992</u>	<u>\$ 13,190,242</u>	<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>
All other governmental funds:										
Nonspendable	\$	\$ 334,039	\$ 261,566	\$ 268,278	\$ 256,543	\$ 248,803	\$ 252,753	\$ 251,637	\$ 250,279	\$ 250,231
Restricted		8,111,208	7,636,668	7,909,457	14,297,309	10,770,323	10,246,352	6,804,065	10,228,832	1,949,478
Committed		10,615,517	8,799,862	6,266,751	6,213,171	5,424,407	5,568,197	5,855,884	5,606,256	75,814,672
Unassigned		(1,608,609)	(250,479)	(250,281)				(49,486)	(452,056)	(56,925,277)
Reserved	2,926,867									
Unreserved, reported in:										
Special revenue funds	8,276,135									
Capital projects funds	4,344,029									
Debt service funds	3,261,289									
Permanent fund	53,797									
Total All Other Governmental Funds	<u>\$ 18,862,117</u>	<u>\$ 17,452,155</u>	<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>

The Town began to report new fund balance categories when it implemented GASB 54 in fiscal year 2011.



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

	FISCAL YEAR									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues:										
Taxes, interest and lien fees	\$ 75,574,254	\$ 79,131,549	\$ 78,391,217	\$ 82,339,630	\$ 82,526,804	\$ 79,238,570	\$ 80,676,749	\$ 83,824,932	\$ 88,942,127	\$ 90,715,443
Assessments	12,627	16,462	28,252	4,375	7,999	59,972	13,393	42,119	5,374	666
Licenses and permits	203,543	219,643	172,551	175,081	317,422	342,131	434,229	303,096	381,024	554,690
Intergovernmental - state	39,191,914	39,474,358	47,119,568	46,511,395	46,617,234	43,814,938	44,422,970	50,146,722	53,100,799	42,326,922
Intergovernmental - federal	9,103,956	208,221	117,160	107,531	115,560	126,196	127,189	220,140	487,258	1,044,889
Interest on investments	246,096	9,697,162	7,288,202	5,804,355	5,905,398	6,373,371	5,136,168	4,961,642	6,265,832	8,927,968
Charges for current services	3,988,455	4,194,482	4,749,468	4,554,660	4,743,472	4,922,677	4,647,691	5,219,590	4,810,232	5,101,327
Schools, library and recreation fees	433,701	383,922	328,918	338,553	313,187	260,937	293,474	282,921	222,374	202,511
Sewer use charges	5,489,977	5,390,630	5,040,588	5,291,252	5,758,271	5,796,587	6,006,143	6,074,091	6,283,486	6,530,281
Solid waste management charges	2,669,731	2,658,222	2,489,102	2,411,917	2,287,817	2,201,040	1,507,441	1,553,358	1,531,088	1,475,121
Other revenue	1,195,308	1,573,575	1,465,363	1,118,262	1,331,789	1,311,473	1,871,966	1,458,743	2,037,098	1,902,271
Total revenues	<u>138,109,562</u>	<u>142,948,226</u>	<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>164,066,692</u>	<u>158,782,089</u>
Expenditures:										
Current:										
General government	1,286,088	1,436,011	1,581,682	1,266,793	1,068,673	1,384,263	1,629,681	1,513,910	1,027,494	945,145
General services	4,624,308	4,397,592	4,319,947	4,315,863	4,482,277	4,475,963	4,307,726	4,289,828	4,428,036	3,062,846
Public safety	6,607,236	6,619,886	7,143,513	6,882,693	6,847,447	6,826,320	6,798,575	6,854,164	7,055,011	8,714,934
Public works	7,440,674	6,859,332	6,146,907	6,293,359	6,411,003	6,466,672	6,201,908	5,824,089	5,868,134	5,786,617
Planning and development	1,259,708	1,107,830	1,103,737	1,201,607	1,105,233	1,021,024	1,238,980	1,230,650	1,394,682	1,361,420
Health and human services	880,991	993,098	841,222	748,171	834,766	1,186,125	1,431,937	1,129,009	1,607,690	1,319,398
Community services	5,963,974	5,983,961	5,501,721	5,506,737	5,890,493	5,910,146	5,699,342	5,566,051	5,563,302	5,686,560
Education	84,009,416	83,941,123	85,613,686	85,311,379	86,821,236	86,519,344	89,075,467	96,601,412	99,772,148	89,929,059
Subdivisions	4,964,012	4,740,354	4,883,336	5,228,234	5,212,930	5,045,084	4,192,898	4,897,090	5,588,096	5,315,236
Sewer operations	3,949,168	3,961,145	4,274,215	4,354,333	4,343,233	4,290,302	4,406,312	4,331,286	4,564,077	4,726,802
Solid waste management	2,369,490	2,635,527	2,286,841	2,199,954	2,132,903	2,085,798	1,609,559	1,613,576	1,590,816	1,545,066
Nondepartmental (1)	6,518,577	7,999,321	8,589,044	8,743,450	8,850,191	9,283,830	9,136,274	8,186,453	8,257,824	9,306,977
Outside agencies (2)	2,202,051	2,317,827	2,391,992	2,351,809	2,331,064	2,368,305	2,373,697	2,106,756	1,963,254	1,972,982
Debt service interest	4,010,000	4,769,581	2,639,790	1,310,199	2,083,263	1,751,362	1,616,896	1,463,234	1,304,961	1,456,464
Debt service principal	2,145,073	2,267,103	5,192,925	4,642,857	3,623,883	4,785,687	4,763,414	4,752,228	4,377,435	5,003,435
Capital outlay	13,550,410	3,039,247	6,336,975	8,896,614	7,081,129	7,158,401	4,942,546	5,439,175	6,894,643	20,986,752
Total expenditures	<u>151,781,176</u>	<u>143,068,938</u>	<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>161,257,603</u>	<u>167,119,693</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(13,671,614)</u>	<u>(120,712)</u>	<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>
Other Financing Sources (Uses):										
Proceeds of bonds	9,675,000				9,320,000				6,690,000	20,000,000
Issuance of capital lease	43,613				134,394					969,328
Proceeds of loans										
Proceeds of refunding bonds			19,015,000	21,080,000						
Payment to refunding escrow			(20,107,027)	(23,199,400)						
Premiums on bond issuance			1,301,282	2,336,722	181,455					
Operating transfers in	4,683,422	4,784,137	4,094,412	5,350,360	3,777,844	4,737,718	4,421,441	1,825,029	2,563,875	3,731,908
Operating transfers out	(4,683,422)	(4,784,137)	(4,094,412)	(5,350,360)	(3,777,844)	(4,672,718)	(4,486,441)	(2,279,759)	(2,811,797)	(5,135,107)
Total other financing sources (uses)	<u>9,718,613</u>	<u>-</u>	<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>
Net Change in Fund Balances	<u>(3,953,001)</u>	<u>(120,712)</u>	<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>
Fund Balance at Beginning of Year	<u>34,716,110</u>	<u>30,763,109</u>	<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>
Fund Balance at End of Year	<u>\$ 30,763,109</u>	<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>
Debt Service as a Percentage to Noncapital Expenditures	4.47%	5.08%	5.33%	4.26%	4.01%	4.58%	4.46%	4.14%	3.68%	4.42%

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

(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								
2010	\$ 2,397,057	\$ 1,257,988	\$ 184,483	\$ 528,515	\$ 899,777	\$ 260,673	\$ 4,107,371	\$ 17.95	\$ 5,867,672	70.0 %
2011	2,411,954	1,261,987	184,884	464,029	899,777	218,921	4,103,933	18.42	5,862,761	70.0 %
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	5,321,291	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	2019			2010		
		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	\$ 290,888	1	7.9%	\$ 597,364	1	14.5%
Electric Boat Corp.	Submarine Mfg./R&D	284,055	2	7.7%	188,468	2	4.6%
Ledges Groton #1999Y LP	Ledges Apartments	27,846	3	0.8%	21,802	4	0.5%
Groton Devel Assoc Ltd	Country Glen Apartments	19,921	4	0.5%	18,670	5	0.5%
Groton Fuel Cell I LLC	Fuel Cell @ Pfizer	19,688	5	0.5%			
CW Groton Square LLC	Groton Square Shopping Center	18,480	6	0.5%	17,671	6	0.4%
Exit 88 Hotel LLC	Mystic Marriott Hotel	18,251	7	0.5%	27,325	3	0.7%
Winterfell Windham Falls	Windham Falls Elderly Apts	16,375	8	0.5%			
ELK La Triumphe LLC	LaTriumphe Apartments	16,270	9	0.4%	15,832	7	0.4%
Domino Solar LTD	Solar Farm @ Navy Housing	15,170	10	0.4%			
Groton Estates LLC	Colonial Manor Apartments				13,067	8	0.3%
Groton Shoppers Mart LLC	Shopping Center				10,393	9	0.3%
Cedar Groton LLC	Shopping Center				10,461	10	0.3%
		<u>\$ 726,944</u>		<u>19.7%</u>	<u>\$ 921,053</u>		<u>22.5%</u>

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
2010	\$ 73,703	\$ 1,381	\$ 75,084	\$ 72,295	\$ 96.29%	3.71%	\$ 2,789	\$ 75,084	100.00%	0.00%
2011	76,226	91	76,317	74,842	98.07%	1.93%	1,475	76,317	100.00%	0.00%
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%

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.

**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												
Fiscal Year	Basic Rate	Groton Sewer District	City of Groton	City of Groton	Poquunnock	Poquunnock	Mystic Fire District	Mystic Fire	Noank Fire District	Noank Fire	Old Mystic Fire District	Old Mystic	Groton	Groton
				Total Direct Rate	Bridge Fire District	Bridge Fire District Total Direct Rate		Total Direct Rate		Total Direct Rate		Fire District	Fire District Total Direct Rate	Long Point Association
2009	\$ 19.27	0.330	\$ 4.300	\$ 23.570	\$ 5.200	\$ 24.800	\$ 2.150	\$ 21.750	\$ 1.320	\$ 20.920	\$ 2.370	\$ 21.970	\$ 3.000	\$ 22.600
2010	17.95	0.280	4.135	22.085	4.800	23.030	1.960	20.190	1.140	19.370	2.200	20.430	2.580	20.810
2011	18.42	0.290	4.135	22.555	4.800	23.510	2.030	20.740	1.140	19.850	2.200	20.910	2.910	21.620
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

Fiscal Year	Basic Rate	Groton Sewer District	Center Groton Fire District	Center Groton Fire	West Pleasant Valley Fire District	West Pleasant	Mumford Cove District	Mumford Cove	First Taxing District	First Taxing	Second Taxing District	Second Taxing
				Total Direct Rate		Valley Fire District Total Direct Rate		Cove District		Total Direct Rate		District Total Direct Tax
2009	\$ 19.27	0.330	\$ 3.000	\$ 22.600	\$ 2.690	\$ 22.290	\$ 0.162	\$ 19.762	N/A	N/A	N/A	N/A
2010	17.95	0.280	3.000	21.230	3.100	21.330	0.279	18.509	N/A	N/A	N/A	N/A
2011	18.42	0.290	3.000	21.710	2.700	21.410	0.279	18.989	N/A	N/A	N/A	N/A
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

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			
2010	\$ 48,985,000	\$ 6,415,000	\$ -	\$ 55,400,000	1.3%	\$ 1,416
2011	45,700,000	5,890,000	-	51,590,000	1.3%	1,305
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	3,310,182	59,535,182	1.6%	1,539

(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			
2010	\$ 48,985,000	\$ 6,415,000	\$ -	\$ 12,864,411	\$ 45,057	\$ 68,309,468	7.85%	\$ 1,727
2011	45,700,000	5,890,000	-	11,904,830	25,832	63,520,662	5.05%	1,583
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	19,914	50,504,487	3.61%	1,293
2019	53,155,000	3,070,000	3,310,182	6,378,783	-	65,913,965	4.74%	1,704

(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, 2019**

Tax Base:	
Total tax collections (including interest and lien fees) for the year ended June 30, 2018	\$ 88,489,933
Total tax collections (including interest and lien fees) of coterminous municipalities for the year ended June 30, 2018	14,422,495
Reimbursement of Revenue Loss from Tax Relief for the Elderly	<u>2,000</u>
Total Base	<u>\$ 102,914,428</u>

	<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	\$ 231,557,463	\$	\$	\$	\$
4 1/2 times base		463,114,926			
3 3/4 times base			385,929,105		
3 1/4 times base				334,471,891	
3 times base					308,743,284
Total limitations	<u>231,557,463</u>	<u>463,114,926</u>	<u>385,929,105</u>	<u>334,471,891</u>	<u>308,743,284</u>
Indebtedness:					
Bonds outstanding	18,275,000	34,880,000	3,070,000		
Clean Water Fund Loans			6,378,783		
Authorized and unissued	3,221	143,333,941	1,530,000		
Underlying debt:					
Bonds and serial notes	3,670,478		6,008,000		
Authorized and unissued	854,189		106,000		
Total indebtedness	<u>22,802,888</u>	<u>178,213,941</u>	<u>17,092,783</u>	<u>-</u>	<u>-</u>
Debt Limitation in Excess of Outstanding and Authorized Debt	<u>\$ 208,754,575</u>	<u>\$ 284,900,985</u>	<u>\$ 368,836,322</u>	<u>\$ 334,471,891</u>	<u>\$ 308,743,284</u>

Notes: (1) The total of the above indebtedness amounts to: \$ 218,109,612

In no event shall total indebtedness exceed seven times the base for debt limitation computation: \$ 720,400,996

(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									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Debt limit	\$ 681,738	\$ 742,428	\$ 643,465	\$ 637,479	\$ 669,064	\$ 669,870	\$ 648,611	\$ 668,181	\$ 685,611	\$ 720,401
Total net debt applicable to limit	84,069	68,618	58,276	56,413	67,524	62,943	60,676	66,344	58,933	218,110
Legal Debt Margin	<u>\$ 597,669</u>	<u>\$ 673,810</u>	<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>
Total net debt applicable to the limit as a percentage of debt limit	12.33%	9.24%	9.06%	8.85%	10.09%	9.40%	9.35%	9.93%	8.60%	30.28%

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 2018 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								
2010	39,551	\$ 48,985,000	\$ 6,415,000	\$ 12,864,411	\$ 3,040,000	\$ 45,057	\$ 71,349,468	\$ 110,542	\$ 12,864,411	\$ 58,374,515	\$ 66,107,148	\$ 1,804	\$ 1,476	\$ 1,671	\$ 4,107,371,000	1.74%	1.42%	1.61%
2011	40,125	45,700,000	5,890,000	11,904,830	3,210,000	25,832	66,730,662	54,869	11,904,830	54,770,963	61,221,569	1,663	1,365	1,526	4,103,933,000	1.63%	1.33%	1.49%
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%

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

(2) Gross taxable Grand List for FY19 is \$3,701,681,157

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**

<b>Fiscal Year</b>	<b>Population (1)</b>	<b>Personal Income (thousands of dollars)</b>	<b>Per Capita Personal Income</b>	<b>Median Age</b>	<b>High School Graduate or Higher</b>	<b>School Enrollment (2)</b>	<b>Unemployment Rate (3)</b>
2010	39,551	\$ 870,201	\$ 22,002	30.5	86.4%	5,038	8.5%
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%

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	2019			2010		
		Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
U.S. Navy Submarine Base	Military Base	9,500	1	33.7%	10,150	1	33.8%
Electric Boat Corporation	Submarine Mfg/R&D	8,164	2	28.9%	8,277	2	27.6%
Pfizer, Inc.	Pharmaceutical	5,528	3	19.6%	5,736	3	19.1%
Town of Groton	Municipality	1,030	4	3.6%	947	4	3.2%
PCC Structurals (1)	Manufacturer	270	5	1.0%	190	8	0.6%
Theater Aviation (2) Sustainment Maintenance Group	Helicopter repair	265	6	0.9%	466	5	1.6%
Fairview Retirement Community	Senior Living	253	7	0.9%			
City of Groton	Municipality	216	8	0.8%	266	6	0.9%
Mystic Marriott	Hotel/Conference Center	191	9	0.7%	211	7	0.7%
Lawrence & Memorial Facilities	Emergency & Health Care Svcs	138	10	0.5%			
Pequot Medical Center	Hospital				169	9	0.6%
Zachary Engineering	Engineering/Design				122	10	0.4%
		<u>25,555</u>		<u>90.6%</u>	<u>26,534</u>		<u>88.3%</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**

	FISCAL YEAR									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General government	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
General services	53.00	51.00	48.00	49.00	49.00	49.00	49.00	46.00	47.00	32.00
Public safety	75.00	74.00	72.00	72.00	72.00	72.00	73.00	73.00	73.00	85.00
Public works	57.25	56.25	52.25	52.25	52.25	52.25	52.25	48.25	46.25	43.00
Planning and development	18.00	17.00	16.00	16.00	16.00	14.00	14.00	14.00	14.00	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	43.00	42.50	40.50	40.75	40.50	40.75	40.75	39.75	39.75	37.75
Golf course	7.00	6.50	6.50	6.25	6.50	6.25	6.25	6.25	6.25	6.25
Sewer system maintenance	17.75	18.75	18.75	18.75	18.75	18.75	18.75	18.75	19.75	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	0.00	0.00	1.00
Fleet reserve	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Subtotal town government	284.00	279.00	267.00	268.00	534.00	266.00	267.00	259.00	259.00	252.00
Board of Education	667.00	665.00	683.00	683.00	641.00	733.00	758.00	817.00	764.00	755.00
Total	951.00	944.00	950.00	951.00	1,175.00	999.00	1,025.00	1,076.00	1,023.00	1,007.00

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.

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

	FISCAL YEAR									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<u>General Government</u>										
Marriages and civil unions of residents	515	540	464	495	544	498	507	460	301	437
Births to Groton residents	554	545	419	556	569	528	526	483	462	386
Deaths of Groton residents	408	374	338	418	382	378	401	423	392	351
<u>Boards and Agencies</u>										
Registered voters	22,901	19,524	20,138	19,082	17,600	17,640	18,677	18,905	19,023	19,759
Elections and referenda	1	3	2	1	2	2	2	2	3	0
<u>Planning and Development</u>										
Building permits issued	1,388	1,267	1,355	1,300	1,347	1,403	1,458	1,416	1,540	1,679
Building inspections conducted	4,000	3,500	3,100	3,000	3,300	3,500	3,900	3,400	3,600	3,900
Value of building permits	\$ 16,792,289	\$ 17,897,056	\$ 15,235,881	\$ 14,676,632	\$ 26,771,903	\$ 28,906,319	\$ 39,767,943	\$ 27,737,183	\$ 39,911,213	\$ 73,136,178
<u>Public Safety</u>										
Arrests	1,112	883	755	1,555	1,376	1,135	1,055	955	996	1,047
Parking violations	198	228	244	263	282	50	27	41	80	106
Traffic violations	5,526	4,598	5,857	7,872	8,295	5,237	4,963	3,360	5,350	5,172
<u>Public Works</u>										
Street resurfacing (in miles)	1.59	2.29	3.25	3.18	3.45	3.24	3.64	2.40	1.60	1.10
Number of snow and ice control callouts	17	18	6	16	21	24	9	12	15	11
Miles of roads maintained (excludes GLP in 2006)	93.40	93.40	95.21	95.21	95.21	95.21	95.84	95.84	95.84	95.84
<u>Parks and Recreation</u>										
Athletic field permits issued	240	137	86	89	106	158	105	135	131	361
Summer season programs	197	197	201	186	161	160	130	158	234	180
Indoor season programs	706	719	537	398	453	461	446	463	459	429
Acres of grounds maintained	1,726	1,726	143	150	150	155	155	155	155	155
<u>Public Libraries</u>										
Volumes in collection	141,527	147,146	144,416	144,199	146,616	150,297	151,781	156,425	163,460	156,866
Items circulated	367,159	381,769	368,587	354,923	354,683	336,680	320,460	287,571	298,349	279,547
<u>Senior Center</u>										
Meals on wheels provided	17,888	16,756	16,270	14,935	12,500	23,399	n/a *	n/a *	n/a *	n/a *
Kitchen meals served	n/a	n/a	n/a	15,689	18,919	20,507	20,791	16,313	14,171	17,604
Senior mini-bus trips	53	27	35	31	49	33	47	31	44	31
<u>Human Services</u>										
Households provided energy assistance	1,660	1,660	1,660	1,670	1,675	1,700	1,750	1,775	1,775	1,775
Households utilizing Groton Food Locker	4,600	4,600	4,600	4,600	4,600	4,650	4,700	4,725	4,725	4,725
Households receiving rent assistance	1,860	1,860	1,875	1,800	1,900	1,950	1,975	2,000	2,000	2,000
<u>Education</u>										
Elementary schools	7	7	7	7	7	7	7	6	6	6
Middle schools	3	3	3	2	2	2	2	2	2	2
High schools	1	1	1	1	1	1	1	1	1	1
<u>Sewer</u>										
Miles of Sewer Line Maintained	135.3	136.3	136.3	136.3	136.3	136.3	136.5	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									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<u>General Government</u>										
<u>Public Safety</u>										
Police stations	1	1	1	1	1	1	1	1	1	1
Police vehicles	45	45	45	43	43	43	41	41	41	46
<u>Public Works</u>										
Miles of town streets	100.43	93.4	95.21	95.21	95.21	95.21	95.84	95.84	95.84	95.84
Streetlights	1,337	1,339	1,339	1,371	1,330	1,330	1,330	1,373	1,373	1,373
Public works vehicles	197	197	197	197	198	198	196	196	196	196
<u>Parks and Recreation</u>										
Acreage	1,019	1,019	1,237	1,266	1270.8	1276.8	1276.8	1276.8	1276.8	1276.8
Parks	53	53	53	54	55	57	57	57	57	57
<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	5	5	6	6	6	6	6	6	6	4
<u>Education</u>										
Schools	11	11	11	11	11	11	10	9	9	9
<u>Sewer</u>										
Sanitary sewers (miles)	135.3	136.3	136.3	136.3	136.3	136.3	136.5	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