

Comprehensive Annual Financial Report

of the

Town of Groton



Fiscal Year Ended June 30, 2020

TOWN OF GROTON, CONNECTICUT

Comprehensive Annual Financial Report

for

**the Fiscal Year Ended
June 30, 2020**

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, 2020.

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, 2020, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent 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, 2020, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the Town of 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 38,436 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 2020, approximately 253 full-time municipal employees provided services to a community of 38 square miles and 38,436 residents.

Budgetary Process:

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

In other matters, the RTM has the power of initiative to institute legislation or force reconsideration of an ordinance already adopted by the Town Council. The forty-one 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 2020, 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 2020, the Town had an unemployment rate of 11.8% as compared to the New London County rate of 12.8%, the state's average rate of 10.2% and the national average of 11.1%. New London County has an employed labor force of approximately 118,964 residents.

Impact of COVID-19

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

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

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In an effort to minimize exposure of town staff to COVID-19 most Town buildings were closed to the public in March 2020 with some services available by appointment. Those employees able to work remotely were provided laptops while those reporting to work were provided personal protective equipment and were encouraged to practice social distancing while in the office. In June some Town buildings reopened after Plexiglas barriers, signage and hand sanitizers were installed. The Senior Center, Library and Parks & Recreation remained closed through June 30, 2020.

The Town has submitted to both FEMA and the State of CT Coronavirus Relief Fund for expenses related to COVID-19. We have received an approval letter from FEMA and have been notified by the State Office of Policy and Management that our claim has been audited and accepted as submitted.

Grand List decreased by 0.5%: The October 1, 2019 net adjusted taxable Grand List decreased 0.5% from the 2018 Grand List after the Board of Assessment Appeals. The net adjusted grand list now totals \$3,709,882,767. The combined assessments of the top ten taxpayers fell from \$763 million to about \$749. Pfizer remains the Town's largest taxpayer, but Electric Boat remains strong as the second largest taxpayer. Net real estate increased to \$3.250 billion. The net personal property grand list decreased 9.1%. Most of this decrease reflects the depreciation of assets which is expected for the personal property category. The personal property net assessments for both Pfizer and Electric Boat fell as typical depreciation is applied. The motor vehicles portion of the grand list grew by 1.7% from \$203 million to \$206 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 (20.9% of the FYE 2021 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%) percent.

The Town Charter provides for the Town Manager to propose in the annual budget to the Town Council an allocation of funds to the capital reserve fund. This fund was established for future capital and nonrecurring expenditures for the town. This allocation is to be not less than four percent of the general fund budget, less the amount necessary to defray general fund obligated debt service. This amount is subject to approval of the Town Council and Representative Town Meeting. The proposed amount of \$2,003,000 was reduced to \$1,646,000 by the Town Council and further reduced by the RTM to \$1,621,000.

Major Initiatives for the Fiscal Year Ended June 30, 2020:

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.

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Water Pollution Control Facility:

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

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

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

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

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

School Projects, Groton 2020:

The Groton 2020 Plan calls for a new middle school to be built on the Merritt property, a site adjacent to the high school, to serve the entire Town. The plan also includes constructing two new elementary schools, on the sites of the two existing middle schools to serve the students of three aging elementary schools. It is anticipated that the three 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 Manager at 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.

Construction of the middle school began in March 2019 and will be substantially completed and open to students in September 2020. The elementary schools are currently under construction with scheduled completion in June 2021.

Economic Development Marketing:

Staff relied heavily upon its standalone economic development website www.exploremoregroton.com. The website is a resource for site selectors and local businesses as well as prospective area residents and employees. Data provided on the site includes available commercial properties, demographic data, resources, news and events relevant to the local business community. The website also includes monthly articles showcasing local businesses. In addition, the department publishes a digital monthly newsletter. Website and social media metrics are tracked monthly. To complement the digital marketing resources, staff members

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have exhibited at events and conventions to build relationships and raise Groton's profile. The events have included International Council of Shopping Centers ICSC "Deal Making" conventions in NYC and Boston to attract investors. At the events, staff members distribute printed marketing materials as well as promotional items. As a result of economic development efforts, Groton was awarded a "Best Practices" award from the Connecticut Economic Development Association in October 2019.

Wayfinding Sign Master Plan:

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

COVID Business Response:

Staff began responding to the COVID impacts to the business community in March 2020. Website postings and social media were actively used to distribute primary federal and state resources to assist the community. Surveys were conducted to best understand business impacts. Signage was developed and distributed for public areas and business entryways advising of public safety measures. Additionally, Groton facemasks were ordered and delivered to restaurants and retail establishments. Numerous public virtual meetings were held with partners to advise of the public health status and also to strategize including the Long Term Recovery Committee.

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 were approved 2019.

Public Property Redevelopment:

Mystic Education Center: The "Mystic River Bluffs" mixed use development project is advancing. See the link for more project information <https://resplendhomes.com/mystic-river-bluffs/>. This will be a \$250,000,000 project with approximately 900 units plus commercial. The largest focus recently has been on the zoning draft. This draft will be presented to the P&Z

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Commission during fall 2020. Financing options are a focus including taxation and Tax Increment Financing. Groton's recreational consultant, Greenplay, completed the community wide recreational need survey and is providing results to staff. Respler is providing the results of the engineering analysis for the Pratt Building to staff. Fuss & O'Neil, Respler's engineering contractor, has begun refining design and engineering concepts for the site. Most of 2020 will be used to complete the planning, design, engineering, permitting, and programming for the Mystic Education Center property. Groundbreaking for Phase I is envisioned in 2021 starting with the adaptive reuse of all existing buildings plus installation of needed infrastructure. Subsequent development, primarily residential construction, is planned for Phase II.

Seely School: The "Triton Square" redevelopment project advanced including plans and legal documentation. Don Mar Development Corporation will construct an approximately 280-unit multi-family apartment development with amenities. Targeted future tenants are young professionals and "empty-nesters." Pre-development work is ongoing. See this project page: <https://www.seelyschool.com/>. Future anticipated tax revenue is \$1,000,000 annual.

Neighborhood Assistance Act (NAA) Program:

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

Small Cities Community Development Block Grants:
2017 for Mystic River Homes:

The Town received an \$800,000 grant with a match from Mystic River Homes for \$163,000. The grant was awarded in August 2017. Work emphasized ADA compliance and included exterior walkway, ramp, and drainage improvements. The grant was administered through a three-party relationship with the Town's Economic and Community Development Division, Mystic River Homes, and ECHO. The grant is fully expended. A certificate of substantial completion was signed on September 19, 2019.

2019 for Mystic River Homes Congregate:

The Town received a \$1,500,000 grant that was awarded in August of 2019. Work will entail oil tank removal, generator replacement, fire pump replacement, new elevator and shaft, new portico and mini-splits. The grant is administered through a three-party relationship with the Town's Economic and Community Development Division, Mystic River Homes, and ECHO.

Regulatory Overhaul:

The Office of Planning and Development Services completed a total re-write of the Zoning Regulations in 2019. The Regulations had not been completely overhauled in over 30 years. The changes have simplified the development process for a number of commercial, industrial and residential uses.

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

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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_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 completed an update of the Nautilus Memorial Design District (NMDD) zoning district and regulations for the area surrounding the SUBASE.

Major Initiatives for the Future:

Energy Efficiency and Conservation:

The Public Works Department continues to pursue installation of a solar farm on the closed Flanders Road Landfill. The initial attempts to complete the project failed due to unavailability of incentive dollars through the State. More recently there has been renewed interest from vendors and the Department is entertaining proposals for the solar field.

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

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

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.

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Subdivision Regulation Revisions and Complete Streets

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

Community Rating System

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

Municipal and State Excess Property Redevelopment

Groton Heights: A Letter of Intent (LOI) was signed in 2019. The Purchase and Sales (P&S) agreement and the DECD Brownfields grant agreement are still pending. Post-COVID, there should be project movement on this effort in the fall of 2020. ThayerMahan has grown from three to over 50 employees in three years. They are committed to making this their future world headquarters for undersea vehicle technology.

517/529 Gold Star Highway: An option agreement was signed in 2019 for the town's land. The project envisions the development of approximately 300 apartments on 17.75 acres. The project documentation will advance by the end of 2020.

Colonel Ledyard School: The preferred developer was introduced to the Town Council in Executive Session. Next steps are for a future public meeting at which next steps and direction will be addressed. Such meeting will occur in the fall of 2020.

Pleasant Valley School: The RFP was drafted for public release in August 2020. There has been interest in the property and staff anticipates decent proposals.

Debt Administration:

In April 2020, 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 2020 the Town conducted a negotiated sale of General Obligation Bonds in the amount of \$29,985,000. The underwriter for the sale was Piper Sandler & Co. \$20,000,000 was sold for the Groton 2020 School Facilities Improvement Plan and \$9,985,000 to refinance prior bonds. The bonds were sold at a true interest cost of 2.100%. The bonds were issued for twenty years maturing in 2039. The Town also conducted a sale of General Obligation Bond Anticipation

"Submarine Capital of the World"

notes in the amount of \$56,000,000 for the Groton 2020 School Facilities Improvement Plan. The Town had planned to issue bonds for the Water Pollution Control Facilities Improvement Plan however due to market volatility and investor apathy caused by the pandemic it was determined to convert the sewer bonds to short term notes to take advantage of better investor interest. Notes in the amount of \$7,045,000 were sold for Water Pollution Control Facility Effluent & Fishtown Road Pump Stations. The Notes mature in April 2021.

At year-end, the Town had a number of debt issues outstanding. These issues, net of applicable unamortized discounts, included \$67,300,000 of General Obligation Bonds, \$2,720,000 of General Obligation Sewer Bonds paid by special assessments/fees for total bonds payable of \$70,020,000. Last fiscal year that total amount was \$56,225,000.

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 2020</u> |
|---|-----------------------|-----------------|
| Comparison to State’s Statutory Debt Limit: | not to exceed 50% | 29.38% |
| Net Direct Indebtedness to assessed value | not to exceed 5% | 1.6% |
| Debt Service as compared to Expenditures | not to exceed 10% | 5.1% |

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, 2019. 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-six (26) consecutive years (FYE 1994 through FYE 2019). 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.

“Submarine Capital of the World”

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

December 22, 2020



Government Finance Officers Association

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

Presented to

**Town of Groton
Connecticut**

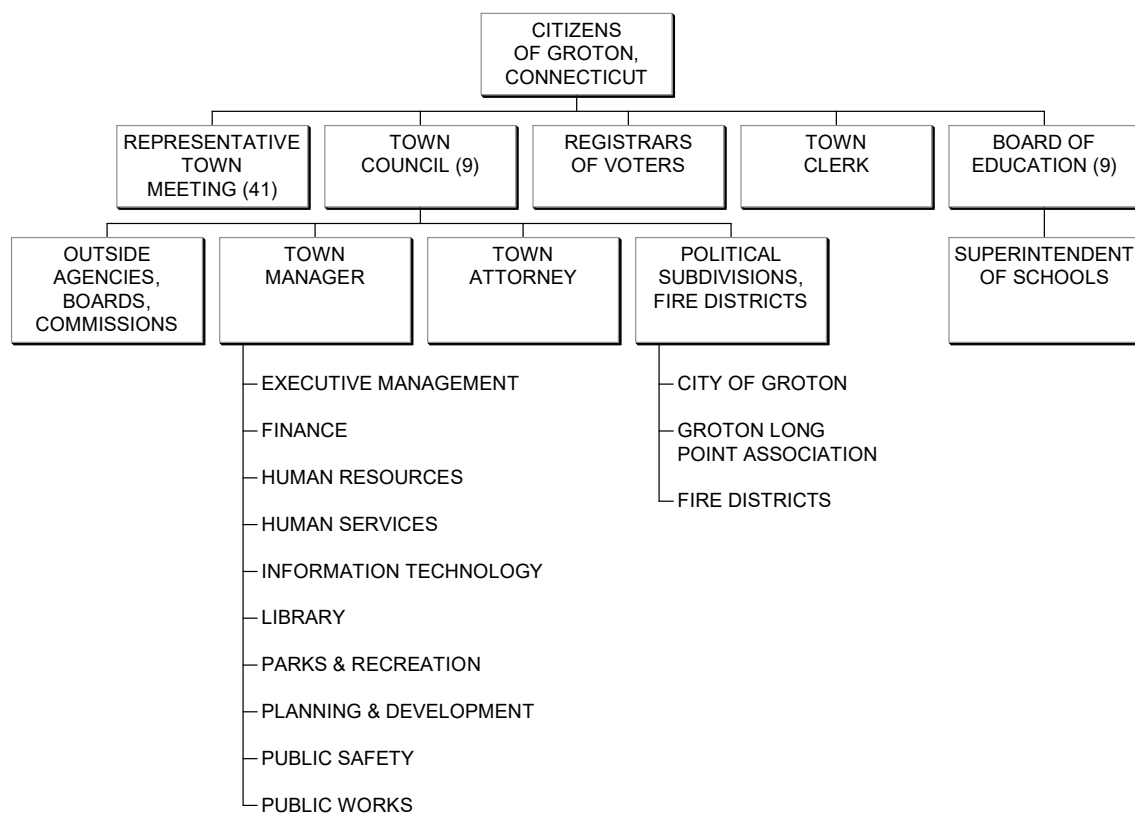
For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morill

Executive Director/CEO

TOWN OF GROTON ORGANIZATION CHART



FYE 2020

TOWN OF GROTON
PRINCIPAL OFFICIALS
AS OF JUNE 30, 2020

Town Council

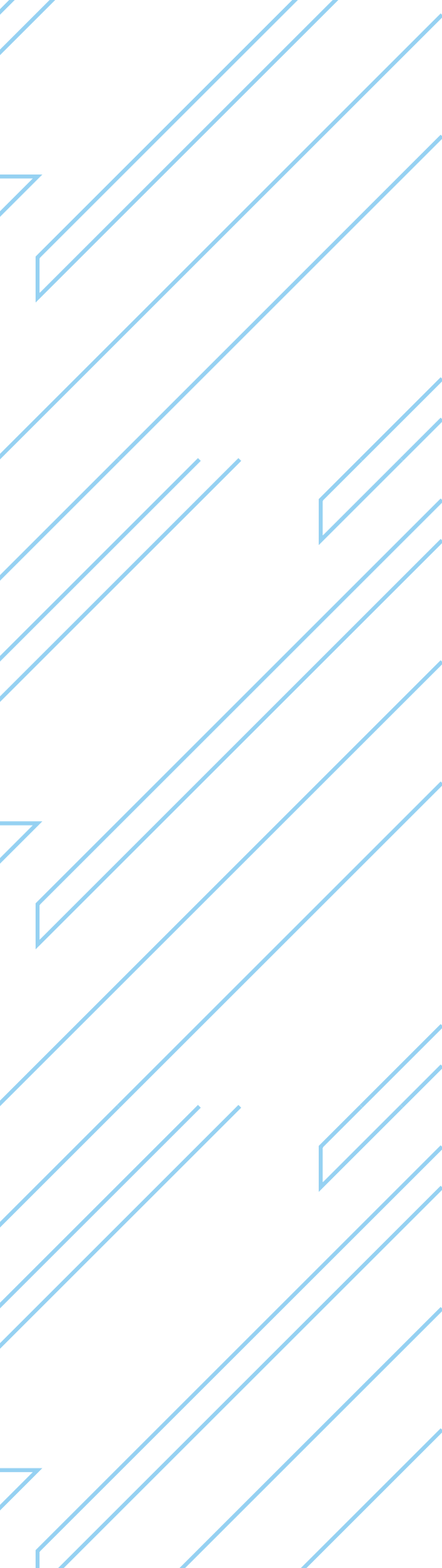
Patrice Granatosky, Mayor
Portia Bordelon
Aundré Bumgardner
Rachael Franco
Conrad F. Heede
Juan Melendez Jr.
Lian Obrey
Juliette Parker
Joe Zeppieri

Board of Education

Kim Shepardson Watson, Chairperson
Andrea Ackerman, Vice-Chairperson
Katrina Fitzgerald
Jane Giulini
Gretchen Newsome
Liz Porter
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, 2020, 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, 2020 and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management'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, 2019 (not presented herein), and have issued our report thereon dated December 21, 2019, which contained unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. The accompanying General Fund balance sheet as of June 30, 2019 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the 2019 financial statements. The accompanying General Fund balance sheet has been subjected to the auditing procedures applied in the audit of the 2019 basic financial statements and certain additional procedures including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the General Fund balance sheet is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2019.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2020 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 22, 2020

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, 2020 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 \$174,494 (net position).
- The government's total net position increased by \$28,759. 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, bond premium, 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 \$36,936.
- For the fiscal year ended June 30, 2020, the unassigned fund balance for the General Fund was \$27,287 or 20.9% of the FYE 2021 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 \$13,182 (21.0%) during the current fiscal year. This was mainly due to a net increase (\$13,795) in the principal amounts due on bonds for general government obligation debt and decreases (\$613) in the loan payment due to the State's Clean Water Fund.

Overview of the Financial Statements:

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

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

The statement of net position presents information on all of the Town's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town of Groton is improving or deteriorating.

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

The governmental activities of the Town of Groton include education, general government services, public safety, public works, planning and development, health/human services and community services. Property taxes, charges for services and state and federal grants finance most of these activities. Although the Town maintains no business-type activities, the Town does maintain three internal service funds that consist of the Fleet 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 twenty-nine individual nonmajor governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund and the Capital Improvements Fund which are considered to be major funds. Twenty-five 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 nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

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

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

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

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

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

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support services to the Town's constituency. The Town has 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 28-74 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 nonmajor governmental funds and internal service funds are presented following the notes to the financial statements. Combining and individual fund statements and schedules can be found beginning on page 92 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 \$174,494 on June 30, 2020.

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

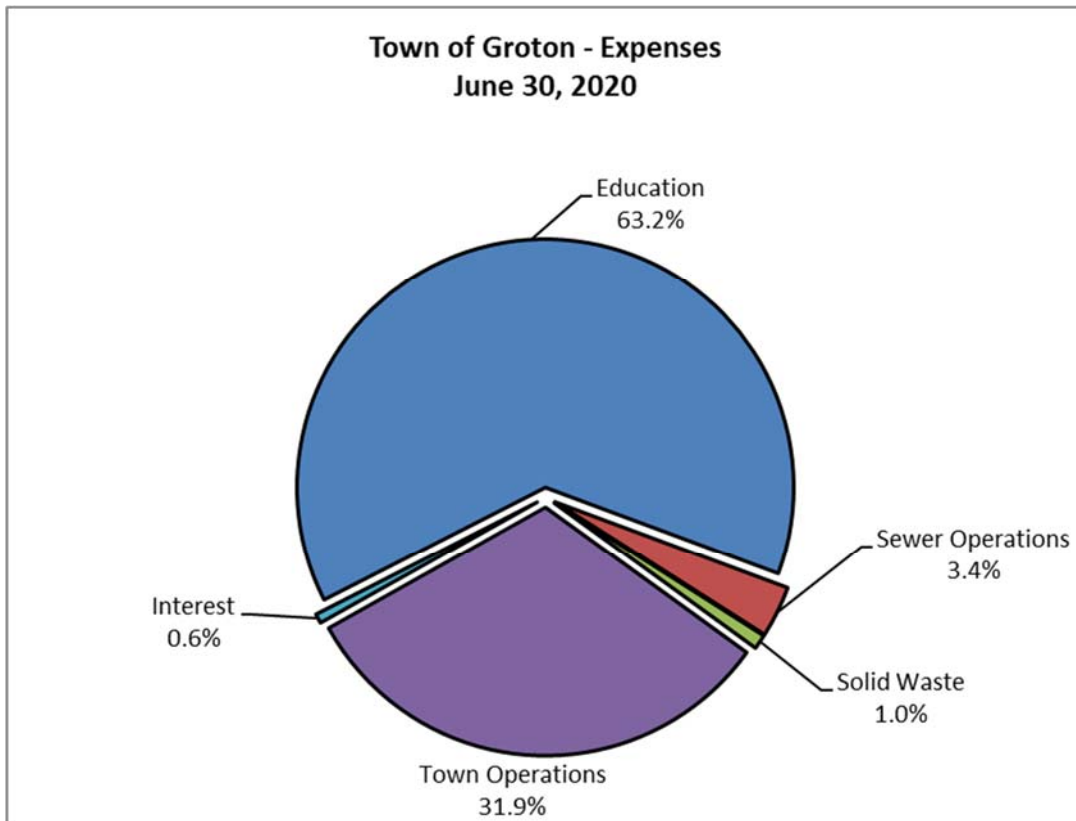
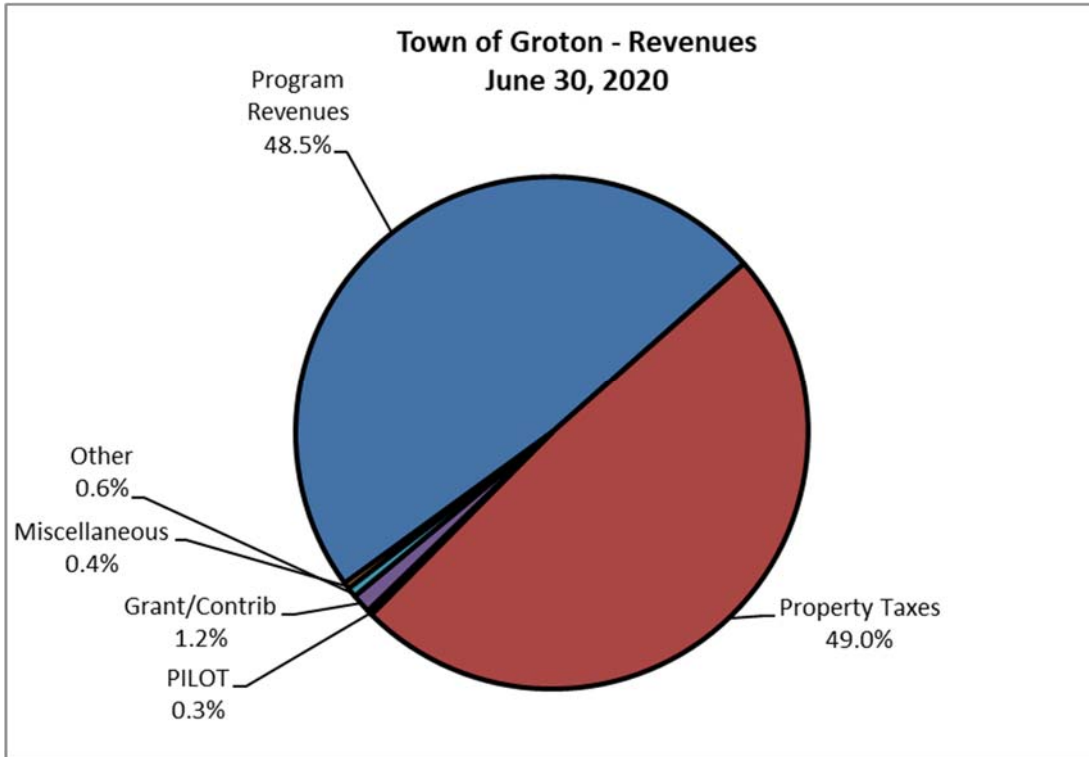
| | Governmental Activities | |
|---|------------------------------------|-------------------|
| | 2020 | 2019 |
| Current assets | \$ 134,606 | \$ 102,251 |
| Capital assets, net of accumulated depreciation | 274,443 | 220,542 |
| Total assets | <u>409,049</u> | <u>322,793</u> |
| Deferred outflows of resources | <u>9,935</u> | <u>8,358</u> |
| Long-term liabilities outstanding | 151,789 | 137,146 |
| Other liabilities | 83,969 | 42,726 |
| Total liabilities | <u>235,758</u> | <u>179,872</u> |
| Deferred inflows of resources | <u>8,732</u> | <u>5,544</u> |
| Net Position: | | |
| Net investment in capital assets | 181,279 | 158,734 |
| Restricted | 343 | 344 |
| Unrestricted | <u>(7,128)</u> | <u>(13,343)</u> |
| Total Net Position | <u>\$ 174,494</u> | <u>\$ 145,735</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 49.0% of the revenues were derived from property taxes, followed by 48.5% from program revenues, 1.2% from grants and contributions, and less than 1% from both payments in lieu of taxes and investment income.

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

| | Governmental Activities | |
|---|------------------------------------|-------------------|
| | 2020 | 2019 |
| Revenues: | | |
| Program revenues: | | |
| Charges for services | \$ 12,697 | \$ 14,021 |
| Operating grants and contributions | 53,695 | 47,472 |
| Capital grants and contributions | 23,778 | 1,996 |
| General revenues: | | |
| Property taxes | 91,071 | 90,445 |
| Payments in lieu of taxes | 603 | 604 |
| Grants and contributions (not restricted) | 2,258 | 2,286 |
| Other unrestricted investment earnings | 1,167 | 1,249 |
| Miscellaneous revenue | 741 | 871 |
| Total revenues | <u>186,010</u> | <u>158,944</u> |
| Expenses: | | |
| General government/services | 8,427 | 8,338 |
| Public safety | 15,534 | 15,938 |
| Public works | 14,284 | 13,423 |
| Planning and development | 2,077 | 2,145 |
| Human services | 3,768 | 4,428 |
| Community services | 6,106 | 6,865 |
| Board of Education | 99,315 | 93,035 |
| Sewer operations | 5,270 | 6,155 |
| Solid waste | 1,500 | 1,545 |
| Interest on long-term debt | 970 | 1,456 |
| Total expenses | <u>157,251</u> | <u>153,328</u> |
| Increase in Net Position | 28,759 | 5,616 |
| Net Position July 1 | <u>145,735</u> | <u>140,119</u> |
| Net Position June 30 | <u>\$ 174,494</u> | <u>\$ 145,735</u> |



Major revenue factors for all Governmental Funds included:

- ◆ Total revenues were \$27,066 higher in 2020 when compared to 2019 or an increase of 17.0%.
- ◆ Grants and Contributions were higher in 2020 as the Town realized more in State and Federal grants.
- ◆ Property tax revenues recorded for fiscal year 2020 increased slightly while the Town's tax rate did not increase from 24.17 mills in 2019.
- ◆ Investment earnings decreased by \$82 from the prior fiscal year to \$1,167 for the fiscal year ended June 30, 2020. The decrease to interest and dividend earnings was primarily the result of reductions in interest rates.

For Governmental Activities, 63.2% of the Town's expenses relate to education, 9.1% relate to public works, 9.9% relate to public safety, 5.4% to general government/services, 3.9% 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 \$3,923 higher in 2020 when compared to 2019 or an increase of 2.6%.
- ◆ Town Operations expenses were \$941 lower in 2020 when compared to 2019 or a decrease of 1.8%.
- ◆ Education expenses were \$6,280 higher in 2020 when compared to 2019 or an increase 6.7%.
- ◆ Results of operation in Sewer Operations, Solid Waste and Interest on Long-Term Debt accounted for a decrease of \$1,416 in expenses compared to 2019 or a decrease of 15.5%.

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 \$36,936, a decrease of \$10,235 in comparison with the prior year. Of this amount, (\$26,290) 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 \$27,287, which is included in the total fund balance of \$28,783. 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 20.9% of total FYE 2021 Adopted general fund budget, while total fund balance represents 22.0% of that same amount.

The total fund balance of The Town of Groton's General Fund increased by \$2,702 during the current fiscal year. The unassigned fund balance increased by \$3,576. Key factors in the total fund balance increase of \$2,702 are as follows:

- ◆ Revenues were \$1,405 more than anticipated primarily due to additional State & Federal intergovernmental revenue.
- ◆ Expenditures were under budget by \$2,038 due to unexpended funds in Town Operations, Education, Outside Agencies and Non-departmental.
- ◆ Fund balance in the amount of \$1,095 was applied to the adopted FYE 2020 budget.
- ◆ No fund balance was applied to the adopted FYE 2021 budget.

Capital Improvements Fund. This fund has a total fund balance of (\$831) a decrease from \$13,419 in the prior year and is related to an increase in capital outlay for school construction projects and pending school construction grant receipts.

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

Unrestricted net position amounted to \$1,439 for the Fleet Reserve Fund, \$7,958 for the Health Insurance Fund and \$114 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 \$1,903 and reflects increases in all three funds: Fleet Reserve, Health Insurance and Workers' Compensation.

General Fund Budgetary Highlights:

Transfers of \$111 occurred from Contingency to other functions within the General Fund to cover increases in unemployment claims, road reconstruction reimbursement, installation of an automatic transfer switch for a generator and retirement of a long-term employee.

During the year, actual revenues and other financing sources on a budgetary basis amounted to \$129,362 which was over the adopted budget by \$1,405. The majority of this increase can be attributed to additional State & Federal revenue. Pupil impact aid, a federal reimbursement grant for educating military dependents, was higher than expected.

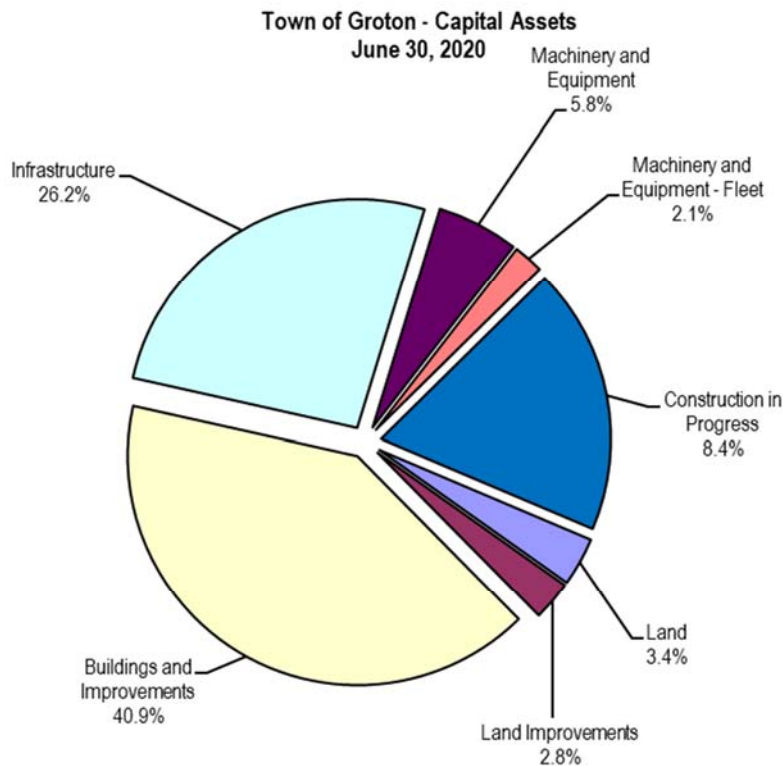
Actual expenditures were under budget by \$2,038 with town operations returning \$1,491, Outside Agencies returning \$363 and Board of Education returning \$97.

Capital Asset and Debt Administration:

Capital Assets. The Town of Groton's investment in capital assets for its governmental activities as of June 30, 2020 amounts to \$446,705. This investment in capital assets includes land, buildings and improvements, machinery and equipment, park facilities, roads, highways and bridges. The total increase in the Town of Groton's investment in capital assets for the current fiscal year was 16.2% mainly which reflects Water Pollution Control Facility improvements, road resurfacing, building renovations and new school construction.

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

| | Governmental Activities | |
|---------------------------------|------------------------------------|-------------------|
| | 2020 | 2019 |
| Land | \$ 15,372 | \$ 15,372 |
| Land improvements | 12,470 | 12,420 |
| Buildings and improvements | 182,567 | 180,404 |
| Infrastructure | 117,208 | 109,902 |
| Machinery and equipment | 25,711 | 24,525 |
| Machinery and equipment - fleet | 9,486 | 9,497 |
| Construction in progress | 83,891 | 32,409 |
| Total | \$ 446,705 | \$ 384,529 |



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:
 Esker Point Beach Bathhouse \$50

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

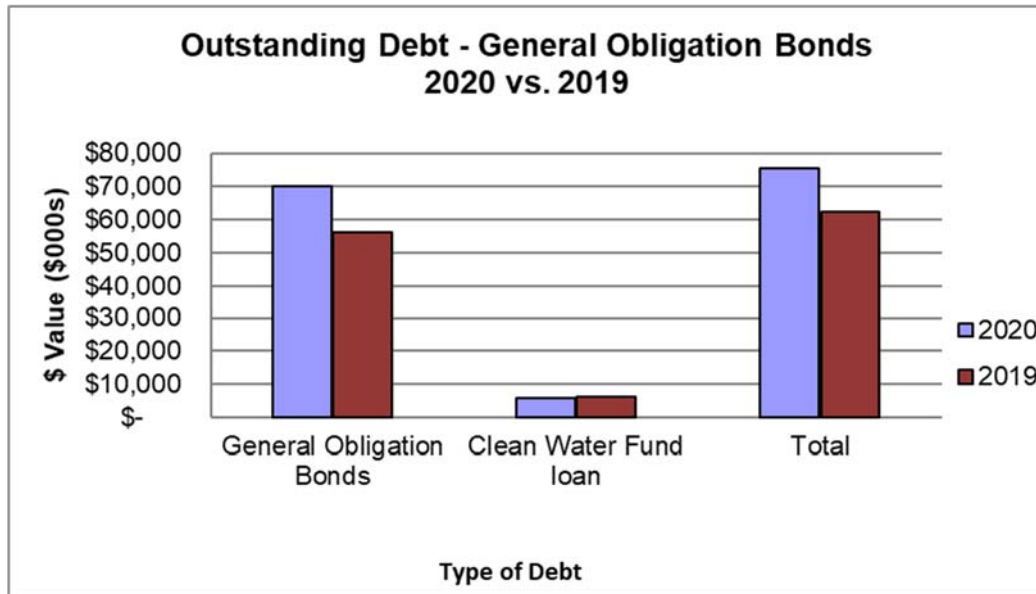
| | |
|--|-------|
| Groton Public Library | \$113 |
| Town Hall Complex | \$76 |
| Information Technology Acquisition-Software Systems | \$214 |
| Information Technology Acquisition-Network | \$55 |
| Tech Police Station CAD/RMS Integration | \$197 |
| Fuel Tank Replacement | \$384 |
| Water Pollution Control Facility; Treatment Facility | \$50 |
| BOE-Exterior Glulam Beams | \$90 |
| Mystic Education Center-Various Studies | \$61 |
| Water Pollution Control Facility Pump Stations | \$257 |
| Replace Uninterrupted Power Supply (UPS)-Emergency Communication Center | \$87 |

Additional information on the Town of Groton's capital assets can be found in Note 3D on page 41 and on pages 124 and 125 of this report.

Outstanding Debt. At the end of the current fiscal year, the Town of Groton had total debt outstanding of \$75,786. Of this amount, \$73,716 comprises debt backed by the full faith and credit of the government and \$2,070 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**

| | Governmental Activities | |
|--------------------------|------------------------------------|------------------|
| | 2020 | 2019 |
| General obligation bonds | \$ 70,020 | \$ 56,225 |
| Clean Water Fund loan | 5,766 | 6,379 |
| Total | <u>\$ 75,786</u> | <u>\$ 62,604</u> |



The Town of Groton's general obligation bonds have increased \$13,182 or 21.0% during the current fiscal year mainly due to issuance of new long-term bonds during the year.

In April 2020 presentations were made to three rating agencies in preparation for a sale of General Obligation Bonds in April 2020. 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 overall statutory debt limit for the Town of Groton is equal to seven times annual receipts from taxation or \$725,323. As of June 30, 2020, the Town recorded total indebtedness of \$177,277 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 46-49 of this report.

Economic Factors and Next Year's Budgets and Rates:

- As of June 2020, the Town had an unemployment rate of 11.8% as compared to the New London County rate of 12.8%, the state's average rate of 10.2% and the national average of 11.1%.
- New London County has an employed labor force of approximately 118,964 residents.
- Inflationary trends in the region compare similarly to national indices.

Grand List decreases by 0.5%:

The October 1, 2019 net adjusted taxable Grand List decreased 0.5% from the adjusted 10/1/18 list after appeals were heard by the Board of Assessment Appeals. The net adjusted grand list now totals \$3,709,882,767 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 remained flat at \$3.252 billion and comprises 88% of the grand list compared to 87% of the 2018 grand list. Net residential real estate assessments rose from about \$2.123 billion to \$2.127 billion. The residential real estate's share of the entire net grand list remains level at 57% of the 2019 grand list compared to the 2018 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, fell from 520 million to 518 million and represents 14% of the net overall grand list.

Twelve single-family homes were started for the October 1, 2019 grand List, compared to thirteen last year.

The grand lists of the 1990's and early 2000's reflected substantial Enterprise Zone exemptions, the bulk of which were awarded to Pfizer and Electric Boat for facility expansions. These exemptions are applied to qualified real estate improvements and toward investments in personal property assets. Minor exemptions were awarded during the late 2000's to local small industrial park expansions. There appears to be a resurgence of EZ exemption awards in recent years at both the state and local level. State EZ exemptions were traditionally reimbursed by the state but in more recent years, state governors' budgets have not funded the revenue loss to municipalities thereby creating an unfunded mandate. Local EZ benefits are never reimbursed by the state. For the 2019 grand list \$6,112,466 in state/local program exemptions were granted on real estate and \$1,170,700 were granted for personal property. These exemptions are reflected by reductions in assessments. The estimated revenue loss overall is \$176,030 using the FYE 2020 town mill rate.

Currently there is one fixed assessment agreement allowed under Connecticut General Statute 12-65b reflected on the 2019 grand list. Silver Oaks LLC, owner of 90 Welles Road which is an indoor sport facility, is in the sixth year of a seven-year fixed assessment agreement. The assessment reduction of \$578,055 results in \$13,972 in revenue loss when using the FYE 2020 town mill rate.

Groton entered into a PILOT agreement in 2016 with Odd Fellows Home/Fairview on Lestertown Road. The taxes are estimated at \$546,200 if the property were fully taxable. The skilled nursing facility was previously considered exempt under CGS 12-81(75). When combining the real estate and personal property exemptions for the SNF the total results in a reduction in assessment of \$6,618,720 or \$190,350 revenue loss. The PILOT agreement states that Odd Fellows will pay \$60,000 annually in taxes to Groton plus any assessment over \$17,500,000 (\$25,000,000 in appraised value). The revenue loss for the PILOT and the SNF totals \$503,300. It is estimated that Odd Fellows will pay \$42,900 in taxes plus \$60,000 for a total of \$102,900 in taxes.

The **personal property** grand list experienced a decrease of 9% in net assessments. The Manufacturing & Machinery Equipment (MM&E) exemption program was enacted in 1990 by the state legislature as part of a larger economic stimulus bill. The original program exempted MM&E assets for four years and municipalities were reimbursed for 100% of the revenue loss. The program has been modified over the years to include fully exempting MM&E equipment and the elimination of state reimbursement for lost revenue. The burden of qualifying assets as eligible or ineligible has also been transferred from the state to the local level. The estimated revenue loss for 2019 is in excess of \$4 million using the FYE 2020 mill rate. The decrease for 2019 reflects the depreciation of assets which is expected for personal property. Both Pfizer and Electric Boat's personal property net assessments fell as typical depreciation was applied.

The personal property grand list fell from \$277 million in 2018 to \$253 million in 2019. The net assessment of personal property now comprises 6.8% of the grand list compared to 6.4% of the previous grand list.

The number of business personal property accounts fell slightly as well as the volume of accounts experiencing penalties for late or non-filing has stabilized. The assessed value of the penalties dipped slightly for the 2019 grand list to \$6.7 million, from \$7.2 million in 2018. The final number of taxable businesses for the 2019 grand list was 1,842 accounts.

The **motor vehicle** portion of the grand list, adjusted for military exemptions, grew by 3.1% this year from \$203,465 in 2018 to \$209,830. The net assessment on motor vehicles now comprises 5.7% of the grand list, up from 5.5% of the 2018 grand list.

Other Information:

During the fiscal year ended June 30, 2020, the Town of Groton's General Fund on a budgetary basis received 27.5% 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 2020 is at 20.9% of FYE 2021 operating expenses which is above the minimum acceptable guideline set by the Town Council of 11.0%. With a reliance on property taxes, 69.7% 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 \$27,287. The Town Council did not assign any of the fund balance to fund the subsequent years' budget.

Requests for Information:

This financial report is designed to provide a general overview of the Town of Groton's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, Groton Town Hall, 45 Fort Hill Road, Groton, CT 06340.



Basic Financial Statements

TOWN OF GROTON, CONNECTICUT
STATEMENT OF NET POSITION
JUNE 30, 2020

| | Governmental Activities |
|--|------------------------------------|
| Assets: | |
| Cash and cash equivalents | \$ 121,311,950 |
| Investments | 3,372,865 |
| Receivables (net of allowances for collection losses): | |
| Property taxes | 1,428,400 |
| Special assessments | 871,257 |
| Accounts | 672,263 |
| Federal and state governments | 6,119,113 |
| Other | 535,867 |
| Other assets | 47,725 |
| Restricted assets: | |
| Cash | 126,104 |
| Investments | 121,439 |
| Capital assets, nondepreciable | 99,262,056 |
| Capital assets, net of accumulated depreciation | 175,180,787 |
| Total assets | <u>409,049,826</u> |
| Deferred Outflows of Resources: | |
| Deferred charge on refunding | 1,319,173 |
| Deferred outflows related to pension | 4,280,867 |
| Deferred outflows related to OPEB | 4,334,602 |
| Total deferred outflows of resources | <u>9,934,642</u> |
| Liabilities: | |
| Accounts payable and accrued liabilities | 20,145,572 |
| Bond anticipation notes payable | 63,045,000 |
| Unearned revenue | 778,358 |
| Noncurrent liabilities: | |
| Due within one year | 8,116,070 |
| Due in more than one year | 143,673,174 |
| Total liabilities | <u>235,758,174</u> |
| Deferred Inflows of Resources: | |
| Deferred inflows related to pension | 1,635,003 |
| Deferred inflows related to OPEB | 7,097,143 |
| Total deferred inflows of resources | <u>8,732,146</u> |
| Net Position: | |
| Net investment in capital assets | 181,279,605 |
| Restricted for: | |
| Trust, nonexpendable | 342,653 |
| Unrestricted | <u>(7,128,110)</u> |
| Total Net Position | <u>\$ 174,494,148</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, 2020**

| Functions/Programs | Expenses | Charges for Services | Program Revenues | | Net (Expense) Revenue and Changes in Net Position |
|--|-----------------------|---------------------------------|---|---|--|
| | | | Operating Grants and Contributions | Capital Grants and Contributions | |
| | | | | | Total |
| Governmental activities: | | | | | |
| General government/services | \$ 8,427,187 | \$ 1,463,823 | \$ 503,584 | \$ 99,234 | \$ (6,360,546) |
| Public safety | 15,533,546 | 374,444 | 459,889 | | (14,699,213) |
| Public works | 14,283,893 | 194,854 | 2,194,562 | | (11,894,477) |
| Planning and development | 2,076,867 | 17,000 | | | (2,059,867) |
| Health and human services | 3,767,528 | 71,582 | 36,363 | | (3,659,583) |
| Community services | 6,106,213 | 2,034,704 | 613,279 | | (3,458,230) |
| Education | 99,314,979 | 672,746 | 49,887,100 | 23,678,409 | (25,076,724) |
| Sewer operations | 5,270,255 | 6,448,601 | | | 1,178,346 |
| Solid waste management | 1,499,935 | 1,419,700 | | | (80,235) |
| Interest on long-term debt | 969,505 | | | | (969,505) |
| Total Governmental Activities | \$ 157,249,908 | \$ 12,697,454 | \$ 53,694,777 | \$ 23,777,643 | (67,080,034) |
| General revenues: | | | | | |
| Property taxes | | | | | 91,070,741 |
| Payments in lieu of taxes | | | | | 603,142 |
| Grants and contributions not restricted to specific programs | | | | | 2,257,899 |
| Unrestricted investment earnings | | | | | 1,166,949 |
| Miscellaneous revenue | | | | | 740,194 |
| Total general revenues | | | | | 95,838,925 |
| Change in net position | | | | | 28,758,891 |
| Net Position at Beginning of Year | | | | | 145,735,257 |
| Net Position at End of Year | | | | | \$ 174,494,148 |

The accompanying notes are an integral part of the financial statements

TOWN OF GROTON, CONNECTICUT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2020

| | General Fund | Capital Improvements Fund | Nonmajor Governmental Funds | Total Governmental Funds |
|---|-------------------------|--|--|---|
| ASSETS | | | | |
| Cash and cash equivalents | \$ 32,940,338 | \$ 67,675,684 | \$ 8,755,574 | \$ 109,371,596 |
| Investments | 3,372,865 | | 121,439 | 3,494,304 |
| Receivables, net | 1,492,565 | 5,598,324 | 2,529,530 | 9,620,419 |
| Due from other funds | 319,028 | | | 319,028 |
| Other assets | 19,978 | | 2,747 | 22,725 |
| Total Assets | <u>\$ 38,144,774</u> | <u>\$ 73,274,008</u> | <u>\$ 11,409,290</u> | <u>\$ 122,828,072</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ 8,029,909 | \$ 10,504,700 | \$ 1,016,544 | \$ 19,551,153 |
| Bond anticipation notes payable | | 63,045,000 | | 63,045,000 |
| Due to State | | | 58,844 | 58,844 |
| Due to other funds | | | 319,028 | 319,028 |
| Unearned revenues | 65,757 | 555,757 | 156,844 | 778,358 |
| Total liabilities | <u>8,095,666</u> | <u>74,105,457</u> | <u>1,551,260</u> | <u>83,752,383</u> |
| Deferred inflows of resources: | | | | |
| Unavailable revenue - property taxes | 1,009,920 | | | 1,009,920 |
| Unavailable revenue - property tax interest | 255,701 | | | 255,701 |
| Unavailable revenue - special assessments | | | 2,693 | 2,693 |
| Unavailable revenue - loans receivable | | | 871,257 | 871,257 |
| Total deferred inflows of resources | <u>1,265,621</u> | <u>-</u> | <u>873,950</u> | <u>2,139,571</u> |
| Fund balances: | | | | |
| Nonspendable | 19,978 | | 250,290 | 270,268 |
| Restricted | | | 2,126,965 | 2,126,965 |
| Committed | | | 6,772,636 | 6,772,636 |
| Assigned | 1,476,235 | | | 1,476,235 |
| Unassigned | 27,287,274 | (831,449) | (165,811) | 26,290,014 |
| Total fund balances | <u>28,783,487</u> | <u>(831,449)</u> | <u>8,984,080</u> | <u>36,936,118</u> |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | <u>\$ 38,144,774</u> | <u>\$ 73,274,008</u> | <u>\$ 11,409,290</u> | <u>\$ 122,828,072</u> |

(Continued on next page)

TOWN OF GROTON, CONNECTICUT
BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2020

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) | \$ 36,936,118 |
|--|---------------|

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

| | | |
|-------------------------------|--------------------|-------------|
| Governmental capital assets | \$ 437,218,716 | |
| Less accumulated depreciation | <u>165,127,624</u> | |
| Net capital assets | | 272,091,092 |

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 | 1,012,613 |
| Loan receivables greater than 60 days | 871,257 |
| Interest receivable on property taxes | 255,701 |
| Deferred outflows related pension | 4,280,867 |
| Deferred outflows related to OPEB | 4,334,602 |

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.

11,862,676

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 | (70,020,000) |
| Bond premium | (6,073,173) |
| Deferred charge on refunding | 1,319,173 |
| Clean water fund loan payable | (5,766,420) |
| Interest payable on bonds | (290,155) |
| Net pension liability | (24,976,913) |
| Deferred inflows related to pension | (1,635,003) |
| Capital lease | (21,300) |
| Net OPEB liability | (39,311,876) |
| Deferred inflows related to OPEB | (7,097,143) |
| Compensated absences | (2,001,968) |
| Landfill closure costs | <u>(1,276,000)</u> |

| | |
|---|-----------------------|
| Net Position of Governmental Activities (Exhibit I) | <u>\$ 174,494,148</u> |
|---|-----------------------|

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, 2020

| | General Fund | Capital Improvements Fund | Nonmajor Governmental Funds | Total Governmental Funds |
|--|-------------------------|--|--|---|
| Revenues: | | | | |
| Property taxes, interest and lien fees | \$ 90,191,028 | \$ | \$ 697,782 | \$ 90,888,810 |
| Assessments | | | 309 | 309 |
| Licenses and permits | 562,457 | | | 562,457 |
| Intergovernmental - state | 43,411,693 | 23,840,543 | 3,968,414 | 71,220,650 |
| Interest on investments | 632,420 | 354,877 | 62,329 | 1,049,626 |
| Intergovernmental - federal | 4,082,939 | | 3,717,031 | 7,799,970 |
| Charges for current services | 1,048,648 | 586 | 2,844,834 | 3,894,068 |
| Schools, library and recreation fees | 162,369 | | | 162,369 |
| Sewer use charges | | | 6,448,601 | 6,448,601 |
| Solid waste management charges | | | 1,419,700 | 1,419,700 |
| Other revenue | 679,224 | 41,105 | 1,542,718 | 2,263,047 |
| Total revenues | <u>140,770,778</u> | <u>24,237,111</u> | <u>20,701,718</u> | <u>185,709,607</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General government | 847,883 | | 269,348 | 1,117,231 |
| General services | 3,159,294 | | | 3,159,294 |
| Public safety | 8,396,646 | | 377,264 | 8,773,910 |
| Public works | 5,449,673 | | 79,167 | 5,528,840 |
| Planning and development | 1,431,888 | | | 1,431,888 |
| Health and human services | 556,821 | | 272,220 | 829,041 |
| Community services | 3,123,406 | | 2,283,255 | 5,406,661 |
| Education | 89,014,374 | | 7,740,876 | 96,755,250 |
| Subdivisions | 5,488,998 | | | 5,488,998 |
| Sewer operations | | | 4,278,263 | 4,278,263 |
| Solid waste management | | | 1,499,935 | 1,499,935 |
| Nondepartmental | 10,080,534 | | | 10,080,534 |
| Outside agencies | 1,474,285 | | 169,657 | 1,643,942 |
| Debt service | 6,658,571 | 162,530 | 1,169,714 | 7,990,815 |
| Capital outlay | 93,312 | 63,386,471 | 309,653 | 63,789,436 |
| Total expenditures | <u>135,775,685</u> | <u>63,549,001</u> | <u>18,449,352</u> | <u>217,774,038</u> |
| Revenues over (under) Expenditures | <u>4,995,093</u> | <u>(39,311,890)</u> | <u>2,252,366</u> | <u>(32,064,431)</u> |
| Other Financing Sources (Uses): | | | | |
| Issuance of bonds | | 20,000,000 | | 20,000,000 |
| Bond premium | | 3,079,380 | | 3,079,380 |
| Refunding bond issuance | 9,985,000 | | | 9,985,000 |
| Refunding bond premiums | 1,227,152 | | | 1,227,152 |
| Payment to escrow agent | (11,130,548) | | | (11,130,548) |
| Issuance of capital lease | | 22,561 | | 22,561 |
| Transfers in | 580,015 | 1,959,000 | 97,883 | 2,636,898 |
| Transfers out | (2,954,860) | | (1,035,773) | (3,990,633) |
| Total other financing sources (uses) | <u>(2,293,241)</u> | <u>25,060,941</u> | <u>(937,890)</u> | <u>21,829,810</u> |
| Net Change in Fund Balances | 2,701,852 | (14,250,949) | 1,314,476 | (10,234,621) |
| Fund Balances at Beginning of Year | <u>26,081,635</u> | <u>13,419,500</u> | <u>7,669,604</u> | <u>47,170,739</u> |
| Fund Balances at End of Year | <u>\$ 28,783,487</u> | <u>\$ (831,449)</u> | <u>\$ 8,984,080</u> | <u>\$ 36,936,118</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, 2020

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) | \$ (10,234,621) |
|---|-----------------|

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 | 63,980,558 |
| Depreciation expense | (8,179,160) |

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 | (75,480) |
| Construction in progress expensed | (1,470,352) |

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 | 167,529 |
| Interest income on property taxes | 16,786 |
| Revenue on loan receivables greater than 60 days | (84,832) |
| Changes in deferred outflows related to pension | (441,636) |
| Changes in deferred outflows related OPEB | 2,371,810 |

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 | 12,278 |
| Principal payments on bonds | 5,110,000 |
| Principal payments on Clean Water Fund loan payable | 612,363 |
| Principal payments on capital leases | 1,261 |
| Issuance of capital lease | (22,561) |
| Bond proceeds | (20,000,000) |
| Bond premium issuance | (3,079,380) |
| Refunding bond issuance | (9,985,000) |
| Payments to escrow agent | 11,130,548 |
| Write off of premium with refunding | 1,409,909 |
| Premium on refunding bond debt issuance | (1,227,152) |
| Amortization of bond premium | 279,832 |
| Net pension liability | (1,616,419) |
| Change in deferred inflows related to pension | 1,238,810 |
| Change in net OPEB liability | 1,714,641 |
| Change in deferred inflows related to OPEB | (4,426,858) |
| Deferred charge on refunding | (404,333) |
| 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 | (111,115) |
|--------------------------------|-----------|

| | |
|--|------------------|
| The net expense of certain activities of internal service funds is reported in governmental activities | <u>1,903,265</u> |
|--|------------------|

| | |
|--|----------------------|
| Change in Net Position of Governmental Activities (Exhibit II) | <u>\$ 28,758,891</u> |
|--|----------------------|

The accompanying notes are an integral part of the financial statements

TOWN OF GROTON, CONNECTICUT
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
JUNE 30, 2020

| | Governmental Activities Internal Service Funds |
|--|---|
| Assets: | |
| Current assets: | |
| Cash and cash equivalents | \$ 12,066,458 |
| Accounts receivable | 6,481 |
| Other assets | 25,000 |
| Total current assets | <u>12,097,939</u> |
| Noncurrent assets: | |
| Property and equipment | 9,486,270 |
| Accumulated depreciation | <u>(7,134,519)</u> |
| Property and equipment, net | <u>2,351,751</u> |
| Total assets | <u>14,449,690</u> |
| Liabilities: | |
| Current liabilities: | |
| Accounts payable | 245,420 |
| Claims incurred but not reported | <u>816,112</u> |
| Total current liabilities | <u>1,061,532</u> |
| Noncurrent liabilities: | |
| Claims incurred but not reported, net of current portion | <u>1,525,482</u> |
| Total liabilities | <u>2,587,014</u> |
| Net Position: | |
| Invested in capital assets | 2,351,751 |
| Unrestricted | <u>9,510,925</u> |
| Total Net Position | \$ <u><u>11,862,676</u></u> |

The accompanying notes are an integral part of the financial statements

TOWN OF GROTON, CONNECTICUT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

| | Governmental Activities Internal Service Funds |
|-----------------------------------|---|
| Operating Revenues: | |
| Charges for services | \$ 14,121,980 |
| Other revenue | 36,527 |
| Intergovernmental revenue | 48,800 |
| Total operating revenues | <u>14,207,307</u> |
| Operating Expenses: | |
| Operating expenses | 626,927 |
| Claims | 11,198,936 |
| Depreciation | 492,147 |
| Administration | 1,457,090 |
| Total operating expenses | <u>13,775,100</u> |
| Operating Income (Loss) | 432,207 |
| Nonoperating Revenues: | |
| Interest on investments | <u>117,323</u> |
| Income Before Transfers | 549,530 |
| Transfer In | 1,451,618 |
| Transfers Out | <u>(97,883)</u> |
| Change in Net Position | 1,903,265 |
| Net Position at Beginning of Year | <u>9,959,411</u> |
| Net Position at End of Year | <u><u>\$ 11,862,676</u></u> |

The accompanying notes are an integral part of the financial statements

TOWN OF GROTON, CONNECTICUT
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

| | Governmental Activities Internal Service Funds |
|---|---|
| Cash Flows from Operating Activities: | |
| Cash received from customers and users | \$ 14,700,671 |
| Cash paid to vendors | (571,524) |
| Cash paid to beneficiaries | (13,543,862) |
| Net cash provided by (used in) operating activities | <u>585,285</u> |
| Cash Flows from Capital and Related Financing Activities: | |
| Purchase of property and equipment | <u>(137,242)</u> |
| Cash Flows from Noncapital Financing Activities: | |
| Transfer in | 1,451,618 |
| Transfers out | (97,883) |
| Net cash provided by (used in) noncapital financing activities | <u>1,353,735</u> |
| Cash Flows from Investing Activities: | |
| Interest on investments | <u>117,323</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | 1,919,101 |
| Cash and Cash Equivalents at Beginning of Year | <u>10,147,357</u> |
| Cash and Cash Equivalents at End of Year | <u>\$ 12,066,458</u> |
| Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities: | |
| Operating income (loss) | \$ 432,207 |
| Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities: | |
| Depreciation | 492,147 |
| Changes in assets and liabilities: | |
| Decrease (increase) in accounts receivable | 493,364 |
| (Decrease) increase in accounts payable | 55,403 |
| (Decrease) increase in claims payable | (887,836) |
| Net Cash Provided by (Used in) Operating Activities | <u>\$ 585,285</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, 2020

| | Pension and Other Employee Benefit Trust Funds | Private Purpose Trust Funds | Agency Funds |
|--|---|--|-------------------------|
| Assets: | | | |
| Cash and cash equivalents | \$ 2,404,627 | \$ 45,945 | \$ 761,834 |
| Investments, at fair value: | | | |
| Mutual funds | 146,107,541 | | |
| Accounts receivable | 210,382 | | |
| Due from employees/others | 22,618 | | |
| Total assets | <u>148,745,168</u> | <u>45,945</u> | <u>761,834</u> |
| Liabilities: | | | |
| Accounts payable | 78,604 | | |
| Due to employees/others | 29 | | |
| Claims incurred but not reported | 180,000 | | |
| Due to contractors/developers | | | 462,808 |
| Due to student groups | | | 263,418 |
| Due to fire districts | | | 35,608 |
| Other liabilities | | | |
| Total liabilities | <u>258,633</u> | <u>-</u> | <u>761,834</u> |
| Net Position: | | | |
| Restricted for OPEB Benefits | 22,358,452 | | |
| Restricted for Ledge Light pensions | 639,391 | | |
| Restricted for Poquonnock Fire District pensions | 11,671,140 | | |
| Restricted for Town and BOE pensions | 113,817,552 | | |
| Restricted for trusts | | 45,945 | |
| Total Net Position | <u>\$ 148,486,535</u> | <u>\$ 45,945</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, 2020

| | Pension and Other Employee Benefit Trust Funds | Private Purpose Trust Funds |
|---|---|--|
| Additions: | | |
| Contributions: | | |
| Employer | \$ 7,447,033 | \$ |
| Plan members | 3,668,451 | |
| Other additions | | 2,000 |
| Total contributions | <u>11,115,484</u> | <u>2,000</u> |
| Investment income: | | |
| Net change in fair value of investments | 7,872,909 | |
| Interest and dividends | | 679 |
| | <u>7,872,909</u> | <u>679</u> |
| Less investment expenses: | | |
| Investment management fees | <u>570,752</u> | |
| Net investment income | <u>7,302,157</u> | <u>679</u> |
| Total additions | <u>18,417,641</u> | <u>2,679</u> |
| Deductions: | | |
| Benefits | 13,147,345 | 10,028 |
| Administrative expense | <u>89,044</u> | |
| Total deductions | <u>13,236,389</u> | <u>10,028</u> |
| Change in Net Position | 5,181,252 | (7,349) |
| Net Position at Beginning of Year | <u>143,305,283</u> | <u>53,294</u> |
| Net Position at End of Year | <u>\$ 148,486,535</u> | <u>\$ 45,945</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.

TOWN OF GROTON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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:

| Assets | Years |
|-------------------------------------|--------------|
| 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, 2020 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.

TOWN OF GROTON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

Committed Fund Balance

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

Assigned Fund Balance

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

Unassigned Fund Balance

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

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

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

N. Property Taxes

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

O. Accounting Estimates

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

P. Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statement through the date that the financial statements were available to be issued, which date is December 22, 2020.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

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

After one public hearing and numerous public meetings, the Town Council, on or before April 28th, recommends these budgets, as revised, to the Representative Town Meeting (RTM). The RTM reviews and takes final action on each function's budget no later than May 25th. These appropriations become the legal level of control. Following RTM approval of a final budget, the Town Council shall determine the final tax rate on or before June 9th. The Town Council must authorize all transfers of legally budgeted amounts between functions, with RTM authorization required on all transfers over \$10,000. In this process, function budget accounts serve as the legal level of control. Transfers within functions are not necessary. Additional appropriations may only be made by the Town Council and RTM in accordance with Town Charter provisions. For the year ended June 30, 2020, there were no additional appropriations.

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

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

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

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

**TOWN OF GROTON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

B. Deficit Fund Equity

The following funds had deficit fund balances/net position at June 30, 2020:

| | |
|------------------------------|------------|
| Capital Improvement Fund | \$ 831,449 |
| Nonmajor Governmental Funds: | |
| Community Development Fund | 165,811 |

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

C. Expenditures Exceeding Appropriations

The insurance and claims line item in the General Fund exceeded appropriations by \$54,622.

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.

TOWN OF GROTON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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*, \$57,106,816 of the Town’s bank balance of \$61,980,141 was exposed to custodial credit risk as follows:

| | |
|---|-----------------------------|
| Uninsured and uncollateralized | \$ 50,939,633 |
| Uninsured and collateral held by the pledging bank’s trust department, not in the Town’s name | <u>6,167,183</u> |
| Total Amount Subject to Custodial Credit Risk | <u><u>\$ 57,106,816</u></u> |

Cash Equivalents

At June 30, 2020, the Town’s cash equivalents amounted to \$68,235,410. The following provides a summary of the Town’s cash equivalents (excluding U.S. government guaranteed obligations) as rated by nationally recognized statistical rating organizations. The pools all have maturities of less than one year.

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

TOWN OF GROTON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

Investments

As of June 30, 2020, 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 * | | \$ 3,372,865 | \$ <u>2,820,865</u> | \$ <u>552,000</u> | \$ <u>-</u> |
| Other investments: | | | | | |
| Mutual Funds | N/A | 146,221,088 | | | |
| Common Stock | N/A | <u>7,892</u> | | | |
| Total Investments | | \$ <u>149,601,845</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, 2020, the Town did not have any uninsured and unregistered securities held by counterparties, or by their trust department or agents, that were not in the Town's name.

Credit Risk - Investments

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

Concentration of Credit Risk

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

Interest Rate Risk

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

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

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

TOWN OF GROTON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements); followed by quoted prices in inactive markets or for similar assets or with observable inputs (Level 2 measurements); and the lowest priority to unobservable inputs (Level 3 measurements). The Town has the following recurring fair value measurements as of June 30, 2020:

| | <u>Fair Value</u> | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> |
|---------------------------------------|-----------------------|-----------------------|------------------|-------------------|
| Common Stock | \$ 7,892 | \$ 7,892 | \$ | \$ |
| Mutual Funds | <u>146,221,088</u> | <u>146,182,090</u> | <u>38,998</u> | <u> </u> |
| Total Investments by Fair Value Level | 146,228,980 | <u>\$ 146,189,982</u> | <u>\$ 38,998</u> | <u>\$ -</u> |
| Investments not included above: | | | | |
| Certificate of deposit | <u>3,372,865</u> | | | |
| Total investments | <u>\$ 149,601,845</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>166,935</u> | <u>21,814</u> | <u>250</u> | <u>188,999</u> |
| Total Value | <u>\$ 186,935</u> | <u>\$ 49,357</u> | <u>\$ 200,250</u> | <u>\$ 436,542</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
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

C. Fund Receivables

Receivables at June 30, 2020, 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 | \$ 1,388,498 | \$ | \$ 4,201 | \$ 1,392,699 |
| Property tax interest | 255,701 | | | 255,701 |
| Assessments | | | 871,257 | 871,257 |
| Intergovernmental | | 5,598,324 | 520,789 | 6,119,113 |
| Accounts receivable | 68,366 | | 663,542 | 731,908 |
| User fees receivable | | | 846,604 | 846,604 |
| Gross receivables | <u>1,712,565</u> | <u>5,598,324</u> | <u>2,906,393</u> | <u>10,217,282</u> |
| Allowance for collection losses | <u>(220,000)</u> | | <u>(160,000)</u> | <u>(380,000)</u> |
| Net Receivables | \$ <u><u>1,492,565</u></u> | \$ <u><u>5,598,324</u></u> | \$ <u><u>2,746,393</u></u> | \$ <u><u>9,837,282</u></u> |

TOWN OF GROTON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

D. Capital Assets

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

| | <u>Beginning Balance</u> | <u>Increases/ Adjustments</u> | <u>Decreases/ Adjustments</u> | <u>Ending Balance</u> |
|---|------------------------------|-----------------------------------|-----------------------------------|---------------------------|
| Governmental activities: | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 15,372,053 | \$ | \$ | \$ 15,372,053 |
| Construction in progress | 32,408,891 | 63,376,837 | 11,895,725 | 83,890,003 |
| Total capital assets not being depreciated | <u>47,780,944</u> | <u>63,376,837</u> | <u>11,895,725</u> | <u>99,262,056</u> |
| Capital assets being depreciated: | | | | |
| Land improvements | 12,419,988 | 49,967 | | 12,469,955 |
| Buildings and improvements | 180,404,321 | 2,229,412 | 66,422 | 182,567,311 |
| Machinery and equipment | 24,524,692 | 1,443,295 | 257,049 | 25,710,938 |
| Machinery and equipment - fleet | 9,496,781 | 137,242 | 147,753 | 9,486,270 |
| Infrastructure | 109,902,036 | 7,306,420 | | 117,208,456 |
| Total capital assets being depreciated | <u>336,747,818</u> | <u>11,166,336</u> | <u>471,224</u> | <u>347,442,930</u> |
| Less accumulated depreciation for: | | | | |
| Land improvements | 3,828,068 | 170,001 | | 3,998,069 |
| Buildings and improvements | 63,546,281 | 3,903,626 | 27,122 | 67,422,785 |
| Machinery and equipment | 14,979,942 | 1,005,596 | 220,869 | 15,764,669 |
| Machinery and equipment - fleet | 6,790,125 | 492,147 | 147,753 | 7,134,519 |
| Infrastructure | 74,842,164 | 3,099,937 | | 77,942,101 |
| Total accumulated depreciation | <u>163,986,580</u> | <u>8,671,307</u> | <u>395,744</u> | <u>172,262,143</u> |
| Total capital assets being depreciated, net | <u>172,761,238</u> | <u>2,495,029</u> | <u>75,480</u> | <u>175,180,787</u> |
| Governmental Activities Capital Assets, Net | <u>\$ 220,542,182</u> | <u>\$ 65,871,866</u> | <u>\$ 11,971,205</u> | <u>\$ 274,442,843</u> |

TOWN OF GROTON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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

| | |
|---|---------------------|
| Governmental Activities: | |
| General government services | \$ 2,038,721 |
| Public safety | 103,668 |
| Public works, including depreciation of general infrastructure assets | 2,059,016 |
| Community services | 113,930 |
| Education | 2,539,924 |
| Sewer operating | 1,323,901 |
| Fleet | <u>492,147</u> |
| Total Depreciation Expense - Governmental Activities | \$ <u>8,671,307</u> |

Construction Commitments

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

| | <u>Project Amount</u> |
|------------------------------|---------------------------|
| Building Improvements: | |
| Senior center circuit repair | \$ 3,771 |
| Police department fire alarm | 8,519 |
| WPCF Projects: | |
| WPCF roofs and handrails | 5,054 |
| Pump station | 34,063 |
| Land Improvements: | |
| Col. Ledyard tank removal | 3,177 |

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

TOWN OF GROTON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

E. Interfund Receivables, Payables and Transfers

As of June 30, 2020, 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>319,028</u> |

Interfund Transfers

Interfund transfers during the year ended June 30, 2020 were as follows:

| | <u>Transfers In</u> | | | | <u>Total Transfers Out</u> |
|------------------------|-------------------------|--|--|--------------------------------------|------------------------------------|
| | <u>General Fund</u> | <u>Capital Improvements Fund</u> | <u>Nonmajor Governmental Funds</u> | <u>Internal Service Fund</u> | |
| Transfers out: | | | | | |
| General Fund | \$ | \$ 1,621,000 | \$ | \$ 1,333,860 | \$ 2,954,860 |
| Nonmajor Funds | 580,015 | 338,000 | | 117,758 | 1,035,773 |
| Internal Service Funds | | | 97,883 | | 97,883 |
| Total Transfers In | \$ <u>580,015</u> | \$ <u>1,959,000</u> | \$ <u>97,883</u> | \$ <u>1,451,618</u> | \$ <u>4,088,516</u> |

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

TOWN OF GROTON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

F. Fund Balance

The components of fund balance for the governmental funds at June 30, 2020 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 | \$ 19,978 | \$ | \$ 2,747 | \$ 22,725 |
| Endowments | | | 247,543 | 247,543 |
| Restricted for: | | | | |
| Various grant funded projects | | | 287,321 | 287,321 |
| Debt service | | | 146,689 | 146,689 |
| Regional probate court | | | 23,875 | 23,875 |
| Recreation and senior activities | | | 173,163 | 173,163 |
| Trust purposes | | | 188,999 | 188,999 |
| Education | | | 1,306,918 | 1,306,918 |
| Committed to: | | | | |
| Escrow funds | | | 756,551 | 756,551 |
| Land acquisition | | | 74,547 | 74,547 |
| Outside police services | | | 47,568 | 47,568 |
| Energy conservation | | | 19,637 | 19,637 |
| Human services donations | | | 284,757 | 284,757 |
| Emergency energy | | | 26,747 | 26,747 |
| DECD Brownfield Mystic Education Center Fund | | | 3,009 | 3,009 |
| Public infrastructure improvements | | | 502,284 | 502,284 |
| Library | | | 53,724 | 53,724 |
| Golf course operations | | | 293,220 | 293,220 |
| Parks & recreation | | | 198,569 | 198,569 |
| School cafeteria | | | 465,030 | 465,030 |
| Fitch High School library media | | | 497 | 497 |
| LED Conversion Project | | | 49,484 | 49,484 |
| Blight remediation | | | 15,193 | 15,193 |
| Sewer | | | 3,568,706 | 3,568,706 |
| Solid waste management | | | 202,548 | 202,548 |
| Outside agencies | | | 208,786 | 208,786 |
| Other | | | 1,779 | 1,779 |
| Assigned to: | | | | |
| General services - encumbrances | 7,780 | | | 7,780 |
| Public safety - encumbrances | 19,714 | | | 19,714 |
| Public works - encumbrances | 51,957 | | | 51,957 |
| Planning and development - encumbrances | 26,640 | | | 26,640 |
| Health and human services - encumbrances | 4,638 | | | 4,638 |
| Nondepartmental - encumbrances | 8,396 | | | 8,396 |
| Education services - encumbrances | 661,181 | | | 661,181 |
| Revaluation | 337,173 | | | 337,173 |
| Technology | 358,756 | | | 358,756 |
| Unassigned | 27,287,274 | (831,449) | (165,811) | 26,290,014 |
| Total Fund Balance | \$ 28,783,487 | \$ (831,449) | \$ 8,984,080 | \$ 36,936,118 |

Encumbrances of \$780,306 are contained in the above table in the assigned category of the General Fund at June 30, 2020. Encumbrances of \$4,669,118 are contained in the above table in the committed category of the Nonmajor Governmental Funds at June 30, 2020. There are also encumbrances of \$84,865,785 in the Capital Improvements Fund, not included in the table above, at June 30, 2020.

TOWN OF GROTON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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, 2020. The future minimum lease payments for these leases are as follows:

| <u>Year Ending June 30</u> | <u>Governmental Activities</u> |
|----------------------------|------------------------------------|
| 2021 | \$ 78,492 |
| 2022 | 67,242 |
| 2023 | 213,816 |
| 2024 | 8,653 |
| 2025 | 3,748 |

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

Capital Leases

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

| | <u>Governmental Activities</u> |
|-------------------------------|------------------------------------|
| Equipment | \$ 22,561 |
| Less accumulated depreciation | <u>(752)</u> |
| Total | <u><u>\$ 21,809</u></u> |

TOWN OF GROTON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

The future minimum lease obligation and net present value of the minimum lease payments as of June 30, 2020 were as follows:

| <u>Year Ending June 30</u> | <u>Governmental Activities</u> |
|----------------------------|------------------------------------|
| 2021 | \$ 5,404 |
| 2022 | 5,405 |
| 2023 | 5,404 |
| 2024 | 5,404 |
| 2025 | <u>3,603</u> |
| Less amount for interest | <u>(3,920)</u> |
| Minimum Lease Payments | \$ <u><u>21,300</u></u> |

H. Long-Term Debt

Long-term liability activity for the year ended June 30, 2020 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 | \$ 56,225,000 | \$ 29,985,000 | \$ 16,190,000 | \$ 70,020,000 | \$ 5,925,000 |
| Clean Water Fund loan | 6,378,783 | | 612,363 | 5,766,420 | 612,363 |
| Premium | <u>3,456,382</u> | <u>4,306,532</u> | <u>1,689,741</u> | <u>6,073,173</u> | <u>374,961</u> |
| Total bonds and loans payable | 66,060,165 | 34,291,532 | 18,492,104 | 81,859,593 | 6,912,324 |
| Landfill post-closure monitoring | 1,444,200 | | 168,200 | 1,276,000 | 168,200 |
| Capital lease obligations | | 22,561 | 1,261 | 21,300 | 3,973 |
| Compensated absences | 1,890,853 | 336,511 | 225,396 | 2,001,968 | 215,461 |
| Claims payable | 3,363,976 | | 1,022,382 | 2,341,594 | 816,112 |
| Net pension liability | 23,360,494 | 1,616,419 | | 24,976,913 | |
| Net OPEB Liability | <u>41,026,517</u> | | <u>1,714,641</u> | <u>39,311,876</u> | |
| Long-Term Liabilities | \$ <u><u>137,146,205</u></u> | \$ <u><u>36,267,023</u></u> | \$ <u><u>21,623,984</u></u> | \$ <u><u>151,789,244</u></u> | \$ <u><u>8,116,070</u></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.

TOWN OF GROTON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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:

| Town of Groton | | |
|-----------------------|---------------------------|--------------------------|
| Fiscal Year | Principal Payments | Interest Payments |
| 2021 | \$ 5,925,000 | \$ 2,616,635 |
| 2022 | 5,920,000 | 2,397,325 |
| 2023 | 5,930,000 | 2,120,288 |
| 2024 | 5,945,000 | 1,842,200 |
| 2025 | 5,585,000 | 1,583,631 |
| 2026-2030 | 20,795,000 | 5,099,938 |
| 2031-2035 | 10,920,000 | 2,407,250 |
| 2036-2040 | 9,000,000 | 680,000 |
| | <u>\$ 70,020,000</u> | <u>\$ 18,747,267</u> |

General Obligation Bond Anticipation Notes Payable

| Date Issued | Maturity Date | Interest Rate (%) | Balance July 1, 2019 | Issued | Retired | Balance June 30, 2020 |
|--------------------|----------------------|--------------------------|-----------------------------|---------------|----------------|------------------------------|
| 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 | - |
| 4/17/2020 | 4/29/2021 | 2.00 | | 56,000,000 | | 56,000,000 |
| 4/17/2020 | 4/29/2021 | 2.00 | | 7,045,000 | | 7,045,000 |

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

TOWN OF GROTON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

Debt Limitation

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

| <u>Category</u> | <u>Debt Limit</u> | <u>Indebtedness</u> | <u>Balance</u> |
|--------------------|-------------------|---------------------|----------------|
| Public improvement | \$ 233,139,515 | \$ 20,511,862 | \$ 212,627,653 |
| Schools | 466,279,029 | 134,258,032 | 332,020,997 |
| Sewers | 388,565,858 | 22,507,420 | 366,058,438 |
| Urban renewal | 336,757,077 | | 336,757,077 |
| Pension deficit | 310,852,686 | | 310,852,686 |

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, including coterminous municipalities, or \$725,322,934. 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 \$10,766,641 (and \$63,520,060 authorized and unissued) is included in the calculation of indebtedness. Total authorized but unissued long-term debt at June 30, 2020 consists of \$3,221 remaining for road maintenance and Rehabilitation (Paving), \$62,331,839 for school facilities improvement plan and \$1,185,000 for the Effluent/Fishtown Pump Station (WPCF).

General Obligation Bonds Refunding

On April 17, 2020 the Town issued \$9,985,000 of general obligation refunding bonds with interest rates ranging from 1.0% - 2.88% to current refund at or prior maturity all or a portion of the outstanding principal amounts of \$5,140,000 and \$5,940,000 General Obligation Bonds, dated April 2, 2014 and General Obligation Refunding Bonds, dated November 29, 2011, respectively.

Net proceeds of \$11,212,152 (including a premium of \$1,227,152 and issuance costs of \$51,649, net of underwriter's discounts) will reduce total debt service payments over the next 10 years by approximately \$734,584 and represent an economic gain (difference between present values of the debt service payments on the old and new debt) of \$723,024. As a result, the refunded bonds are considered defeased, and all future interest and principal on the defeased bonds has been paid from the proceeds of the refunding issue, which were placed into an irrevocable escrow account.

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, 2020, 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.

TOWN OF GROTON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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

| Fiscal Year | Debt Service Fund | |
|------------------------|-------------------------------|------------------------------|
| | Principal Payments | Interest Payments |
| 2021 | \$ 612,363 | \$ 109,715 |
| 2022 | 612,363 | 97,468 |
| 2023 | 612,363 | 85,221 |
| 2024 | 612,363 | 72,973 |
| 2025 | 612,363 | 60,726 |
| 2026-2030 | <u>2,704,605</u> | <u>121,707</u> |
| | <u>\$ 5,766,420</u> | <u>\$ 547,810</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 \$609,000 (\$101,500 per year for 6 years). The other landfill site stopped accepting waste in the fall of 2001, and its remaining postclosure cost is \$667,00 (\$66,700 for 10 years). Actual costs may be higher due to inflation, changes in technology or changes in regulations.

TOWN OF GROTON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

4. TAX ABATEMENTS

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

| Local Business | Branford Manor Preservation | AHEPA 250-III Inc. | Mystic River Homes | Mystic Indoor Sports |
|--|---|---|--|---|
| Purpose | Apartment complex being renovated is low income housing and has been deemed a Development Property. | Apartment complex constructed for low income elderly or disabled. | Apartment complex constructed for low income housing. | Improvement of an indoor sports facility for community use (increase tax base). |
| Tax being abated | Real Property | Real Property | Real Property | Real Property |
| Authority under which agreements are entered into | Connecticut General Statutes 7-498, a part of General Statutes Chapter 114, the Connecticut City and Town Development Act. | Section 8-215 and 8-216 of Chapter 133 of the Connecticut General Statutes. | Section 8-215 and 8-216 of Chapter 133 of the Connecticut General Statutes. | Town of Groton Financial Incentive Policy. |
| Eligibility criteria for tax abatement | Investment of \$18,500,000 to construct new resident service buildings, to make and maintain exterior and interior repairs and renovation to provide 100% project-based Section 8 housing for low income individuals. | Construct a 40-unit complex for low income elderly. | Construct and maintain a maximum of 144 units of housing for low income elderly and disabled. Two phases of 72 units each. | Invest \$3 million to improve the property. |
| How recipient's taxes are reduced | A payment schedule of taxes has been agreed upon per the agreement through January 1, 2037 totaling 7,759,264. | 53.5% Abated | 100% Abated | Year 1 - 100% abatement for existing buildings and land along with new improvements Years 2-4 - 100% abatement for new buildings and paying taxes on the full assessment of the existing buildings (built prior to 2015) and land Years 5-6 - 75% abatement for new buildings and paying taxes on the full assessment of the existing buildings (built prior to 2015) and land Year 7 - 50% abatement for new buildings and paying taxes on the full assessment of the existing buildings (built prior to 2015) and land |
| How the tax abatement is determined | Schedule based on current value of the building and reasonable abatement agreed to by all parties. | Discount needed to maintain low rents and off set the cost of the project. | Discount needed to maintain low rents and off set the cost of the project. | Buyer paid backed taxes after purchasing the bankrupt facility. Discount needed to off set the cost of renovations. |
| Gross dollar amount, on an accrual basis, by which the government's tax revenues were reduced as a result of the abatement agreement. | Tax stabilization agreement. Taxes were not reduced, but stabilized to increase 3% per year for 20 years. Initial FYE2018 | \$18,210 Town \$203 Sewer \$4,498 Poquonnock Bridge Fire District | \$152,244 Town \$1,701 Sewer \$8,756 Noank Fire District | \$13,972 Town \$162 Sewer \$1,676 Old Mystic Fire District |

5. PUBLIC EMPLOYEE RETIREMENT SYSTEM

Pension Plans

A. Plan Description and Benefits Provided

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

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

Board of Education - School Secretaries

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

Board of Education - Custodians/Maintenance

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

CILU

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

Board of Education - Administrative

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

General Government AFSCME

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

TOWN OF GROTON
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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, 2019, 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 | 286 | 18 | 1 |
| Terminated employees entitled to benefits but not yet receiving them | 28 | | 1 |
| Active plan members | <u>345</u> | <u>22</u> | <u>1</u> |
| Total | <u><u>659</u></u> | <u><u>40</u></u> | <u><u>3</u></u> |

B. Summary of Significant Accounting Policies

Basis of Accounting

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

TOWN OF GROTON
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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, 2020:

| Asset Class | Target Allocation |
|----------------------------------|--------------------------|
| 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, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 5.58%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

TOWN OF GROTON
NOTES TO FINANCIAL STATEMENTS
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E. Net Pension Liability

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

| | <u>Town and BOE</u> | <u>Ledge Light</u> | <u>Fire</u> | <u>Total</u> |
|---|-------------------------|------------------------|---------------------|----------------------|
| Total pension liability | \$ 138,794,465 | \$ 855,740 | \$ 14,810,700 | \$ 154,460,905 |
| Plan fiduciary net position | <u>113,817,552</u> | <u>639,391</u> | <u>11,671,140</u> | <u>126,128,083</u> |
| Total Net Pension Liability | <u>\$ 24,976,913</u> | <u>\$ 216,349</u> | <u>\$ 3,139,560</u> | <u>\$ 28,332,822</u> |
| Plan fiduciary net position as a percentage of the total pension liability | 82.00% | 74.72% | 78.80% | 81.66% |

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of July 1, 2019, using the following actuarial assumptions, applied to all periods included in the measurement.

| | |
|---------------------------|-------------------|
| Inflation | 2.60% |
| Salary increases | Vary by age group |
| Investment rate of return | 7.25% |

Mortality rates were based on the RP-2014 Adjusted to 2006 Total Dataset Mortality Table projected to valuation date with Scale MP-2019 (Prior: 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, 2019 valuation were based on the 2014 Experience Study Report published in August 2014.

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 building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2020 (see discussion of the pension plan's investment policy) are summarized in the following table:

| <u>Asset Class</u> | <u>Long-Term Expected Real Rate of Return</u> |
|----------------------------------|--|
| 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 |

Discount Rate

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Town contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

TOWN OF GROTON
NOTES TO FINANCIAL STATEMENTS
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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, 2019 | \$ 134,677,813 | \$ 111,317,319 | \$ 23,360,494 |
| Changes for the year: | | | |
| Service cost | 2,799,491 | | 2,799,491 |
| Interest on total pension liability | 9,669,256 | | 9,669,256 |
| Differences between expected and actual experience | 289,128 | | 289,128 |
| Changes in assumptions | (278,347) | | (278,347) |
| Employer contributions | | 3,540,900 | (3,540,900) |
| Member contributions | | 1,243,638 | (1,243,638) |
| Net investment income | | 6,129,100 | (6,129,100) |
| Benefit payments, including refund to employee contributions | (8,362,876) | (8,362,876) | - |
| Administrative expenses | | (50,529) | 50,529 |
| Net changes | 4,116,652 | 2,500,233 | 1,616,419 |
| Balances as of June 30, 2020 | \$ 138,794,465 | \$ 113,817,552 | \$ 24,976,913 |

| Ledge Light | | | |
|--|--------------------------------|------------------------------------|------------------------------|
| | Increase (Decrease) | | |
| | Total Pension Liability | Plan Fiduciary Net Position | Net Pension Liability |
| | (a) | (b) | (a)-(b) |
| Balances as of July 1, 2019 | \$ 794,991 | \$ 622,127 | \$ 172,864 |
| Changes for the year: | | | |
| Service cost | 9,829 | | 9,829 |
| Interest on total pension liability | 56,837 | | 56,837 |
| Differences between expected and actual experience | 39,206 | | 39,206 |
| Changes in assumptions | (2,655) | | (2,655) |
| Employer contributions | | 20,500 | (20,500) |
| Member contributions | | 5,101 | (5,101) |
| Net investment income | | 34,415 | (34,415) |
| Benefit payments, including refund to employee contributions | (42,468) | (42,468) | - |
| Administrative expenses | | (284) | 284 |
| Net changes | 60,749 | 17,264 | 43,485 |
| Balances as of June 30, 2020 | \$ 855,740 | \$ 639,391 | \$ 216,349 |

TOWN OF GROTON
NOTES TO FINANCIAL STATEMENTS
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| Poquonnock Fire District | | | |
|--|--------------------------------|------------------------------------|------------------------------|
| | Increase (Decrease) | | |
| | Total Pension Liability | Plan Fiduciary Net Position | Net Pension Liability |
| | (a) | (b) | (a)-(b) |
| Balances as of July 1, 2019 | \$ 14,275,434 | \$ 11,344,926 | \$ 2,930,508 |
| Changes for the year: | | | |
| Service cost | 300,521 | | 300,521 |
| Interest on total pension liability | 1,026,342 | | 1,026,342 |
| Differences between expected and actual experience | 42,441 | | 42,441 |
| Changes in assumptions | 19,909 | | 19,909 |
| Employer contributions | | 434,600 | (434,600) |
| Member contributions | | 122,578 | (122,578) |
| Net investment income | | 628,164 | (628,164) |
| Benefit payments, including refund to employee contributions | (853,947) | (853,947) | - |
| Administrative expenses | | (5,181) | 5,181 |
| Net changes | 535,266 | 326,214 | 209,052 |
| Balances as of June 30, 2020 | \$ 14,810,700 | \$ 11,671,140 | \$ 3,139,560 |

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

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

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

| Net Pension Liability | 1% Decrease (6.25%) | Current Discount Rate (7.25%) | 1% Increase (8.25%) |
|------------------------------|--------------------------------|--|--------------------------------|
| Town and BOE | \$ 40,058,323 | \$ 24,976,913 | \$ 12,161,354 |
| Ledge Light | 309,034 | 216,349 | 136,467 |
| Poquonnock Fire District | 4,914,162 | 3,139,560 | 1,650,138 |

TOWN OF GROTON
NOTES TO FINANCIAL STATEMENTS
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G. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2020, the Town and BOE, Ledge Light and Fire Pensions recognized pension expense of \$4,360,145, \$62,083 and \$588,051, respectively, which totals, \$5,010,279. At June 30, 2020, the reported deferred outflows of resources and deferred inflows of resources related to pension were as follows:

| | Town and BOE | |
|---|---------------------------------------|--------------------------------------|
| | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Differences between expected and actual experience | \$ 833,475 | \$ (577,369) |
| Changes of assumptions | 2,274,494 | (1,057,634) |
| Net difference between projected and actual earning on pension plan investments | <u>1,172,898</u> | <u></u> |
| Total | <u>\$ 4,280,867</u> | <u>\$ (1,635,003)</u> |
| | Ledge Light | |
| | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Differences between expected and actual experience | \$ 35,537 | \$ |
| Changes of assumptions | 5,105 | (2,099) |
| Net difference between projected and actual earning on pension plan investments | <u>6,464</u> | <u></u> |
| Total | <u>\$ 47,106</u> | <u>\$ (2,099)</u> |
| | Poquonnock Fire District | |
| | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Differences between expected and actual experience | \$ 142,587 | \$ (471,719) |
| Changes of assumptions | 535,316 | (49,017) |
| Net difference between projected and actual earning on pension plan investments | <u>118,232</u> | <u></u> |
| Total | <u>\$ 796,135</u> | <u>\$ (520,736)</u> |

TOWN OF GROTON
NOTES TO FINANCIAL STATEMENTS
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Amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

| <u>Year Ending June 30</u> | <u>Town and BOE</u> | <u>Ledge Light</u> | <u>Poquonnock Fire District</u> |
|----------------------------|---------------------|--------------------|-------------------------------------|
| 2020 | \$ (269,246) | \$ 26,515 | \$ 43,680 |
| 2021 | 1,162,684 | 14,088 | 86,983 |
| 2022 | 1,005,888 | 2,390 | 58,242 |
| 2023 | 745,382 | 2,014 | 78,839 |
| 2024 | 1,156 | | 7,655 |
| 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.

B. Benefit Provisions

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

Normal Retirement

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

Early Retirement

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

Disability Retirement

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

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C. Contributions

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

Employer (School Districts)

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

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

For the year ended June 30, 2020, the amount of "on-behalf" contributions made by the State was \$11,605,121 and is recognized in the General Fund as intergovernmental revenues and education expenditures.

Employees

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

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

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

At June 30, 2020, 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>153,314,894</u> |
| Total | \$ | <u>153,314,894</u> |

The net pension liability was measured as of June 30, 2019, and the total Pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018. At June 30, 2020, the Town has no proportionate share of the net pension liability.

For the year ended June 30, 2020, the Town recognized pension expense and revenue of \$18,829,682 in Exhibit II.

TOWN OF GROTON
NOTES TO FINANCIAL STATEMENTS
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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 | 2.50% |
| Salary increase | 3.25-6.50%, including inflation |
| Investment rate of return | 6.90%, 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.

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%.

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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 current capital market assumptions and the target asset allocation as provided by the State of Connecticut Treasurer's Office are summarized in the following table:

| <u>Asset Class</u> | <u>Expected Return</u> | | <u>Target Allocation</u> | | <u>Standard Deviation</u> | |
|--|----------------------------|---|------------------------------|---|-------------------------------|---|
| Public Equity - US Equity | 8.10 | % | 20.00 | % | 17.00 | % |
| Public Equity - International Developed Equity | 8.50 | | 11.00 | | 19.00 | |
| Public Equity - Emerging Markets Equity | 10.40 | | 9.00 | | 24.00 | |
| Fixed Income - Core Fixed Income | 4.60 | | 16.00 | | 7.00 | |
| Fixed Income - Inflation Linked Bonds | 3.60 | | 5.00 | | 7.00 | |
| Fixed Income - High Yield | 6.50 | | 6.00 | | 11.00 | |
| Fixed Income - Emerging Market Debt | 5.20 | | 5.00 | | 11.00 | |
| Private Equity | 9.80 | | 10.00 | | 23.00 | |
| Real Estate | 7.00 | | 10.00 | | 15.00 | |
| Alternative Investments - Real Assets | 8.20 | | 4.00 | | 17.00 | |
| Alternative Investments - Hedge Funds | 5.40 | | 3.00 | | 7.00 | |
| Liquidity Fund | 2.90 | | 1.00 | | 1.00 | |
| Total | | | <u>100.00</u> | % | | |

F. Discount Rate

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

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

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

H. Other Information

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

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

A. Plan Description

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

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

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

At July 1, 2019, plan membership consisted of the following:

| Retiree Health Plan | |
|----------------------------|-----|
| Active members | 657 |
| Retired members | 221 |
| Beneficiaries | 31 |
| Spouses of retirees | 63 |
| Total Participants | 972 |

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, 2020, the annual money-weighted rate of return on investments, net of investment expense, was 3.83%. 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, 2020. The components of the net OPEB liability of the Town at June 30, 2020, were as follows:

| | | |
|--|----|--------------------------|
| Total OPEB Liability | \$ | 57,670,328 |
| Plan fiduciary net position | | <u>22,358,452</u> |
| Net OPEB Liability | \$ | <u><u>35,311,876</u></u> |
| Plan fiduciary net position as a percentage of the total OPEB liability | | 38.77% |

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, 2019, 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 | 5.83% - 4.4% over 65 years (Prior: 5.70% - 4.4% 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. |
| 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.

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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, 2020 are summarized in the following table:

| Asset Class | Actual Allocation | Long-Term Expected Real Rate of Return |
|-------------------------|--------------------------|---|
| U.S. Cash | 11 % | 0.87 % |
| Core Fixed Income | 33 | 2.18 |
| U.S. Large Cap Equities | 56 | 3.33 |
| | <u>100 %</u> | |

F. Discount Rate

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

| | Total OPEB Liability (a) | Plan Fiduciary Net Position (b) | Net OPEB Liability (a)-(b) |
|--|-------------------------------------|--|---------------------------------------|
| Balances as of July 1, 2019 | \$ 61,047,428 | \$ 20,020,911 | \$ 41,026,517 |
| Changes for the year: | | | |
| Service cost | 1,286,669 | | 1,286,669 |
| Interest on total OPEB liability | 449,941 | | 449,941 |
| Differences between expected and actual experience | 2,622,691 | | 2,622,691 |
| Changes in assumptions | (5,791,133) | | (5,791,133) |
| Employer contributions | | 3,500,000 | (3,500,000) |
| Net investment income | | 815,859 | (815,859) |
| Benefit payments | (1,945,268) | (1,945,268) | - |
| Administrative expense | | (33,050) | 33,050 |
| Net Changes | <u>(3,377,100)</u> | <u>2,337,541</u> | <u>(5,714,641)</u> |
| Balances as of June 30, 2020 | \$ <u>57,670,328</u> | \$ <u>22,358,452</u> | \$ <u>35,311,876</u> |

TOWN OF GROTON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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

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

| | 1% Decrease (6.25%) | Discount Rate (7.25%) | 1% Increase (8.25%) |
|-----------------------|--------------------------------|----------------------------------|--------------------------------|
| Net OPEB Liability \$ | 47,606,112 \$ | 35,311,876 \$ | 32,533,156 |

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

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

| | 1% Decrease (4.83% Decreasing to 3.4%) | Healthcare Cost Trend Rates (5.83% Decreasing to 4.4%) | 1% Increase (6.83% Decreasing to 5.4%) |
|-----------------------|---|---|---|
| Net OPEB Liability \$ | 31,048,443 \$ | 35,311,876 \$ | 49,611,198 |

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

For the year ended June 30, 2020, the Town recognized OPEB expense of \$3,839,989. At June 30, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | Deferred Outflows Of Resources | Deferred Inflows Of Resources |
|---|---|--|
| Differences between expected and actual experience | \$ 2,326,052 | \$ (2,225,237) |
| Changes of assumptions | 1,129,702 | (4,871,906) |
| Net difference between projected and actual earnings on OPEB plan investments | 878,848 | |
| | <u>\$ 4,334,602</u> | <u>\$ (7,097,143)</u> |

TOWN OF GROTON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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 | \$ | (424,170) |
| 2021 | | (424,171) |
| 2022 | | (479,740) |
| 2023 | | (561,550) |
| 2024 | | (722,030) |
| Thereafter | | (150,880) |

7. PENSION AND OPEB TRUST FUND COMBINING SCHEDULES

Combining Schedule of Net Position - Trust Funds

| | Trust Funds | | |
|--|--------------------------------------|-----------------------------------|-------------------------------------|
| | <u>Pension Trust Fund</u> | <u>OPEB Trust Fund</u> | <u>Total Trust Funds</u> |
| Assets: | | | |
| Cash and cash equivalents | \$ 1,593 | \$ 2,403,034 | \$ 2,404,627 |
| Investments, at fair value: | | | |
| Mutual funds | 126,020,113 | 20,087,428 | 146,107,541 |
| Accounts receivable | 110,972 | 99,410 | 210,382 |
| Due from employees/others | 22,618 | | 22,618 |
| Total assets | <u>126,155,296</u> | <u>22,589,872</u> | <u>148,745,168</u> |
| Liabilities: | | | |
| Accounts payable | 27,184 | 51,420 | 78,604 |
| Due to employees/others | 29 | | 29 |
| Claims incurred but not reported | | 180,000 | 180,000 |
| Other liabilities | | | |
| Total liabilities | <u>27,213</u> | <u>231,420</u> | <u>258,633</u> |
| Net Position: | | | |
| Restricted for employees of Ledge Light | 639,391 | | 639,391 |
| Restricted for firefighters | 11,671,140 | | 11,671,140 |
| Restricted for benefits and other purposes | <u>113,817,552</u> | <u>22,358,452</u> | <u>136,176,004</u> |
| Total Net Position | \$ <u>126,128,083</u> | \$ <u>22,358,452</u> | \$ <u>148,486,535</u> |

TOWN OF GROTON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

| | Trust Funds | | |
|--|-------------------------------|----------------------------|-----------------------|
| | Pension Trust Fund | OPEB Trust Fund | Total |
| Additions: | | | |
| Contributions: | | | |
| Employer | \$ 3,996,000 | \$ 3,451,033 | \$ 7,447,033 |
| Plan members | 1,371,317 | 2,297,134 | 3,668,451 |
| Total contributions | <u>5,367,317</u> | <u>5,748,167</u> | <u>11,115,484</u> |
| Investment income: | | | |
| Change in fair value of investments | 7,008,083 | 864,826 | 7,872,909 |
| Less investment expenses: | | | |
| Investment management fees | 216,404 | 354,348 | 570,752 |
| Net investment income | <u>6,791,679</u> | <u>510,478</u> | <u>7,302,157</u> |
| Total additions | <u>12,158,996</u> | <u>6,258,645</u> | <u>18,417,641</u> |
| Deductions: | | | |
| Benefits | 9,259,291 | 3,888,054 | 13,147,345 |
| Administrative expense | 55,994 | 33,050 | 89,044 |
| Total deductions | <u>9,315,285</u> | <u>3,921,104</u> | <u>13,236,389</u> |
| Change in Net Position | 2,843,711 | 2,337,541 | 5,181,252 |
| Net Position - Beginning of Year | <u>123,284,372</u> | <u>20,020,911</u> | <u>143,305,283</u> |
| Net Position - End of Year | <u>\$ 126,128,083</u> | <u>\$ 22,358,452</u> | <u>\$ 148,486,535</u> |

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

A. Plan Description

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

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

B. Benefit Provisions

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

TOWN OF GROTON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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, 2020

Disability Retirement

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

Termination of Employment

Ten or more years of Credited Service.

D. Contributions

State of Connecticut

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

Employer (School Districts)

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

For the year ended June 30, 2020, the amount of "on-behalf" contributions made by the State was \$317,177 and is recognized in the General Fund as intergovernmental revenues and education expenditures.

Employees/Retirees

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

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

At June 30, 2020, the Town reports no amounts for its proportionate share of the net OPEB liability, and related deferred outflows and inflows, due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net OPEB liability, the related State support and the total portion of the net OPEB liability that was associated with the Town was as follows:

| | |
|--|----------------------|
| Town's proportionate share of the net OPEB liability | \$ - |
| State's proportionate share of the net OPEB liability associated with the Town | <u>23,910,321</u> |
| Total | \$ <u>23,910,321</u> |

TOWN OF GROTON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

The net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as June 30, 2018. At June 30, 2020, the Town has no proportionate share of the net OPEB liability.

For the year ended June 30, 2020, the Town recognized OPEB expense and revenue of \$(1,749,675) in Exhibit II.

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 | 2.50% |
| 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.

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 (0.41%).

G. Discount Rate

The discount rate used to measure the total OPEB liability was 3.50%. The projection of cash flows used to determine the discount rate 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.

I. Other Information

Additional information is included in the required supplementary information section of the financial statements. A schedule of contributions is not presented as the Town has no obligation to contribute to the plan. Detailed information about the Connecticut State Teachers OPEB Plan fiduciary net position is available in the separately issued State of Connecticut Comprehensive Annual Financial Report at www.ct.gov.

9. OTHER INFORMATION

A. Risk Management

The Town is exposed to various risks of loss, including torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; employee and retiree health and medical; and natural disasters. The Town generally obtains commercial insurance for these risks, but has chosen to retain the risks for workers' compensation and employee health and medical claims. Under the Town's current policy, the Health Insurance Fund covers all employee claims up to \$200,000 per claim with a stop-loss policy covering amounts exceeding the limit. The Town also purchases aggregate stop-loss coverage for claims in excess of 125% of expected claim level, which approximates \$10.1 million. The Workers' Compensation Fund covers claims associated with work-related injuries. The Town purchases commercial insurance for claims in excess of coverage provided by the Workers' Compensation Fund with an individual claim maximum of \$300,000 and a \$1,000,000 aggregate maximum per year. The OPEB Trust fund covers all retired employee claims. Town management has estimated a liability using actuarial methods at June 30, 2020 for claims incurred but not reported to be \$692,000 in the Health Insurance Fund and \$1,649,594 in the Workers' Compensation Fund, which includes heart and hypertension of \$495,430, and \$180,000 in the OPEB Trust Fund. The estimate for claim liability also includes amounts for incremental claim adjustment expenses.

TOWN OF GROTON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

Changes in the claims liability were as follows:

| | <u>Liability</u> <u>July 1,</u> | <u>Current Year</u> <u>Claims and</u> <u>Changes in</u> <u>Estimates</u> | <u>Claim</u> <u>Payments</u> | <u>Liability</u> <u>June 30,</u> | <u>Due Within</u> <u>One Year</u> |
|-----------------------------------|------------------------------------|---|---------------------------------|-------------------------------------|--------------------------------------|
| <u>Health Insurance Fund</u> | | | | | |
| 2019 - 2020 | \$ 1,131,000 | \$ 10,788,768 | \$ 11,227,768 | \$ 692,000 | \$ 692,000 |
| 2018 - 2019 | 827,000 | 12,810,250 | 12,506,250 | 1,131,000 | 1,131,000 |
| <u>Workers' Compensation Fund</u> | | | | | |
| 2019 - 2020 | \$ 2,232,976 | \$ 410,168 | \$ 993,550 | \$ 1,649,594 | \$ 124,112 |
| 2018 - 2019 | 2,269,578 | 1,057,268 | 1,093,870 | 2,232,976 | 123,459 |
| <u>OPEB Trust Fund</u> | | | | | |
| 2019 - 2020 | \$ 301,000 | \$ 3,888,054 | \$ 4,009,054 | \$ 180,000 | \$ |
| 2018 - 2019 | 300,338 | 4,711,946 | 4,711,284 | 301,000 | |

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

B. Contingencies

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

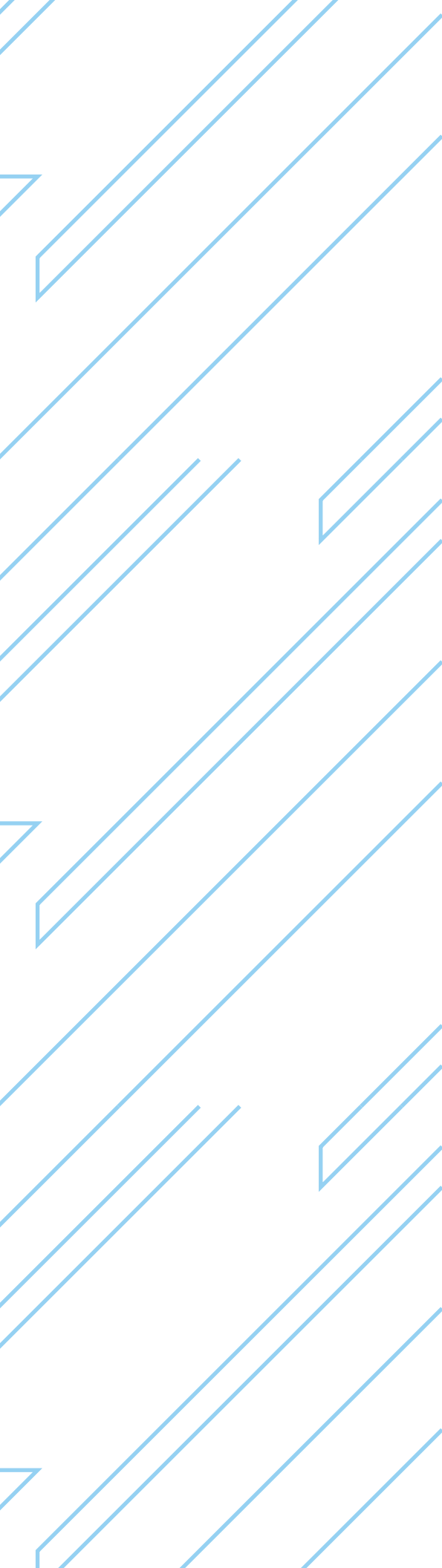
C. Concentration of Taxes

The Town's two largest taxpayers, based on the October 1, 2018 grand list, comprise 16.3% of the net taxable grand list of the Town and approximately 9.9% of the total General Fund revenues for the year ended June 30, 2020.

10. CORONAVIRUS (COVID-19)

On January 30, 2020, the World Health Organization declared the coronavirus to be a public health emergency. On March 10, 2020, the Governor of the State of Connecticut declared a public health emergency and a civil preparedness emergency due to COVID-19.

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



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, 2020

| | Budgeted Amounts | | Actual | Variance With |
|--|-------------------------|---------------|------------------|----------------------|
| | Original | Final | Budgetary | Final Budget |
| | | | Basis | Positive |
| | | | | (Negative) |
| General Property Taxes (Including Interest and Lien Fees) | \$ 90,592,174 | \$ 90,592,174 | \$ 90,184,321 | \$ (407,853) |
| Licenses and Permits: | | | | |
| Building permits | 469,314 | 469,314 | 531,734 | 62,420 |
| Sporting licenses | | | 2,380 | 2,380 |
| Dog licenses | 6,500 | 6,500 | 6,622 | 122 |
| Other licenses and permits | 11,500 | 11,500 | 14,138 | 2,638 |
| Building permits - education fee | 550 | 550 | 7,505 | 6,955 |
| State land use fees | 100 | 100 | 78 | (22) |
| Total licenses and permits | 487,964 | 487,964 | 562,457 | 74,493 |
| Interest on Investments | 550,000 | 550,000 | 623,943 | 73,943 |
| Intergovernmental - State: | | | | |
| General: | | | | |
| Town aid road | 375,122 | 375,122 | 373,106 | (2,016) |
| Nuclear safety drill | 38,000 | 38,000 | 51,708 | 13,708 |
| Highway illumination | 470 | 470 | | (470) |
| Telephone access | 138,000 | 138,000 | 131,137 | (6,863) |
| PILOT - enterprise zone | | | 29,270 | 29,270 |
| PILOT - state and tax exemptions | 603,580 | 603,580 | 603,142 | (438) |
| Youth Service Bureau | 27,699 | 27,699 | 27,699 | - |
| Pequot/Mohegan funds | 1,232,069 | 1,232,069 | 1,232,069 | - |
| 911 Enhancement | 165,318 | 165,318 | 160,440 | (4,878) |
| Municipal project grant | 1,240,819 | 1,240,819 | 1,821,456 | 580,637 |
| Municipal aid adjustment grant | 466,668 | 466,668 | 466,668 | - |
| Board of Education: | | | | |
| Education cost sharing | 25,025,766 | 25,025,766 | 24,969,249 | (56,517) |
| Adult education | 102,300 | 102,300 | 113,451 | 11,151 |
| Special education | 850,000 | 850,000 | 1,293,954 | 443,954 |
| Magnet School transportation | 188,000 | 188,000 | 189,800 | 1,800 |
| Nonpublic pupil services | 22,000 | 22,000 | 26,246 | 4,246 |
| Total State of Connecticut | 30,475,811 | 30,475,811 | 31,489,395 | 1,013,584 |
| Intergovernmental - Federal: | | | | |
| Pupil impact aid | 3,306,657 | 3,306,657 | 3,945,649 | 638,992 |
| Education - misc. federal funds | 149,039 | 149,039 | 114,448 | (34,591) |
| Public safety federal funds | | | 3,212 | 3,212 |
| Emergency management | 20,150 | 20,150 | 19,630 | (520) |
| Total federal government | 3,475,846 | 3,475,846 | 4,082,939 | 607,093 |

(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, 2020

| | Budgeted Amounts | | Actual | Variance With |
|--|-------------------------|--------------------|--------------------|----------------------|
| | Original | Final | Budgetary | Final Budget |
| | | | Basis | Positive |
| | | | | (Negative) |
| Charges for Current Services: | | | | |
| Planning Commission fees | \$ 8,000 | \$ 8,000 | \$ 8,905 | \$ 905 |
| Recording instruments | 120,000 | 120,000 | 149,314 | 29,314 |
| Conveyance tax | 700,000 | 700,000 | 617,802 | (82,198) |
| Finance department - other | | | | - |
| Planning department - other | 500 | 500 | 512 | 12 |
| Collection subdivisions taxes | 110,810 | 110,810 | 110,810 | - |
| Accident reports | 3,500 | 3,500 | 4,119 | 619 |
| Dispatch/paramedics services | 2,000 | 2,000 | 2,000 | - |
| North Stonington - dispatch | 52,819 | 52,819 | 49,438 | (3,381) |
| Coordinated Medical Emergency Director | 22,257 | 22,257 | 21,874 | (383) |
| Board of Education - FHS/ground mowing | 60,111 | 60,111 | 60,111 | - |
| GIS - revenue | 1,000 | 1,000 | 360 | (640) |
| Vital statistics | 5,000 | 5,000 | 6,044 | 1,044 |
| Snow/Ice control services | 20,000 | 20,000 | 12,534 | (7,466) |
| Total charges for current services | <u>1,105,997</u> | <u>1,105,997</u> | <u>1,043,823</u> | <u>(62,174)</u> |
| Schools, Library and Recreation: | | | | |
| Tuition from other towns | 70,000 | 70,000 | 78,044 | 8,044 |
| Other school receipts | 19,000 | 19,000 | 26,124 | 7,124 |
| Library fines | 13,877 | 13,877 | 10,297 | (3,580) |
| Lost and damaged book fees | 2,939 | 2,939 | 2,227 | (712) |
| Senior Center fees | 2,750 | 2,750 | 2,504 | (246) |
| Library - copier fees | 5,073 | 5,073 | 3,236 | (1,837) |
| Library fees | 15,802 | 15,802 | 12,267 | (3,535) |
| Park rentals | | | | - |
| Total schools, library and recreation | <u>129,441</u> | <u>129,441</u> | <u>134,699</u> | <u>5,258</u> |
| Other Revenue: | | | | |
| Court fines | 13,000 | 13,000 | 13,767 | 767 |
| Parking tickets | 1,300 | 1,300 | 2,492 | 1,192 |
| Aircraft registration fees | 19,700 | 19,700 | 22,310 | 2,610 |
| Lease fees | 185,073 | 185,073 | 193,667 | 8,594 |
| Land record copies | 28,000 | 28,000 | 27,766 | (234) |
| Vital copies | 60,000 | 60,000 | 60,125 | 125 |
| Miscellaneous | 10,000 | 10,000 | 39,977 | 29,977 |
| PILOT payment - other | 50,000 | 50,000 | 54,289 | 4,289 |
| Dog warden - sold and redeemed | 2,300 | 2,300 | 1,309 | (991) |
| Public Works Disposal fees | 170,050 | 170,050 | 213,917 | 43,867 |
| Returned check fees | 1,300 | 1,300 | 1,085 | (215) |
| Sale of capital assets | 5,000 | 5,000 | 14,244 | 9,244 |
| Delinquent MV fees | 16,200 | 16,200 | 17,814 | 1,614 |
| Finance Dept. copies | 950 | 950 | 661 | (289) |
| Total other revenue | <u>562,873</u> | <u>562,873</u> | <u>663,423</u> | <u>100,550</u> |
| Total revenues | <u>127,380,106</u> | <u>127,380,106</u> | <u>128,785,000</u> | <u>1,404,894</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, 2020

| | Budgeted Amounts | | Actual | Variance With |
|---|-------------------------|-----------------------|-----------------------|----------------------|
| | Original | Final | Budgetary | Final Budget |
| | | | Basis | Positive |
| | | | | (Negative) |
| Other Financing Sources: | | | | |
| Transfers in: | | | | |
| Golf course | \$ 46,170 | \$ 46,170 | \$ 46,170 | \$ - |
| Sewer/landfill services | 406,361 | 406,361 | 406,361 | - |
| Sewer District | 47,782 | 47,782 | 47,782 | - |
| Mumford Cove | 1,082 | 1,082 | 1,082 | - |
| Community Investment Act Fund | 6,500 | 6,500 | 6,500 | - |
| Outside Police services | 69,745 | 69,745 | 69,745 | - |
| Bond premium | | | | - |
| Total other financing sources | <u>577,640</u> | <u>577,640</u> | <u>577,640</u> | <u>-</u> |
| Total Revenues and Other Financing Sources | <u>\$ 127,957,746</u> | <u>\$ 127,957,746</u> | 129,362,640 | <u>\$ 1,404,894</u> |
| Budgetary revenues are different than GAAP revenues because: | | | | |
| State of Connecticut on-behalf contributions to the Connecticut State Teachers Retirement System for Town teachers are not budgeted | | | 11,605,121 | |
| State of Connecticut on-behalf contributions to the Connecticut State Teachers OPEB system for Town teachers are not budgeted | | | 317,177 | |
| Property tax revenue receivable accrual basis change | | | 6,707 | |
| The Town does not budget for certain reimbursements that are reported for GAAP financial statement reporting purposes | | | 43,470 | |
| The Town does not budget for refunding bond issuance | | | 9,985,000 | |
| The Town does not budget for premiums on refunding bond issuance | | | 1,227,152 | |
| 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 | | | 13,303 | |
| Transfers in from other funds | | | <u>2,375</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>\$ 152,562,945</u> | |

TOWN OF GROTON, CONNECTICUT
GENERAL FUND SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020

| | Budgeted Amounts | | Actual Budgetary Basis | Variance With Final Budget Positive (Negative) |
|-----------------------------------|-------------------------|--------------|---------------------------------------|---|
| | Original | Final | | |
| General Government: | | | | |
| Legislative policy | \$ 49,400 | \$ 49,400 | \$ 42,273 | \$ 7,127 |
| Voter registration | 176,679 | 176,679 | 126,101 | 50,578 |
| Town Clerk | 322,898 | 322,898 | 278,247 | 44,651 |
| Legal services | 297,500 | 297,500 | 271,260 | 26,240 |
| Total general government | 846,477 | 846,477 | 717,881 | 128,596 |
| General Services: | | | | |
| Executive management | 301,632 | 301,632 | 293,430 | 8,202 |
| Information technology | 1,068,215 | 1,068,215 | 1,038,665 | 29,550 |
| Human resources | 330,145 | 330,145 | 322,757 | 7,388 |
| Financial administration | 1,608,512 | 1,608,512 | 1,512,219 | 96,293 |
| Total general services | 3,308,504 | 3,308,504 | 3,167,071 | 141,433 |
| Public Safety: | | | | |
| Police services | 8,563,339 | 8,563,339 | 8,390,492 | 172,847 |
| Public Works | 6,101,332 | 6,109,977 | 5,416,186 | 693,791 |
| Planning and Development Services | 1,403,555 | 1,420,459 | 1,403,337 | 17,122 |
| Human Services: | | | | |
| Human services | 580,650 | 580,650 | 556,820 | 23,830 |
| Community Services: | | | | |
| Parks and recreation | 1,592,779 | 1,592,779 | 1,577,275 | 15,504 |
| Library | 1,653,277 | 1,653,277 | 1,542,730 | 110,547 |
| Total community services | 3,246,056 | 3,246,056 | 3,120,005 | 126,051 |
| Nondepartmental: | | | | |
| Insurance and claims | 638,303 | 653,303 | 707,925 | (54,622) |
| Contingency | 350,000 | 239,482 | | 239,482 |
| Self-funded plans | 9,382,495 | 9,382,495 | 9,380,166 | 2,329 |
| Total nondepartmental | 10,370,798 | 10,275,280 | 10,088,091 | 187,189 |
| Education | 77,438,090 | 77,438,090 | 77,341,082 | 97,008 |
| Debt Service: | | | | |
| Town | 2,641,835 | 2,641,835 | 2,640,085 | 1,750 |
| Board of Education | 3,996,934 | 3,996,934 | 3,937,632 | 59,302 |
| Total debt service | 6,638,769 | 6,638,769 | 6,577,717 | 61,052 |

(Continued on next page)

TOWN OF GROTON, CONNECTICUT
GENERAL FUND SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2020

| | Budgeted Amounts | | Actual | Variance With |
|---|-------------------------|----------------|------------------|----------------------|
| | Original | Final | Budgetary | Final Budget |
| | | | Basis | Positive |
| | | | | (Negative) |
| Outside Agencies: | | | | |
| Regional agencies | \$ 134,239 | \$ 134,239 | \$ 134,238 | \$ 1 |
| Health services - cultural agencies | 1,703,541 | 1,703,541 | 1,340,059 | 363,482 |
| Total outside agencies | 1,837,780 | 1,837,780 | 1,474,297 | 363,483 |
| Subdivisions: | | | | |
| City of Groton | 4,682,925 | 4,752,894 | 4,730,633 | 22,261 |
| Groton Long Point | 515,520 | 515,520 | 512,366 | 3,154 |
| Fire districts | 246,000 | 246,000 | 246,000 | - |
| Total subdivisions | 5,444,445 | 5,514,414 | 5,488,999 | 25,415 |
| Total expenditures | 125,779,795 | 125,779,795 | 123,741,978 | 2,037,817 |
| Other Financing Uses: | | | | |
| Transfers out: | | | | |
| Capital Reserve | 1,621,000 | 1,621,000 | 1,621,000 | - |
| Revaluation | 240,000 | 240,000 | 240,000 | - |
| Fleet | 1,333,860 | 1,333,860 | 1,333,860 | - |
| Computer Replacement | 78,091 | 78,091 | 78,091 | - |
| Total other financing uses | 3,272,951 | 3,272,951 | 3,272,951 | - |
| Total Expenditures and Other Financing Uses | \$ 129,052,746 | \$ 129,052,746 | 127,014,929 | \$ 2,037,817 |

Budgetary expenditures are different than GAAP expenditures because:

| | |
|--|------------|
| Capital improvements transfers, included in separate line items above, are netted for GAAP purposes | |
| State of Connecticut on-behalf contributions to the Connecticut State Teachers Retirement System for Town teachers are not budgeted | 11,605,121 |
| State of Connecticut on-behalf contributions to the Connecticut State Teachers OPEB system for Town teachers are not budgeted | 317,177 |
| 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 | 514,615 |
| 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 | (751,622) |
| The Town does not budget for certain reimbursements that are reported for GAAP financial statement reporting purposes | 43,470 |
| 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 | 223,310 |
| Payment to escrow agent is not budgeted | 11,130,548 |
| Refunding bond issuance costs are not budgeted | 81,606 |
| Elimination of transfers between General Fund and funds combined for GASB 54 purposes | (318,061) |

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

\$ 149,861,093

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

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

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 SEVEN FISCAL YEARS
LEDGE LIGHT

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

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 SEVEN FISCAL YEARS
FIREFIGHTERS

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

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

| | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|--------------------|
| Actuarially determined contribution | \$ 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 | \$ 3,529,800 |
| Contributions in relation to the actuarially determined contribution | <u>2,073,417</u> | <u>2,614,225</u> | <u>2,886,997</u> | <u>3,114,144</u> | <u>3,192,047</u> | <u>2,553,991</u> | <u>2,488,575</u> | <u>2,848,100</u> | <u>2,996,600</u> | <u>3,540,900</u> |
| Contribution Deficiency (Excess) | \$ <u>-</u> | \$ <u>-</u> | \$ <u>-</u> | \$ <u>-</u> | \$ <u>-</u> | \$ <u>-</u> | \$ <u>-</u> | \$ <u>-</u> | \$ <u>-</u> | \$ <u>(11,100)</u> |
| 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 | \$ 23,062,178 |
| Contributions as a percentage of covered payroll | | | | | 13.86% | 10.82% | 11.35% | 12.89% | 13.48% | 15.35% |

Notes to Schedule

Valuation date: July 1, 2019
Measurement date: June 30, 2020
Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:

| | |
|-------------------------------|---|
| Actuarial cost method | Entry Age Normal |
| Amortization method | Normal Actuarial Cost |
| Remaining amortization period | 20 years (Prior: 21 years) |
| Asset valuation method | Adjusted value of assets |
| Inflation | 2.60% |
| Salary increases | Vary by age group |
| Investment rate of return | 7.25%, net of pension plan investment expenses |
| Retirement age | Age related table |
| Mortality | RP-2014 Adjusted to 2006 Total Dataset Mortality Table projected to valuation date with Scale MP-2019 (Prior: RP-2014 Adjusted to 2006 Total Dataset Mortality Table projected to valuation date with Scale MP-2018) |

N/A Not Available

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

| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|--|----------|----------|-----------|----------|------------|-----------|-----------|------------|------------|------------|
| Actuarially determined contribution | \$ 1,940 | \$ 6,918 | \$ 10,599 | \$ 9,556 | \$ 6,764 | \$ 8,971 | \$ 8,958 | \$ 13,200 | \$ 15,700 | \$ 19,900 |
| 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 | 20,500 |
| Contribution Deficiency (Excess) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ (600) |
| Covered payroll | \$ N/A | \$ N/A | \$ N/A | \$ N/A | \$ 120,539 | \$ 89,652 | \$ 90,125 | \$ 101,308 | \$ 105,474 | \$ 122,630 |
| Contributions as a percentage of covered payroll | | | | | 5.61% | 10.01% | 9.94% | 13.03% | 14.89% | 16.72% |

Notes to Schedule

Valuation date: July 1, 2019

Measurement date: June 30, 2020

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

Methods and assumptions used to determine contribution rates:

| | |
|-------------------------------|---|
| Actuarial cost method | Entry Age Normal |
| Amortization method | Normal Actuarial Cost |
| Remaining amortization period | 20 years (Prior: 21 years) |
| Asset valuation method | Adjusted value of assets |
| Inflation | 2.60% |
| Salary increases | Vary by age group |
| Investment rate of return | 7.25%, net of pension plan investment expenses |
| Retirement age | Age related table |
| Mortality | RP-2014 Adjusted to 2006 Total Dataset Mortality Table projected to valuation date with Scale MP-2019 (Prior: RP-2014 Adjusted to 2006 Total Dataset Mortality Table projected to valuation date with Scale MP-2018) |

N/A Not Available

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

| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|--|------------|------------|------------|------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Actuarially determined contribution | \$ 208,535 | \$ 347,332 | \$ 378,701 | \$ 428,378 | \$ 414,790 | \$ 392,293 | \$ 385,674 | \$ 389,100 | \$ 385,000 | \$ 427,500 |
| Contributions in relation to the actuarially determined contribution | 208,535 | 347,332 | 378,701 | 428,378 | 414,790 | 392,293 | 385,674 | 389,100 | 385,000 | 434,600 |
| Contribution Deficiency (Excess) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ (7,100) |
| 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 | \$ 1,772,131 |
| Contributions as a percentage of covered payroll | | | | | 18.13% | 17.19% | 19.18% | 22.83% | 22.32% | 24.52% |

Notes to Schedule

Valuation date: July 1, 2019
Measurement date: June 30, 2020
Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:

Actuarial cost method Entry Age Normal
Amortization method Normal Actuarial Cost
Remaining amortization period 20 years (Prior: 21 years)
Asset valuation method Adjusted value of assets
Inflation 2.60%
Salary increases Vary by age group
Investment rate of return 7.25%, net of pension plan investment expenses
Retirement age Age related table
Mortality RP-2014 Adjusted to 2006 Total Dataset Mortality Table projected to valuation date with Scale MP-2019
(Prior: RP-2014 Adjusted to 2006 Total Dataset Mortality Table projected to valuation date with Scale MP-2018)

N/A Not Available

TOWN OF GROTON, CONNECTICUT
SCHEDULE OF INVESTMENT RETURNS
LAST SEVEN FISCAL YEARS

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

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 SIX FISCAL YEARS

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|--|----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Town's proportion of the net pension liability | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Town's proportionate share of the net pension liability | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| State's proportionate share of the net pension liability associated with the Town | 93,604,919 | 101,271,189 | 132,909,163 | 125,979,335 | 118,214,690 | 153,314,894 |
| Total | <u>\$ 93,604,919</u> | <u>\$ 101,271,189</u> | <u>\$ 132,909,163</u> | <u>\$ 125,979,335</u> | <u>\$ 118,214,690</u> | <u>\$ 153,314,894</u> |
| Town's covered payroll | \$ 36,486,290 | \$ 36,797,537 | \$ 37,787,402 | \$ 36,426,040 | \$ 36,820,958 | \$ 38,404,501 |
| Town's proportionate share of the net pension liability as a percentage of its covered payroll | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Plan fiduciary net position as a percentage of the total pension liability | 61.51% | 59.50% | 52.26% | 0.00% | 55.93% | 52.00% |

Notes to Schedule

| | |
|---------------------------------------|---|
| Changes in benefit terms | HB 7424 made the following provision changes: - Beginning July 1, 2019, annual interest credited on mandatory contributions set at 4.0%. - For members retiring on or after July 1, 2019 with a partial refund option election (Plan N), if 50% of the benefits paid prior to death do not exceed the Member's mandatory contributions plus interest frozen at the date of benefit commencement, the difference is paid to the Member's beneficiary. |
| Changes of assumptions | HB 7424 made the following assumption changes: - Reduce the inflation assumption from 2.75% to 2.50%. - Reduce the real rate of return assumption from 5.25% to 4.40% which, when combined with the inflation assumption change, results in a decrease in the investment rate of return assumption from 8.00% to 6.90%. - Increase the annual rate of wage increase assumption from 0.50% to 0.75%. - Phase in to a level dollar amortization method for the June 30, 2024 valuation. |
| Actuarial cost method | Entry age |
| Amortization method | Level percent of pay, closed |
| Single equivalent amortization period | 17.6 years |
| Asset valuation method | 4-year smoothed market |
| Inflation | 2.75% |
| Salary increase | 3.25%-6.50%, including inflation |
| Investment rate of return | 8.00%, net of investment related expense |

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

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

| | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> |
|---|----------------------|----------------------|----------------------|----------------------|
| Total OPEB liability: | | | | |
| Service cost | \$ 1,130,295 | \$ 1,216,495 | \$ 1,133,767 | \$ 1,286,669 |
| Interest | 4,020,268 | 4,229,669 | 4,446,927 | 449,941 |
| Changes of benefit terms | 180,725 | | 152,032 | |
| Differences between expected and actual experience | | 216,681 | (3,115,333) | 2,622,691 |
| Changes of assumptions | | | 1,581,582 | (5,791,133) |
| Benefit payments | <u>(2,467,692)</u> | <u>(2,789,067)</u> | <u>(2,573,742)</u> | <u>(1,945,268)</u> |
| Net change in total OPEB liability | 2,863,596 | 2,873,778 | 1,625,233 | (3,377,100) |
| Total OPEB liability - beginning | <u>53,684,821</u> | <u>56,548,417</u> | <u>59,422,195</u> | <u>61,047,428</u> |
| Total OPEB liability - ending | <u>56,548,417</u> | <u>59,422,195</u> | <u>61,047,428</u> | <u>57,670,328</u> |
| Plan fiduciary net position: | | | | |
| Contributions - employer | 3,500,259 | 3,535,030 | 3,563,051 | 3,500,000 |
| Net investment income | 1,420,995 | 977,456 | 986,434 | 815,859 |
| Benefit payments | <u>(2,779,678)</u> | <u>(2,789,067)</u> | <u>(2,573,742)</u> | <u>(1,945,268)</u> |
| Administrative expense | <u>(456,671)</u> | <u>(14,825)</u> | <u>(47,235)</u> | <u>(33,050)</u> |
| Other | | | | |
| Net change in plan fiduciary net position | 1,684,905 | 1,708,594 | 1,928,508 | 2,337,541 |
| Plan fiduciary net position - beginning | <u>14,698,904</u> | <u>16,383,809</u> | <u>18,092,403</u> | <u>20,020,911</u> |
| Plan fiduciary net position - ending | <u>16,383,809</u> | <u>18,092,403</u> | <u>20,020,911</u> | <u>22,358,452</u> |
| Net OPEB Liability - Ending | <u>\$ 40,164,608</u> | <u>\$ 41,329,792</u> | <u>\$ 41,026,517</u> | <u>\$ 35,311,876</u> |
| Plan fiduciary net position as a percentage of the total OPEB liability | 28.97% | 30.45% | 32.80% | 38.77% |
| Covered payroll | \$ 50,195,108 | \$ 51,499,012 | \$ 51,499,012 | \$ 47,424,335 |
| Net OPEB liability as a percentage of covered payroll | 80.02% | 80.25% | 79.66% | 74.46% |

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

| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|--|--------------|--------------|--------------|--------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Actuarially determined contribution (1) | \$ 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 | \$ 4,285,764 |
| Contributions in relation to the actuarially determined contribution | 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 | 3,500,000 |
| Contribution Deficiency (Excess) | \$ 56,300 | \$ 236,300 | \$ (198,700) | \$ (186,481) | \$ (356,481) | \$ 89,370 | \$ 543,766 | \$ 431,529 | \$ 716,498 | \$ 785,764 |
| 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 | \$ 47,424,335 |
| Contributions as a percentage of covered payroll | N/A | N/A | N/A | N/A | 7.68% | 7.03% | 6.97% | 7.04% | 6.92% | 7.38% |

(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, 2019
Measurement date: June 30, 2020
Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:

| | |
|-----------------------------|---|
| Actuarial cost method | Entry age normal |
| Amortization method | Level percentage of payroll, closed |
| Amortization period | 18 years |
| Asset valuation method | Market value |
| Inflation | 2.75% |
| Healthcare cost trend rates | 5.83% - 4.4% over 65 years (Prior: 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. |
| 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 date. |

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

| | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> |
|--|-------------|-------------|-------------|-------------|
| Annual money-weighted rate of return, net of investment expense | 8.83% | 5.48% | 5.06% | 3.83% |

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 THREE FISCAL YEARS

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

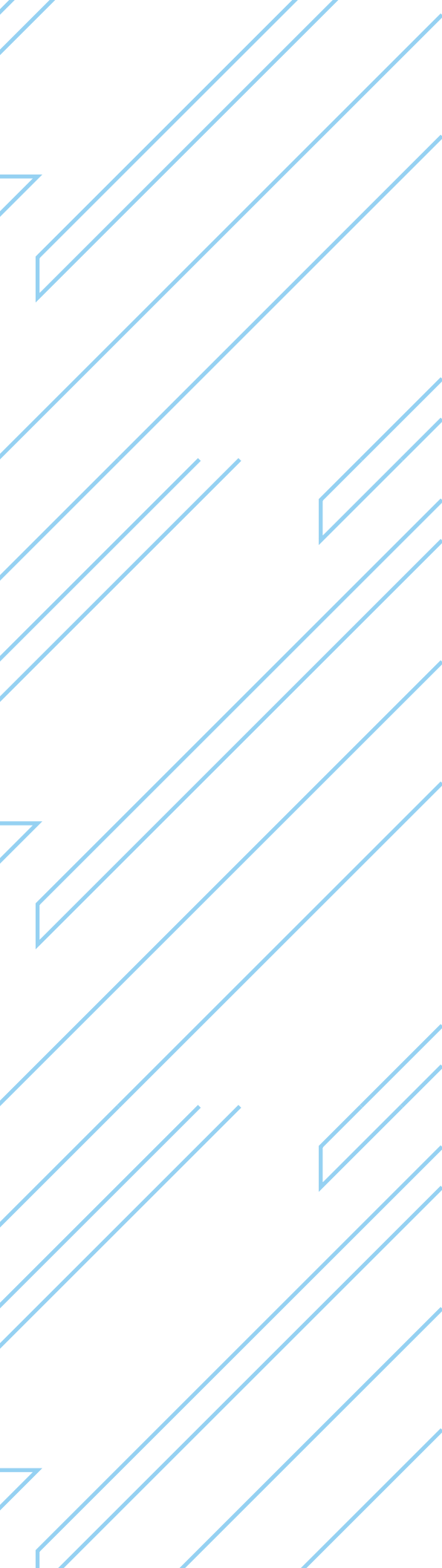
Notes to Schedule

| | |
|-------------------------------|--|
| Changes in benefit terms | The Plan was amended by the Board, effective January 1, 2019, during the September 12, 2018 meeting. The Board elected a new prescription drug plan, which is expected to reduce overall costs and allow for the Board to receive a government subsidy for members whose claims reach a catastrophic level. These changes were communicated to retired members during the months leading up to the open enrollment period that preceded the January 1, 2019 implementation date. |
| Changes of assumptions | Based on the procedure described in GASB 74, the discount rate used to measure Plan obligations for financial accounting purposes as of June 30, 2019 was updated to equal the Municipal Bond Index Rate of 3.50% as of June 30, 2019. 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, 2019. The expected rate of inflation was decreased, and the real wage growth assumption was increased. |
| Actuarial cost method | Entry age |
| Amortization method | Level percent of payroll over an open period |
| Remaining amortization period | 30 years |
| Asset valuation method | Market value of assets |
| Investment rate of return | 3.00%, net of investment related expense including price inflation |
| Price inflation | 2.75% |

This schedule is intended to show information for ten years. Additional 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, 2020 WITH COMPARATIVE TOTALS FOR 2019

| | <u>2020</u> | <u>2019</u> |
|--|----------------------|----------------------|
| ASSETS | | |
| Cash and cash equivalents | \$ 32,940,338 | \$ 29,312,328 |
| Investments | 3,372,865 | 3,983,804 |
| Property taxes receivable, net of allowance of \$220,000 in 2020 and 2019 | 1,492,565 | 1,568,582 |
| Due from other funds | 319,028 | 459,670 |
| Prepaid items and other assets | <u>19,978</u> | <u>26,996</u> |
| Total Assets | \$ <u>38,144,774</u> | \$ <u>35,351,380</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE | | |
| Liabilities: | | |
| Accounts payable | \$ 8,029,909 | \$ 8,122,617 |
| Unearned revenues | <u>65,757</u> | <u>65,757</u> |
| Total liabilities | <u>8,095,666</u> | <u>8,188,374</u> |
| Deferred Inflows of Resources: | | |
| Unavailable revenue - property taxes | 1,009,920 | 842,456 |
| Unavailable revenue - property tax interest | <u>255,701</u> | <u>238,915</u> |
| Total deferred inflows of resources | <u>1,265,621</u> | <u>1,081,371</u> |
| Fund Balance: | | |
| Nonspendable: | | |
| Other assets | 19,978 | 26,996 |
| Committed: | | |
| Subsequent years' budget | | 1,095,000 |
| Revaluation | 337,173 | 221,509 |
| Computer replacement | 358,756 | 363,962 |
| Encumbrances | 780,306 | 663,225 |
| Unassigned | <u>27,287,274</u> | <u>23,710,943</u> |
| Total fund balance | <u>28,783,487</u> | <u>26,081,635</u> |
| Total Liabilities, Deferred Inflows of Resources and Fund Balance | \$ <u>38,144,774</u> | \$ <u>35,351,380</u> |

TOWN OF GROTON, CONNECTICUT

GENERAL FUND

STATEMENT OF REVENUES AND EXPENDITURES - BUDGETARY BASIS

BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2020

| | Budgeted Amounts | | Actual | Variance With |
|---|-----------------------|-----------------------|----------------------|---------------------|
| | Original | Final | Budgetary | Final Budget |
| | | | Basis | Positive (Negative) |
| Revenues: | | | | |
| General property taxes | \$ 90,592,174 | \$ 90,592,174 | \$ 90,184,321 | \$ (407,853) |
| Licenses and permits | 487,964 | 487,964 | 562,457 | 74,493 |
| Interest on investments | 550,000 | 550,000 | 623,943 | 73,943 |
| Intergovernmental - Federal | 3,475,846 | 3,475,846 | 4,082,939 | 607,093 |
| Intergovernmental - State | 30,475,811 | 30,475,811 | 31,489,395 | 1,013,584 |
| Charges for current services | 1,105,997 | 1,105,997 | 1,043,823 | (62,174) |
| Schools, library and recreation fees | 129,441 | 129,441 | 134,699 | 5,258 |
| Other revenue | 562,873 | 562,873 | 663,423 | 100,550 |
| Total revenues | <u>127,380,106</u> | <u>127,380,106</u> | <u>128,785,000</u> | <u>1,404,894</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General government | 846,477 | 846,477 | 717,881 | 128,596 |
| General services | 3,308,504 | 3,308,504 | 3,167,071 | 141,433 |
| Public safety | 8,563,339 | 8,563,339 | 8,390,492 | 172,847 |
| Public works | 6,101,332 | 6,109,977 | 5,416,186 | 693,791 |
| Planning and development | 1,403,555 | 1,420,459 | 1,403,337 | 17,122 |
| Health and human services | 580,650 | 580,650 | 556,820 | 23,830 |
| Community services | 3,246,056 | 3,246,056 | 3,120,005 | 126,051 |
| Education | 77,438,090 | 77,438,090 | 77,341,082 | 97,008 |
| Subdivisions | 5,444,445 | 5,514,414 | 5,488,999 | 25,415 |
| Nondepartmental | 10,370,798 | 10,275,280 | 10,088,091 | 187,189 |
| Outside agencies | 1,837,780 | 1,837,780 | 1,474,297 | 363,483 |
| Debt service | 6,638,769 | 6,638,769 | 6,577,717 | 61,052 |
| Total expenditures | <u>125,779,795</u> | <u>125,779,795</u> | <u>123,741,978</u> | <u>2,037,817</u> |
| Excess of Revenues over Expenditures | <u>1,600,311</u> | <u>1,600,311</u> | <u>5,043,022</u> | <u>3,442,711</u> |
| Other Financing Sources (Uses): | | | | |
| Transfers in | 577,640 | 577,640 | 577,640 | - |
| Transfers out | (3,272,951) | (3,272,951) | (3,272,951) | - |
| Bond premium | | | | - |
| Total other financing uses | <u>(2,695,311)</u> | <u>(2,695,311)</u> | <u>(2,695,311)</u> | <u>-</u> |
| Net Change in Fund Balance | <u>\$ (1,095,000)</u> | <u>\$ (1,095,000)</u> | 2,347,711 | <u>\$ 3,442,711</u> |
| Fund Balance at Beginning of Year | | | 24,619,866 | |
| Encumbrances Cancelled | | | <u>121,023</u> | |
| Fund Balance at End of Year | | | <u>\$ 27,088,600</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, 2020

| | Budgeted Amounts | | Actual | | | Variance With Final Budget Positive (Negative) |
|---------------------------|-------------------------|----------------------|----------------------|-------------------|----------------------|---|
| | Original | Final | Expended | Encumbered | Total | |
| Instruction: | | | | | | |
| Regular | \$ 29,707,059 | \$ 29,707,059 | \$ 30,270,098 | \$ 148,658 | \$ 30,418,756 | \$ (711,697) |
| Special | 13,459,021 | 13,459,021 | 12,735,988 | 797 | 12,736,785 | 722,236 |
| Continuing | 286,048 | 286,048 | 274,819 | | 274,819 | 11,229 |
| Total instruction | <u>43,452,128</u> | <u>43,452,128</u> | <u>43,280,905</u> | <u>149,455</u> | <u>43,430,360</u> | <u>21,768</u> |
| Supporting Services: | | | | | | |
| Pupils | 6,336,058 | 6,336,058 | 6,394,579 | 7,841 | 6,402,420 | (66,362) |
| Staff | 1,653,322 | 1,653,322 | 1,589,263 | 655 | 1,589,918 | 63,404 |
| General support | 6,570,597 | 6,570,597 | 6,744,798 | 20,475 | 6,765,273 | (194,676) |
| Operational support | 14,070,985 | 14,070,985 | 13,379,090 | 429,931 | 13,809,021 | 261,964 |
| Total supporting services | <u>28,630,962</u> | <u>28,630,962</u> | <u>28,107,730</u> | <u>458,902</u> | <u>28,566,632</u> | <u>64,330</u> |
| Community Services: | | | | | | |
| Nonpublic school pupils | <u>115,000</u> | <u>115,000</u> | <u>77,518</u> | | <u>77,518</u> | <u>37,482</u> |
| Nonprogrammed Changes: | | | | | | |
| Tuition payments | <u>5,240,000</u> | <u>5,240,000</u> | <u>5,213,748</u> | <u>52,824</u> | <u>5,266,572</u> | <u>(26,572)</u> |
| Total | <u>\$ 77,438,090</u> | <u>\$ 77,438,090</u> | <u>\$ 76,679,901</u> | <u>\$ 661,181</u> | <u>\$ 77,341,082</u> | <u>\$ 97,008</u> |

**TOWN OF GROTON, CONNECTICUT
GENERAL FUND
COMBINING BALANCE SHEET SCHEDULE
JUNE 30, 2020**

| | General Fund | Revaluation Fund | Computer Replacement Fund | Total Combined Funds |
|---|-------------------------|-----------------------------|--|-------------------------------------|
| ASSETS | | | | |
| Cash and cash equivalents | \$ 32,162,243 | \$ 412,955 | \$ 365,140 | \$ 32,940,338 |
| Investments | 3,372,865 | | | 3,372,865 |
| Receivables, net | 1,492,531 | | 34 | 1,492,565 |
| Due from other funds | 319,028 | | | 319,028 |
| Other assets | 19,978 | | | 19,978 |
| Total Assets | <u>\$ 37,366,645</u> | <u>\$ 412,955</u> | <u>\$ 365,174</u> | <u>\$ 38,144,774</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ 7,947,709 | \$ 75,782 | \$ 6,418 | \$ 8,029,909 |
| Unearned revenues | 65,757 | | | 65,757 |
| Total liabilities | <u>8,013,466</u> | <u>75,782</u> | <u>6,418</u> | <u>8,095,666</u> |
| Deferred inflows of resources: | | | | |
| Unavailable revenue - property taxes | 1,009,920 | | | 1,009,920 |
| Unavailable revenue - property tax interest | 255,701 | | | 255,701 |
| Total deferred inflows of resources | <u>1,265,621</u> | <u>-</u> | <u>-</u> | <u>1,265,621</u> |
| Fund balances: | | | | |
| Nonspendable | 19,978 | | | 19,978 |
| Assigned | 780,306 | 337,173 | 358,756 | 1,476,235 |
| Unassigned | 27,287,274 | | | 27,287,274 |
| Total fund balances | <u>28,087,558</u> | <u>337,173</u> | <u>358,756</u> | <u>28,783,487</u> |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | <u>\$ 37,366,645</u> | <u>\$ 412,955</u> | <u>\$ 365,174</u> | <u>\$ 38,144,774</u> |

TOWN OF GROTON, CONNECTICUT

GENERAL FUND

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2020

| | General Fund | Revaluation Fund | Computer Replacement Fund | Elimination | Total Combined Funds |
|--|----------------------|---------------------|---------------------------------|-------------|----------------------------|
| Revenues: | | | | | |
| Property taxes, interest and lien fees | \$ 90,191,028 | \$ | \$ | \$ | \$ 90,191,028 |
| Licenses and permits | 562,457 | | | | 562,457 |
| Intergovernmental - state | 43,411,693 | | | | 43,411,693 |
| Interest on investments | 623,943 | 5,062 | 3,415 | | 632,420 |
| Intergovernmental - federal | 4,082,939 | | | | 4,082,939 |
| Charges for current services | 1,043,823 | | 4,825 | | 1,048,648 |
| Schools, library and recreation fees | 162,369 | | | | 162,369 |
| Other revenue | 679,224 | | | | 679,224 |
| Total revenues | <u>140,757,476</u> | <u>5,062</u> | <u>8,240</u> | <u>-</u> | <u>140,770,778</u> |
| Expenditures: | | | | | |
| Current: | | | | | |
| General government | 717,885 | 129,398 | 600 | | 847,883 |
| General services | 3,159,294 | | | | 3,159,294 |
| Public safety | 8,396,646 | | | | 8,396,646 |
| Public works | 5,449,673 | | | | 5,449,673 |
| Planning and development | 1,431,888 | | | | 1,431,888 |
| Health and human services | 556,821 | | | | 556,821 |
| Community services | 3,123,406 | | | | 3,123,406 |
| Education | 89,014,374 | | | | 89,014,374 |
| Subdivisions | 5,488,998 | | | | 5,488,998 |
| Nondepartmental | 10,080,534 | | | | 10,080,534 |
| Outside agencies | 1,474,285 | | | | 1,474,285 |
| Debt service | 6,658,571 | | | | 6,658,571 |
| Capital outlay | | | 93,312 | | 93,312 |
| Total expenditures | <u>135,552,375</u> | <u>129,398</u> | <u>93,912</u> | <u>-</u> | <u>135,775,685</u> |
| Revenues over (under) Expenditures | <u>5,205,101</u> | <u>(124,336)</u> | <u>(85,672)</u> | <u>-</u> | <u>4,995,093</u> |
| Other Financing Sources (Uses): | | | | | |
| Refunding bond issuance | 9,985,000 | | | | 9,985,000 |
| Refunding bond premiums | 1,227,152 | | | | 1,227,152 |
| Payment to escrow agent | (11,130,548) | | | | (11,130,548) |
| Transfers in | 577,640 | 240,000 | 80,466 | (318,091) | 580,015 |
| Transfers out | (3,272,951) | | | 318,091 | (2,954,860) |
| Total other financing sources (uses) | <u>(2,613,707)</u> | <u>240,000</u> | <u>80,466</u> | <u>-</u> | <u>(2,293,241)</u> |
| Net Change in Fund Balances | 2,591,394 | 115,664 | (5,206) | - | 2,701,852 |
| Fund Balances at Beginning of Year | <u>25,496,164</u> | <u>221,509</u> | <u>363,962</u> | <u>-</u> | <u>26,081,635</u> |
| Fund Balances at End of Year | <u>\$ 28,087,558</u> | <u>\$ 337,173</u> | <u>\$ 358,756</u> | <u>\$ -</u> | <u>\$ 28,783,487</u> |

TOWN OF GROTON, CONNECTICUT
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
BUDGET AND ACTUAL - REVALUATION FUND
FOR THE YEAR ENDED JUNE 30, 2020

| | Budgeted | | Actual | Variance With Final Budget Positive (Negative) |
|-------------------------------------|------------------------|----------------------------|--|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Interest income | \$ 1,800 | \$ 1,800 | \$ 5,062 | \$ 3,262 |
| Expenditures: | | | | |
| Property revaluation | <u>182,200</u> | <u>182,200</u> | <u>209,807</u> | <u>(27,607)</u> |
| Revenues over (under) Expenditures | (180,400) | (180,400) | (204,745) | (24,345) |
| Other Financing Sources: | | | | |
| Transfers in | <u>240,000</u> | <u>240,000</u> | <u>240,000</u> | <u>-</u> |
| Net Change in Fund Balance | \$ <u>59,600</u> | \$ <u>59,600</u> | \$ <u>35,255</u> | \$ <u>(24,345)</u> |
| <u>Reconciliation to GAAP Basis</u> | | | | |
| | <u>Revenues</u> | <u>Expenditures</u> | <u>Change in Fund Balance</u> | |
| Current year encumbrances | \$ | \$ 80,409 | \$ <u>80,409</u> | |
| Net Change in Fund Balance, GAAP | | | \$ <u>115,664</u> | |

TOWN OF GROTON, CONNECTICUT
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
BUDGET AND ACTUAL - COMPUTER REPLACEMENT FUND
FOR THE YEAR ENDED JUNE 30, 2020

| | Budgeted | | | Variance With Final Budget Positive (Negative) |
|-------------------------------------|--------------------------|--------------------------|-----------------------------------|---|
| | Original | Final | Actual | |
| Revenues: | | | | |
| Interest income | \$ 3,500 | \$ 3,500 | \$ 3,415 | \$ (85) |
| Other agencies | 1,170 | 1,170 | 1,170 | - |
| Outside agencies - MDT | 3,880 | 3,880 | 3,655 | (225) |
| Total revenues | <u>8,550</u> | <u>8,550</u> | <u>8,240</u> | <u>(310)</u> |
| Expenditures: | | | | |
| Computer equipment | <u>96,638</u> | <u>96,638</u> | <u>83,911</u> | <u>12,727</u> |
| Revenues over (under) Expenditures | (88,088) | (88,088) | (75,671) | 12,417 |
| Other Financing Sources: | | | | |
| Transfers in | <u>80,466</u> | <u>80,466</u> | <u>80,466</u> | <u>-</u> |
| Net Change in Fund Balance | \$ <u><u>(7,622)</u></u> | \$ <u><u>(7,622)</u></u> | \$ <u><u>4,795</u></u> | \$ <u><u>12,417</u></u> |
| <u>Reconciliation to GAAP Basis</u> | | | | |
| | <u>Revenues</u> | <u>Expenditures</u> | <u>Change in Fund Balance</u> | |
| Liquidated prior year encumbrances | \$ | \$ (10,001) | \$ <u>(10,001)</u> | |
| Net Change in Fund Balance, GAAP | | | \$ <u><u>(5,206)</u></u> | |



Nonmajor Governmental Funds

Nonmajor Governmental Funds

Special Revenue Funds

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

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

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

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.

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, 2020**

| | 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 | \$ 353,681 | \$ 360,532 | \$ 193,887 | \$ 288,364 | \$ 497 | \$ 1,112,085 | \$ 53,724 | \$ 357,362 |
| Investments | | | | | | | | |
| Receivables, net | 416,291 | 104,498 | 871,257 | | | | | 6,020 |
| Other assets | | | | | | | | |
| Total Assets | <u>\$ 769,972</u> | <u>\$ 465,030</u> | <u>\$ 1,065,144</u> | <u>\$ 288,364</u> | <u>\$ 497</u> | <u>\$ 1,112,085</u> | <u>\$ 53,724</u> | <u>\$ 363,382</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | | | | | | |
| Liabilities: | | | | | | | | |
| Accounts payable | \$ 500,373 | | \$ 40,670 | \$ 3,607 | | | | \$ 70,162 |
| Due to State | 58,844 | | | | | | | |
| Due to other funds | | | 319,028 | | | | | |
| Unearned Revenue | 15,922 | | | | | | | |
| Total liabilities | <u>575,139</u> | <u>-</u> | <u>359,698</u> | <u>3,607</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>70,162</u> |
| Deferred inflows of resources: | | | | | | | | |
| Unavailable revenue - special assessments | | | | | | | | |
| Unavailable revenue - loans receivable | | | 871,257 | | | | | |
| Total deferred inflows of resources | <u>-</u> | <u>-</u> | <u>871,257</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund balances: | | | | | | | | |
| Nonspendable | | | | | | | | |
| Restricted | 194,833 | | | | | 1,112,085 | | |
| Committed | | 465,030 | | 284,757 | 497 | | 53,724 | 293,220 |
| Unassigned | | | (165,811) | | | | | |
| Total fund balances | <u>194,833</u> | <u>465,030</u> | <u>(165,811)</u> | <u>284,757</u> | <u>497</u> | <u>1,112,085</u> | <u>53,724</u> | <u>293,220</u> |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | <u>\$ 769,972</u> | <u>\$ 465,030</u> | <u>\$ 1,065,144</u> | <u>\$ 288,364</u> | <u>\$ 497</u> | <u>\$ 1,112,085</u> | <u>\$ 53,724</u> | <u>\$ 363,382</u> |

(Continued on next page)

**TOWN OF GROTON, CONNECTICUT
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2020**

| | 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 |
| ASSETS | | | | | | | |
| Cash and cash equivalents | \$ 3,244,028 | \$ 109,469 | \$ 1,779 | \$ 30,648 | \$ 7,589 | \$ 106,467 | \$ 196,639 |
| Investments | | | | | | | |
| Receivables, net | 458,038 | 228,566 | | | | 356,598 | 2,084 |
| Other assets | | | | | | | |
| Total Assets | <u>\$ 3,702,066</u> | <u>\$ 338,035</u> | <u>\$ 1,779</u> | <u>\$ 30,648</u> | <u>\$ 7,589</u> | <u>\$ 463,065</u> | <u>\$ 760,318</u> |
| | | | | | | | |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | | | | | |
| Liabilities: | | | | | | | |
| Accounts payable | \$ 133,360 | \$ 135,487 | \$ | \$ 3,901 | \$ 1,174 | \$ 38,228 | \$ 154 |
| Due to State | | | | | | | |
| Due to other funds | | | | | | | |
| Unearned Revenue | | | | | 3,406 | 137,516 | |
| Total liabilities | <u>133,360</u> | <u>135,487</u> | <u>-</u> | <u>3,901</u> | <u>4,580</u> | <u>175,744</u> | <u>154</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 | | | | | | 287,321 | |
| Restricted | | | | | | | |
| Committed | 3,568,706 | 202,548 | 1,779 | 26,747 | 3,009 | | 198,569 |
| Unassigned | | | | | | 756,551 | |
| Total fund balances | <u>3,568,706</u> | <u>202,548</u> | <u>1,779</u> | <u>26,747</u> | <u>3,009</u> | <u>287,321</u> | <u>198,569</u> |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | <u>\$ 3,702,066</u> | <u>\$ 338,035</u> | <u>\$ 1,779</u> | <u>\$ 30,648</u> | <u>\$ 7,589</u> | <u>\$ 463,065</u> | <u>\$ 760,318</u> |

(Continued on next page)

**TOWN OF GROTON, CONNECTICUT
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2020**

| | Special Revenue Funds | | | | | | |
|---|---------------------------|---------------------|------------------------|------------------------|-------------------------------|-----------------------------------|--------------------------------|
| | Outside Police Work | Land Acquisition | Economic Assistance | Vehicle Maintenance | Rec & Senior Activities | SECT Regional Probate Court | Energy Conservation Fund |
| ASSETS | | | | | | | |
| Cash and cash equivalents | \$ (962) | \$ 74,547 | \$ 502,284 | \$ 181,843 | \$ 257,462 | \$ 24,163 | \$ 19,637 |
| Investments | | | | | | | |
| Receivables, net | 49,240 | | | 26,943 | 250 | | |
| Other assets | | | | | | | |
| Total Assets | \$ 48,278 | \$ 74,547 | \$ 502,284 | \$ 208,786 | \$ 257,712 | \$ 24,163 | \$ 19,637 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | | | | | |
| Liabilities: | | | | | | | |
| Accounts payable | \$ 710 | \$ | \$ | \$ | \$ 84,549 | \$ 288 | \$ |
| Due to State | | | | | | | |
| Due to other funds | | | | | | | |
| Unearned Revenue | | | | | | | |
| Total liabilities | 710 | - | - | - | 84,549 | 288 | - |
| Deferred inflows of resources: | | | | | | | |
| Unavailable revenue - special assessments | | | | | | | |
| Unavailable revenue - loans receivable | | | | | | | |
| Total deferred inflows of resources | - | - | - | - | - | - | - |
| Fund balances: | | | | | | | |
| Nonspendable | | | | | | | |
| Restricted | | | | | 173,163 | 23,875 | |
| Committed | 47,568 | 74,547 | 502,284 | 208,786 | | | 19,637 |
| Unassigned | | | | | | | |
| Total fund balances | 47,568 | 74,547 | 502,284 | 208,786 | 173,163 | 23,875 | 19,637 |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | \$ 48,278 | \$ 74,547 | \$ 502,284 | \$ 208,786 | \$ 257,712 | \$ 24,163 | \$ 19,637 |

(Continued on next page)

**TOWN OF GROTON, CONNECTICUT
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2020**

| | Special Revenue Funds | | Debt Service Fund | Permanent Funds | | | |
|---|------------------------------|--------------------|-----------------------|------------------------|--------------------------|---------------------|----------------------|
| | LED Light Conversion Project | Blight Remediation | Groton Sewer District | Williams Library Trust | Julia Bill Library Trust | Rispoli Scholarship | Totals |
| ASSETS | | | | | | | |
| Cash and cash equivalents | \$ 49,484 | \$ 15,193 | \$ 145,295 | \$ 73,388 | \$ 41,465 | \$ 200,250 | \$ 8,755,574 |
| Investments | | | | 113,547 | 7,892 | | 121,439 |
| Receivables, net | | | 4,201 | | | | 2,529,530 |
| Other assets | | | 2,747 | | | | 2,747 |
| Total Assets | \$ 49,484 | \$ 15,193 | \$ 152,243 | \$ 186,935 | \$ 49,357 | \$ 200,250 | \$ 11,409,290 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | | | | | |
| Liabilities: | | | | | | | |
| Accounts payable | \$ | \$ | \$ 114 | \$ | \$ | \$ | \$ 1,016,544 |
| Due to State | | | | | | | 58,844 |
| Due to other funds | | | | | | | 319,028 |
| Unearned Revenue | | | | | | | 156,844 |
| Total liabilities | - | - | 114 | - | - | - | 1,551,260 |
| Deferred inflows of resources: | | | | | | | |
| Unavailable revenue - special assessments | | | 2,693 | | | | 2,693 |
| Unavailable revenue - loans receivable | | | | | | | 871,257 |
| Total deferred inflows of resources | - | - | 2,693 | - | - | - | 873,950 |
| Fund balances: | | | | | | | |
| Nonspendable | | | 2,747 | 20,000 | 27,543 | 200,000 | 250,290 |
| Restricted | | | 146,689 | 166,935 | 21,814 | 250 | 2,126,965 |
| Committed | 49,484 | 15,193 | | | | | 6,772,636 |
| Unassigned | | | | | | | (165,811) |
| Total fund balances | 49,484 | 15,193 | 149,436 | 186,935 | 49,357 | 200,250 | 8,984,080 |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | \$ 49,484 | \$ 15,193 | \$ 152,243 | \$ 186,935 | \$ 49,357 | \$ 200,250 | \$ 11,409,290 |

TOWN OF GROTON, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

| | 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 | 3,275,712 | 72,905 | | | | | 25,002 | |
| Investment earnings | | 24 | 158 | | 3 | 14,516 | 384 | |
| Federal government | 1,567,243 | 1,683,596 | | | | 369,015 | | |
| Charges for services | | 528,587 | | | | | | 1,258,027 |
| Sewer use charges | | | | | | | | |
| Solid waste management | | | | | | | | |
| Other revenue | 687,192 | 130,588 | 61,582 | 104,558 | | | | |
| Total revenues | 5,530,147 | 2,415,700 | 61,740 | 104,558 | 3 | 383,531 | 25,386 | 1,258,027 |
| Expenditures: | | | | | | | | |
| General government | | | | | | | | |
| Public safety | | | | | | | | |
| Public works | | | | | | | | |
| Planning and development | | | | | | | | |
| Health and human services | | | 200,675 | 49,509 | | | | |
| Community services | | | | | | | 17,531 | 1,101,048 |
| Education | 5,385,940 | 2,354,936 | | | | | | |
| Sewer operations | | | | | | | | |
| Solid waste management | | | | | | | | |
| Outside agencies | | | | | | | | |
| Debt service | | | | | | | | |
| Capital outlay | | | | | | 295,734 | | |
| Nondepartmental | | | | | | | | |
| Total expenditures | 5,385,940 | 2,354,936 | 200,675 | 49,509 | - | 295,734 | 17,531 | 1,101,048 |
| Revenues over (under) Expenditures | 144,207 | 60,764 | (138,935) | 55,049 | 3 | 87,797 | 7,855 | 156,979 |
| Other Financing Sources (Uses): | | | | | | | | |
| Transfers in | | | | | | | | |
| Transfers out | | | | | | | | (46,775) |
| Total other financing uses | - | - | - | - | - | - | - | (46,775) |
| Net Change in Fund Balances | 144,207 | 60,764 | (138,935) | 55,049 | 3 | 87,797 | 7,855 | 110,204 |
| Fund Balance - Beginning of Year | 50,626 | 404,266 | (26,876) | 229,708 | 494 | 1,024,288 | 45,869 | 183,016 |
| Fund Balance - End of Year | \$ 194,833 | \$ 465,030 | \$ (165,811) | \$ 284,757 | \$ 497 | \$ 1,112,085 | \$ 53,724 | \$ 293,220 |

(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, 2020

| | 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 | \$ | \$ | \$ 21,670 | \$ | \$ | \$ | \$ | \$ |
| Sewer assessments | | | | | | | | |
| State of Connecticut | | | | 12,000 | 7,421 | 574,430 | | |
| Investment earnings | 22,186 | 567 | | | | | | |
| Federal government | | | | | | 97,177 | | |
| Charges for services | | | | | | 14,514 | | 30,476 |
| Sewer use charges | 6,448,601 | | | | | | | |
| Solid waste management | | 1,419,700 | | | | | | |
| Other revenue | 5,648 | | | 10,520 | | 79,921 | 204,349 | 48,983 |
| Total revenues | <u>6,476,435</u> | <u>1,420,267</u> | <u>21,670</u> | <u>22,520</u> | <u>7,421</u> | <u>766,042</u> | <u>204,349</u> | <u>79,459</u> |
| Expenditures: | | | | | | | | |
| General government | | | | | | 8,735 | 228,224 | |
| Public safety | | | 20,021 | | | 60,815 | | |
| Public works | | | | | 7,421 | 2,181 | | |
| Planning and development | | | | | | | | |
| Health and human services | | | | 13,371 | | 8,665 | | |
| Community services | | | | | | 227,477 | | 48,303 |
| Education | | | | | | | | |
| Sewer operations | 4,278,263 | | | | | | | |
| Solid waste management | | 1,499,935 | | | | | | |
| Outside agencies | | | | | | | | |
| Debt service | 435,388 | | | | | | | |
| Capital outlay | | | | | | 13,897 | | |
| Nondepartmental | | | | | | | | |
| Total expenditures | <u>4,713,651</u> | <u>1,499,935</u> | <u>20,021</u> | <u>13,371</u> | <u>7,421</u> | <u>321,770</u> | <u>228,224</u> | <u>48,303</u> |
| Revenues over (under) Expenditures | <u>1,762,784</u> | <u>(79,668)</u> | <u>1,649</u> | <u>9,149</u> | <u>-</u> | <u>444,272</u> | <u>(23,875)</u> | <u>31,156</u> |
| Other Financing Sources (Uses): | | | | | | | | |
| Transfers in | 97,883 | | | | | | | |
| Transfers out | (778,646) | | (1,082) | | | (6,500) | | |
| Total other financing uses | <u>(680,763)</u> | <u>-</u> | <u>(1,082)</u> | <u>-</u> | <u>-</u> | <u>(6,500)</u> | <u>-</u> | <u>-</u> |
| Net Change in Fund Balances | 1,082,021 | (79,668) | 567 | 9,149 | - | 437,772 | (23,875) | 31,156 |
| Fund Balance - Beginning 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> |
| Fund Balance - End of Year | <u>\$ 3,568,706</u> | <u>\$ 202,548</u> | <u>\$ 1,779</u> | <u>\$ 26,747</u> | <u>\$ 3,009</u> | <u>\$ 287,321</u> | <u>\$ 756,551</u> | <u>\$ 198,569</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, 2020

| | 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 | | 1,203 | 8,513 | | | | 316 |
| Federal government | | | | | | | |
| Charges for services | 370,325 | | | | 642,905 | | |
| Sewer use charges | | | | | | | |
| Solid waste management | | | | | | | |
| Other revenue | | | | 182,320 | | 26,700 | |
| Total revenues | 370,325 | 1,203 | 8,513 | 182,320 | 642,905 | 26,700 | 316 |
| Expenditures: | | | | | | | |
| General government | | | | | | 23,121 | |
| Public safety | 296,428 | | | | | | |
| Public works | | | 69,565 | | | | |
| Planning and development | | | | | | | |
| Health and human services | | | | | | | |
| Community services | | | | | 880,615 | | |
| Education | | | | | | | |
| Sewer operations | | | | | | | |
| Solid waste management | | | | | | | |
| Outside agencies | | | | 169,657 | | | |
| Debt service | | | | | | | |
| Capital outlay | | | | | | | 22 |
| Nondepartmental | | | | | | | |
| Total expenditures | 296,428 | - | 69,565 | 169,657 | 880,615 | 23,121 | 22 |
| Revenues over (under) Expenditures | 73,897 | 1,203 | (61,052) | 12,663 | (237,710) | 3,579 | 294 |
| Other Financing Sources (Uses): | | | | | | | |
| Transfers in | | | | | | | |
| Transfers out | (154,988) | | | | | | |
| Total other financing uses | (154,988) | - | - | - | - | - | - |
| Net Change in Fund Balances | (81,091) | 1,203 | (61,052) | 12,663 | (237,710) | 3,579 | 294 |
| Fund Balance - Beginning of Year | 128,659 | 73,344 | 563,336 | 196,123 | 410,873 | 20,296 | 19,343 |
| Fund Balance - End of Year | \$ 47,568 | \$ 74,547 | \$ 502,284 | \$ 208,786 | \$ 173,163 | \$ 23,875 | \$ 19,637 |

(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, 2020

| | Special Revenue Funds | | Debt Service Fund | Permanent Funds | | | |
|--|------------------------------|--------------------|-----------------------|------------------------|--------------------------|---------------------|--------------|
| | LED Light Conversion Project | Blight Remediation | Groton Sewer District | Williams Library Trust | Julia Bill Library Trust | Rispoli Scholarship | Totals |
| Revenues: | | | | | | | |
| Property taxes, interest and lien fees | \$ | \$ | \$ 676,112 | \$ | \$ | \$ | 697,782 |
| Sewer assessments | | | 309 | | | | 309 |
| State of Connecticut | | | 944 | | | | 3,968,414 |
| Investment earnings | | 172 | 4,170 | 9,390 | (277) | 1,004 | 62,329 |
| Federal government | | | | | | | 3,717,031 |
| Charges for services | | | | | | | 2,844,834 |
| Sewer use charges | | | | | | | 6,448,601 |
| Solid waste management | | | | | | | 1,419,700 |
| Other revenue | | | | 357 | | | 1,542,718 |
| Total revenues | - | 172 | 681,535 | 9,747 | (277) | 1,004 | 20,701,718 |
| Expenditures: | | | | | | | |
| General government | | | 9,268 | | | | 269,348 |
| Public safety | | | | | | | 377,264 |
| Public works | | | | | | | 79,167 |
| Planning and development | | | | | | | - |
| Health and human services | | | | | | | 272,220 |
| Community services | | | | 7,277 | | 1,004 | 2,283,255 |
| Education | | | | | | | 7,740,876 |
| Sewer operations | | | | | | | 4,278,263 |
| Solid waste management | | | | | | | 1,499,935 |
| Outside agencies | | | | | | | 169,657 |
| Debt service | | | 734,326 | | | | 1,169,714 |
| Capital outlay | | | | | | | 309,653 |
| Nondepartmental | | | | | | | - |
| Total expenditures | - | - | 743,594 | 7,277 | - | 1,004 | 18,449,352 |
| Revenues over (under) Expenditures | - | 172 | (62,059) | 2,470 | (277) | - | 2,252,366 |
| Other Financing Sources (Uses): | | | | | | | |
| Transfers in | | | | | | | 97,883 |
| Transfers out | | | (47,782) | | | | (1,035,773) |
| Total other financing uses | - | - | (47,782) | - | - | - | (937,890) |
| Net Change in Fund Balances | - | 172 | (109,841) | 2,470 | (277) | - | 1,314,476 |
| Fund Balance - Beginning of Year | 49,484 | 15,021 | 259,277 | 184,465 | 49,634 | 200,250 | 7,669,604 |
| Fund Balance - End of Year | \$ 49,484 | \$ 15,193 | \$ 149,436 | \$ 186,935 | \$ 49,357 | \$ 200,250 | \$ 8,984,080 |

TOWN OF GROTON, CONNECTICUT
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
BUDGET AND ACTUAL - SPECIAL LIBRARY FUND
FOR THE YEAR ENDED JUNE 30, 2020

| | Budgeted | | Actual | Variance With Final Budget Positive (Negative) |
|----------------------------|--------------------|--------------------|-----------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Interest income | \$ 300 | \$ 300 | \$ 384 | \$ 84 |
| ConnectiCard grant | | | 25,002 | 25,002 |
| Total revenues | <u>300</u> | <u>300</u> | <u>25,386</u> | <u>25,086</u> |
| Expenditures: | | | | |
| Software maintenance fees | <u>18,300</u> | <u>18,300</u> | <u>17,531</u> | <u>769</u> |
| Net Change in Fund Balance | \$ <u>(18,000)</u> | \$ <u>(18,000)</u> | \$ <u>7,855</u> | \$ <u>25,855</u> |

TOWN OF GROTON, CONNECTICUT
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
BUDGET AND ACTUAL - GOLF COURSE FUND
FOR THE YEAR ENDED JUNE 30, 2020

| | Budgeted | | Actual | Variance With Final Budget Positive (Negative) |
|-------------------------------------|--------------------|---------------------|-----------------------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Charges for services | \$ 1,188,414 | \$ 1,188,414 | \$ 1,258,027 | \$ 69,613 |
| Expenditures: | | | | |
| Community services | <u>1,189,179</u> | <u>1,189,179</u> | <u>1,090,633</u> | <u>98,546</u> |
| Revenues over (under) Expenditures | (765) | (765) | 167,394 | 168,159 |
| Other Financing Uses: | | | | |
| Transfers out | <u>(46,170)</u> | <u>(46,170)</u> | <u>(45,520)</u> | <u>650</u> |
| Net Change in Fund Balance | \$ <u>(46,935)</u> | \$ <u>(46,935)</u> | \$ <u>121,874</u> | \$ <u>168,809</u> |
| <u>Reconciliation to GAAP Basis</u> | | | | |
| | Revenues | Expenditures | Change in Fund Balance | |
| Current year encumbrances | \$ | \$ 1,680 | \$ 1,680 | |
| Liquidated prior year encumbrances | | (13,350) | <u>(13,350)</u> | |
| Net Change in Fund Balance, GAAP | | | \$ <u>110,204</u> | |

TOWN OF GROTON, CONNECTICUT
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
BUDGET AND ACTUAL - SEWER OPERATING FUND
FOR THE YEAR ENDED JUNE 30, 2020

| | Budgeted | | | Variance With Final Budget Positive (Negative) |
|-------------------------------------|-------------------|---------------------|-----------------------------------|---|
| | Original | Final | Actual | |
| Revenues: | | | | |
| Sewer use charges | \$ 6,448,099 | \$ 6,448,099 | \$ 6,448,601 | \$ 502 |
| Interest income | 4,000 | 4,000 | 22,186 | 18,186 |
| Other revenue | | | 5,648 | 5,648 |
| Total revenues | <u>6,452,099</u> | <u>6,452,099</u> | <u>6,476,435</u> | <u>24,336</u> |
| Expenditures: | | | | |
| Sewer system maintenance | <u>5,473,189</u> | <u>5,473,189</u> | <u>4,769,592</u> | <u>703,597</u> |
| Revenues over (under) Expenditures | <u>978,910</u> | <u>978,910</u> | <u>1,706,843</u> | <u>727,933</u> |
| Other Financing Uses: | | | | |
| Transfers in | 86,963 | 86,963 | 97,883 | 10,920 |
| Transfers out | <u>(744,361)</u> | <u>(744,361)</u> | <u>(744,361)</u> | - |
| Total other financing uses | <u>(657,398)</u> | <u>(657,398)</u> | <u>(646,478)</u> | <u>10,920</u> |
| Net Change in Fund Balance | <u>\$ 321,512</u> | <u>\$ 321,512</u> | <u>\$ 1,060,365</u> | <u>\$ 738,853</u> |
| <u>Reconciliation to GAAP Basis</u> | | | | |
| | Revenues | Expenditures | Change in Fund Balance | |
| Current year encumbrances | \$ | \$ 29,021 | \$ 29,021 | |
| Liquidated prior year encumbrances | | (7,365) | <u>(7,365)</u> | |
| Net Change in Fund Balance, GAAP | | | <u>\$ 1,082,021</u> | |

TOWN OF GROTON, CONNECTICUT
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
BUDGET AND ACTUAL - SOLID WASTE FUND
FOR THE YEAR ENDED JUNE 30, 2020

| | Budgeted | | Actual | Variance With Final Budget Positive (Negative) |
|----------------------------|---------------------------|---------------------------|---------------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Solid waste management | \$ 1,687,058 | \$ 1,687,058 | \$ 1,419,700 | \$ (267,358) |
| Interest income | 1,200 | 1,200 | 567 | (633) |
| Total revenues | <u>1,688,258</u> | <u>1,688,258</u> | <u>1,420,267</u> | <u>(267,991)</u> |
| Expenditures: | | | | |
| Solid waste management | <u>1,736,585</u> | <u>1,736,585</u> | <u>1,499,935</u> | <u>236,650</u> |
| Net Change in Fund Balance | \$ <u><u>(48,327)</u></u> | \$ <u><u>(48,327)</u></u> | \$ <u><u>(79,668)</u></u> | \$ <u><u>(31,341)</u></u> |

TOWN OF GROTON, CONNECTICUT
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
BUDGET AND ACTUAL - MUMFORD COVE DISTRICT
FOR THE YEAR ENDED JUNE 30, 2020

| | Budgeted | | | Variance With Final Budget Positive (Negative) |
|--|-----------------|--------------|---------------|---|
| | Original | Final | Actual | |
| Revenues: | | | | |
| Property taxes, interest and lien fees | \$ 21,102 | \$ 21,102 | \$ 21,670 | \$ 568 |
| Expenditures: | | | | |
| Public safety | 20,020 | 20,020 | 20,021 | (1) |
| Revenues over (under) Expenditures | 1,082 | 1,082 | 1,649 | 567 |
| Other Financial Uses: | | | | |
| Transfers out | (1,082) | (1,082) | (1,082) | - |
| Net Change in Fund Balance | \$ - | \$ - | \$ 567 | \$ 567 |

TOWN OF GROTON, CONNECTICUT
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
BUDGET AND ACTUAL - GROTON SEWER DISTRICT
FOR THE YEAR ENDED JUNE 30, 2020

| | Budgeted | | Actual | Variance With Final Budget Positive (Negative) |
|------------------------------------|---------------------|---------------------|---------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Property taxes and other | \$ 687,486 | \$ 687,486 | \$ 677,365 | \$ (10,121) |
| Interest income | 7,000 | 7,000 | 4,170 | (2,830) |
| Total revenues | <u>694,486</u> | <u>694,486</u> | <u>681,535</u> | <u>(12,951)</u> |
| Expenditures: | | | | |
| Debt service | 734,325 | 734,325 | 734,326 | (1) |
| Operating expense | <u>12,379</u> | <u>12,379</u> | <u>9,268</u> | <u>3,111</u> |
| Total expenditures | <u>746,704</u> | <u>746,704</u> | <u>743,594</u> | <u>3,110</u> |
| Revenues over (under) Expenditures | (52,218) | (52,218) | (62,059) | (9,841) |
| Other Financing Uses: | | | | |
| Transfers out | <u>(47,782)</u> | <u>(47,782)</u> | <u>(47,782)</u> | <u>-</u> |
| Net Change in Fund Balance | <u>\$ (100,000)</u> | <u>\$ (100,000)</u> | <u>\$ (109,841)</u> | <u>\$ (9,841)</u> |

TOWN OF GROTON, CONNECTICUT
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
BUDGET AND ACTUAL - REC & SENIOR ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

| | Budgeted | | Actual | Variance With Final Budget Positive (Negative) |
|-------------------------------------|--------------------|---------------------|-----------------------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Recreation programs | \$ 822,670 | \$ 822,670 | \$ 423,927 | \$ (398,743) |
| Senior programs | 273,350 | 273,350 | 133,854 | (139,496) |
| Senior food concession | 82,000 | 82,000 | 85,124 | 3,124 |
| Total revenues | <u>1,178,020</u> | <u>1,178,020</u> | <u>642,905</u> | <u>(535,115)</u> |
| Expenditures: | | | | |
| Recreation programs | 852,968 | 852,968 | 604,871 | 248,097 |
| Senior programs | 278,815 | 278,815 | 170,218 | 108,597 |
| Senior food concession | 110,455 | 110,455 | 104,951 | 5,504 |
| Total expenditures | <u>1,242,238</u> | <u>1,242,238</u> | <u>880,040</u> | <u>362,198</u> |
| Net Change in Fund Balance | \$ <u>(64,218)</u> | \$ <u>(64,218)</u> | \$ <u>(237,135)</u> | \$ <u>(172,917)</u> |
| <u>Reconciliation to GAAP Basis</u> | | | | |
| | <u>Revenues</u> | <u>Expenditures</u> | <u>Change in Fund Balance</u> | |
| Current year encumbrances | \$ | \$ 23,880 | \$ 23,880 | |
| Liquidated prior year encumbrances | | (24,455) | <u>(24,455)</u> | |
| Net Change in Fund Balance, GAAP | | | \$ <u>(237,710)</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, 2020

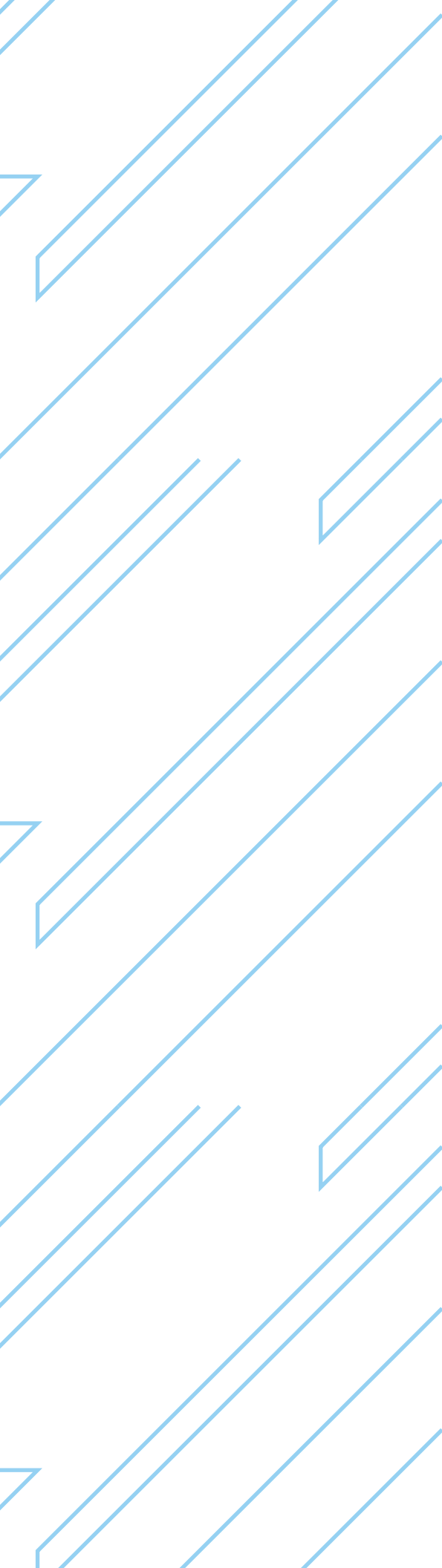
| | <u>Fleet Reserve</u> | <u>Health Insurance</u> | <u>Workers' Compensation</u> | <u>Total</u> |
|---|--------------------------|-----------------------------|----------------------------------|----------------------|
| Assets: | | | | |
| Current assets: | | | | |
| Cash and cash equivalents | \$ 1,546,805 | \$ 8,643,507 | \$ 1,876,146 | \$ 12,066,458 |
| Accounts receivable | 2 | 6,479 | | 6,481 |
| Other assets | | | 25,000 | 25,000 |
| Total current assets | <u>1,546,807</u> | <u>8,649,986</u> | <u>1,901,146</u> | <u>12,097,939</u> |
| Noncurrent assets: | | | | |
| Property and equipment | 9,486,270 | | | 9,486,270 |
| Accumulated depreciation | (7,134,519) | | | (7,134,519) |
| Property and equipment, net | <u>2,351,751</u> | <u>-</u> | <u>-</u> | <u>2,351,751</u> |
| Total assets | <u>3,898,558</u> | <u>8,649,986</u> | <u>1,901,146</u> | <u>14,449,690</u> |
| Liabilities: | | | | |
| Current liabilities: | | | | |
| Accounts payable | 107,941 | 214 | 137,265 | 245,420 |
| Claims incurred but not reported | | 692,000 | 124,112 | 816,112 |
| Total current liabilities | <u>107,941</u> | <u>692,214</u> | <u>261,377</u> | <u>1,061,532</u> |
| Noncurrent liabilities: | | | | |
| Claims incurred but not reported, net of current portion | | | 1,525,482 | 1,525,482 |
| Net Position: | | | | |
| Invested in capital assets | 2,351,751 | | | 2,351,751 |
| Unrestricted | <u>1,438,866</u> | <u>7,957,772</u> | <u>114,287</u> | <u>9,510,925</u> |
| Total Net Position | <u>\$ 3,790,617</u> | <u>\$ 7,957,772</u> | <u>\$ 114,287</u> | <u>\$ 11,862,676</u> |

TOWN OF GROTON, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

| | <u>Fleet Reserve</u> | <u>Health Insurance</u> | <u>Workers' Compensation</u> | <u>Total</u> |
|----------------------------------|--------------------------|-----------------------------|----------------------------------|----------------------|
| Operating Revenue: | | | | |
| Charges for services | \$ | \$ 12,910,492 | \$ 1,211,488 | \$ 14,121,980 |
| Other revenue | 6,359 | 500 | 29,668 | 36,527 |
| Intergovernmental revenue | 48,800 | | | 48,800 |
| Total operating revenue | <u>55,159</u> | <u>12,910,992</u> | <u>1,241,156</u> | <u>14,207,307</u> |
| Operating Expenses: | | | | |
| Operating expenses | 626,927 | | | 626,927 |
| Claims - operating | | 10,788,768 | | 10,788,768 |
| Claims - workers' compensation | | | 631,504 | 631,504 |
| Claims - heart and hypertension | | | (221,336) | (221,336) |
| Depreciation | 492,147 | | | 492,147 |
| Administrative | | 1,403,176 | 53,914 | 1,457,090 |
| Total operating expenses | <u>1,119,074</u> | <u>12,191,944</u> | <u>464,082</u> | <u>13,775,100</u> |
| Operating Income (Loss) | (1,063,915) | 719,048 | 777,074 | 432,207 |
| Nonoperating Revenue (Expenses): | | | | |
| Interest on investments | <u>15,876</u> | <u>82,604</u> | <u>18,843</u> | <u>117,323</u> |
| Income (Loss) Before Transfers | (1,048,039) | 801,652 | 795,917 | 549,530 |
| Transfers in | 1,451,618 | | | 1,451,618 |
| Transfers out | <u>(97,883)</u> | | | <u>(97,883)</u> |
| Change in Net Position | 305,696 | 801,652 | 795,917 | 1,903,265 |
| Net Position - Beginning of Year | <u>3,484,921</u> | <u>7,156,120</u> | <u>(681,630)</u> | <u>9,959,411</u> |
| Net Position - End of Year | <u>\$ 3,790,617</u> | <u>\$ 7,957,772</u> | <u>\$ 114,287</u> | <u>\$ 11,862,676</u> |

TOWN OF GROTON, CONNECTICUT
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

| | <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 | \$ 65,164 | \$ 13,394,351 | \$ 1,241,156 | \$ 14,700,671 |
| Cash received from other funds | | | | - |
| Cash paid to vendors | (571,524) | | | (571,524) |
| Cash paid to beneficiaries | | (12,630,807) | (913,055) | (13,543,862) |
| Net cash provided by (used in) operating activities | <u>(506,360)</u> | <u>763,544</u> | <u>328,101</u> | <u>585,285</u> |
| Cash Flows from Capital and Related Financing Activities: | | | | |
| Purchases of property and equipment | <u>(137,242)</u> | | | <u>(137,242)</u> |
| Cash Flows from Noncapital Financing Activities: | | | | |
| Transfer In | 1,451,618 | | | 1,451,618 |
| Transfers out | <u>(97,883)</u> | | | <u>(97,883)</u> |
| Net cash provided by noncapital financing activities | <u>1,353,735</u> | <u>-</u> | <u>-</u> | <u>1,353,735</u> |
| Cash Flows from Investing Activities: | | | | |
| Interest on investments | <u>15,876</u> | <u>82,604</u> | <u>18,843</u> | <u>117,323</u> |
| Net Increase in Cash and Cash Equivalents | 726,009 | 846,148 | 346,944 | 1,919,101 |
| Cash and Cash Equivalents - Beginning of Year | <u>820,796</u> | <u>7,797,359</u> | <u>1,529,202</u> | <u>10,147,357</u> |
| Cash and Cash Equivalents - End of Year | <u>\$ 1,546,805</u> | <u>\$ 8,643,507</u> | <u>\$ 1,876,146</u> | <u>\$ 12,066,458</u> |
| Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities: | | | | |
| Operating income (loss) | \$ (1,063,915) | \$ 719,048 | \$ 777,074 | \$ 432,207 |
| Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities: | | | | |
| Depreciation | 492,147 | | | 492,147 |
| Changes in assets and liabilities: | | | | |
| Decrease (increase) in accounts receivable | 10,005 | 483,359 | | 493,364 |
| (Decrease) in accounts payable | 55,403 | | | 55,403 |
| (Decrease) increase in claims payable | | (438,863) | (448,973) | (887,836) |
| Net Cash Provided by (Used in) Operating Activities | <u>\$ (506,360)</u> | <u>\$ 763,544</u> | <u>\$ 328,101</u> | <u>\$ 585,285</u> |



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.

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, 2020

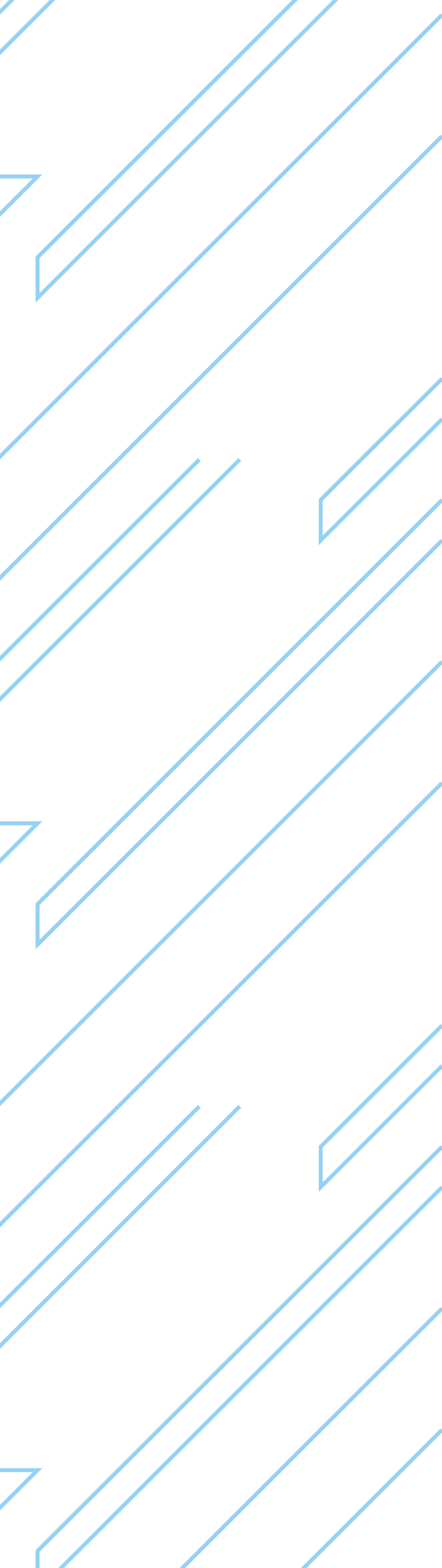
| | Private Purpose Trust Funds | | | |
|--|------------------------------------|--|------------------------------------|------------------|
| | Francis A. Nye | Charles and Claudia Dominioni | Flora Perkins Trust | Total |
| Assets: | | | | |
| Cash and cash equivalents | \$ <u>2,279</u> | \$ <u>5,627</u> | \$ <u>38,039</u> | \$ <u>45,945</u> |
| Net Position: | | | | |
| Held in Trust for Benefits and Other Purposes | \$ <u>2,279</u> | \$ <u>5,627</u> | \$ <u>38,039</u> | \$ <u>45,945</u> |

TOWN OF GROTON, CONNECTICUT
COMBINING STATEMENT OF CHANGES IN NET POSITION
PRIVATE PURPOSE TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

| | Private Purpose Trust Funds | | | |
|-----------------------------------|------------------------------------|--|------------------------------------|--------------|
| | Francis A. Nye | Charles and Claudia Dominioni | Flora Perkins Trust | Total |
| Additions: | | | | |
| Contributions: | | | | |
| Other revenue | \$ | \$ | \$ 2,000 | \$ 2,000 |
| Investment income: | | | | |
| Interest and dividends | | 28 | 651 | 679 |
| Total additions | | 28 | 2,651 | 2,679 |
| Deductions: | | | | |
| Benefits | | 28 | 10,000 | 10,028 |
| Change in Net Position | | | (7,349) | (7,349) |
| Net Position at Beginning of Year | 2,279 | 5,627 | 45,388 | 53,294 |
| Net Position at End of Year | \$ 2,279 | \$ 5,627 | \$ 38,039 | \$ 45,945 |

TOWN OF GROTON, CONNECTICUT
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

| | Balance July 1, 2019 | Additions | Deductions | Balance June 30, 2020 |
|--------------------------------------|-------------------------------------|----------------------|----------------------|--------------------------------------|
| Performance Bonds | | | | |
| Assets: | | | | |
| Cash | \$ <u>462,660</u> | \$ <u>148</u> | \$ <u></u> | \$ <u>462,808</u> |
| Liabilities: | | | | |
| Due to contractors/developers | \$ <u>462,660</u> | \$ <u>148</u> | \$ <u></u> | \$ <u>462,808</u> |
| Student Activities | | | | |
| Assets: | | | | |
| Cash | \$ <u>283,057</u> | \$ <u>238,589</u> | \$ <u>258,228</u> | \$ <u>263,418</u> |
| Liabilities: | | | | |
| Due to student groups | \$ <u>283,057</u> | \$ <u>238,589</u> | \$ <u>258,228</u> | \$ <u>263,418</u> |
| Fire District Tax Collections | | | | |
| Assets: | | | | |
| Cash | \$ <u>24,890</u> | \$ <u>14,332,314</u> | \$ <u>14,321,596</u> | \$ <u>35,608</u> |
| Liabilities: | | | | |
| Due to fire districts | \$ <u>24,890</u> | \$ <u>14,332,314</u> | \$ <u>14,321,596</u> | \$ <u>35,608</u> |
| Total | | | | |
| Assets: | | | | |
| Cash | \$ <u>770,607</u> | \$ <u>14,571,051</u> | \$ <u>14,579,824</u> | \$ <u>761,834</u> |
| Liabilities: | | | | |
| Due to contractors/developers | \$ 462,660 | \$ 148 | \$ | \$ 462,808 |
| Due to student groups | 283,057 | 238,589 | 258,228 | 263,418 |
| Due to fire districts | <u>24,890</u> | <u>14,332,314</u> | <u>14,321,596</u> | <u>35,608</u> |
| Total Liabilities | \$ <u>770,607</u> | \$ <u>14,571,051</u> | \$ <u>14,579,824</u> | \$ <u>761,834</u> |



Other Schedules

TOWN OF GROTON, CONNECTICUT
SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2020

| Grand List Year | Uncollected Taxes 7/1/2019 | Current Levy | Lawful Corrections | | Suspense Transfers and Adjustments | Adjusted Uncollected Taxes | Collections | | | | Uncollected Taxes 6/30/2020 |
|--------------------|----------------------------------|----------------------|--------------------|-------------------|---|----------------------------------|----------------------|--------------------------------------|--------------------------------|----------------------|-----------------------------------|
| | | | Additions | Deletions | | | Taxes | Interest, Liens and Other Fees | Suspense Taxes Collected | Total | |
| 2018 | \$ | \$ 90,973,341 | \$ 87,217 | \$ 503,395 | \$ 263,658 | \$ 90,293,505 | \$ 89,400,446 | \$ 236,585 | \$ 1,671 | \$ 89,638,702 | \$ 893,059 |
| 2017 | 811,766 | | 10,388 | 67,345 | 56,475 | 698,334 | 442,163 | 110,039 | 63,220 | 615,422 | 256,171 |
| 2016 | 230,867 | | 27,982 | 11,568 | 21,500 | 225,781 | 87,000 | 53,734 | 19,784 | 160,518 | 138,781 |
| 2015 | 98,732 | | 342 | 835 | 6,357 | 91,882 | 56,118 | 19,856 | 12,615 | 88,589 | 35,764 |
| 2014 | 29,080 | | 157 | 325 | 115 | 28,797 | 8,506 | 15,137 | 8,340 | 31,983 | 20,291 |
| 2013 | 22,524 | | | 215 | 62 | 22,247 | 5,788 | 9,064 | 7,572 | 22,424 | 16,459 |
| 2012 | 10,080 | | | | | 10,080 | 1,772 | 4,258 | 2,314 | 8,344 | 8,308 |
| 2011 | 8,345 | | | | | 8,345 | 4,667 | 3,085 | 1,843 | 9,595 | 3,678 |
| 2010 | 5,469 | | | | | 5,469 | | 1,258 | 848 | 2,106 | 5,469 |
| 2009 | 2,548 | | | | | 2,548 | | 1,178 | 648 | 1,826 | 2,548 |
| 2008 | 5,279 | | | | | 5,279 | 418 | 2,140 | 699 | 3,257 | 4,861 |
| 2007 | 1,487 | | | | | 1,487 | | 1,072 | 517 | 1,589 | 1,487 |
| 2006 | 404 | | | | | 404 | | 1,138 | 689 | 1,827 | 404 |
| 2005 | 623 | | | | | 623 | | 2,932 | 1,418 | 4,350 | 623 |
| 2004 | 595 | | | | | 595 | | 3,233 | 1,207 | 4,440 | 595 |
| 2003 | 588 | | | 588 | | - | | | | - | - |
| | <u>\$ 1,228,387</u> | <u>\$ 90,973,341</u> | <u>\$ 126,086</u> | <u>\$ 584,271</u> | <u>\$ 348,167</u> | <u>\$ 91,395,376</u> | <u>\$ 90,006,878</u> | <u>\$ 464,709</u> | <u>\$ 123,385</u> | <u>\$ 90,594,972</u> | <u>\$ 1,388,498</u> |

TOWN OF GROTON, CONNECTICUT
SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING
MUMFORD COVE DISTRICT
FOR THE YEAR ENDED JUNE 30, 2020

| Grand List Year | Uncollected Taxes 7/1/2019 | Current Levy | Lawful Corrections | | Suspense Transfers and Adjustments | Adjusted Uncollected Taxes | Collections | | | | Uncollected Taxes 6/30/2020 |
|--------------------|----------------------------------|-----------------|--------------------|-----------|---|----------------------------------|-------------|--------------------------------------|--------------------------------|-----------|-----------------------------------|
| | | | Additions | Deletions | | | Taxes | Interest, Liens and Other Fees | Suspense Taxes Collected | Total | |
| 2018 | \$ | \$ 21,379 | \$ 6 | \$ 50 | \$ 1 | \$ 21,334 | \$ 21,334 | \$ 25 | \$ | \$ 21,359 | \$ - |
| 2017 | 219 | | | | 3 | 216 | 216 | 86 | | 302 | - |
| 2016 | 8 | | | | 2 | 6 | 6 | 3 | | 9 | - |
| | \$ 227 | \$ 21,379 | \$ 6 | \$ 50 | \$ 6 | \$ 21,556 | \$ 21,556 | \$ 114 | \$ - | \$ 21,670 | \$ - |

TOWN OF GROTON, CONNECTICUT
SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING
GROTON SEWER DISTRICT - DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2020

| Grand List Year | Uncollected Taxes 7/1/2019 | Current Levy | Lawful Corrections | | Suspense Transfers and Adjustments | Adjusted Uncollected Taxes | Collections | | | | Uncollected Taxes 6/30/2020 |
|--------------------|----------------------------------|-------------------|--------------------|-----------------|---|----------------------------------|-------------------|--------------------------------------|--------------------------------|-------------------|-----------------------------------|
| | | | Additions | Deletions | | | Taxes | Interest, Liens and Other Fees | Suspense Taxes Collected | Total | |
| 2018 | \$ | \$ 673,234 | \$ 368 | \$ 1,980 | \$ 15 | \$ 671,607 | \$ 669,066 | \$ 2,210 | \$ | \$ 671,276 | \$ 2,541 |
| 2017 | 1,842 | | 65 | 108 | 58 | 1,741 | 1,086 | 1,627 | 1 | 2,714 | 655 |
| 2016 | 635 | | 62 | 98 | 25 | 574 | 51 | 594 | 1 | 646 | 523 |
| 2015 | 290 | | | 2 | 1 | 287 | 86 | 172 | 1 | 259 | 201 |
| 2014 | 126 | | | 2 | | 124 | 47 | 84 | | 131 | 77 |
| 2013 | 79 | | | 3 | | 76 | 8 | 33 | | 41 | 68 |
| 2012 | 24 | | | | | 24 | | | | - | 24 |
| 2011 | 17 | | | | | 17 | | | | - | 17 |
| 2010 | 18 | | | | | 18 | | | | - | 18 |
| 2009 | 16 | | | | | 16 | 7 | 36 | | 43 | 9 |
| 2008 | 9 | | | | | 9 | | | | - | 9 |
| 2007 | 10 | | | | | 10 | | | | - | 10 |
| 2006 | 10 | | | | | 10 | | | | - | 10 |
| 2005 | 19 | | | | | 19 | | | | - | 19 |
| 2004 | 20 | | | | | 20 | | | | - | 20 |
| 2003 | 20 | | | 20 | | | | | | - | - |
| | <u>\$ 3,135</u> | <u>\$ 673,234</u> | <u>\$ 495</u> | <u>\$ 2,213</u> | <u>\$ 99</u> | <u>\$ 674,552</u> | <u>\$ 670,351</u> | <u>\$ 4,756</u> | <u>\$ 3</u> | <u>\$ 675,110</u> | <u>\$ 4,201</u> |

**TOWN OF GROTON, CONNECTICUT
SCHEDULE OF CHANGES IN BOND INDEBTEDNESS
FOR THE YEAR ENDED JUNE 30, 2020**

| Description | Interest Rate (%) | Issue Date | Maturity Date | Original Amount | Balance Beginning of Year | Additions | Deductions | Balance End of of Year | Interest Paid |
|--|----------------------------------|-----------------------|--------------------------|----------------------------|--|------------------|-------------------|---------------------------------------|--------------------------|
| General Purpose Bond Issue of 2014 (Rd Maint & Thames St) | 2.0-4.0 | 4-16-2014 | 4-1-2034 | \$ 8,945,000 | \$ 5,775,000 | \$ | \$ 5,775,000 | \$ - | \$ 159,694 |
| General Purpose Refunding Issue of 2012 | 2.0-5.0 | 12-13-2011 | 10-15-2024 | 5,675,000 | 1,505,000 | | 1,505,000 | - | 48,401 |
| General Purpose Refunding Issue of 2013 | 3.0-4.0 | 3-12-2013 | 10-1-2029 | 6,752,000 | 4,975,000 | | 440,000 | 4,535,000 | 177,340 |
| General Purpose Bond Issue of 2018 (Rd Maint) | 3.0-5.0 | 4-18-2018 | 4-15-2028 | 6,690,000 | 6,020,000 | | 670,000 | 5,350,000 | 240,900 |
| Sewer Refunding Issue of 2012 | 2.0-3.75 | 12-13-2011 | 10-15-2028 | 2,710,000 | 1,695,000 | | 190,000 | 1,505,000 | 48,400 |
| Sewer Refunding Issue of 2013 | 2.75-3.0 | 3-12-2013 | 10-1-2027 | 2,020,000 | 1,375,000 | | 160,000 | 1,215,000 | 36,987 |
| School Bond Refunding Issue of 2012 | 2.0-5.0 | 12-13-2011 | 10-15-2028 | 10,630,000 | 5,680,000 | | 5,680,000 | - | 188,074 |
| School Bond Refunding Issue of 2013 | 3.0-4.0 | 3-12-2013 | 10-1-2029 | 12,308,000 | 9,200,000 | | 770,000 | 8,430,000 | 344,360 |
| 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 | | 1,000,000 | 19,000,000 | 658,198 |
| General Purpose Refunding Issue of 2020 | 5.0-5.0 | 4-30-2020 | 10-15-2033 | 5,648,000 | | 5,648,000 | | 5,648,000 | |
| Sewer Refunding Issue of 2020 | 4.0-5.0 | 4-30-2020 | 10-15-2028 | 4,337,000 | | 4,337,000 | | 4,337,000 | |
| School Bond Refunding Issue of 2020 (School 2020 Construction) | 3.0-5.0 | 4-30-2020 | 10-15-2039 | 20,000,000 | | 20,000,000 | | 20,000,000 | |
| Total Bonded Debt | | | | | \$ 56,225,000 | \$ 29,985,000 | \$ 16,190,000 | \$ 70,020,000 | \$ 1,902,354 |

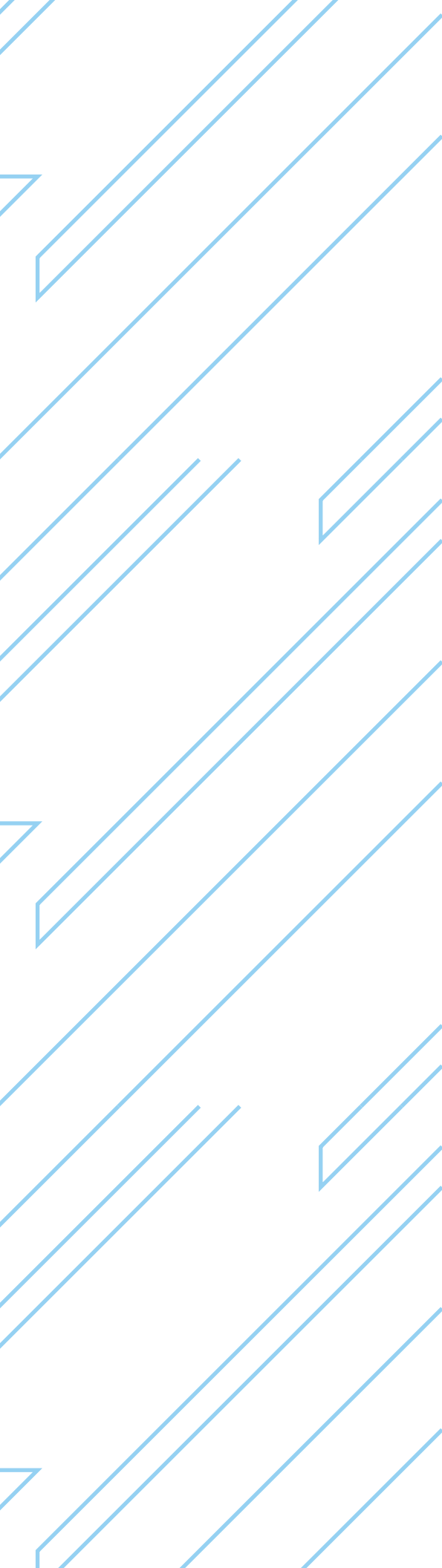
**TOWN OF GROTON, CONNECTICUT
SCHEDULE OF EXPENDITURES AND ENCUMBRANCES COMPARED WITH APPROPRIATIONS
CAPITAL IMPROVEMENTS FUND
FOR THE YEAR ENDED JUNE 30, 2020**

| | Appropriation | Expenditures | | | Encumbrances | Unencumbered Balance |
|--|---------------|-------------------------|-----------------|--------------------------|--------------|-------------------------|
| | | Balance July 1, 2019 | Current Year | Balance June 30, 2020 | | |
| LOCIP Projects: | | | | | | |
| GC Comfort Station | \$ 50,000 | \$ | \$ | - | \$ | 50,000 |
| Sidewalk Midway | 100,000 | 62,484 | | 62,484 | 17,287 | 20,229 |
| New Sidewalk, Rt 1 Mystic | 80,000 | 67,339 | | 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 |
| Esker Point Beach Bathhouse | 90,000 | | 50,049 | 50,049 | 5,814 | 34,137 |
| Town Hall Improvements | 267,000 | | 41,764 | 41,764 | 40,949 | 184,287 |
| FYE 2016 Capital Improvement Projects: | | | | | | |
| Replace UPS-Emer Comm Ctr | 110,000 | 99,202 | | 99,202 | | 10,798 |
| Groton Public Library | 445,000 | 273,504 | 113,494 | 386,998 | | 58,002 |
| WPCF-Pump Stations | 213,000 | 193,000 | | 193,000 | | 20,000 |
| Town Hall Complex | 475,000 | 397,402 | | 397,402 | | 77,598 |
| Info Tech Acq SW Systems | 380,400 | 262,743 | 67,839 | 330,582 | | 49,818 |
| Park Improv-ADA Compliance | 60,000 | 39,300 | | 39,300 | | 20,700 |
| FYE 2017 Capital Improvement Projects: | | | | | | |
| WPCF-Treatment Facility | 551,000 | 175,954 | 46,676 | 222,630 | 9,509 | 318,861 |
| WPCF-Pump Stations | 549,000 | 406,105 | 61,822 | 467,927 | | 81,073 |
| Town Hall Complex | 350,000 | 347,998 | | 347,998 | | 2,002 |
| Mystic Streetscapes Ph 3 | 15,000 | 14,000 | | 14,000 | | 1,000 |
| Sewer Line Infrastructure Repairs-WPCF | 51,000 | 29,479 | | 29,479 | | 21,521 |
| Crystal Lake/Military Hwy Intersection | 120,000 | 105,796 | 1,541 | 107,337 | | 12,663 |
| FYE 2018 Capital Improvement Projects: | | | | | | |
| Golf Course Facilities | 30,000 | 2,890 | | 2,890 | 2,250 | 24,860 |
| Info Tech Acq SW Systems | 658,000 | 279,946 | 146,436 | 426,382 | 164,378 | 67,240 |
| Fuel Tank Replacement | 45,000 | 28,331 | 16,669 | 45,000 | | - |
| WPCF-Treatment Facility | 668,000 | 76,779 | 3,965 | 80,744 | | 587,256 |
| WPCF-Pump Stations | 651,000 | 69,086 | 79,177 | 148,263 | 15,000 | 487,737 |
| Town Hall Complex | 375,000 | 357,224 | | 357,224 | | 17,776 |
| Natural Gas Conversion | 75,000 | 29,500 | 500 | 30,000 | | 45,000 |
| Leased Buildings | 40,000 | 17,611 | | 17,611 | | 22,389 |

(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, 2020

| | Expenditures | | | | | |
|--|---------------|--------------|--------------|---------------|--------------|--------------|
| | Appropriation | Balance | Current | Balance | Encumbrances | Unencumbered |
| | | July 1, 2019 | Year | June 30, 2020 | | Balance |
| FYE 2019 Capital Improvement Projects: | | | | | | |
| Golf Course Facilities | \$ 44,000 | \$ 25,617 | \$ 18,383 | \$ 44,000 | \$ | \$ - |
| Police Station | 50,000 | 8,000 | 7 | 8,007 | 29,242 | 12,751 |
| Sewer Line Infrastructure Repairs-WPCF | 479,000 | 2,247 | | 2,247 | | 476,753 |
| Bridge Reconstruction - GLP | 300,000 | | 26,980 | 26,980 | 273,020 | |
| Groton Ambulance Building | 21,000 | 14,917 | 3,779 | 18,696 | | 2,304 |
| Tech - IT Security | 92,000 | 27,271 | 22,188 | 49,459 | | 42,541 |
| Tech PS CAD/RMS Integration | 320,000 | | 196,668 | 196,668 | | 123,332 |
| Tech Website Redesign | 50,000 | | 8,600 | 8,600 | 30,100 | 11,300 |
| Lib GMTV Servers | 49,000 | | 48,995 | 48,995 | | 5 |
| Tech TW Meeting Rm Equip | 18,000 | 17,991 | | 17,991 | | 9 |
| Fuel Tank Replacement | 400,000 | 900 | 384,011 | 384,911 | | 15,089 |
| WPCF-Treatment Facility | 52,000 | | | - | | 52,000 |
| WPCF-Pump Stations | 200,000 | | 116,125 | 116,125 | 69,875 | 14,000 |
| BOE Water Service Needs | 50,000 | | | - | | 50,000 |
| Replace UPS-Emer Comm Ctr | 330,000 | 101,914 | 86,511 | 188,425 | | 141,575 |
| Upgrade Radio Sys Police | 1,000,000 | 929,176 | 10,588 | 939,764 | | 60,236 |
| Natural Gas Conversion | 400,000 | 376,003 | 20,128 | 396,131 | | 3,869 |
| FYE 2020 Capital Improvement Projects: | | | | | | |
| Golf Course Grounds Improvements | 50,000 | | 49,967 | 49,967 | | 33 |
| Golf Course Facilities | 15,000 | | | - | | 15,000 |
| Poq/South Rd Underpasses | 30,000 | | | - | | 30,000 |
| Police Station | 37,000 | | | - | | 37,000 |
| Sewer Line Infrastructure Repairs-WPCF | 100,000 | | 20,280 | 20,280 | 10,920 | 68,800 |
| Groton Public Library | 95,000 | | 7,200 | 7,200 | 1,800 | 86,000 |
| Sidewalk Construction | 157,000 | | 6,144 | 6,144 | | 150,856 |
| Info Tech Acq Network | 135,000 | | 55,290 | 55,290 | | 79,710 |
| Tech TW Meeting Room Equipment | 77,000 | | | - | | 77,000 |
| City Radios Upgrade | 186,000 | | | - | | 186,000 |
| Park Improv - ADA Compliance | 68,000 | | | - | | 68,000 |
| Trail Improvement Program | 50,000 | | | - | | 50,000 |
| WPCF-Treatment Facility | 138,000 | | | - | | 138,000 |
| WPCF-Pump Stations | 100,000 | | | - | | 100,000 |
| Town Pavement - Management | 85,000 | | 39,681 | 39,681 | | 45,319 |
| BOE-Fitch Sr High School | 300,000 | | 195 | 195 | | 299,805 |
| BOE-Claude Chester Elem | 30,000 | | 8,950 | 8,950 | | 21,050 |
| BOE-Asbestos Tile Removal | 518,000 | | 14,250 | 14,250 | | 503,750 |
| BOE-Exterior Glulam Beams | 100,000 | | 90,400 | 90,400 | | 9,600 |
| Mystic Ed Various Studies | 116,500 | | 61,335 | 61,335 | 55,165 | - |
| Open Space Improvements | 43,000 | | | - | | 43,000 |
| Vacant School Properties | 35,000 | | 12,855 | 12,855 | 3,177 | 18,968 |
| Town Hall Complex | 110,000 | | 75,809 | 75,809 | | 34,191 |
| Mystic Streetscaped Phase 3 | 150,000 | | | - | | 150,000 |
| Total | \$ 13,356,900 | \$ 5,102,271 | \$ 2,015,251 | \$ 7,117,522 | \$ 728,486 | \$ 5,510,892 |



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 | | | | | | | | | |
|----------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2011 | 2012 | 2013 | 2014 (2) | 2015 | 2016 | 2017 (3) | 2018 | 2019 | 2020 |
| Governmental Activities: | | | | | | | | | | |
| Net investment in capital assets | \$ 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 | \$ 181,279,605 |
| Restricted | 325,935 | 247,543 | 336,163 | 338,581 | 347,495 | 340,967 | 333,424 | 339,348 | 343,595 | 342,653 |
| Unrestricted | 40,302,575 | 38,257,761 | 35,517,240 | 27,268,797 | 23,007,408 | 17,012,268 | (30,030,306) | (20,577,444) | (13,342,285) | (7,128,110) |
| Total Governmental Activities | | | | | | | | | | |
| Net Position | \$ <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> | \$ <u>174,494,148</u> |

Notes:

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

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

| | FISCAL YEAR | | | | | | | | | |
|--|--------------|--------------|--------------|--------------|--------------|----------------|----------------|--------------|--------------|---------------|
| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| Expenses: | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| General government/services | \$ 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 | \$ 8,427,187 |
| Public safety | 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 | 15,533,546 |
| Public works | 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 | 14,283,893 |
| Planning and development | 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 | 2,076,867 |
| Human services | 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 | 3,767,528 |
| Community services | 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 | 6,106,213 |
| Board of Education | 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 | 99,314,979 |
| Sewer operations | 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 | 5,270,255 |
| Solid waste management | 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 | 1,499,935 |
| Interest on long-term debt | 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 | 969,505 |
| Total governmental activities expenses | 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 | 157,249,908 |
| Program Revenues: | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| General government | 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 | 1,463,823 |
| Public safety | 316,817 | 653,758 | 398,165 | 346,820 | 231,852 | 152,122 | 416,583 | 364,315 | 424,920 | 374,444 |
| Public works | 584,879 | 672,005 | 745,253 | 807,774 | 654,007 | 595,574 | 464,321 | 188,827 | 215,810 | 194,854 |
| Planning and development | 205,591 | 166,196 | 159,644 | 301,056 | 334,146 | 421,811 | 285,835 | 11,839 | 14,379 | 17,000 |
| Health and human services | 252,668 | 141,195 | 135,357 | 136,358 | 278,018 | 78,964 | 168,992 | 60,465 | 24,017 | 71,582 |
| Community services | 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 | 2,034,704 |
| Education | 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 | 672,746 |
| Sewer system maintenance | 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 | 6,448,601 |
| Solid waste management | 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 | 1,419,700 |
| Operating grants and contributions | 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 | 53,694,777 |
| Capital grants and contributions | 3,762,656 | 6,163,449 | 3,667,168 | 1,807,869 | 783,148 | 702,498 | 706,509 | 1,864,558 | 1,996,148 | 23,777,643 |
| Total governmental activities program revenues | 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 | 90,169,874 |
| Net Expenses | (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) | (67,080,034) |
| General Revenues and Other | | | | | | | | | | |
| Changes in Net Position: | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Property taxes | 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 | 91,070,741 |
| Payments in lieu of taxes | 1,946,018 | 1,622,860 | 1,479,465 | 1,454,422 | 1,350,490 | 986,196 | 1,011,019 | 605,607 | 603,686 | 603,142 |
| Grants and contributions not restricted to specific programs | 2,595,727 | 3,848,708 | 4,144,285 | 2,601,740 | 2,873,504 | 2,499,693 | 1,517,211 | 2,217,558 | 2,285,803 | 2,257,899 |
| Unrestricted investment earnings | 242,222 | 129,036 | 126,718 | 129,179 | 143,093 | 148,535 | 240,806 | 509,867 | 1,249,239 | 1,166,949 |
| Miscellaneous revenue | | | | | 26,314 | 151 | 148,332 | 650,539 | 870,547 | 740,194 |
| Total governmental activities | 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 | 95,838,925 |
| Change in Net Position | \$ 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 | \$ 28,758,891 |

TABLE 3

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

| | FISCAL YEAR | | | | | | | | | |
|------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| General fund: | | | | | | | | | | |
| Nonspendable | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ 19,978 |
| 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 | 1,476,235 |
| Unassigned | <u>10,160,823</u> | <u>9,421,348</u> | <u>11,617,470</u> | <u>11,442,314</u> | <u>9,510,492</u> | <u>10,097,227</u> | <u>11,457,895</u> | <u>18,888,114</u> | <u>23,710,943</u> | <u>27,287,274</u> |
| Total General Fund | <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> | <u>\$ 28,783,487</u> |
| All other governmental funds: | | | | | | | | | | |
| Nonspendable | \$ 334,039 | \$ 261,566 | \$ 268,278 | \$ 256,543 | \$ 248,803 | \$ 252,753 | \$ 251,637 | \$ 250,279 | \$ 250,231 | \$ 250,290 |
| 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 | 2,126,965 |
| 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 | 6,772,636 |
| Unassigned | <u>(1,608,609)</u> | <u>(250,479)</u> | <u>(250,281)</u> | | | | <u>(49,486)</u> | <u>(452,056)</u> | <u>(56,925,277)</u> | <u>(997,260)</u> |
| Total All Other Governmental Funds | <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> | <u>\$ 8,152,631</u> |

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

| | FISCAL YEAR | | | | | | | | | |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| Revenues: | | | | | | | | | | |
| Taxes, interest and lien fees | \$ 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 | \$ 90,888,810 |
| Assessments | 16,462 | 28,252 | 4,375 | 7,999 | 59,972 | 13,393 | 42,119 | 5,374 | 666 | 309 |
| Licenses and permits | 219,643 | 172,551 | 175,081 | 317,422 | 342,131 | 434,229 | 303,096 | 381,024 | 554,690 | 562,457 |
| Intergovernmental - state | 39,474,358 | 47,119,568 | 46,511,395 | 46,617,234 | 43,814,938 | 44,422,970 | 50,146,722 | 46,655,450 | 48,652,084 | 71,220,650 |
| Intergovernmental - federal | 208,221 | 117,160 | 107,531 | 115,560 | 126,196 | 127,189 | 220,140 | 487,258 | 1,044,889 | 1,049,626 |
| Interest on investments | 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 | 7,799,970 |
| Charges for current services | 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 | 3,894,068 |
| Schools, library and recreation fees | 383,922 | 328,918 | 338,553 | 313,187 | 260,937 | 293,474 | 282,921 | 222,374 | 202,511 | 162,369 |
| Sewer use charges | 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 | 6,448,601 |
| Solid waste management charges | 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 | 1,419,700 |
| Other revenue | 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 | 2,263,047 |
| Total revenues | <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>157,621,343</u> | <u>165,107,251</u> | <u>185,709,607</u> |
| Expenditures: | | | | | | | | | | |
| Current: | | | | | | | | | | |
| General government | 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 | 1,117,231 |
| General services | 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 | 3,159,294 |
| Public safety | 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 | 8,773,910 |
| Public works | 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 | 5,528,840 |
| Planning and development | 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 | 1,431,888 |
| Health and human services | 993,098 | 841,222 | 748,171 | 834,766 | 1,186,125 | 1,431,937 | 1,129,009 | 1,607,690 | 1,319,398 | 829,041 |
| Community services | 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 | 5,406,661 |
| Education | 83,941,123 | 85,613,686 | 85,311,379 | 86,821,236 | 86,519,344 | 89,075,467 | 96,601,412 | 93,326,799 | 96,254,221 | 96,755,250 |
| Subdivisions | 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 | 5,488,998 |
| Sewer operations | 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 | 4,278,263 |
| Solid waste management | 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 | 1,499,935 |
| Nondepartmental (1) | 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 | 10,080,534 |
| Outside agencies (2) | 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 | 1,643,942 |
| Debt service interest | 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 | 969,505 |
| Debt service principal | 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 | 7,021,310 |
| Capital outlay | 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 | 63,789,436 |
| Total expenditures | <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>154,812,254</u> | <u>173,444,855</u> | <u>217,774,038</u> |
| Excess (Deficiency) of Revenues over Expenditures | <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> | <u>(32,064,431)</u> |
| Other Financing Sources (Uses): | | | | | | | | | | |
| Issuance of bonds | | | | 9,320,000 | | | | 6,690,000 | 20,000,000 | 20,000,000 |
| Bond premium | | | | 181,455 | | | | | 969,328 | 3,079,380 |
| Refunding bond issuance | | 19,015,000 | 21,080,000 | | | | | | | 9,985,000 |
| Refunding bond premiums | | 1,301,282 | 2,336,722 | | | | | | | 1,227,152 |
| Payment to escrow agent | | (20,107,027) | (23,199,400) | | | | | | | (11,130,548) |
| Issuance of capital lease | | | | 134,394 | | | | | | 22,561 |
| Transfers in | 4,784,137 | 4,094,412 | 5,350,360 | 3,777,844 | 4,737,718 | 4,421,441 | 1,825,029 | 2,563,875 | 3,731,908 | 2,636,898 |
| Transfers out | (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) | (3,990,633) |
| Total other financing sources (uses) | <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> | <u>21,829,810</u> |
| Net Change in Fund Balances | <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> | <u>(10,234,621)</u> |
| Fund Balance at Beginning 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> |
| Fund Balance at End of Year | <u>\$ 30,642,397</u> | <u>\$ 29,194,508</u> | <u>\$ 28,814,789</u> | <u>\$ 39,255,867</u> | <u>\$ 33,210,133</u> | <u>\$ 28,857,334</u> | <u>\$ 26,691,047</u> | <u>\$ 35,942,214</u> | <u>\$ 47,170,739</u> | <u>\$ 36,936,118</u> |
| Debt Service as a Percentage to Noncapital Expenditures | 5.08% | 5.33% | 4.26% | 4.01% | 4.58% | 4.46% | 4.14% | 3.68% | 4.42% | 5.20% |

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

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

TABLE 5

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

| Fiscal Year | Real Property | | Motor Vehicles | Personal Property | Tax Exempt Property | Less Exemptions | Total Taxable Assessed Value | Total Direct Tax Rate | Estimated Actual Taxable Value | Assessed Value as a Percentage of Actual Value |
|-------------|----------------------|---------------------|----------------|-------------------|---------------------|-----------------|------------------------------|-----------------------|--------------------------------|--|
| | Residential Property | Commercial Property | | | | | | | | |
| 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 % |
| 2020 | 2,129,129 | 1,149,450 | 227,833 | 462,907 | 1,315,704 | 235,539 | 3,733,780 | 24.17 | 5,333,971 | 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 | 2020 | | | 2011 | | |
|--------------------------------|-------------------------------|------------------------|------|---|------------------------|------|---|
| | | 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 | \$ 322,120 | 1 | 8.6% | \$ 543,405 | 1 | 13.3% |
| Electric Boat Corp. | Submarine Mfg./R&D | 287,677 | 2 | 7.7% | 194,463 | 2 | 4.8% |
| Ledges Groton #1999Y LP | Ledges Apartments | 27,846 | 3 | 0.8% | 21,636 | 4 | 0.5% |
| Exit 88 Hotel LLC | Mystic Marriott Hotel | 21,524 | 4 | 0.6% | 27,889 | 3 | 0.7% |
| Groton Devel Assoc Ltd | Country Glen Apartments | 19,921 | 5 | 0.5% | 20,537 | 5 | 0.5% |
| Groton Fuel Cell I LLC | Fuel Cell @ Pfizer | 19,250 | 6 | 0.5% | | | |
| CW Groton Square LLC | Groton Square Shopping Center | 18,480 | 7 | 0.5% | 17,670 | 6 | 0.4% |
| Winterfell Windham Falls | Windham Falls Elderly Apts | 16,649 | 8 | 0.5% | | | |
| ELK La Triumphe LLC | LaTriumphe Apartments | 16,270 | 9 | 0.4% | 17,437 | 7 | 0.4% |
| Branford Manor Preservation LP | Branford Manor Apts | 13,341 | 10 | 0.4% | | | |
| Groton Estates LLC | Colonial Manor Apartments | | | | 13,081 | 8 | 0.3% |
| Groton Shoppers Mart LLC | Shopping Center | | | | 12,184 | 9 | 0.3% |
| Cedar Groton LLC | Shopping Center | | | | 11,506 | 10 | 0.3% |
| | | <u>\$ 763,078</u> | | <u>20.5%</u> | <u>\$ 879,808</u> | | <u>21.5%</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 | | | | | |
| | | | | | | | | | | | | | | | | |
| 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% |
| 2020 | | 90,293 | | | | 90,293 | | 89,400 | 99.01% | 0.99% | | n/a | | 89,400 | 99.01% | 0.99% |

Source: Town Assessor's office and Finance office

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

TABLE 8

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

| Town Direct Rate | | Overlapping Rates | | | | | | | | | | | | |
|------------------|------------|-----------------------|----------------|----------------------------------|---------------------------------|---|----------------------|--|---------------------|---------------------------------------|--------------------------|--|-------------------------------|---|
| Fiscal Year | Basic Rate | Groton Sewer District | City of Groton | City of Groton Total Direct Rate | Poquunnock Bridge Fire District | Poquunnock Bridge Fire District Total Direct Rate | Mystic Fire District | Mystic Fire District Total Direct Rate | Noank Fire District | Noank Fire District Total Direct Rate | Old Mystic Fire District | Old Mystic Fire District Total Direct Rate | Groton Long Point Association | Groton Long Point Association Total Direct Rate |
| 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 |
| 2020 | 24.17 | 0.280 | 4.300 | 28.470 | 6.000 | 30.450 | 2.280 | 26.730 | 1.280 | 25.730 | 2.900 | 27.350 | 3.997 | 28.447 |

| Fiscal Year | Basic Rate | Groton Sewer District | Center Groton Fire District | Center Groton Fire District Total Direct Rate | West Pleasant Valley Fire District | West Pleasant Valley Fire District Total Direct Rate | Mumford Cove District | Mumford Cove District Total Direct Rate | First Taxing District | First Taxing District Total Direct Rate | Second Taxing District | Second Taxing District Total Direct Tax |
|-------------|------------|-----------------------|-----------------------------|---|------------------------------------|--|-----------------------|---|-----------------------|---|------------------------|---|
| 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 |
| 2020 | 24.17 | 0.280 | 3.500 | 27.950 | 4.310 | 28.760 | 0.340 | 24.790 | N/A | N/A | N/A | N/A |

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 | General Obligation Sewer Bonds | Unamortized Premiums | | | |
| 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 | 3,456,382 | 59,681,382 | 1.6% | 1,542 |
| 2020 | 67,300,000 | 2,720,000 | 6,073,173 | 76,093,173 | 1.6% | 1,980 |

(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 | | Unamortized Premiums | Clean Water Fund Loans | Capital Leases | Total Primary Government | Debt as a Percentage of Personal Income (1) | Debt Per Capita |
|-------------|--------------------------|--------------------------------|----------------------|------------------------|----------------|--------------------------|---|-----------------|
| | General Obligation Bonds | General Obligation Sewer Bonds | | | | | | |
| 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 | 3,456,382 | 6,378,783 | | 66,060,165 | 4.76% | 1,707 |
| 2020 | 67,300,000 | 2,720,000 | 6,073,173 | 5,766,420 | 21,300 | 81,880,893 | 5.89% | 2,130 |

(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, 2020**

| | |
|---|-----------------------|
| Tax Base: | |
| Total tax collections (including interest and lien fees) for the year ended June 30, 2019 | \$ 89,971,247 |
| Total tax collections (including interest and lien fees) of coterminous municipalities for the year ended June 30, 2019 | <u>13,646,315</u> |
| Total Base | <u>\$ 103,617,562</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 | \$ 233,139,515 | \$ | \$ | \$ | \$ |
| 4 1/2 times base | | 466,279,029 | | | |
| 3 3/4 times base | | | 388,565,858 | | |
| 3 1/4 times base | | | | 336,757,077 | |
| 3 times base | | | | | 310,852,686 |
| Total limitations | <u>233,139,515</u> | <u>466,279,029</u> | <u>388,565,858</u> | <u>336,757,077</u> | <u>310,852,686</u> |
| Indebtedness: | | | | | |
| Bonds outstanding | 15,533,000 | 51,767,000 | 2,720,000 | | |
| Bond anticipation notes payable | | 56,000,000 | 7,045,000 | | |
| Clean Water fund loans | | | 5,766,420 | | |
| Authorized and unissued | 3,221 | 62,331,839 | 1,185,000 | | |
| School building grants | | (35,840,807) | | | |
| Underlying debt: | | | | | |
| Bonds and serial notes | 4,121,452 | | 5,685,000 | | |
| Authorized and unissued | <u>854,189</u> | | <u>106,000</u> | | |
| Total indebtedness | <u>20,511,862</u> | <u>134,258,032</u> | <u>22,507,420</u> | <u>-</u> | <u>-</u> |
| Debt Limitation in Excess of Outstanding and Authorized Debt | <u>\$ 212,627,653</u> | <u>\$ 332,020,997</u> | <u>\$ 366,058,438</u> | <u>\$ 336,757,077</u> | <u>\$ 310,852,686</u> |

Notes: (1) The total of the above indebtedness amounts to: \$ 177,277,314

In no event shall total indebtedness exceed seven times the base for debt limitation computation: \$ 725,322,934

(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 | | | | | | | | | |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| Debt limit | \$ 742,428 | \$ 643,465 | \$ 637,479 | \$ 669,064 | \$ 669,870 | \$ 648,611 | \$ 668,181 | \$ 685,611 | \$ 720,401 | \$ 725,323 |
| Total net debt applicable to limit | <u>68,618</u> | <u>58,276</u> | <u>56,413</u> | <u>67,524</u> | <u>62,943</u> | <u>60,676</u> | <u>66,344</u> | <u>58,933</u> | <u>218,110</u> | <u>177,277</u> |
| Legal Debt Margin | <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> | <u>\$ 548,046</u> |
| Total net debt applicable to the limit as a percentage of debt limit | 9.24% | 9.06% | 8.85% | 10.09% | 9.40% | 9.35% | 9.93% | 8.60% | 30.28% | 24.44% |

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

TABLE 13

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 | | | | | | | | |
| 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% |
| 2020 | 38,436 | 67,300,000 | 2,720,000 | 5,766,420 | 63,045,000 | | 138,831,420 | 5,434,820 | 5,766,420 | 127,630,180 | 137,438,632 | 3,612 | 3,321 | 3,576 | 3,734,667,000 | 3.72% | 3.42% | 3.68% |

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

(2) Gross taxable Grand List for FY20 is \$3,734,667,321

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

TABLE 14

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

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

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 | 2020 | | | 2011 | | |
|---|------------------------------|---------------|------|--|---------------|------|--|
| | | Employees | Rank | Percentage of Total Town Employment | Employees | Rank | Percentage of Total Town Employment |
| U.S. Navy Submarine Base | Military Base | 10,350 | 1 | 36.4% | 9,150 | 1 | 31.8% |
| Electric Boat Corporation | Submarine Mfg/R&D | 8,092 | 2 | 28.4% | 8,452 | 2 | 29.3% |
| Pfizer, Inc. | Pharmaceutical | 5,399 | 3 | 19.0% | 5,149 | 3 | 17.9% |
| Town of Groton | Municipality | 1,013 | 4 | 3.6% | 924 | 4 | 3.2% |
| Theater Aviation (2) Sustainment Maintenance Group | Helicopter repair | 300 | 5 | 1.1% | 484 | 5 | 1.7% |
| Fairview Retirement Community | Senior Living | 231 | 6 | 0.8% | | | |
| City of Groton | Municipality | 214 | 7 | 0.8% | 231 | 6 | 0.8% |
| PCC Structurals (1) | Manufacturer | 165 | 8 | 0.6% | 216 | 7 | 0.7% |
| Lawrence & Memorial Facilities | Emergency & Health Care Svcs | 138 | 9 | 0.5% | 190 | 9 | 0.7% |
| Mystic Marriott | Hotel/Conference Center | 67 | 10 | 0.2% | 215 | 8 | 0.7% |
| Doncasters Precision Castings | Manufacturer | | | | 118 | 10 | 0.4% |
| | | <u>25,969</u> | | <u>91.3%</u> | <u>25,129</u> | | <u>87.2%</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 | | | | | | | | | |
|---------------------------------------|-------------|--------|--------|----------|--------|----------|----------|----------|----------|----------|
| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| General government | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 |
| General services | 51.00 | 48.00 | 49.00 | 49.00 | 49.00 | 49.00 | 46.00 | 47.00 | 32.00 | 32.00 |
| Public safety | 74.00 | 72.00 | 72.00 | 72.00 | 72.00 | 73.00 | 73.00 | 73.00 | 85.00 | 86.00 |
| Public works | 56.25 | 52.25 | 52.25 | 52.25 | 52.25 | 52.25 | 48.25 | 46.25 | 43.00 | 43.00 |
| Planning and development | 17.00 | 16.00 | 16.00 | 16.00 | 14.00 | 14.00 | 14.00 | 14.00 | 15.00 | 15.00 |
| Human services | 8.00 | 8.00 | 8.00 | 8.00 | 8.00 | 8.00 | 8.00 | 8.00 | 8.00 | 8.00 |
| Community services | 42.50 | 40.50 | 40.75 | 40.50 | 40.75 | 40.75 | 39.75 | 39.75 | 37.75 | 37.75 |
| Golf course | 6.50 | 6.50 | 6.25 | 6.50 | 6.25 | 6.25 | 6.25 | 6.25 | 6.25 | 6.25 |
| Sewer system maintenance | 18.75 | 18.75 | 18.75 | 18.75 | 18.75 | 18.75 | 18.75 | 19.75 | 19.00 | 19.00 |
| Solid waste management | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Project manager - school construction | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 1.00 | 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 | 279.00 | 267.00 | 268.00 | 534.00 | 266.00 | 267.00 | 259.00 | 259.00 | 252.00 | 253.00 |
| Board of Education | 665.00 | 683.00 | 683.00 | 641.00 | 733.00 | 758.00 | 817.00 | 764.00 | 755.00 | 778.00 |
| Total | 944.00 | 950.00 | 951.00 | 1,175.00 | 999.00 | 1,025.00 | 1,076.00 | 1,023.00 | 1,007.00 | 1,031.00 |

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.

TABLE 17

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

| | FISCAL YEAR | | | | | | | | | |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| <u>General Government</u> | | | | | | | | | | |
| Marriages and civil unions of residents | 540 | 464 | 495 | 544 | 498 | 507 | 460 | 301 | 437 | 234 |
| Births to Groton residents | 545 | 419 | 556 | 569 | 528 | 526 | 483 | 462 | 386 | 462 |
| Deaths of Groton residents | 374 | 338 | 418 | 382 | 378 | 401 | 423 | 392 | 351 | 324 |
| <u>Boards and Agencies</u> | | | | | | | | | | |
| Registered voters | 19,524 | 20,138 | 19,082 | 17,600 | 17,640 | 18,677 | 18,905 | 19,023 | 19,759 | 21,649 |
| Elections and referenda | 3 | 2 | 1 | 2 | 2 | 2 | 2 | 3 | 0 | 2 |
| <u>Planning and Development</u> | | | | | | | | | | |
| Building permits issued | 1,267 | 1,355 | 1,300 | 1,347 | 1,403 | 1,458 | 1,416 | 1,540 | 1,679 | 1,582 |
| Building inspections conducted | 3,500 | 3,100 | 3,000 | 3,300 | 3,500 | 3,900 | 3,400 | 3,600 | 3,900 | 3,850 |
| Value of building permits | \$ 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 | \$ 47,160,422 |
| <u>Public Safety</u> | | | | | | | | | | |
| Arrests | 883 | 755 | 1,555 | 1,376 | 1,135 | 1,055 | 955 | 996 | 1,047 | 747 |
| Parking violations | 228 | 244 | 263 | 282 | 50 | 27 | 41 | 80 | 106 | 92 |
| Traffic violations | 4,598 | 5,857 | 7,872 | 8,295 | 5,237 | 4,963 | 3,360 | 5,350 | 5,172 | 5,176 |
| <u>Public Works</u> | | | | | | | | | | |
| Street resurfacing (in miles) | 2.29 | 3.25 | 3.18 | 3.45 | 3.24 | 3.64 | 2.40 | 1.60 | 1.10 | 2.56 |
| Number of snow and ice control callouts | 18 | 6 | 16 | 21 | 24 | 9 | 12 | 15 | 11 | 6 |
| Miles of roads maintained (excludes GLP in 2006) | 93.40 | 95.21 | 95.21 | 95.21 | 95.21 | 95.84 | 95.84 | 95.84 | 95.84 | 96.03 |
| <u>Parks and Recreation</u> | | | | | | | | | | |
| Athletic field permits issued | 137 | 86 | 89 | 106 | 158 | 105 | 135 | 131 | 361 | 101 |
| Summer season programs | 197 | 201 | 186 | 161 | 160 | 130 | 158 | 234 | 180 | 156 |
| Indoor season programs | 719 | 537 | 398 | 453 | 461 | 446 | 463 | 459 | 429 | 463 |
| Acres of grounds maintained | 1,726 | 143 | 150 | 150 | 155 | 155 | 155 | 155 | 155 | 155 |
| <u>Public Libraries</u> | | | | | | | | | | |
| Volumes in collection | 147,146 | 144,416 | 144,199 | 146,616 | 150,297 | 151,781 | 156,425 | 163,460 | 156,866 | 130,074 |
| Items circulated | 381,769 | 368,587 | 354,923 | 354,683 | 336,680 | 320,460 | 287,571 | 298,349 | 279,547 | 220,682 |
| <u>Senior Center</u> | | | | | | | | | | |
| Meals on wheels provided | 16,756 | 16,270 | 14,935 | 12,500 | 23,399 | n/a * | n/a * | n/a * | n/a * | n/a * |
| Kitchen meals served | n/a | n/a | 15,689 | 18,919 | 20,507 | 20,791 | 16,313 | 14,171 | 17,604 | 14,169 |
| Senior mini-bus trips | 27 | 35 | 31 | 49 | 33 | 47 | 31 | 44 | 31 | 17 |
| <u>Human Services</u> | | | | | | | | | | |
| Households provided energy assistance | 1,660 | 1,660 | 1,670 | 1,675 | 1,700 | 1,750 | 1,775 | 1,775 | 1,775 | 1,800 |
| Households utilizing Groton Food Locker | 4,600 | 4,600 | 4,600 | 4,600 | 4,650 | 4,700 | 4,725 | 4,725 | 4,725 | 5,000 |
| Households receiving rent assistance | 1,860 | 1,875 | 1,800 | 1,900 | 1,950 | 1,975 | 2,000 | 2,000 | 2,000 | 2,100 |
| <u>Education</u> | | | | | | | | | | |
| Elementary schools | 7 | 7 | 7 | 7 | 7 | 7 | 6 | 6 | 6 | 6 |
| Middle schools | 3 | 3 | 2 | 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 | 136.3 | 136.3 | 136.3 | 136.3 | 136.3 | 136.5 | 136.1 | 136.1 | 136.1 | 136.1 |

Source(s): Various Town Departments

N/A Information not available

* This is now outsourced

TABLE 18

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

| | FISCAL YEAR | | | | | | | | | |
|---|-------------|-------|-------|--------|--------|--------|--------|--------|--------|--------|
| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| <u>General Government</u> | | | | | | | | | | |
| <u>Public Safety</u> | | | | | | | | | | |
| Police stations | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Police vehicles | 45 | 45 | 43 | 43 | 43 | 41 | 41 | 41 | 46 | 43 |
| <u>Public Works</u> | | | | | | | | | | |
| Miles of town streets | 93.4 | 95.21 | 95.21 | 95.21 | 95.21 | 95.84 | 95.84 | 95.84 | 95.84 | 95.84 |
| Streetlights | 1,339 | 1,339 | 1,371 | 1,330 | 1,330 | 1,330 | 1,373 | 1,373 | 1,373 | 1,373 |
| Public works vehicles | 197 | 197 | 197 | 198 | 198 | 196 | 196 | 196 | 196 | 194 |
| <u>Parks and Recreation</u> | | | | | | | | | | |
| Acreage | 1,019 | 1,237 | 1,266 | 1270.8 | 1276.8 | 1276.8 | 1276.8 | 1276.8 | 1276.8 | 1276.8 |
| Parks | 53 | 53 | 54 | 55 | 57 | 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 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 4 | 4 |
| <u>Education</u> | | | | | | | | | | |
| Schools | 11 | 11 | 11 | 11 | 11 | 10 | 9 | 9 | 9 | 9 |
| <u>Sewer</u> | | | | | | | | | | |
| Sanitary sewers (miles) | 136.3 | 136.3 | 136.3 | 136.3 | 136.3 | 136.5 | 136.1 | 136.1 | 136.1 | 136.1 |
| Treatment capacity (thousands of gallons) | 7,500 | 7,500 | 7,500 | 7,500 | 7,500 | 7,500 | 7,500 | 7,500 | 7,500 | 7,500 |

Source(s): Various Town Departments