

**TOWN OF TOLLAND,  
CONNECTICUT**



**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**FOR THE YEAR ENDED JUNE 30, 2019**

**TOWN OF TOLLAND, CONNECTICUT**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Prepared by:  
The Finance Department

Lisa A. Hancock  
Director of Finance and Records

**TOWN OF TOLLAND, CONNECTICUT**  
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**JUNE 30, 2019**

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## **Introductory Section**



**TOWN of TOLLAND**  
**21 Tolland Green, Tolland, CT 06084**

November 7, 2019

To the Members of the Town Council and Citizens of the Town of Tolland:

State law requires that all local governments 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 of the Town of Tolland for the fiscal year ended June 30, 2019.

This report consists of management's representations concerning the finances of the Town of Tolland. 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 Tolland 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 Tolland's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh the benefits, the Town of Tolland'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 Tolland'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 Tolland for the fiscal year ended June 30, 2019 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified (clean) opinion that the Town of Tolland's financial statements for the fiscal year ended June 30, 2019 are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

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 Tolland's MD&A can be found immediately following the report of the independent auditors.

**Profile of the Town of Tolland**

The Town of Tolland first settled before 1715, is a residential community of 40.4 square miles with a population of 14,971. Tolland, originally a part of the Town of Windsor, was settled by people who felt that Windsor was becoming overcrowded and that their growing families were in need of homesteads.

People had started moving to the east, to lands that had been purchased from the Native Americans. On April 18, 1713, a committee was appointed to lay out a settlement, and the General Assembly was petitioned to charter it as a town. When the Charter was obtained in 1715, the town was named after an English town in Somerset, and was incorporated as Connecticut's 49th town in May 1722.

In 1785, Tolland County was organized by action of the General Assembly and Tolland was designated the county seat. The costs of building the first courthouse and a jail were raised by town subscription. This jail (and three later replacements) proved to be unsatisfactory. The existing jail, of stone construction, was erected in 1856 and served the county continually until 1968 when the state decided to discontinue its use. In 1969 this jail and the 1893 jailer's home, became Town property and are leased to the Tolland Historical Society, and used as a museum.

A new courthouse replaced the original in 1822 at the center of the town green. It is recognized as one of five examples of early civic architecture in Connecticut.

The Tolland Green Historic District was placed on the National Register in June 1997. Several of the important buildings within the District have been adapted to serve modern needs while retaining the flavor of the older village.

The Hicks Municipal Building was built as the Ratcliffe Hicks Memorial School in 1908. The Hicks-Stearns Homestead is also a museum. The Tolland Board of Education building started life in 1830 as Tolland County Bank. Directly across from the Municipal Building, the town's original 1879 Town Hall, has become the Tolland Arts Center. The Courthouse recently became a museum of the Tolland Historical Society and leases the first floor to the French Canadian Genealogy Library.

The Town retains impressive remnants of its rural past and substantial areas of protected open space. Expanding commercial and industrial resources are notably bolstering the economic base of the Town but in a way consistent with planning designed to preserve the community's character.

Tolland is a Town filled with historic heritage, New England village charm, a growing population and an excellent school system, all of which combine to provide ample opportunity for business growth. Tolland's legacy includes a New England town green of substantial proportions as its signature amenity. Tolland Green is the heart of the community, and the area around it is preserved as a National Historic District. Included in the district are several of the Town's historic attractions, such as the former Tolland County Court House, the Old Jail Museum and the Hicks-Stearns Family Museum, plus a number of gracious 18<sup>th</sup> and 19<sup>th</sup> century homes. Many of these Colonial, Greek Revival and Victorian structures are still being used as residences and by several churches and businesses. Municipal offices and the Town Library anchor one end of the Green. A few miles from the Green is the Town's oldest home, the 1733 Daniel Benton Homestead Museum, which was restored by the Historical Society with grant funding thus symbolizing the value the community places on preserving its heritage.

Tolland is located 20 miles northeast of Hartford and approximately 90 miles southwest of Boston, Massachusetts. Interstate 84, a major east-west transportation corridor, bisects the Town. Bradley International Airport - approximately 25 minutes driving time away - provides convenient air connections to the rest of the country and the world. A majority of the Town's labor force is employed in the central Connecticut area, primarily in the financial services, industrial, governmental and higher education sectors. Significant to the Town in several ways, the main campus of the University of Connecticut is within 10 miles to virtually any point within the Town. The main entrance road to the University goes through Tolland which increases the Town's potential for further expansion of retail, commercial and multi-family housing in and around the travel way to the University. The University is in the process of a major expansion of its Storrs Campus that includes the development of a Business Research Park and an expansion in the number of students and faculty.

The Town is a growing outer-ring suburb of the Hartford metropolitan area. Ninety-five percent of its dwellings are owner-occupied and ninety-five percent are single-family homes. Land subdivision activity and housing starts have slowed down over the last 9 years due to the economic downturn, planned changes in zoning regulations and purchase by the Town of open space. There are indications of increased activity in the commercial and multi-family sector based on discussions with potential developers. Tolland has acquired much land for preserved open space, has an outstanding education system and residents that are actively involved in the community.

The Town has a Council/Manager form of Government, which was approved in 1972. The legislative function is performed by a Town Council consisting of seven members elected at large. The Council formulates public policy, which the Town administration is entrusted to implement. The Board of Education, which is the governing body of the school district, appoints the Superintendent of Schools to implement its policies and goals. The Chief Executive Officer of the community is the Town Manager, who is appointed for an indefinite term by the Town Council. The Manager has appointive and removal authority over department heads and other employees of the Town. The Town Manager and Director of Finance are responsible for the financial management of the Town.

The Town of Tolland provides its residents with a complete level of municipal services organized around six primary divisions:

- Administration: The Town Manager provides general supervision to all Town departments, which collectively staff 77 employees. The Office of the Town Manager includes a Director of Administrative Services who handles the human resources function for all the Town employees. This office also provides clerical support for the Tolland Water System.
- Planning and Community Development: This comprehensive development office houses the departments of Planning and Zoning, Inland Wetlands, Building Inspection, and Public Health. This office provides clerical support for the Water Pollution Control Authority.
- Community Services: This division includes Human Services, Elderly, Library and Recreation Services. The Human Services staff provides staff support services to the Tolland Water System as well as various grant and construction project oversight.
- Public Safety: This division includes Police (under contract with the Connecticut State Police), a combination volunteer/paid Fire and Ambulance Department, Fire Marshal and Animal Control Services.
- Public Works: This division includes the departments of Highway Maintenance, Parks and Facilities and Solid Waste and Recycling. Engineering services are outsourced but the Town is in the process of converting to a full-time paid Town Engineer. Department staff provides support for the Water Pollution Control Authority.
- Finance and Records: This division includes Financial Administration and Accounting, Town Clerk, Town Assessment Services, Revenue Collection, Information Technology and Registrar of Voters. The Finance Department provides financial reporting services for the Tolland Non-profit Housing Authority, the Tolland Water System and the Water Pollution Control Authority. The Department also provides oversight for the shared Information Technology services and all central office needs.

The Town has successfully privatized and contracted out several municipal services. Examples include the construction/reconstruction of roads, refuse and recyclable collection, engineering services, sewer capacity and certain social service functions such as health and sanitary services through the Eastern Highland Health District. The Town is also part of a six Town regional health insurance program that allows for benefits to be administered on a self-insured basis. Information Technology Services are provided through an inter-town cooperative effort to share IT services with the Towns of South Windsor, Andover and Coventry.



The Town of Tolland provides water and sewer services to a small sector of the community. Approximately 501 residences, 32 businesses, 10 private fire services and 6 municipal buildings are serviced by the Tolland water system, while the Connecticut Water Company services other designated sections throughout the Town. The vast majority of the residents are on private wells and septic systems. Public sewers are available in the west central portion of the Town, which includes the expanded Business Park. The sewers have also been extended down to the schools, through the Gateway Design District and up Route 195 which has allowed for current and future economic development.

### **Budget Process & Budgetary Control**

**Budget Process** - As demonstrated by the budgetary schedules included in the financial section of this report, the Town continues to meet its responsibility for sound financial management. In addition to budgetary schedules, NOTE 2 (A) in the Notes to Basic Financial Statements describes the budget process used by the Town. The annual budget serves as the foundation for the Town's financial planning and control. A five-year Capital Improvement Plan is presented, with the annual budget, but only the first year is adopted. The programs, as presented, are generally followed over the course of the five year planning period. The Capital planning process also incorporates a comprehensive debt management plan as part of the funding resource along with grants, pay-as-you goes and other cost sharing. The debt management plan is created in accordance with the Town's debt management policy.

**Budgetary Control** - The Town maintains budgetary controls with the objectives to ensure compliance with legal provisions embodied in the annual appropriated budget, approved by the budget referendum. The Town maintains an encumbrance accounting system as one technique of accomplishing budgetary controls. Expenditures pursuant to the Town's Purchasing Policy are approved first through a purchase order signed by the Town Manager and the Director of Finance and Records. Encumbrances are reserved against appropriations made through contracts or commitments to vendors. Purchase orders that would result in an over expenditure of an appropriation are not issued until transfers or additional appropriations are made. The Town Manager may make unencumbered appropriation transfers between departments for up to 3% of the department budget from which the funds will be transferred. The Council may by resolution transfer any unencumbered appropriations, balance or portion thereof from one department, commission, board or office to another. Management approval is required for transfers within departments. Charter Section 9-14 allows for the Council, by resolution, to make appropriations to be funded by grants or gifts, and other additional and supplementary appropriations not to exceed an aggregate of  $\frac{1}{2}$  of 1% of the General Fund Budget in any fiscal year. All additional appropriations in excess of the limit must be approved by a public hearing process.

### **Local Economy**

Tolland continues to balance its strong emphasis on land preservation with the expansion and encouragement of commercial growth. Exit 68 off Interstate 84 is the main access point to Tolland and the primary gateway to the University of Connecticut's main campus. The Town anticipates that the University's expansion plans, including the development of a research park, will create economic development opportunities in Tolland.

The 2019 Plan of Conservation and Development, adopted in October, has a strong emphasis on Tolland's economic vitality. Among other actions, the Plan recommends that the Zoning Regulations are updated to facilitate the types of businesses the Town wishes to see in Tolland. The Plan recommends rethinking the regulations for the Tolland Village Area and Technology Campus Zone since development has not occurred and therefore a different approach may be necessary.

The Town and its Economic Development Commission have been working with property owners, developers, and residents to promote development. Tolland has partnered with the towns of Bolton, Coventry and Mansfield to develop a regional economic development action plan. Tolland expects to work with these three communities to start implementing regional economic development programs. A few years ago, the Town Council updated its tax abatement policy to expand eligibility. New businesses have taken advantage of this program.

Recognizing that business development often relies on infrastructure, the Town has undertaken road extensions (the Business Park) and sewer expansions. These projects increased economic development in Tolland. Business including NESTEEL and the Star Hill Family Athletic Center moved into the Business Park. Sewer expansions enabled a 123,000-square-foot development with a 60,000 square foot Big Y supermarket, a new branch for a bank, a medical facility, a restaurant and other retail businesses. The Town also extended the sewer line to the Technology Campus Zone, enabling the approval of an 87-unit town house development. That development is now under construction.

The net taxable grand list of 10/1/2017 was \$1.28 Billion, representing an increase of .23% from 2016. Individually the real estate values decreased by over \$3.5 million or -.32%, personal property values increased by \$5.4 million or 15.5% and the motor vehicle list increased by \$1.1 million or .84%. Although slow, the town continues to see some residential growth. The decrease is due to a temporary loss of value for those crumbling basements and a revised value to the Woodlake/ECHN/Prospect property due to their assessment appeal. Residents continue to invest in the existing housing stock with additions, new pools, and other property improvements. Motor vehicles increased due to the impact of corrections of data from the State Department of Motor Vehicles and some new vehicle additions. Personal property values increased mainly due to the solar array on South River Road as well as increases from Eversource, Gerber Scientific and bridge construction on Route 74.

Tolland remains attractive to business development with a median household income of \$112,740 (American Community Survey 2013-2017) that is 65% greater than the state's median income; a highly educated workforce (45.2% have a bachelor's degree or higher), and low unemployment rate (2.6% in September, 2019 vs. the State of CT 3.4% for the same period).

### **Long-Term Financial Planning**

The Town has embarked on an aggressive long-term financial planning program. Specifically, it has developed, and continues to modify, a "Long-Term Fiscal Trend Analysis Report," which synthesizes several quantifiable variables into a document that forecasts long-term revenue and expenditure line items which make up the total Town budget. These variables include such indicators as Grand List Growth, intergovernmental revenue projections and forecasts in both municipal and educational operating expenses. The drafting of this trend analysis has helped the Town Manager's Office immensely in developing affordability benchmarks. In conjunction with this, a debt management plan was structured to layer in debt issues for the next five years based on approved projects and anticipated needs. By employing this tool, it makes it readily apparent when new debt can be issued and when projects should be deferred to the future.

### **Financial Policies and Practices**

**Management Policies** – The Town has formal financial policies for investments, debt management, capital financing, fund balance and other reserves, purchasing, post bond issuance tax disclosure policy, capital assets, multi-year financial forecasting and risk management. These policies may be viewed on our web site at [www.tolland.org](http://www.tolland.org) under the link located on the Finance Department page.

**Fund Reserves** – The Town Council approved Fund Balance policy requires a minimum level of fund balance 10% of the General Fund expenditure budget and also provides for detailed requirements for replenishment if the balance should fall below the threshold. It also includes that the preference would be to maintain at least two months of operating reserves if possible. Besides having a goal to maintain a General Fund balance of 10% to 17% of General Fund operating expenditures the Town has created several other reserve funds to address various emergency or other stabilization needs of the Town. These funds include a Municipal Tax Stabilization fund, Debt Service fund, Capital Non-Recurring fund, an Emergency Storm fund, an Education Reserve fund and a Utility Internal Service fund.

With the creation of the Capital Non-Recurring Fund, which allows more flexibility in investments, the Town employed the services of Webster Trust to oversee these investments. The fund has approximately 30% of investments in equities and the balance in United States government obligations. The intent of this fund is to serve as a future source of pay-as-you-go financing for capital projects.

**Technology Replacement** – The Town maintains a comprehensive schedule for replacement of servers and computers. There is also a Strategic Technology plan for improvements to our IT infrastructure. Annually funds are included within the General Fund budget to address the technology plan and required replacements as necessary.

### **Major Initiatives**

The Town completed construction of the expansion of the Library into the former Hicks Gymnasium. The expansion provides more space and increased programs and materials for the public. This project was partially funded with \$1.5 million in grant funding.

The Town has joined with three other towns in the area to prepare a regional economic development marketing plan.

The Town received grants to fund several major capital projects which include funding of \$400,000 for Highway Garage Expansion, drainage improvements and funding for road improvements. The Town continues to invest in its road infrastructure as evidenced by the passage of a \$5 million bond authorization in FY 2018/2019. In addition, the Town received a \$2.5 million State grant to repair a section of the road which accesses the Middle and High School buildings. There are also a number of State road projects taking place on State roads in Town particularly in the area of the Town Green. There are also several school constructions grant requests in process. We intend to apply for several more grants as part of our CIP plan.

The Town has worked closely with the Access Agency (a non-profit housing provider) and the Board of Education to advance plans to repurpose the closed Parker School to 37 units of elderly housing. The Access Agency received a loan for construction of the housing units. This project is almost complete and will help meet Tolland's great need for housing for our aging population.

The Town's investment in Education allowed for the Tolland High School to be recognized in National Rankings by US News and World Report and included in a list of "Best High Schools" in Connecticut.

The State approved the formation of the Captive Insurance Co. to assist homeowners with the cost to repair crumbling foundations. Steven Werbner, our previous Town Manager (retired), is President of this organization and actively involved in its management. The State will contribute 100 million dollars over 5 years into the fund. Tolland has had the most (over 100) accepted claims so far and foundations are starting to be repaired and assessed home values are returning to full value.

## **Awards and Acknowledgements**

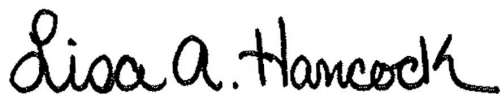
The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Tolland for its Comprehensive Annual Financial Report for the year ended June 30, 2018. This was the twenty-seventh consecutive year that the Town of Tolland has received this prestigious award. In order to be awarded a Certificate of Achievement, the Town published an easily readable and efficiently organized Comprehensive Annual Financial Report. This report satisfied both accounting principles generally accepted in the United States of America and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Additionally, the Town received the Distinguished Budget Presentation Award for the 2018-2019 Budget from the GFOA. The Town has received this highest form of recognition in governmental budgeting for eight consecutive years. We have applied for the 2019-20 award and anticipate being eligible for it.

The preparation of this report on a timely basis would not have been possible without the assistance and support of many people. We would like to express our appreciation to all those who contributed to its preparation, including Laura Schwabe, Christopher Jordan and Noreen Botticello. We would also like to thank the Town Council and the Board of Education for their interest and support in planning and conducting the financial operations of the Town in a responsible and progressive manner.

Respectfully submitted,

A handwritten signature in black ink that reads "Lisa A. Hancock". The signature is fluid and cursive, with the first letters of each word being capitalized and prominent.

Lisa A. Hancock, CPFO  
Director of Finance and Records

A handwritten signature in blue ink that reads "Michael Rosen". The signature is cursive and elegant, with the first letters of each word being capitalized and prominent.

Michael Rosen  
Town Manager



Government Finance Officers Association

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

Presented to

**Town of Tolland  
Connecticut**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2018**

*Christopher P. Morill*

Executive Director/CEO



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**Town of Tolland  
Connecticut**

For the Fiscal Year Beginning

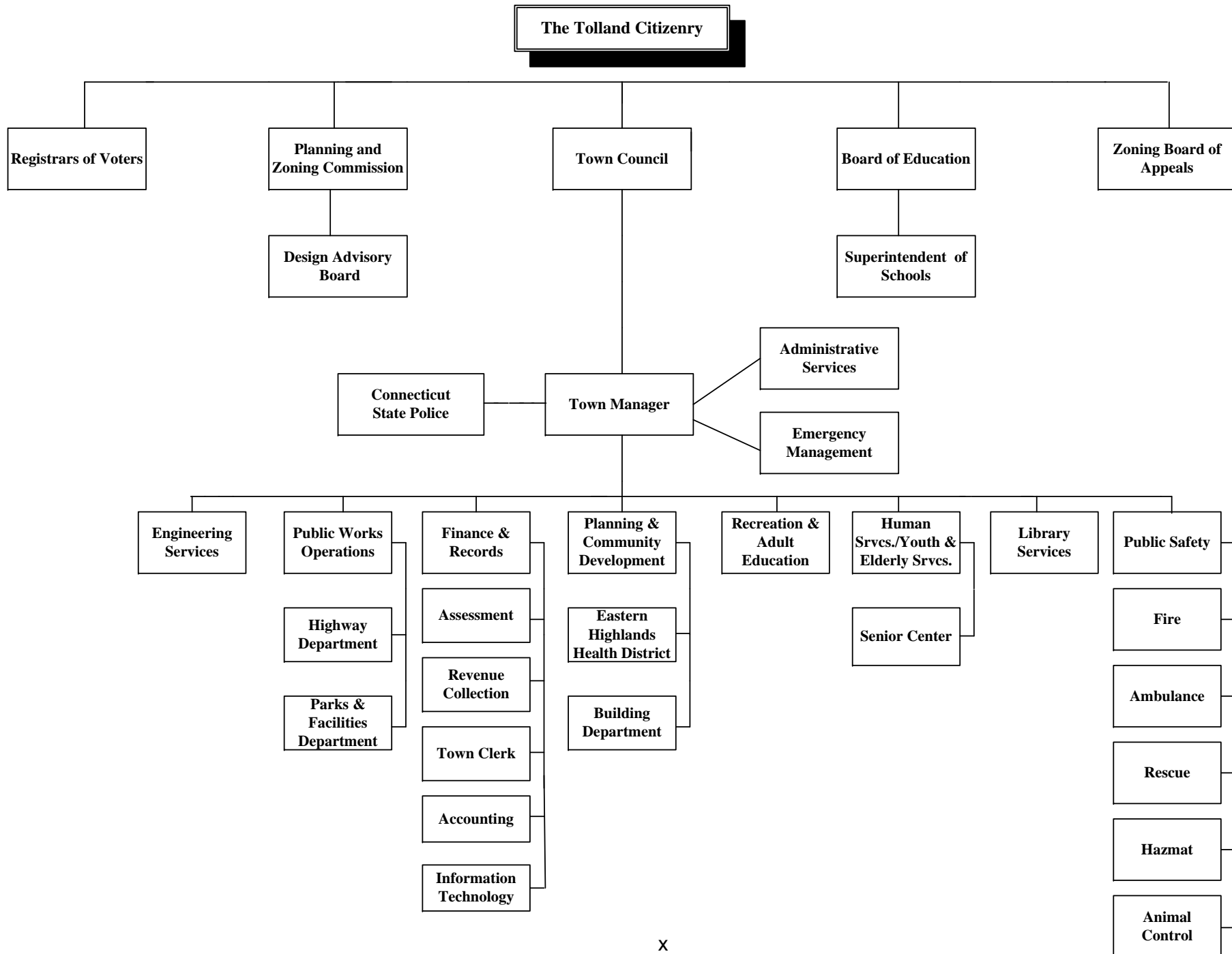
**July 1, 2018**

*Christopher P. Morrill*

Executive Director

# Town of Tolland

## Organization Chart



**TOWN OF TOLLAND, CONNECTICUT**

**LIST OF PRINCIPAL OFFICIALS**

**JUNE 30, 2019**

**Town Council**

William Eccles, Chairperson  
David Skoczulek, Vice Chairperson  
Brenda Falusi  
Tammy Nuccio  
John Reagan  
Paul Reynolds  
Christine Vincent

**Board of Education**

Colleen Yudichak, Chairperson  
Karen Moran, Vice Chairperson  
Sam Adlerstein  
Michelle Harrold  
Katherine Howard-Bender  
Robert Pagoni  
Jane Pasini  
Christina Plourd  
Jeffrey Schroeder





# Financial Section

## **Independent Auditors' Report**

To the Town Council  
Town of Tolland, Connecticut

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Tolland, Connecticut, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Town of Tolland, 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, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Tolland, Connecticut, as of June 30, 2019 and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund 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 and the pension and OPEB schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Tolland, 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.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 7, 2019 on our consideration of the Town of Tolland, 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 Tolland, 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 Tolland, Connecticut's internal control over financial reporting and compliance.

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

West Hartford, Connecticut  
November 7, 2019

## **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2019**

As management of the Town of Tolland, we offer readers of the Town of Tolland's financial statements this narrative overview and analysis of the financial activities of the Town of Tolland for the fiscal year ended June 30, 2019. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal in the introductory section of this report, as well as the Town's basic financial statements.

### **Financial Highlights**

- On a government-wide basis, the assets of the Town of Tolland exceeded its liabilities at the close of the most recent year by \$104,846,857 (net position). Of this amount, \$23,311,132 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- On a government-wide basis, the government's total net position increased by \$3,566,393. Governmental and business-type activity expenses were \$62,650,204 while revenues were \$66,216,597.
- The total cost of all Town services for the fiscal year 2019 was \$62,650,204; of which \$61,829,805 was for governmental services and \$820,399 for business-type activities.
- At the close of the fiscal year, the Town's governmental funds reported, on a current resource basis, combined ending fund balances of \$19,773,449, a decrease of \$3,223,840 from the prior fiscal year. Of the total fund balance as of June 30, 2019, \$8,150,176 represents the combined unassigned fund balance in the general fund, special revenue funds, capital projects funds and permanent funds.
- At the end of the current fiscal year, the total fund balance on a GAAP basis for the general fund alone was \$10,877,219, an increase of \$146,794 over the prior fiscal year. Unassigned fund balance for the general fund was \$8,150,176 or 13.5% of general fund expenditures and transfers out. Unrestricted fund balance (the total of the committed, assigned and unassigned components of fund balance) for the general fund was \$10,877,219 or 18.1% of general fund expenditures and transfers out. There was no restricted fund balance in general fund.

### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the Town of Tolland's basic financial statements. The 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 in addition to the basic financial statements themselves.

**Government-Wide Financial Statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the Town of Tolland's finances, in a manner similar to a private-sector business. All of the resources available to the Town 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 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 of Tolland's assets and liabilities, with the difference reported as *net position*. One can think of the Town's net position, the difference between assets and liabilities, as one way to measure the Town's financial health and financial position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town of Tolland is improving or deteriorating. It addresses the question of whether or not the Town is better or worse off as a result of this year's activities.

The *statement of activities* presents information showing how the Town'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, for example, uncollected taxes and earned but unused vacation leave.

Both of the government-wide financial statements distinguish functions of the Town of Tolland that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Town of Tolland encompass most of the Town's basic services and include administration, planning and community development, community services, public works, public safety services, records and financial services and education. The business-type activities of the Town of Tolland are water and sewer operations. They are reported here because the Town charges a fee for providing water and sewer services to its customers, which are intended to cover the operating costs, including depreciation.

The government-wide financial statements can be found on Exhibits I and II of this report.

**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 Tolland, 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 of Tolland 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 financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town of Tolland maintains 30 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General, Sewer Assessment, CDBG Small Cities and Capital Projects, which are considered to be major funds. Data from the other 26 governmental funds are combined into a single, aggregated presentation under the caption "other governmental funds." Nonmajor governmental funds include the Dog, Open Space Maintenance, Stone Pond Sewer Escrow, Tolland Townhouse Sewer Escrow, Lodge Activity, Open Space, Tolland Business Park, Town Aid Road, Recreation, Water Assessment, School Lunch, State and Federal Education Grants, Before/After School Program, Eviction Fund, Cemetery Operations, Training Center, Conservation Fund, Traffic Grant, Field Maintenance, Veterans Memorial, Emergency Storm, Miscellaneous Grants, Artificial Turf, Cemetery Perpetual Care, Debt Service Fund and Ratcliff Hicks Memorial School funds. 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 Tolland adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this authorized budget.

The basic governmental fund financial statements can be found on Exhibits III-V of this report.

**Proprietary Funds.** The Town of Tolland maintains four proprietary funds. The *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Town of Tolland uses enterprise funds to account for its Water and Sewer operations. The *governmental activities* include two internal service funds.

- The ECHIP Internal Service Fund is used to report activities that provide self-insured medical services for both the Town and Board of Education which are funded by other Town programs or activities.
- The Utility Internal Service Fund (UISF) is used to pay for utility related expenses for both the Town and Board of Education which are funded by other Town programs or activities.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water operations which is considered to be a major fund of the Town of Tolland.

The basic proprietary fund financial statements can be found on Exhibits VI-VIII of this report.

**Fiduciary Funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the Town. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the Town of Tolland's own programs. 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 IX-X of this report.

**Notes to the Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found beginning on page 30 of this report.

The combining statements and supplemental schedules referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes to the basic financial statements. Combining and individual fund statements and schedules can be found beginning on page 69 of this report.

## Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a Town's financial position and an important determinant of its ability to finance services in the future. Town of Tolland's total assets exceeded liabilities by \$104,846,857 at the close of the most recent fiscal year.

By far, the largest portion of the Town of Tolland's net position \$81,146,368 (77.4%) reflects its investment in capital assets (e.g., land, buildings, vehicles, furniture and equipment, water systems and infrastructure) less related outstanding debt used to acquire those assets. The Town of Tolland uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the Town of Tolland's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

### TOWN OF TOLLAND NET POSITION JUNE 30, 2019 AND 2018

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 26,321,456	\$ 32,557,100	\$ 1,302,114	\$ 1,073,523	\$ 27,623,570	\$ 33,630,623
Capital assets	117,914,767	117,550,963	7,966,653	8,200,166	125,881,420	125,751,129
Total assets	<u>144,236,223</u>	<u>150,108,063</u>	<u>9,268,767</u>	<u>9,273,689</u>	<u>153,504,990</u>	<u>159,381,752</u>
Deferred outflows of resources	2,392,264	1,139,838			2,392,264	1,139,838
Current liabilities	5,568,404	6,561,344	95,505	58,048	5,663,909	6,619,392
Noncurrent liabilities	44,902,195	50,748,898			44,902,195	50,748,898
Total liabilities	<u>50,470,599</u>	<u>57,310,242</u>	<u>95,505</u>	<u>58,048</u>	<u>50,566,104</u>	<u>57,368,290</u>
Deferred inflows of resources	484,293	1,872,836			484,293	1,872,836
Net investment in capital assets	73,179,715	68,793,985	7,966,653	8,200,166	81,146,368	76,994,151
Restricted	313,063	313,063	76,294	66,520	389,357	379,583
Unrestricted	<u>22,180,817</u>	<u>22,957,775</u>	<u>1,130,315</u>	<u>948,955</u>	<u>23,311,132</u>	<u>23,906,730</u>
Total Net Position	<u>\$ 95,673,595</u>	<u>\$ 92,064,823</u>	<u>\$ 9,173,262</u>	<u>\$ 9,215,641</u>	<u>\$ 104,846,857</u>	<u>\$ 101,280,464</u>

An additional portion of the Town of Tolland's total net position, .37% or \$389,357, represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$23,311,132 is *unrestricted net position* and may be used to meet the Town's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the Town of Tolland is able to report positive balances in all three categories of net position, both for the Town as a whole, as well as for its separate governmental and business-type activities. The same held true in for the prior fiscal year.

Restricted net position in the business-type activities increased by \$9,774 and there was no change for governmental activities from the previous year.



**TOWN OF TOLLAND CHANGES IN NET POSITION  
JUNE 30, 2019 AND 2018**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
Revenues:						
Program revenues:						
Charges for services	\$ 2,642,215	\$ 2,712,070	\$ 778,868	\$ 738,188	\$ 3,421,083	\$ 3,450,258
Operating grants and contributions	14,133,735	18,729,976			14,133,735	18,729,976
Capital grants and contributions	2,163,095	1,656,859			2,163,095	1,656,859
General revenues:						
Property taxes	45,216,830	44,299,403			45,216,830	44,299,403
Grants and contributions not restricted to specific programs	521,497	281,712			521,497	281,712
Investment income	610,285	227,649	10,577	6,748	620,862	234,397
Miscellaneous	139,495	128,703			139,495	128,703
Total revenues	<u>65,427,152</u>	<u>68,036,372</u>	<u>789,445</u>	<u>744,936</u>	<u>66,216,597</u>	<u>68,781,308</u>
Expenses:						
Administration	1,075,524	1,413,134			1,075,524	1,413,134
Planning and community development	502,276	491,843			502,276	491,843
Community services	1,777,504	1,698,846			1,777,504	1,698,846
Public works	9,388,239	8,165,431			9,388,239	8,165,431
Public safety services	2,563,483	2,308,812			2,563,483	2,308,812
Records and financial services	1,242,415	1,186,970			1,242,415	1,186,970
Board of education	43,885,556	51,267,751			43,885,556	51,267,751
Interest expense	1,394,808	1,112,080			1,394,808	1,112,080
Sewer Fund			436,016	491,475	436,016	491,475
Water Fund			384,383	332,778	384,383	332,778
Total expenses	<u>61,829,805</u>	<u>67,644,867</u>	<u>820,399</u>	<u>824,253</u>	<u>62,650,204</u>	<u>68,469,120</u>
Excess (deficiency) before transfers	3,597,347	391,505	(30,954)	(79,317)	3,566,393	312,188
Transfers	11,425	5,000	(11,425)	(5,000)	-	-
Change in net position	<u>3,608,772</u>	<u>396,505</u>	<u>(42,379)</u>	<u>(84,317)</u>	<u>3,566,393</u>	<u>312,188</u>
Net Position - July 1	<u>92,064,823</u>	<u>91,668,318</u>	<u>9,215,641</u>	<u>9,299,958</u>	<u>101,280,464</u>	<u>100,968,276</u>
Net Position - June 30	<u>\$ 95,673,595</u>	<u>\$ 92,064,823</u>	<u>\$ 9,173,262</u>	<u>\$ 9,215,641</u>	<u>\$ 104,846,857</u>	<u>\$ 101,280,464</u>

The Town of Tolland's overall net position increased \$3,566,393 from the prior fiscal year. The major changes in revenues and expenses creating this overall increase are discussed in the following sections for governmental activities and business-type activities. Governmental activities increased the Town of Tolland's net position by \$3,608,772 and business-type activities reduced it by \$42,379.

## Governmental Activities

For governmental activities, approximately 69.2% of the revenues were derived from property taxes, followed by 24.9% in other intergovernmental revenues. These numbers reflect an increase in property tax revenue and a decrease in intergovernmental revenue as compared to the prior fiscal year where property taxes were 65.1% and other intergovernmental revenues were 29.9% of total revenues.

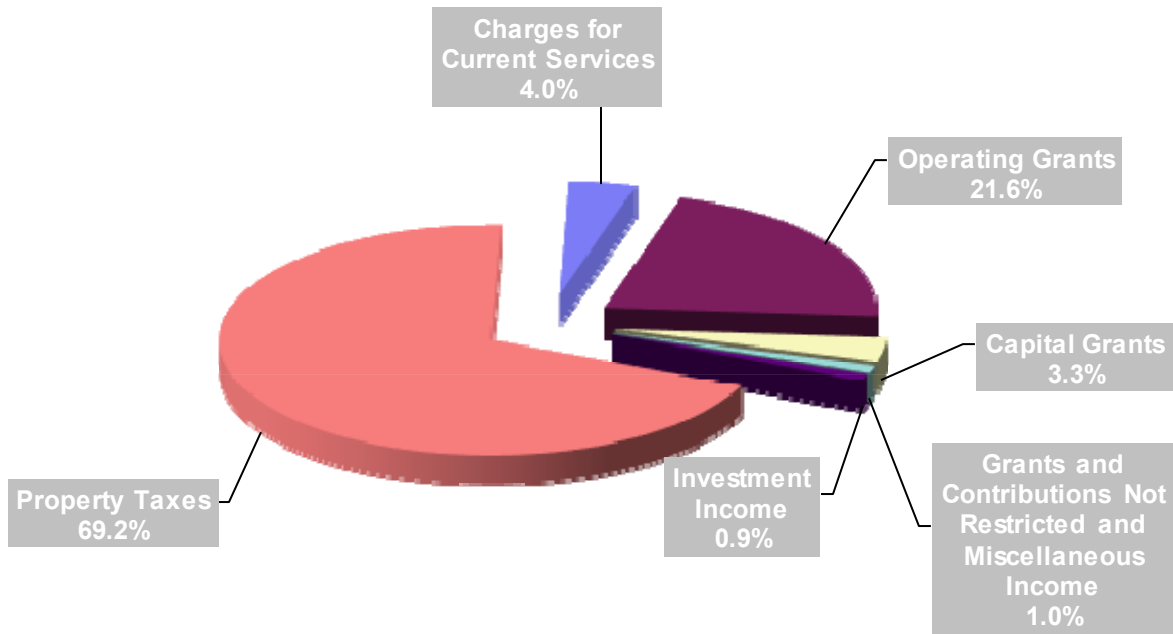
Major revenue factors included:

1. *Property tax revenues* recorded during the fiscal year 2019 reflect a .52 mill increase in the mill rate for the current levy and the impact of a .23% increase in the grand list. There was \$917,427 more in property tax revenues collected over the previous year.
2. *Charges for services* were \$69,855 lower than the prior year.
3. *Operating grants* reflected a decrease of \$4,596,241 mainly due to a decrease in State Teacher Retirement pension and OPEB expense for \$5,155,188, an increase of \$429,260 in Education Excess Cost, increase in Special Education Excess Cost \$41,078 and are offset by minor increases in other operating grants. Education Excess Cost in FY 2018 had been reduced significantly by a mid-year State budget reduction from what the Town had been entitled to. Although there is an increase reflected in 2019 it is due to receiving the entire entitlement this year. This entitlement however is less than the previous years.
4. *Capital grants and contributions* reflected an increase of \$506,236 over the previous year due to grants received for one-time public works projects.
5. *Grants and contributions not restricted to specific programs* increased by \$239,785 mainly due to an increase in the state municipal revenue sharing grant for \$298,675 combined with decreases for the elimination of the Pequot-Mohegan Grant of \$34,843 and other one-time grants received last year.
6. *Miscellaneous General Revenues* increased by \$10,792 over the previous year mainly due to one-time receipts in 2019 for reimbursements for Engineering fees and CIRMA Audit insurance credits.

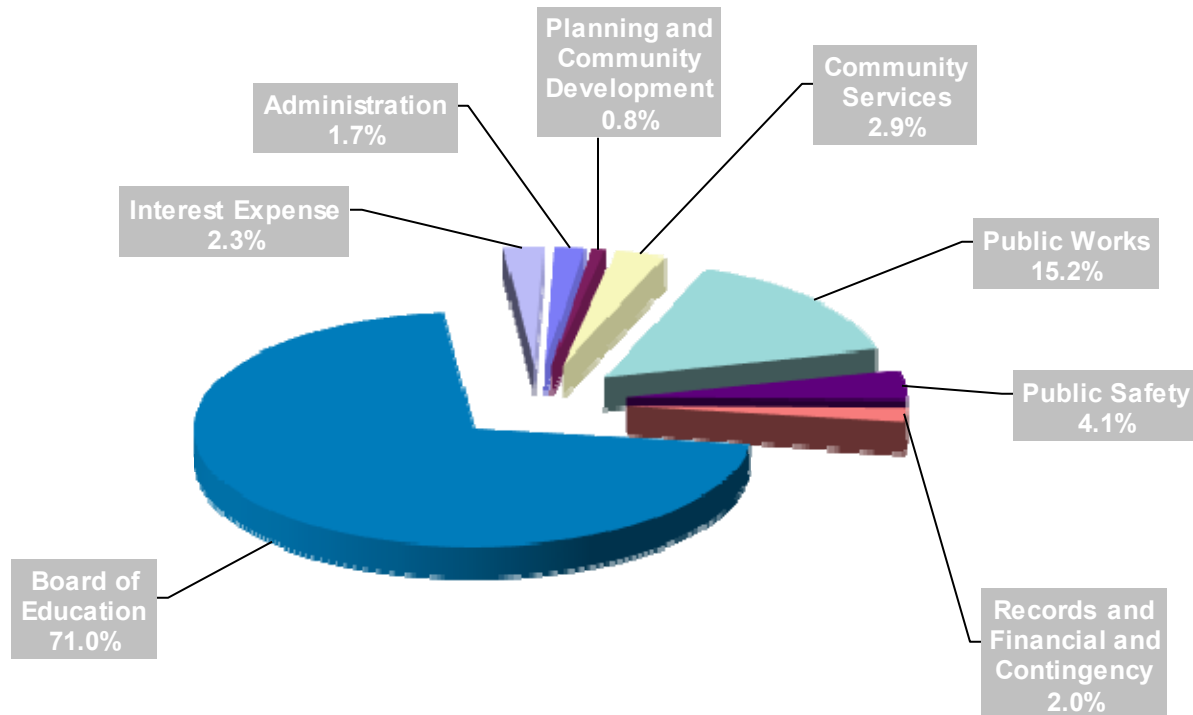
Overall governmental revenue decreased by \$2,609,220. This is mainly due to a decrease in State Teacher Retirement grants as mentioned above. That reduction was offset by an increase of property taxes of \$917,427, an increase in miscellaneous and investment income of \$393,428, an increase in capital grants for \$506,236 and an increase in grants and contributions not restricted to specific programs of \$239,785 for additional Municipal Revenue Sharing funds received.

## REVENUES BY SOURCE - GOVERNMENTAL ACTIVITIES

The largest component of revenue, which is from property taxes, increased to 69.2% of total revenue in the current year as compared to 65.8% in the prior year.



## EXPENSES BY SOURCE - GOVERNMENTAL ACTIVITIES



For governmental activities, 71% of the Town's expenses relate to education, 15.2% to public works, 4.1% to public safety, 2.9% to community services, 2.3% to interest payments on long-term debt, 1.7% to administration, 2% to records & financial services and contingency and 0.8% to planning and community development.

The overall total of governmental expenses excluding transfers increased in the amount of \$5,815,062 with the biggest impact of a decrease of \$5,155,188 in the State of CT Teacher's Retirement pension and OPEB expense. The overall decrease for governmental expenditures was impacted by various increases and decreases within other Town operations with the largest decrease in Administration in the amount of \$337,610 for savings in the Town Manager salary for the reduced hours contracted for, less professional services for legal services, reduced insurance costs and attrition in Public Safety for changes with State Troopers.

**Business-Type Activities.** Business-type activities decreased the Town of Tolland's net position by \$42,379. Key elements of this year's activities are as follows:

- The Water Fund had operating income of \$54,331 and the Sewer Fund experienced an operating loss of \$89,719 for a combined operating loss of \$35,388. The non-operating losses of \$4,434 and transfers out to Capital Reserves of \$5,000 bring the reduction in net position to \$42,379 at year end. A majority of the operating loss in the Sewer Fund relates to the impact of depreciation expense. The Water Commission and the Water Pollution Control Authority continue to address user fees and funding resources to eliminate future operating losses as well as to address future capital needs.

## Financial Analysis of the Government's Funds

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

**Governmental Funds.** The focus of the Town of Tolland'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 Tolland's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a Town'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 Tolland's governmental funds reported combined ending fund balances of \$19,773,449, a decrease of \$3,223,840 from the previous year.

The largest change in fund balance was a decrease in the Capital Projects Fund by \$3,346,051 due to capital expenditures funded by general obligation bonds issued in the previous year. The General Fund also increased by \$146,794. There were also decreases in the Sewer Assessment and Small Cities funds. Nonmajor Governmental funds had an increase of \$60,059.

*The general fund* balance increased by \$146,794 due to an excess of \$116,271 in revenues over expenditures plus the other financing sources and uses of \$30,523.

*The sewer assessment* fund decreased by \$69,362 due to sewer assessment fees that were lower than the cost of debt service.

The overall amount of the governmental fund balances totals up to \$19,773,449. Of that amount the assigned fund balance is \$2,030,521 which includes \$1,730,521 for encumbrances and \$300,000 for the subsequent budget. The restricted amount of the total fund balance is a restriction on spending grant receipts and bond proceeds in the amount of \$172,483. There are balances committed in the amount of \$9,065,470 for capital projects and other special commitments. An additional amount of \$354,799 represents the non-spendable portion of fund balance and the unassigned portion of fund balance is \$8,150,176 or 41.2% of total fund balance.

The general fund is the chief operating fund of the Town of Tolland. At the end of the current fiscal year, unassigned fund balance of the general fund was \$8,150,176, while total fund balance was \$10,877,219. 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 13.5% of total general fund expenditures including transfers out. Total fund balance represents 18.1% of that same amount. The unassigned portion of fund balance, when compared with unassigned last year portion for the general fund had decreased by \$170,305 while the total fund balance increased by \$146,794.

Key factors contributing to the increase in the *General Fund* were:

- Overall Town experienced a shortfall in revenues for \$625,199. The current, prior year, and motor vehicle supplemental tax collections exceeded the budget by \$202,784. Motor vehicle supplemental taxes collected as part of this amount account for \$48,318 due to more than anticipated vehicles being added to the Motor Vehicle list.
- Additional revenue collected in investment income and other revenues was \$377,043 was mainly due to higher investment returns and longer maturity investments and unanticipated insurance rebates and engineering fee reimbursements.
- Transfers in of \$280,000 were unanticipated and includes \$275,000 from the Debt Service Fund. The \$275,000 was formally committed in the fund balance by Town Council in June, 2019 to be used to smooth the mill rate during periods of time while paying bonds for the Birch Grove Primary School reconstruction costs.

- Total Expenditures were \$339,894 less than anticipated. \$85,113 of this amount was unexpended from the Board of Education. The Town unexpended balance of \$254,781 mainly consisted of unexpended State Police contracted services of \$143,800 due to attrition and staffing changes and \$74,014 for savings in Administration for Town Manager salary, legal and insurances.

The *Sewer Assessment fund* had a decrease in its operating revenue by \$44,239 as compared to last year and a decrease of fund balance of \$69,362.

The *CDBG Small Cities funds* produced program income revenues of \$62,799 and program expenditures of \$78,079 resulting in a net reduction to fund balance by \$15,280.

The *Capital Projects funds* produced revenues and other financing sources that were less than expenditures and other financing uses by \$3,346,051 due to the timing of capital projects and the bond issue from the previous year.

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

Net position of the water fund amounted to \$3,215,894 and \$5,957,368 for the sewer fund at year end. This represented an increase of \$56,644 for water and a decrease of \$99,023 for sewer. The increase in water resulted from an increase in customer user fees. There was also an increase in professional services expenses. The decrease in sewer is due mainly to expenses, including depreciation, not being covered by user fees. The Sewer Operating expenses were \$55,459 less than the previous fiscal year. This was mainly due to less repairs and supplies in this fiscal year. The Water Pollution Control Authority continues to address user fees and other funding resources to eliminate future operating losses.

The Utility Internal Service Fund operating revenues and transfers in were \$1,769,212 and operating expenses were \$1,065,085, when combined with non-operating expenses of \$192,887, non-operating revenues of \$8,229 and transfers-out of \$478,303, resulted in an increase in net position of \$41,166. Total net position as of June 30, 2019 was \$942,032. Operating expenses decreased by \$93,323 due to savings in utility costs. Our current fiscal year non-operating revenues/expenses are \$8,268 less than the previous fiscal year mainly due to the reduction in interest expense.

The ECHIP Health Insurance Internal Service Fund had total revenue of \$6,577,404 and operating expenses of \$7,230,609 resulting in a reduction in net position of \$653,205. A majority of these excess funds were expended in July, 2019 due to timing differences. The total net position as of June 30, 2019 was \$2,064,668.

### **General Fund Budgetary Highlights**

The final amended budget of \$57,129,160 was increased by \$958,463. This increase was for funds transferred to the Board of Education Reserve fund for \$393,339 and the balance of \$565,124 was transferred to the Capital Improvements fund for Board of Education additional capital projects. During the year, actual revenues and other financing sources on a budgetary basis were \$56,503,961, which was less than the budgetary estimates by \$625,199.

Actual tax revenues were over budget by \$202,784 due to an increase in current year tax collections, aggressive prior year's delinquent collections and unanticipated supplemental motor vehicles added to the grand list.

Actual intergovernmental revenue exceeded the budget by \$43,357. Additional funds were received for the Education Cost Sharing grant for \$24,730 resulting from prior year calculation adjustments. The Town also received \$9,835 for Veterans and Disability grants that were originally slated to be eliminated.

Charges for current services exceeded the budget by \$88,911 due to higher than anticipated Building Permit applications. Investment income was \$318,603 over budget due to investing a portion of cash not currently needed into longer term investments for higher interest rates. Interest rates were significantly higher than what was estimated during the budget process. Other financing sources included \$38,169 for cancellation of previous year encumbrances.

Other revenues exceeded the budget by \$58,440. A majority of that amount came from prior year expenditure reimbursements for engineering costs of \$20,000, insurance rebates of \$3,995, and \$15,000 from our sports leagues to assist with the cost associated with the Artificial Turf field.

The Town had an original budgeted appropriation for the use of fund balance in the amount of \$690,000. All of this amount did not have to be used mainly due to unanticipated excess revenues received for current, prior and motor vehicle supplemental taxes, investment income, building permit fees and expenditures less than budgeted. The actual amount of budgetary basis fund balance decreased by \$285,305.

Actual expenditures on a budgetary basis and other financing uses totaled \$56,789,266 which was less than budgeted by \$339,894. These savings are discussed under key factors contributing to the general fund increase.

## Capital Asset and Debt Administration

### TOWN OF TOLLAND'S CAPITAL ASSETS (net of depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	\$ 14,881,115	\$ 14,871,215	\$ 50,858	\$ 50,858	\$ 14,931,973	\$ 14,922,073
Construction in progress	3,455,512	768,456	72,359		3,527,871	768,456
Buildings	76,114,158	78,876,599			76,114,158	78,876,599
Vehicles, furniture and equipment	5,524,293	5,366,711			5,524,293	5,366,711
Plant and pumping station			990,738	1,094,071	990,738	1,094,071
Water distribution system			6,852,698	7,055,237	6,852,698	7,055,237
Infrastructure	17,939,689	17,667,982			17,939,689	17,667,982
Total	<u>\$ 117,914,767</u>	<u>\$ 117,550,963</u>	<u>\$ 7,966,653</u>	<u>\$ 8,200,166</u>	<u>\$ 125,881,420</u>	<u>\$ 125,751,129</u>

**Capital Assets.** The Town of Tolland's investment in capital assets for its combined governmental and business-type assets includes land, buildings and improvements, vehicles and equipment, roads, rights of way, water systems, dams, bridges and sewer lines. The total decrease in the Town of Tolland's investment in capital assets for the current fiscal year was \$130,291 or approximately .1%, with an increase of \$363,804 for governmental activities and a decrease of \$233,513 for business-type activities.

The Town's Governmental Activities type capital assets increase of \$363,804 is the net result of depreciation and deletions combined with the addition of the following assets:

Fire Alarm Panels	\$ 10,650
Security Doors	231,897
Ford F-250 Pickup Truck	31,897
Nutmeg International Truck HV507	169,122
Nutmeg International Truck HV507	175,000
Toro Mower	64,962
Reading Standard Line Truck	10,500
Lazer Z "S" Series Kawasaki Mower	9,122
Ambulance 540	175,764
Thermal Imaging Cameras	11,222
Town Hall Doors	15,000
Library Self Check RFID System	49,850
District Wide BOE Building Security Upgrades	259,522
Public Works Garage Renovations	2,559,911
Pedestrian Pathway	5,500
Barracuda Message Archiver	6,690
Hurst Tool	25,000
Unimac Commercial Washer	8,860
Landpipe Broom	5,601
Konica Bizhub Copier	6,151
Pickup Truck	27,975
New Road – Josephine Way	1,209,900
Tennant Rider Scrubber	18,397

Business-type activities decreased by \$233,513 due to the net effect of depreciation and the addition of the following assets:

Storage Tank Design	\$ 26,099
Hydrants	26,736
Pump Station	23,985

Additional information on the Town of Tolland's capital assets can be found in Note 3D on pages 43-44 of this report.

**Long-Term Debt.** At the end of the current fiscal year, the Town of Tolland had total bonded debt outstanding of \$33,165,000, all of which is backed by the full faith and credit of the Town. Of this debt, \$15,176,518 is school related and \$17,988,482 is general obligation. The Town of Tolland's total debt decreased by the amount of \$3,145,000 for payments made during the fiscal year.

In October 2016 the Town was upgraded to 'AAA' from 'AA+' by Fitch Rating Agency based on revised criteria on prior debt issuances. The last bond rating before June 30, 2018 for the Town of Tolland was in May, 2018 affirming an "AAA" rating from Standard and Poor's, and Fitch Rating Agency for general obligation debt. The Town plans to have another bond rating performed in the summer of 2020 in preparation for a bond issue in September, 2020.

State statutes limit the amount of general obligation debt a governmental entity may issue to 2¼ to 4½ times total tax collections including interest and lien fees and the tax relief for the elderly freeze grant. The current debt limitation for the Town of Tolland is \$309,929,662 which is significantly in excess of the Town of Tolland's outstanding general obligation debt.

Additional information on the Town of Tolland's long-term debt can be found in Note 3F on pages 45-48 of this report.



## Economic Factors and Next Year's Budget and Rates

Local and State Governments throughout the country, including Tolland, continue to deal with the global and national issues and the economic reality of the Federal and State budget deficits. The Town Council and staff have continued to address these issues while still trying to provide first rate services. There are continued efforts to grow the Town's tax base, retain current businesses and increase economic development opportunities. The Town is working with the Towns' of Bolton, Coventry and Mansfield to create a regional economic development action plan. Some significant items to note for economic growth are as follows:

- New businesses that opened in FY 2018-19 included an adult-care center, a fitness center and a flooring shop. In addition, the Planning and Zoning Commission approved a new 2,300 square foot office building (not built yet) and approved an addition to a contractor's storage building under construction.
- The Town Council approved the sale of a vacant 16-acre parcel in the business park to a local contractor. The contractor intends to build just over 30,000 square feet of space for contractor storage.
- Approvals have been given to convert a vacant 55,000 square foot building into a storage facility. The plans entail the addition of 25,000 square feet.

The new economic indicators were taken into consideration when adopting the general fund budget for fiscal year 2019/2020. The preliminary State budget reduced Tolland's municipal aid by \$555,742 or 5.6%. A budget including this decrease was approved at Town-wide referendum on May 7, 2019. Subsequent to the budget being approved, the State Legislature increased the amount of the revenue to the Town by an additional \$568,966. The Town Council voted to establish an ordinance to create a municipal tax stabilization fund with \$225,000 of these funds. This will assist with a method to provide funding to smooth the anticipated impact on the mill rate for future revenue losses for Education Cost Sharing revenue. Town Council also appropriated \$75,000 for the portions of the Birch Grove School Construction that will not be funded by State grants.

We are fortunate that we did experience a .296% increase in our October 1, 2018 Grand List. This resulted in an increase of approximately \$132,573 in actual dollars generated based on the FY 18-19 mill rate. The value of these funds is factored into the FY 19-20 mill rate calculation. Without them, the mill rate would have been higher.

When factoring in all the changes in non-tax revenue sources including the proposed reduction of State Municipal aid we were facing a decrease in revenues overall in the amount of \$858,742. A majority of this revenue loss is covered by a combined increase in tax revenue along with using \$300,000 from fund balance. The Town Manager and Finance Director have recommended cautious use of fund balance and a plan should be in place for the next budget to responsibly plan to replenish or limit the future use of fund balance. A revised fund balance reserve policy was approved by Town Council to support this recommendation.

In 2019/2020 the overall Town expenditure budget increased by 1.07% which required a 1.05 mill increase. This increase was much less than comparable Connecticut Towns. As we have on a regular basis over the last several years in response to the economic times, we have minimized, to the extent practical, expenditures while doing everything possible to retain or improve upon the quality of programs and services offered. Our budget philosophy is to focus on our ability to sustain over time essential services and programs and to address absolute needs in a prioritized manner.

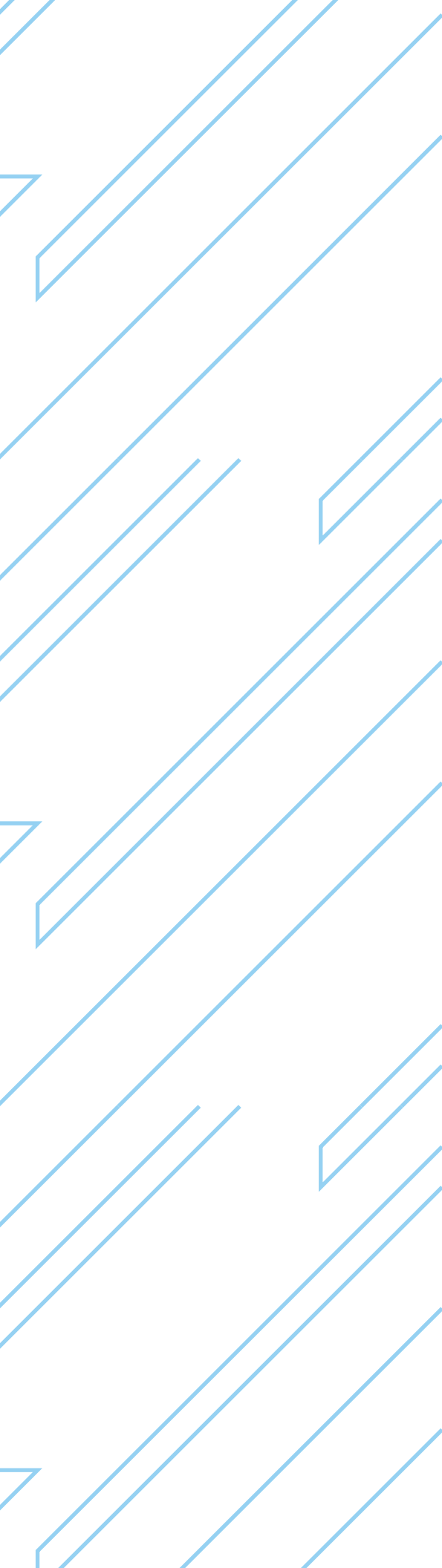
Amounts available for the FY 2019/2020 appropriation in the general fund budget are \$56,772,735, an increase of \$602,038 over the fiscal year 2019 budget of \$56,170,697. A combination of increased costs for fixed items such as, insurance, utilities, salaries, employee benefits and other commodities and the transition of contracted out engineering services to a full-time Town Engineer position, along with a substantial change in the percentage decrease in State aid had the biggest impact on the fiscal year 2019/2020 budget. In order to achieve this budget level, cost savings measures were employed such as eliminating the one free bulky waste pickup, savings in a renegotiated school bus transportation contract and savings in health insurance premiums using revised trend assumptions and some of the reserve balance.

In an attempt to meet the challenge of accomplishing the most with limited resources, the Town continued strong efforts to apply for several grant funding initiatives to address infrastructure and community needs. The Town was successful in obtaining grant funds to do road improvements, community development grants (CDBG-Small Cities) and other social service grants. Tolland was also very fortunate to be awarded two State School Construction grants to reconstruct the Birch Grove Elementary School due to a crumbling foundation. This situation is a result of pyrrhotite levels in the concrete foundation causing the foundation to crumble. The State awarded a 100%, \$9 million grant to fund the portable classrooms while the demolition and construction are being completed. In conjunction, the construction project is estimated at \$45 million and the State has awarded 89% funding (\$40,050,000) for the replacement of this school.

Tolland's unemployment rate decreased from 3.8% as of June 2018 to 3.1% as of June 2019. The State of CT unemployment rate decreased from 4.5% (June 2018) to 3.8% as of June 2019.

### **Requests for Information**

This financial report is designed to provide a general overview of the Town of Tolland'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 Office of the Director of Finance and Records, 21 Tolland Green, Tolland, CT 06084.



## **Basic Financial Statements**

**TOWN OF TOLLAND, CONNECTICUT**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2019**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Assets:</b>			
Cash and cash equivalents	\$ 17,536,134	\$ 1,012,086	\$ 18,548,220
Investments	3,351,559		3,351,559
Property taxes receivable	869,000		869,000
Intergovernmental receivable	101,914		101,914
Accounts and other receivables	1,517,282	290,028	1,807,310
Other assets	41,736		41,736
Advance to plan administrator	2,590,768		2,590,768
Restricted cash	292,263		292,263
Restricted investments	20,800		20,800
Capital assets, nondepreciable	18,336,627	123,217	18,459,844
Capital assets, net of accumulated depreciation	99,578,140	7,843,436	107,421,576
Total assets	<u>144,236,223</u>	<u>9,268,767</u>	<u>153,504,990</u>
<b>Deferred Outflows of Resources:</b>			
Deferred outflows related to OPEB	1,373,988		1,373,988
Deferred charge on refunding	1,018,276		1,018,276
Total deferred outflows of resources	<u>2,392,264</u>	<u>-</u>	<u>2,392,264</u>
<b>Liabilities:</b>			
Accounts payable	800,196	95,505	895,701
Accrued liabilities	75,065		75,065
Accrued interest payable	382,961		382,961
Unearned revenue	127,380		127,380
Noncurrent liabilities, due within one year	4,182,802		4,182,802
Noncurrent liabilities, due in more than one year	44,902,195		44,902,195
Total liabilities	<u>50,470,599</u>	<u>95,505</u>	<u>50,566,104</u>
<b>Deferred Inflows of Resources:</b>			
Deferred inflows related to OPEB	20,761		20,761
Advance property tax collections	463,532		463,532
Total deferred inflows of resources	<u>484,293</u>	<u>-</u>	<u>484,293</u>
<b>Net Position:</b>			
Net investment in capital assets	73,179,715	7,966,653	81,146,368
Restricted for:			
Committed for capital repairs and improvements		76,294	76,294
Endowments - nonexpendable	20,800		20,800
Perpetual care - nonexpendable	292,263		292,263
Unrestricted	<u>22,180,817</u>	<u>1,130,315</u>	<u>23,311,132</u>
Total Net Position	<u>\$ 95,673,595</u>	<u>\$ 9,173,262</u>	<u>\$ 104,846,857</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF TOLLAND, CONNECTICUT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2019**

Functions/Programs	Expenses	Program Revenues			Net Revenues (Expenses) and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
Administration	\$ 1,075,524	\$	\$	\$	\$ (1,075,524)	\$	\$ (1,075,524)
Planning and community development	502,276	481,779			(20,497)		(20,497)
Community services	1,777,504	453,327	28,535		(1,295,642)		(1,295,642)
Public works	9,388,239	56,112	24,443	2,084,524	(7,223,160)		(7,223,160)
Public safety services	2,563,483	443,682	1,713		(2,118,088)		(2,118,088)
Record and financial services	1,242,415	94,022			(1,148,393)		(1,148,393)
Board of education	43,885,556	1,113,293	14,079,044	78,571	(28,614,648)		(28,614,648)
Interest expense	1,394,808				(1,394,808)		(1,394,808)
Total governmental activities	<u>61,829,805</u>	<u>2,642,215</u>	<u>14,133,735</u>	<u>2,163,095</u>	<u>(42,890,760)</u>	<u>-</u>	<u>(42,890,760)</u>
Business-type activities:							
Sewer Fund	436,016	346,297				(89,719)	(89,719)
Water Fund	<u>384,383</u>	<u>432,571</u>				<u>48,188</u>	<u>48,188</u>
Total business-type activities	<u>820,399</u>	<u>778,868</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(41,531)</u>	<u>(41,531)</u>
Total	<u>\$ 62,650,204</u>	<u>\$ 3,421,083</u>	<u>\$ 14,133,735</u>	<u>\$ 2,163,095</u>	<u>(42,890,760)</u>	<u>(41,531)</u>	<u>(42,932,291)</u>
General revenues:							
Property taxes					45,216,830		45,216,830
Grants and contributions not restricted to specific programs					521,497		521,497
Investment income					610,285	10,577	620,862
Miscellaneous					139,495		139,495
Transfers					11,425	(11,425)	-
Total general revenues and transfers					<u>46,499,532</u>	<u>(848)</u>	<u>46,498,684</u>
Change in net position					3,608,772	(42,379)	3,566,393
Net Position at Beginning of Year					<u>92,064,823</u>	<u>9,215,641</u>	<u>101,280,464</u>
Net Position at End of Year					<u>\$ 95,673,595</u>	<u>\$ 9,173,262</u>	<u>\$ 104,846,857</u>

The accompanying notes are an integral part of the financial statements

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

	<u>General</u>	<u>Sewer Assessment</u>	<u>CDBG Small Cities</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>						
Cash and cash equivalents	\$ 9,798,816	\$ 804,991	\$ 116,064	\$ 3,614,011	\$ 2,523,663	\$ 16,857,545
Investments	1,516,097			759,213	1,097,049	3,372,359
Receivables	843,532	334,260	955,507	154,090	78,218	2,365,607
Due from other funds	47,526					47,526
Other					41,736	41,736
Total Assets	<u>\$ 12,205,971</u>	<u>\$ 1,139,251</u>	<u>\$ 1,071,571</u>	<u>\$ 4,527,314</u>	<u>\$ 3,740,666</u>	<u>\$ 22,684,773</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>						
Liabilities:						
Accounts and other payables	\$ 145,392	\$	\$	\$ 63,161	\$ 20,154	\$ 228,707
Accrued liabilities	75,065					75,065
Due to other funds				46,243	1,283	47,526
Unearned revenue					127,380	127,380
Total liabilities	<u>220,457</u>	<u>-</u>	<u>-</u>	<u>109,404</u>	<u>148,817</u>	<u>478,678</u>
Deferred Inflows of Resources:						
Unavailable revenue - property taxes	644,763					644,763
Unavailable revenue - special assessments		334,260			25,009	359,269
Unavailable revenue - loans receivable			955,507			955,507
Unavailable revenue - cemetery					9,575	9,575
Advance property tax collections	463,532					463,532
Total deferred inflows of resources	<u>1,108,295</u>	<u>334,260</u>	<u>955,507</u>	<u>-</u>	<u>34,584</u>	<u>2,432,646</u>
Fund Balances:						
Nonspendable					354,799	354,799
Restricted			116,064		56,419	172,483
Committed	696,522	804,991		4,417,910	3,146,047	9,065,470
Assigned	2,030,521					2,030,521
Unassigned	8,150,176					8,150,176
Total fund balances	<u>10,877,219</u>	<u>804,991</u>	<u>116,064</u>	<u>4,417,910</u>	<u>3,557,265</u>	<u>19,773,449</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 12,205,971</u>	<u>\$ 1,139,251</u>	<u>\$ 1,071,571</u>	<u>\$ 4,527,314</u>	<u>\$ 3,740,666</u>	<u>\$ 22,684,773</u>

The accompanying notes are an integral part of the financial statements

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

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

Amounts reported for governmental activities in the statement of net position (Exhibit I) are different from the governmental fund balance sheet. The details of this difference are as follows:

Total fund balances (Exhibit III)	\$ 19,773,449
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:	
Governmental capital assets	\$ 223,017,053
Less accumulated depreciation	<u>(105,102,286)</u>
	117,914,767
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds:	
Property tax interest and lien accrual	116,505
Property tax, sewer use, water assessment and community development block grant receivable - accrual basis change	1,969,114
Allowance for doubtful accounts on interest and liens	(10,485)
Deferred outflows of resources related to OPEB	1,373,988
Internal service funds are used by management to charge the costs of risk management to individual funds. The assets and liabilities of the internal service funds are reported with governmental activities in the statement of net position.	3,006,700
Some liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:	
Bonds and notes payable	(33,165,000)
Other post employment benefit liability	(2,189,121)
Deferred inflows of resources related to OPEB	(20,761)
Deferred charge on refunding	1,018,276
Compensated absences	(1,142,548)
Accrued interest payable	(382,961)
Capital lease	(10,481,503)
Bond premium	<u>(2,106,825)</u>
Net Position of Governmental Activities (Exhibit I)	<u>\$ 95,673,595</u>

The accompanying notes are an integral part of the financial statements

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

	<u>General</u>	<u>Sewer Assessment</u>	<u>CDBG Small Cities</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:						
Property taxes	\$ 45,048,508	\$	\$	\$	\$	\$ 45,048,508
Intergovernmental	13,349,967			1,183,182	976,342	15,509,491
Charges for services	677,351	99,390	62,799		1,490,190	2,329,730
Investment income	393,603	12,634		88,928	74,147	569,312
Other revenues	141,424	24		421,773	9,989	573,210
Total revenues	<u>59,610,853</u>	<u>112,048</u>	<u>62,799</u>	<u>1,693,883</u>	<u>2,550,668</u>	<u>64,030,251</u>
Expenditures:						
Current:						
Administration	2,808,468					2,808,468
Planning and community development	412,478					412,478
Community services	916,809		78,079		351,803	1,346,691
Public works	4,610,435				28,235	4,638,670
Public safety services	2,016,586				19,169	2,035,755
Record and financial services	997,461					997,461
Contingency and other	76,296					76,296
Board of Education	42,635,947				1,890,311	44,526,258
Capital outlay				5,673,805		5,673,805
Debt service	5,020,102	207,835				5,227,937
Total expenditures	<u>59,494,582</u>	<u>207,835</u>	<u>78,079</u>	<u>5,673,805</u>	<u>2,289,518</u>	<u>67,743,819</u>
Excess (Deficiency) of Revenues over Expenditures	<u>116,271</u>	<u>(95,787)</u>	<u>(15,280)</u>	<u>(3,979,922)</u>	<u>261,150</u>	<u>(3,713,568)</u>
Other Financing Sources (Uses):						
Transfers in	763,601	26,425		639,169	91,048	1,520,243
Transfers out	(733,078)			(5,298)	(292,139)	(1,030,515)
Net other financing sources (uses)	<u>30,523</u>	<u>26,425</u>	<u>-</u>	<u>633,871</u>	<u>(201,091)</u>	<u>489,728</u>
Net Change in Fund Balances	146,794	(69,362)	(15,280)	(3,346,051)	60,059	(3,223,840)
Fund Balances at Beginning of Year	<u>10,730,425</u>	<u>874,353</u>	<u>131,344</u>	<u>7,763,961</u>	<u>3,497,206</u>	<u>22,997,289</u>
Fund Balances at End of Year	<u>\$ 10,877,219</u>	<u>\$ 804,991</u>	<u>\$ 116,064</u>	<u>\$ 4,417,910</u>	<u>\$ 3,557,265</u>	<u>\$ 19,773,449</u>

The accompanying notes are an integral part of the financial statements



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

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

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

Net change in fund balances - total governmental funds (Exhibit IV)	\$ (3,223,840)
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:

Capital outlay	3,714,356
Depreciation expense	(4,586,812)

Donations of capital assets increase net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources.	1,236,260
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Change in deferred outflows related to OPEB	1,357,382
Change in deferred inflows related to OPEB	(20,761)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, and revenues recognized in the funds are not reported in the statement of activities:

Decrease in property tax, sewer use, water assessment and community development block grant receivable - accrual basis change	101,569
Increase in property tax interest and lien revenue	19,888
Increase in property tax, sewer use and community development block grant allowance for doubtful accounts	(1,789)
Amortization of bond premiums	231,614

The issuance of long-term debt (e.g., bonds, leases) 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. The details of these differences in the treatment of long-term debt and related items are as follows:

Bond payments	3,145,000
Capital lease payments	750,268

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:

Compensated absences	48,041
Change in accrued interest	4,090
Amortization of deferred charge on refunding	(104,956)
Net other post employment benefit expense	1,550,501

The net income of the internal service funds is reported with governmental activities.	<u>(612,039)</u>
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Change in Net Position of Governmental Activities (Exhibit II)	<u>\$ 3,608,772</u>
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**TOWN OF TOLLAND, CONNECTICUT**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues:				
Property taxes	\$ 44,845,724	\$ 44,845,724	\$ 45,048,508	\$ 202,784
Intergovernmental	9,949,533	9,949,533	9,992,890	43,357
Charges for services	595,440	595,440	677,351	81,911
Investment income	75,000	75,000	393,603	318,603
Other revenues	15,000	15,000	73,440	58,440
Total revenues	<u>55,480,697</u>	<u>55,480,697</u>	<u>56,185,792</u>	<u>705,095</u>
Expenditures:				
Current:				
Administrative	2,937,288	2,939,376	2,865,362	74,014
Planning and community development	415,570	415,570	401,292	14,278
Community services	918,468	920,118	915,399	4,719
Public works	4,395,043	4,398,526	4,389,897	8,629
Public safety services	2,129,104	2,145,528	2,000,511	145,017
Record and financial services	951,132	934,138	931,755	2,383
Contingency and other	144,579	137,928	132,622	5,306
Board of Education	39,642,607	39,642,607	39,557,494	85,113
Debt service	4,478,295	4,468,952	4,468,517	435
Total expenditures	<u>56,012,086</u>	<u>56,002,743</u>	<u>55,662,849</u>	<u>339,894</u>
Excess of Revenues over Expenditures	<u>(531,389)</u>	<u>(522,046)</u>	<u>522,943</u>	<u>1,044,989</u>
Other Financing Sources (Uses):				
Cancellation of prior year encumbrances			38,169	38,169
Appropriation of fund balance	690,000	1,648,463		(1,648,463)
Transfers in			280,000	280,000
Transfers out	<u>(158,611)</u>	<u>(1,126,417)</u>	<u>(1,126,417)</u>	<u>-</u>
Net other financing sources (uses)	<u>531,389</u>	<u>522,046</u>	<u>(808,248)</u>	<u>(1,330,294)</u>
Excess of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	<u>\$ -</u>	<u>\$ -</u>	<u>(285,305)</u>	<u>\$ (285,305)</u>
Fund Balance at Beginning of Year			<u>9,010,481</u>	
Fund Balance at End of Year			<u>\$ 8,725,176</u>	

The accompanying notes are an integral part of the financial statements

**TOWN OF TOLLAND, CONNECTICUT**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2019**

	<b>Business-Type Activities Enterprise Funds</b>			<b>Governmental Activities</b>
	<b>Water Fund</b>	<b>Sewer Fund</b>	<b>Total</b>	<b>Internal Service Funds</b>
<b>Assets:</b>				
Current assets:				
Cash and cash equivalents	\$ 857,682	\$ 154,404	\$ 1,012,086	\$ 970,852
Advance to plan administrator			-	2,590,768
Accounts receivable	107,839	182,189	290,028	16,569
Total current assets	<u>965,521</u>	<u>336,593</u>	<u>1,302,114</u>	<u>3,578,189</u>
Noncurrent assets:				
Capital assets, nondepreciable:				
Land	50,858		50,858	
Construction in progress	26,099	46,260	72,359	
Capital assets, net of accumulated depreciation:				
Plant and pumping station	375,138	615,600	990,738	
Distribution system	<u>1,823,033</u>	<u>5,029,665</u>	<u>6,852,698</u>	
Total noncurrent assets	<u>2,275,128</u>	<u>5,691,525</u>	<u>7,966,653</u>	<u>-</u>
Total assets	<u>3,240,649</u>	<u>6,028,118</u>	<u>9,268,767</u>	<u>3,578,189</u>
<b>Liabilities:</b>				
Current liabilities:				
Accounts payable	24,755	70,750	95,505	45,389
Claims payable			-	526,100
Total current liabilities	<u>24,755</u>	<u>70,750</u>	<u>95,505</u>	<u>571,489</u>
<b>Net Position:</b>				
Net investment in capital assets	2,275,128	5,691,525	7,966,653	
Restricted for commitments for capital repairs and improvements	76,294		76,294	
Unrestricted	<u>864,472</u>	<u>265,843</u>	<u>1,130,315</u>	<u>3,006,700</u>
<b>Total Net Position</b>	<u>\$ 3,215,894</u>	<u>\$ 5,957,368</u>	<u>\$ 9,173,262</u>	<u>\$ 3,006,700</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF TOLLAND, CONNECTICUT**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	<b>Business-Type Activities Enterprise Funds</b>			<b>Governmental Activities</b>
	<b>Water Fund</b>	<b>Sewer Fund</b>	<b>Total</b>	<b>Internal Service Funds</b>
Operating Revenues:				
Charges for services	\$ 388,963	\$ 346,297	\$ 735,260	\$ 1,769,212
Other charges for services	43,608		43,608	
Employer contributions			-	6,544,660
Total operating revenues	<u>432,571</u>	<u>346,297</u>	<u>778,868</u>	<u>8,313,872</u>
Operating Expenses:				
Professional services	70,346	47,579	117,925	
Repairs and maintenance	69,688	6,506	76,194	
Service fees	7,305	128,965	136,270	
Materials and supplies	15,301	13,165	28,466	
Utilities	118,406	32,805	151,211	1,020,912
Administration			-	76,329
Employee benefits			-	7,198,453
Depreciation	97,194	206,996	304,190	
Total operating expenses	<u>378,240</u>	<u>436,016</u>	<u>814,256</u>	<u>8,295,694</u>
Operating Income (Loss)	<u>54,331</u>	<u>(89,719)</u>	<u>(35,388)</u>	<u>18,178</u>
Nonoperating Revenue (Expenses):				
Interest expense			-	(192,887)
Investment income	8,456	2,121	10,577	40,973
Loss on disposal	(6,143)		(6,143)	
Net nonoperating revenue (expense)	<u>2,313</u>	<u>2,121</u>	<u>4,434</u>	<u>(151,914)</u>
Income (Loss) Before Transfers	<u>56,644</u>	<u>(87,598)</u>	<u>(30,954)</u>	<u>(133,736)</u>
Transfers In			-	5,298
Transfers Out		(11,425)	(11,425)	(483,601)
Total transfers	<u>-</u>	<u>(11,425)</u>	<u>(11,425)</u>	<u>(478,303)</u>
Change in Net Position	56,644	(99,023)	(42,379)	(612,039)
Net Position at Beginning of Year	<u>3,159,250</u>	<u>6,056,391</u>	<u>9,215,641</u>	<u>3,618,739</u>
Net Position at End of Year	<u>\$ 3,215,894</u>	<u>\$ 5,957,368</u>	<u>\$ 9,173,262</u>	<u>\$ 3,006,700</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF TOLLAND, CONNECTICUT**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	Business-Type Activities Enterprise Funds			Governmental Activities
	Water Fund	Sewer Fund	Total	Internal Service Funds
Cash Flows from Operating Activities:				
Receipts from customers	\$ 407,986	\$ 338,443	\$ 746,429	\$ 8,301,056
Payments to suppliers	(276,827)	(195,782)	(472,609)	(1,082,486)
Payments to providers of benefits			-	(6,577,404)
Net cash provided by (used in) operating activities	<u>131,159</u>	<u>142,661</u>	<u>273,820</u>	<u>641,166</u>
Cash Flows from Noncapital Financing Activities:				
Transfers in/out		(11,425)	(11,425)	(478,303)
Interest payments			-	(192,887)
Net cash provided by (used in) noncapital financing activities	<u>-</u>	<u>(11,425)</u>	<u>(11,425)</u>	<u>(671,190)</u>
Cash Flows from Capital and Related Financing Activities:				
Purchase of capital assets	<u>(52,835)</u>	<u>(23,985)</u>	<u>(76,820)</u>	
Cash Flows from Investing Activities:				
Investment income	<u>8,456</u>	<u>2,121</u>	<u>10,577</u>	<u>40,973</u>
Net Increase (Decrease) in Cash and Cash Equivalents	86,780	109,372	196,152	10,949
Cash and Cash Equivalents at Beginning of Year	<u>770,902</u>	<u>45,032</u>	<u>815,934</u>	<u>959,903</u>
Cash and Cash Equivalents at End of Year	<u>\$ 857,682</u>	<u>\$ 154,404</u>	<u>\$ 1,012,086</u>	<u>\$ 970,852</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:				
Operating income (loss)	\$ 54,331	\$ (89,719)	\$ (35,388)	\$ 18,178
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation expense	97,194	206,996	304,190	
(Increase) decrease in accounts receivable	(24,585)	(7,854)	(32,439)	(12,816)
(Increase) decrease in advance to plan administrator				627,305
Increase (decrease) in accounts payable	4,219	33,238	37,457	(17,401)
Increase (decrease) in claims payable				25,900
Net Cash Provided by (Used in) Operating Activities	<u>\$ 131,159</u>	<u>\$ 142,661</u>	<u>\$ 273,820</u>	<u>\$ 641,166</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF TOLLAND, CONNECTICUT**  
**STATEMENT OF NET POSITION**  
**FIDUCIARY FUNDS**  
**JUNE 30, 2019**

	<b>OPEB Trust Fund</b>	<b>Private Purpose Trust Fund Stevenson Scholarship</b>	<b>Agency Funds</b>
<b>Assets:</b>			
Cash and cash equivalents	\$	\$ 25,087	\$ 729,689
Investments:			
Mutual funds	1,282,525		
Accounts receivable			23,395
Total assets	<u>1,282,525</u>	<u>25,087</u>	<u>753,084</u>
<b>Liabilities:</b>			
Accounts payable			<u>753,084</u>
<b>Net Position:</b>			
Held in Trust for Other Purposes	\$ <u>1,282,525</u>	\$ <u>25,087</u>	\$ <u>-</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF TOLLAND, CONNECTICUT**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	<b>OPEB Trust Fund</b>	<b>Private Purpose Trust Fund Stevenson Scholarship</b>
Additions:		
Interest and dividends	\$	\$ 26
Contributions	325,723	
Net change in fair value of investments	61,219	
Total additions	<u>386,942</u>	<u>26</u>
Deductions:		
Benefits	<u>268,458</u>	
Change in Net Position	118,484	26
Net Position at Beginning of Year	<u>1,164,041</u>	<u>25,061</u>
Net Position at End of Year	<u>\$ 1,282,525</u>	<u>\$ 25,087</u>

The accompanying notes are an integral part of the financial statements

## **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **A. Reporting Entity**

The Town of Tolland, Connecticut (the Town), originally part of the Town of Windsor, was chartered in 1715 and incorporated in 1722. The Town maintains a Council-Manager form of government and provides the following services as authorized by its charter: public safety (police and fire), public works, education and social services.

The Town has considered all agencies, departments, commissions, boards (including the Board of Education), authorities and funds to determine the “financial reporting entity” of the Town. The “financial reporting entity” includes all funds of the Town (primary government) and its component unit. The Non-Profit Housing Corporation has been included in the reporting entity as an Agency Fund because the Town has a fiduciary responsibility with respect to the Corporation.

### **B. Basis of Presentation**

The financial statements of the Town have been prepared in conformity with accounting principles generally accepted in the United States of America (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 (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Town as a whole. For the most part, the effect of interfund activity has been removed from these statements, except for interfund services provided and used. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise 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 since 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 and interest associated with the current fiscal period are all considered to be susceptible to accrual and 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.

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

The Town reports the following major governmental funds:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Sewer Assessment Fund* accounts for the capital resources used for sewer capital improvements that benefit property owners in a limited area. A special assessment on the benefiting property owners imposes the recovery of the cost of the improvements. A special assessment debt is secured by anticipated payments from property owners with the option of paying in a lump sum or in interest bearing annual installments over the life of the bonds. The major source of revenue is derived from assessment fees and use charges.

The *CDBG Small Cities Fund* accounts for funds for rehabilitation loans to property owners. The major source of revenue for this fund is intergovernmental revenues and program income.

The *Capital Projects Fund* accounts for revenues to be used for major capital asset construction and/or purchases funded by debt issuances, grants and General Fund appropriations.

The Town reports the following major proprietary funds:

The *Water Fund* accounts for activities of the government's water operations.

**TOWN OF TOLLAND, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

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The *Sewer Fund* accounts for the maintenance and repair needs of the sewer system. The Town of Tolland does not own its own sanitary sewer treatment plant and contracts for treatment with the Town of Vernon. The Sewer Fund pays for treatment on the basis of volume of waste and in accordance with sewer usage fees of the Town of Vernon. The major source of revenue for this fund is the collection of sewer use fees.

Additionally, the Town reports the following fund types:

The *Internal Service Funds* are used to account for the fees associated with the utilities and the debt service on the ESCO project, along with future system improvements and repairs, and the self-insured medical activities of the Town and Board of Education.

The *Other Post Employment Benefit Trust Fund* is used to account for the activities for both Town and Board of Education for other post employment benefits (e.g., health insurance, life insurance) that accumulate resources for other post employment benefit payments to qualified employees.

The *Private Purpose Trust Fund* is used to account for resources legally held in trust for student scholarships. None of the resources of the fund, including any earnings on invested resources, can be used to support the Town's activities. The fund has a nonexpendable portion.

The *Agency Funds* account for monies held on behalf of students, employees and other community groups and amounts held for performance bonds.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the Water Fund and Sewer Fund and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are charges to customers for services. The enterprise fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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.

### **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.

**TOWN OF TOLLAND, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

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State statutes authorize the Town to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements and certain other investments as described in Note 3.

**D. Investments**

Investments are reported at fair value.

**E. Receivables and Payables**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

**F. Restricted Assets**

The Cemetery Perpetual Care and Ratcliff Memorial School Funds are restricted to expenditure of the investment income only for the donor-designated purpose. Any appreciation of the funds is also restricted.

**G. Capital Assets**

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$5,000 for equipment, \$25,000 for improvements and \$50,000 for infrastructure, and an estimated useful life of more than 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 lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

**TOWN OF TOLLAND, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
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Property, plant and equipment of the primary government, as well as the component unit, is depreciated using the straight-line method over the following estimated useful lives.

<b>Assets</b>	<b>Years</b>
Buildings	50-75
Building improvements	50
Land improvements	20-30
Roads	30-50
Bridges	30-50
Sewer transmission lines	50
Meters and hydrants	50
Vehicles	5-30
Machinery and equipment	3-10
Fire equipment	20-25

#### **H. 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 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 OPEB results from differences between expected and actual experience and investment gains or losses. These amounts are deferred and included in 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 OPEB plan (active employees and inactive employees). No deferred outflows of resources affect the governmental fund financial statements in the current year.

#### **I. 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 advance property tax collections and deferred inflows of resources related to OPEB in the government-wide statement of net position. A deferred inflow of resources related to OPEB results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in 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 OPEB plan (active employees and inactive employees). Advance property tax collections represent taxes inherently associated with a future period. This amount is recognized during the period in which the revenue is associated. For governmental funds, the Town reports unavailable revenue, which arises only under the modified accrual basis of accounting. The governmental funds report unavailable revenues from several sources: property taxes, special assessments, cemetery operations 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.

#### **J. Compensated Absences**

Based on union contracts, certain Town and Board of Education employees may accumulate a certain amount of unused vacation and sick leave based upon length of employment. The amount recorded as a liability is based upon current salary levels. All vacation and sick pay is accrued when incurred in the government-wide, proprietary and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

#### **K. 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.

#### **L. 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, business-type 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.

#### **M. Equity**

Equity in the government-wide financial statements is defined as "net position" and is classified in the following categories:

##### **Net Investment in Capital Assets**

This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

##### **Restricted Net Position**

Net position restrictions are 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.

**TOWN OF TOLLAND, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
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**Unrestricted Net Position**

This component consists of net position that does not meet the definition of “restricted” or “net investment in capital assets.”

The equity of the fund financial statements is defined as “fund balance” and is classified in the following categories:

**Nonspendable Fund Balance**

This represents amounts that cannot be spent due to form (e.g., inventories and prepaid amounts).

**Restricted Fund Balance**

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

**Committed Fund Balance**

This represents the portion of a governmental fund’s resources whose use is subject to a legally binding constraint that is imposed by the Town Council that remains legally binding unless removed in the same manner. These constraints are set by the Town Council through an ordinance.

**Assigned Fund Balance**

This represents amounts constrained for the intent to be used for a specific purpose by the Town Council or Finance Director that has been delegated authority to assign amounts by the Town Charter.

**Unassigned Fund Balance**

This 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.

The Town has a minimum fund balance policy that states that the unassigned fund balance of the Town must be between 8-15% of the Town’s most recent approved operating budget.

**N. Property Taxes**

Property taxes are assessed as of October 1 and billed the following July 1 and January 1. Interest at the rate of 1.5% per month accrues on all overdue taxes. Assessments for real and personal property, excluding motor vehicles, are computed at 70% of appraised market value. A lien is placed on the property if real estate taxes are unpaid as of June 30 following the payable date.

Property tax revenues are recognized when they become available. Available means due or past due and receivable within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. The Town defines the current period to mean within 60 days after year end. Property taxes receivable not expected to be collected during the available period are reflected in deferred revenue in the fund financial statements. The entire receivable is recorded as revenue in the government-wide financial statements. Property taxes collected prior to June 30 that are applicable to the subsequent years’ assessment are reflected as advance tax collections in both the fund financial statements and the government-wide financial statements.

## **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 disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

## **2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

### **A. Budgetary Information**

The Town adheres to the following procedures in establishing the budgetary data included in the financial statements of the General Fund, the only fund with a legally adopted annual budget. The budget is prepared by the Town Manager and submitted to the Town Council in March. In April, the Town Council submits the proposed Town budget for the year commencing July 1 to the public for comment. In May, the Town budget is presented at referendum for approval. After approval, the Town Council meets to set the mill rate. The operating budget includes proposed expenditures and the means of financing them.

- The Town Council is authorized to transfer any budgeted amounts between departments and to approve additional appropriations up to \$40,000 in the aggregate in any one year. All additional appropriations in excess of \$40,000 in the aggregate must be subject to a public hearing. During the year ended June 30, 2019, the Town approved additional appropriations of \$958,463 from fund balance.
- Management is authorized to make budgetary transfers within departments but cannot approve additional appropriations.
- Formal budgetary integration is employed as a management control device during the year.
- The legal level of control (the level at which expenditures may not legally exceed appropriations) is at the department level within a function.
- The Board of Education, which is not a separate legal entity but a function of the Town, is authorized under State law to make any transfers required within their budget at their discretion. Any additional appropriations must have Board of Education and Town Council approval.
- Encumbrances are recognized as valid and proper charge against a budget appropriation in the year in which the purchase order, contract or other commitment is issued, and, accordingly, encumbrances outstanding at year end are reported in budgetary reports as expenditures in the current year. Generally, all unencumbered appropriations lapse at year end, except those for the Capital Project Funds. Appropriations for capital projects are continued until completion of applicable projects, even when projects extend more than one fiscal year.

**TOWN OF TOLLAND, CONNECTICUT  
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JUNE 30, 2019**

A reconciliation of the accounting treatment required by GAAP and budgetary requirements at June 30, 2019 is as follows:

	<b>Revenues and Other Financing Sources</b>	<b>Expenditures and Other Financing Uses</b>	<b>Fund Balance</b>
Balance, budgetary basis	\$ 56,503,961	\$ 56,789,266	\$ 8,725,176
Prior year encumbrances liquidated		1,446,185	
Prior year encumbrances cancelled	(38,169)		
Prior year encumbrances still outstanding			189,010
Utility Service Fund transfer nonbudgeted	483,601	483,601	
Education Reserve Fund beginning fund balance			46,580
Debt Service Interest refund credits	67,984	67,984	
Education Reserve Fund expenditures nonbudgeted		18,397	(18,397)
Education Reserve Fund transfers are budgeted		(393,339)	393,339
Current year encumbrances		(1,541,511)	1,541,511
State of Connecticut grants for Special Education Excess Costs, netted for budgetary purposes	951,160	951,160	
State Teachers' Retirement OPEB revenue	(3,486,732)	(3,486,732)	
State Teachers' Retirement pension expense	<u>5,892,649</u>	<u>5,892,649</u>	
Balance, GAAP Basis	<u>\$ 60,374,454</u>	<u>\$ 60,227,660</u>	<u>\$ 10,877,219</u>

### **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."



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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). These investment pools are under the control of the State Treasurer, with oversight provided by the Treasurer's Cash Management Advisory Board, and are 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.

## **Deposits**

### **Deposit Custodial Credit Risk**

Custodial credit risk is the risk that, in the event of a bank failure, the Town's deposit will not be returned. The Town does not have a deposit policy for custodial credit risk. 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*, \$16,031,879 of the Town's bank balance of \$17,869,195 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 14,303,691
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name	<u>1,728,188</u>
Total Amount Subject to Custodial Credit Risk	\$ <u>16,031,879</u>

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**Cash Equivalents**

At June 30, 2019, the Town's cash equivalents amounted to \$4,561,239. The following table 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.

	<b>Standard &amp; Poor's</b>	<b>Fitch Ratings</b>
State Short-Term Investment Fund (STIF)	AAAm	

**Investments**

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

<b>Investment Type</b>	<b>Credit Rating</b>	<b>Fair Value</b>	<b>Investment Maturities (Years)</b>		
			<b>Less Than 1</b>	<b>1 - 10</b>	<b>More than 10</b>
Certificates of deposit*		\$ 1,815,340	\$ 1,815,340	\$ _____	\$ _____
Total		1,815,340	\$ <u>1,815,340</u>	\$ <u>-</u>	\$ <u>-</u>
Other investments:					
Mutual funds		<u>2,839,544</u>			
Total Investments		\$ <u>4,654,884</u>			

\*Subject to coverage by Federal Depository Insurance and collateralization.

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

	<b>Fair Value</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Investments by fair value level:				
Mutual funds	\$ <u>2,839,544</u>	\$ <u>2,839,544</u>	\$ _____	\$ _____
Total investments by fair value level	2,839,544	\$ <u>2,839,544</u>	\$ <u>-</u>	\$ <u>-</u>
Certificates of deposit	<u>1,815,340</u>			
Total Investments	\$ <u>4,654,884</u>			

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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.

**Investment Custodial Credit Risk**

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value if its investment or collateral securities that are in the possession of an outside party. The Town does not have an investment policy for custodial credit risk. The Town does not hold any uninsured or unregistered securities at June 30, 2019.

**Credit Risk**

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 places no limit on the amount invested in any one issuer. No more than 5% of the Town's investments were invested in any one issuer in which credit risk was applicable.

**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) and MBIA Class Plus Investment. 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 Short-Term Investment Fund is provided quarterly by the Investment Advisory Council and the Treasurer's Cash Management Board. Regulatory oversight for MBIA Class Plus Investment is provided by an investment advisory council consisting of members appointed by the municipalities. 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.

**B. Endowments Received**

	<b>Cemetery Perpetual Care Fund</b>	<b>Ratcliff Hicks Memorial School Fund</b>	<b>Total</b>
Original principal received	\$ 292,263	\$ 20,800	\$ 313,063
Net appreciation on investments	3,238	814,603	817,841
Total Value	<u>\$ 295,501</u>	<u>\$ 835,403</u>	<u>\$ 1,130,904</u>

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The original principal received remains in the net position on the statement of net position and is restricted for the trust principal, and in nonspendable fund balance on the balance sheet - governmental funds. The net appreciation on investments available for expenditures is included in unrestricted net position on the statement of net position, and in committed fund balance on the balance sheet - governmental funds 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.

The Town has interpreted the Connecticut Prudent Management of Institutional Funds Act (CTPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Town classifies as nonspendable fund balance (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in nonspendable fund balance is classified as committed fund balance until those amounts are appropriated for expenditure by the Town in a manner consistent with the standard of prudence prescribed by CTPMIFA. In accordance with CTPMIFA, the Town considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the organization and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Town
- The investment policies of the Town

**C. Receivables**

Receivables as of year end for the Town's individual major funds and nonmajor and fiduciary funds in the aggregate are as follows:

	<u>General</u>	<u>Sewer Assessment</u>	<u>Capital Projects</u>	<u>CDBG Small Cities</u>	<u>Nonmajor and Other Funds</u>	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Receivables:								
Taxes	\$ 788,417	\$	\$	\$	\$	\$	\$	\$ 788,417
Accounts and other	61,666	334,260		955,507	84,497	109,528	184,027	1,729,485
Intergovernmental	18,886		154,090		33,685			206,661
Gross receivables	868,969	334,260	154,090	955,507	118,182	109,528	184,027	2,724,563
Less allowance for collection losses	25,437					1,689	1,838	28,964
Net Total Receivables	<u>\$ 843,532</u>	<u>\$ 334,260</u>	<u>\$ 154,090</u>	<u>\$ 955,507</u>	<u>\$ 118,182</u>	<u>\$ 107,839</u>	<u>\$ 182,189</u>	<u>\$ 2,695,599</u>

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**D. Capital Assets**

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 14,468,253	\$	\$	\$	\$ 14,468,253
Rights of way	402,962	9,900			412,862
Construction in progress	768,456	2,824,933		(137,877)	3,455,512
Total capital assets not being depreciated	<u>15,639,671</u>	<u>2,834,833</u>	<u>-</u>	<u>(137,877)</u>	<u>18,336,627</u>
Capital assets being depreciated:					
Buildings and improvements	139,888,665			137,877	140,026,542
Vehicles, furniture and equipment	14,213,661	915,783	280,972		14,848,472
Infrastructure	48,605,412	1,200,000			49,805,412
Total capital assets being depreciated	<u>202,707,738</u>	<u>2,115,783</u>	<u>280,972</u>	<u>137,877</u>	<u>204,680,426</u>
Less accumulated depreciation for:					
Buildings and improvements	61,012,066	2,900,318			63,912,384
Vehicles, furniture and equipment	8,846,950	758,201	280,972		9,324,179
Infrastructure	30,937,430	928,293			31,865,723
Total accumulated depreciation	<u>100,796,446</u>	<u>4,586,812</u>	<u>280,972</u>	<u>-</u>	<u>105,102,286</u>
Total capital assets being depreciated, net	<u>101,911,292</u>	<u>(2,471,029)</u>	<u>-</u>	<u>137,877</u>	<u>99,578,140</u>
Governmental Activities Capital Assets, Net	<u>\$ 117,550,963</u>	<u>\$ 363,804</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 117,914,767</u>
Business-type activities:					
Capital assets not being depreciated:					
Land	\$ 50,858	\$	\$	\$	\$ 50,858
Construction in progress		50,084		22,275	72,359
Total capital assets not being depreciated	<u>50,858</u>	<u>50,084</u>	<u>-</u>	<u>22,275</u>	<u>123,217</u>
Capital assets being depreciated:					
Plant and pumping stations	2,549,554			(22,275)	2,527,279
Water/sewer distribution system	10,808,352	26,736	25,783		10,809,305
Total capital assets being depreciated	<u>13,357,906</u>	<u>26,736</u>	<u>25,783</u>	<u>(22,275)</u>	<u>13,336,584</u>
Less accumulated depreciation for:					
Plant and pumping stations	1,455,483	81,058			1,536,541
Water/sewer distribution system	3,753,115	223,132	19,640		3,956,607
Total accumulated depreciation	<u>5,208,598</u>	<u>304,190</u>	<u>19,640</u>	<u>-</u>	<u>5,493,148</u>
Total capital assets being depreciated, net	<u>8,149,308</u>	<u>(277,454)</u>	<u>6,143</u>	<u>(22,275)</u>	<u>7,843,436</u>
Business-Type Activities Capital Assets, Net	<u>\$ 8,200,166</u>	<u>\$ (227,370)</u>	<u>\$ 6,143</u>	<u>\$ -</u>	<u>\$ 7,966,653</u>

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

Governmental activities:	
Administration	\$ 261,822
General finance	10,260
Planning and development	8,043
Development and community affairs	126,519
Public works	1,999,092
Public safety services	281,679
Board of education	<u>1,899,397</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 4,586,812</u>
Business-type activities:	
Water	\$ 97,194
Sewer	<u>206,996</u>
Total Depreciation Expense - Business-Type Activities	<u>\$ 304,190</u>

**Construction Commitments**

The Town has active construction projects as of June 30, 2019. The projects include new construction. At year end, the government's commitments with contractors are as follows:

<u>Project</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
2017-2018 Education Bond Issue	\$ 2,894,597	\$ 6,705,403
Birch Grove School Portables	109,404	8,890,596
Birch Grove School Reconstruction	140	46,000,000
District-Wide School Projects	25,125	610,546
Ambulance 540	175,764	38,236
Public Works Garage Renovations	3,024,330	1,103,786
Drainage & Construction	34,630	234,342
Old Cathole Road North Town Share	169,400	241,400
Old Cathole Road State Share	7,755	2,100,845
Pavement Management	223,351	550,235
2018 Road Bond Project		5,000,000

The commitments are being financed with general obligation bonds and state and federal grants.

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

Interfund loans were generally used to transfer monies as a result of issuing bonds. The composition of interfund balances as of June 30, 2019 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Capital Projects Fund	\$ 46,243
General Fund	Nonmajor Governmental Funds	<u>1,283</u>
		<u>\$ 47,526</u>

All balances are expected to be repaid within a year.

Interfund transfers are generally used to supplement revenues of other funds. The transfers that occurred during the year are as follows:

	<u>Transfers In</u>					<u>Total Transfers Out</u>
	<u>General Fund</u>	<u>Sewer Assessment Fund</u>	<u>Capital Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Internal Service Fund</u>	
Transfers out:						
General Fund	\$	\$ 15,000	\$ 627,030	\$ 91,048	\$	\$ 733,078
Sewer Fund		11,425				11,425
Capital Projects Fund					5,298	5,298
Nonmajor Governmental Funds	280,000		12,139			292,139
Internal Service Fund	<u>483,601</u>					<u>483,601</u>
Total Transfers In	<u>\$ 763,601</u>	<u>\$ 26,425</u>	<u>\$ 639,169</u>	<u>\$ 91,048</u>	<u>\$ 5,298</u>	<u>\$ 1,525,541</u>

**F. Long-Term Debt**

**Changes in Long-Term Liabilities**

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds and notes payable:					
General obligation bonds	\$ 36,310,000	\$	\$ 3,145,000	\$ 33,165,000	\$ 3,275,000
Premium	<u>2,338,439</u>		<u>231,614</u>	<u>2,106,825</u>	
Total bonds and notes payable	38,648,439	-	3,376,614	35,271,825	3,275,000
Capital lease	11,231,771		750,268	10,481,503	760,520
Net OPEB liability	3,739,622		1,550,501	2,189,121	
Compensated absences	<u>1,190,589</u>	<u>48,996</u>	<u>97,037</u>	<u>1,142,548</u>	<u>147,282</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 54,810,421</u>	<u>\$ 48,996</u>	<u>\$ 5,774,420</u>	<u>\$ 49,084,997</u>	<u>\$ 4,182,802</u>

For the governmental activities, compensated absences are generally liquidated by the General Fund, and the Net OPEB liability is generally liquidated by the General Fund and the Health Insurance Internal Service Fund.

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**General Obligation Bonds**

The Town issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for governmental activities.

General obligation bonds are direct obligations of the Town for which full faith and credit are pledged and are payable from taxes levied on all taxable properties located within the Town.

General obligation bonds and long-term notes currently outstanding are as follows:

<b>Description</b>	<b>Date of Issue</b>	<b>Maturity</b>	<b>Interest Rate (%)</b>	<b>Amount of Original Issue</b>	<b>Annual Principal</b>	<b>Balance Outstanding June 30, 2019</b>
General purpose:						
General obligation	8/1/10	8/1/30	2.0-4.0	\$ 825,000	Various	\$ 539,119
General obligation refunding	10/1/11	10/1/26	2.0-3.0	2,675,000	Various	1,000,000
General obligation	9/1/12	9/1/27	1.5-3.0	1,145,310	Various	674,610
General obligation refunding	9/1/12	9/1/25	3.0-5.0	1,445,100	Various	780,600
General obligation refunding	10/1/14	8/1/24	2.0-4.0	2,117,715	Various	1,637,245
General obligation	10/15/15	10/15/35	2.0-4.0	7,275,000	Various	6,187,000
General obligation	5/15/18	5/15/43	3.0-5.0	7,169,908	Various	7,169,908
Total general purpose				<u>22,653,033</u>		<u>17,988,482</u>
School:						
School improvement	8/1/10	8/1/30	2.0-4.0	1,700,000	Various	1,110,881
School improvement	10/1/11	10/1/26	2.0-3.0	2,235,000	Various	965,000
School improvement	9/1/12	9/1/27	1.5-3.0	314,690	Various	185,390
School improvement - refunding	9/1/12	9/1/25	3.0-5.0	6,579,900	Various	4,999,400
School improvement - refunding	10/1/14	8/1/27	2.0-4.0	7,517,285	Various	5,437,755
School improvement	10/15/15	10/15/35	2.0-4.0	290,000	Various	308,000
School improvement	5/15/18	5/15/43	3.0-5.0	2,170,092	Various	2,170,092
Total school				<u>20,806,967</u>		<u>15,176,518</u>
Total Outstanding				<u>\$ 43,460,000</u>		<u>\$ 33,165,000</u>



**TOWN OF TOLLAND, CONNECTICUT**  
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Annual debt service requirements to maturity for general obligation bonds and long-term notes are as follows:

	<b>Bonds</b>	
	<b>Principal</b>	<b>Interest</b>
2020	\$ 3,275,000	\$ 1,125,125
2021	3,270,000	997,557
2022	3,285,000	861,101
2023	2,960,000	726,744
2024	2,985,000	607,016
2025-2029	8,990,000	1,897,390
2030-2034	4,150,000	1,045,302
2035-2039	2,710,000	481,937
2040-2043	1,540,000	134,750
	<u>\$ 33,165,000</u>	<u>\$ 7,876,922</u>

**Authorized but Unissued Bonds**

The total of authorized but unissued bonds at June 30, 2019 is \$8,251,769. In most cases, interim financing is obtained through bond anticipation notes or other short-term borrowings until the issuance of long-term debt.

**Statutory Debt Limitation**

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

<b>Category</b>	<b>Debt Limitation</b>	<b>Net Indebtedness</b>	<b>Balance</b>
General purpose	\$ 99,620,249	\$ 18,662,649	\$ 80,957,600
Schools	199,240,497	21,992,640	177,247,857
Sewers	166,033,748	761,480	165,272,268
Urban renewal	143,895,915		143,895,915
Pension deficit	132,826,998		132,826,998

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, or \$309,929,662. All long-term debt obligations are retired through General Fund appropriations. The indebtedness reflected above includes bonds and notes outstanding in addition to the amounts of bonds authorized and unissued against which bond anticipation notes are issued and outstanding.

**TOWN OF TOLLAND, CONNECTICUT**  
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**Capital Lease**

During 2011, the Town entered into a \$3,600,000 equipment taxable direct pay qualified energy conservation bond (QECB) lease/purchase agreement. The lease has an interest rate of 5.11%, a tax credit rate of 5.01% (70% of tax credit rate of 3.51%), and a net effective rate of 1.6% and matures on June 29, 2026. Principal and interest payments are made biannually and vary throughout the life of the lease.

In October 2013, the Town entered into a \$9,598,157 equipment lease to finance energy improvements across the Town's facilities to generate energy savings in the future. The lease had an interest rate of 3.49% and matures on October 2, 2033. During 2017, the Town refinanced this lease entering into a new lease for \$9,572,000, to pay off the old lease and prepayment penalty of \$9,332,590 and \$186,652, respectively. The new lease has an interest rate of 2.12% and matures on October 3, 2033. The debt is being repaid with the savings resulting from the energy improvements that have been made. Honeywell Corporation was awarded the contract to do the work and the contract provides for a performance guarantee to be paid by them if contractual savings are not met.

The assets acquired through the capital leases are as follows:

	<b>Governmental Activities</b>
Asset:	
ESCO Project	\$ 10,461,490
Geothermal heating system	3,682,123
Less accumulated depreciation	<u>3,330,141</u>
Total	<u>\$ 10,813,472</u>

The future minimum lease obligation and the net present value of the minimum lease payments as of June 30, 2019 were as follows:

<b>Fiscal Year Ending June 30,</b>	<b>Governmental Activities</b>
2020	\$ 1,035,135
2021	1,021,508
2022	1,007,881
2023	994,254
2024	980,626
Thereafter	<u>7,332,276</u>
Total lease payments	12,371,680
Less amount representing interest	<u>1,890,177</u>
Present Value of Future Minimum Lease Payments	<u>\$ 10,481,503</u>

**TOWN OF TOLLAND, CONNECTICUT  
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**4. FUND BALANCE**

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

	<u>General Fund</u>	<u>Sewer Assessment</u>	<u>CDBG Small Cities</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Fund balances:						
Nonspendable:						
Inventory	\$	\$	\$	\$	\$ 41,736	\$ 41,736
Permanent fund principal					313,063	313,063
Restricted for:						
Community rehabilitation services			116,064			116,064
Unspent grant proceeds					56,419	56,419
Committed to:						
Sewer capital improvements		804,991				804,991
Dog warden					74,966	74,966
Open space					129,320	129,320
Sewer escrow					25,332	25,332
Lodge furnishings					62,402	62,402
Business park improvements					19,069	19,069
Recreation					274,766	274,766
Water assessments					216,597	216,597
Food service					141,535	141,535
Education programs	421,522				1,314,302	1,735,824
Eviction storage					41	41
Cemeteries					233,881	233,881
Training center repair and replacement					6,777	6,777
Field maintenance					12,123	12,123
Veterans memorial					312	312
Conservation					50	50
Emergency storms					181,164	181,164
Artificial turf operation					6,106	6,106
Debt service	275,000				447,304	722,304
Special assessment projects				4,417,910		4,417,910
Assigned to:						
Administration	116,953					116,953
Planning & community development	29,381					29,381
Community services	45,803					45,803
Environmental maintenance	141,445					141,445
Public safety services	126,417					126,417
Records and financial services	65,880					65,880
Contingency	265,500					265,500
Education	939,142					939,142
Contribution to next fiscal budget	300,000					300,000
Unassigned	<u>8,150,176</u>					<u>8,150,176</u>
Total Fund Balances	<u>\$ 10,877,219</u>	<u>\$ 804,991</u>	<u>\$ 116,064</u>	<u>\$ 4,417,910</u>	<u>\$ 3,557,265</u>	<u>\$ 19,773,449</u>

Significant encumbrances of \$1,128,124 at June 30, 2019 are contained in the above table in the assigned category of the General Fund.

## **5. EMPLOYEE RETIREMENT PLANS**

### **A. Pension Plan - Defined Contribution**

The Town is the administrator of a single employer, defined contribution pension plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The plan covers substantially all Town and Board of Education employees except elected officials and certified teachers. Contributions are established and amended by the approval of the Town Council.

#### **Summary Plan Description**

All full-time Town employees who work at least 25 hours a week and all Board of Education employees who work 1,000 hours or more per year are required, as a condition of employment, to participate in the plan, except for elected officials and certified teachers. Eligible employees must be at least 18 years of age on or prior to their date of employment. Benefits vest 100% after five years. Any nonvested Town contributions and related interest thereon of employees who leave employment are reserved in a forfeiture account to offset future Town contributions. Normal retirement date is age 65. Plan provisions and the authority to amend the provisions are established by Town ordinance.

#### **Contribution Requirements/Contributions Made**

The employer contribution for Town and Board of Education employees for the plan year is 6% of earnings. The total Town and Board of Education contribution during the year ended June 30, 2019 was \$509,849 and represented 6% of covered payroll. The employees' required contributions were \$212,438 and represented 2.5% of covered payroll. The Town fully funded required employer's contributions and members who left the Town employment during a year have forfeiture assets in the amount of \$104,040 which will be available for future contributions.

#### **Employer and Employee Obligations**

Members are required to contribute 2.5% of their annual earnings. The Town is required to contribute 6% of the members' annual earnings.

### **B. Connecticut Teachers Retirement System - Pension**

#### **Plan Description**

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

#### **Benefit Provisions**

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

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**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 three years of highest salary).

**Early Retirement**

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

**Disability Retirement**

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

**Contributions**

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

*Employer (School Districts)*

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

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

*Employees*

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

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

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

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

Town's proportionate share of the net pension liability	\$ -
State's proportionate share of the net pension liability associated with the Town	<u>54,504,028</u>
Total	\$ <u>54,504,028</u>

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

For the year ended June 30, 2019, the Town recognized pension expense and revenue of \$5,892,649 in Exhibit II.

**Actuarial Assumptions**

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

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

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

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

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

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

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

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

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

**Discount Rate**

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

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

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

**Other Information**

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

## **6. OTHER POST EMPLOYMENT BENEFITS PLAN**

### **A. Retiree Medical Program**

#### **Summary of Significant Accounting Policies**

##### **Basis of Accounting**

The financial statements of the Retiree Medical Program (RMP) are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Administrative costs of the plan are paid by the Town.

Investments are reported at fair value. Investment income is recognized as earned.

##### **Plan Description**

The RMP is a single-employer defined benefit healthcare plan administered by the Town. The RMP provides medical and dental benefits to eligible retirees and their spouses. The Town nonunion, Board of Education certified and Board of Education noncertified groups are eligible to participate in the plan. Benefit provisions are established through negotiations between the Town and the various unions representing the employees.

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 OPEB Trust Committee, which consists of four members: the Town Manager, Director of Finance & Records, Tolland Superintendent of Schools and Business Manager for the Board of Education.

At July 1, 2018, plan membership consisted of the following:

	<b><u>Retiree Medical Program</u></b>
Retired members and spouses of retired members	54
Active plan members	<u>261</u>
Total	<u><u>315</u></u>



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**Funding Policy**

The contribution requirements of plan members and the Town 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 towards the cost of health insurance premiums as follows:

		<b>Monthly Weighted Average Premiums</b>	
		<b>Employee</b>	<b>Spouse</b>
Medical - Town	Pre 65	\$ 697.88	\$ 565.23
	Post 65	289.94	289.94
Medical - BOE	Pre 65	697.88	697.88
	Post 65	371.50	371.50
Dental		53.71	77.93

Employer contributions to the plan of \$325,723 were made in accordance with actuarially determined requirements.

**Investments**

**Investment Policy**

OPEB Benefits Plan's policy in regard to the allocation of invested assets is established and may be amended by the OPEB Trust Committee by a majority vote of its members. It is the policy of the OPEB Trust Committee to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The Trust requires the funds to be invested in VantageCare RHS Employer Investment Program which is specifically designed to reach goals.

**Rate of Return**

For the year ended June 30, 2019, the annual money-weighted rate of return on investments, net of investment expense, was 5.05%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**Net OPEB Liability of the Town**

The Town's net OPEB liability was measured as of June 30, 2019. The components of the net OPEB liability of the Town at June 30, 2019, were as follows:

Total OPEB liability	\$ 3,471,646
Plan fiduciary net position	<u>1,282,525</u>
Net OPEB Liability	<u><u>\$ 2,189,121</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability	36.94%

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**Actuarial Assumptions**

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

Inflation	2.75%
Salary increases	3.5%, average, including inflation
Investment rate of return	6.0%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	BOE, 5.4% decreasing to 4.4% over 67 years Town, 5.3% decreasing to 4.3% over 63 years

Mortality rates for teachers and administrators were based on the RP-2000 Combined Healthy Annuitant Mortality Table for Males or Females projected forward 19 years using Scale AA, with a two-year age setback. For all others, RP-2000 Mortality Table for Males and Females, with generational project per Scale AA; separate tables for active employees and annuitants.

The actuarial assumptions used in the July 1, 2018 valuation were based on standard tables modified for certain plan features such as eligibility for full and early retirement where applicable and input from the plan sponsor. A full actuarial experience study has not been completed.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset as of July 1, 2018 are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
U.S. Short Bonds	27.55 %	1.52 %
U.S. Large Caps	23.55	3.13
U.S. Core Fixed Income	19.10	2.27
U.S. High Yield Bonds	9.65	3.76
U.S. Inflation-Indexed Bonds	7.50	1.29
Foreign Developed Equity	6.35	3.91
U.S. Mid Caps	3.95	3.27
U.S. Small Caps	1.40	3.62
Emerging Markets Equity	0.95	4.59
Total	<u>100.00 %</u>	

**Discount Rate**

The discount rate used to measure the total OPEB liability was 6.0%. 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.

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**Changes in the Net OPEB Liability**

	<b>Increase (Decrease)</b>		
	<b>Total OPEB Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net OPEB Liability (a)-(b)</b>
Balances as of July 1, 2018	\$ 4,903,663	\$ 1,164,041	\$ 3,739,622
Changes for the year:			
Service cost	130,972		130,972
Interest on total OPEB liability	294,142		294,142
Differences between expected and actual experience	(279,634)		(279,634)
Changes in assumptions	(1,309,039)		(1,309,039)
Employer contributions		325,723	(325,723)
Net investment income		61,219	(61,219)
Benefit payments	(268,458)	(268,458)	-
Net changes	(1,432,017)	118,484	(1,550,501)
Balances as of June 30, 2019	\$ 3,471,646	\$ 1,282,525	\$ 2,189,121

**Sensitivity of the Net OPEB Liability to Changes in the Discount Rate**

The following presents the net OPEB liability of the Town, as well as what the Town's net OPEB liability would be if it were calculated using a discount rate that is 1% lower (5.0%) or 1% higher (7.0%) than the current discount rate:

	<b>1% Decrease</b>	<b>Current Discount Rate</b>	<b>1% Increase</b>
Net OPEB Liability	\$ 2,483,424	\$ 2,189,121	\$ 1,925,790

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

The following presents the net OPEB liability of the Town, as well as what the Town's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower (4.4% and 4.3% decreasing to 3.4% and 3.3%) or 1% higher (6.4% and 6.3% decreasing to 5.4% and 5.3%) than the current healthcare cost trend rates:

	<b>1% Decrease Healthcare cost Trend Rates</b>	<b>Current Rate Healthcare Cost Trend Rates</b>	<b>1% Increase Healthcare Cost Trend Rates</b>
Net OPEB Liability	\$ 1,857,414	\$ 2,189,121	\$ 2,573,713

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

For the year ended June 30, 2019, the Town recognized OPEB expense of \$145,055. At June 30, 2019, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual earnings on OPEB plan investments	\$ 1,132,142	\$ 20,761
Changes of assumptions	241,846	
Differences between expected and actual experience	<u>241,846</u>	
Total	\$ <u>1,373,988</u>	\$ <u>20,761</u>

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

<u>Year Ending June 30</u>	
2020	\$ (208,458)
2021	(208,458)
2022	(208,456)
2023	(212,607)
2024	(214,685)
Thereafter	(300,563)

**B. Other Post Employment Benefit - Connecticut State Teachers Retirement Plan**

**Plan Description**

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

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

## **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 Supplemental Plans provide coverage for those participating in Medicare but not receiving Subsidized Local School District Coverage.

Any member who is not currently participating in Medicare Parts A & B is eligible to continue 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 Supplemental 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 Supplemental 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 Supplemental Plans, as long as they do not remarry.

## **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.

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**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.

**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.

**Contributions**

*State of Connecticut*

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

*Employer (School Districts)*

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

*Employees*

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

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

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

Town's proportionate share of the net OPEB liability	\$ -
State's proportionate share of the net OPEB liability associated with the Town	<u>10,495,900</u>
Total	\$ <u><u>10,495,900</u></u>

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

For the year ended June 30, 2019, the Town recognized OPEB revenue of (\$3,486,732) in Exhibit II.

**Actuarial Assumptions**

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

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

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

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

The long-term expected rate of return on plan assets is reviewed as part of the GASB 75 valuation process. Several factors are considered in evaluating the long-term rate of return assumption, including the plan's current asset allocations and a log-normal distribution analysis using the best-estimate ranges of expected future real rates of return (expected return, net investment expense and inflation) for each major asset class. The long-term expected rate of return was determined by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years. The plan is 100% invested in U.S. Treasuries (Cash Equivalents) for which the expected 10-Year Geometric Real Rate of Return is (0.27%).

**Discount Rate**

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

**Sensitivity of the Net OPEB Liability to Changes in the 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.

**Other Information**

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

**7. OTHER INFORMATION**

**A. Risk Management**

The Town is exposed to various risks of loss related to public officials and police liability; Board of Education liability; torts; theft of, damage to and destruction of assets; error and omissions; injuries to employees; and natural disasters. The Town purchases commercial insurance for all risks of loss. Settled claims from these risks did not exceed commercial insurance coverage during the three years ended June 30, 2019. There have been no significant reductions in insurance coverage during the year.

**Health Insurance Internal Service Fund**

The Health Insurance Fund (the Fund), which has been recorded as an Internal Service Fund, was established to provide medical and dental health coverage for all eligible Town and Board of Education employees. The Fund is substantially funded by the Town's General Fund based upon estimates for the number of employees and type of coverage (single or family) as well as trends in the costs of coverage and costs of administration. The program's general objectives are to provide the members of the health insurance program with lower costs for coverage and to develop a systematic method to control health costs through wellness initiatives.

The Town and Board of Education participate in the Eastern Connecticut Health Insurance Program (ECHIP). This group consists of five entities, the Towns and Boards of Education of Coventry, Tolland, Plainfield and Putnam, and also includes EASTCONN, a regional educational service center. This partnership is the first in the state of Connecticut and was formed with a goal to reduce costs through collaboration. A third party administers the plan for which the Fund pays a fee. The Fund has purchased individual stop loss coverage of \$150,000 per claim.

The Town has advanced cash to ECHIP to fund claims on an ongoing basis. These amounts are held by ECHIP on behalf of the Town, and are reported as Advance to plan administrator in the Internal Service Fund on the proprietary fund statement of net position.



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**JUNE 30, 2019**

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The Town's health self-insurance fund is used to account for medical insurance coverage for Town and Board of Education employees. The Town examines the coverage on a yearly basis to determine adequate coverage and minimize risk. A schedule of changes in the claims liability for the years ended June 30, 2018 and 2019, are as follows:

	<b>Claims Payable July 1</b>	<b>Claims and Changes in Estimates</b>	<b>Claims Paid</b>	<b>Claims Payable June 30</b>
2017-2018	\$ 518,100	\$ 6,665,110	\$ 6,683,010	\$ 500,200
2018-2019	500,200	7,198,453	7,172,553	526,100

**B. Contingent Liabilities**

The Town is periodically the subject of litigation by a variety of plaintiffs. The Town's management, based on the advice of counsel, believes that such amounts claimed by these plaintiffs, net of the applicable insurance coverage, are immaterial.

The Town has received state and federal grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for any expenditure disallowed under terms of the grant. The amount, if any, of expenditures which may be disallowed cannot be determined at this time, although, based on prior experience, Town management believes such disallowances, if any, will not be material.

The Town may be subject to rebate penalties to the federal government relating to various bond and note issues. The Town expects such amounts, if any, to be immaterial.

**8. SUBSEQUENT EVENTS**

On September 19, 2019, the Town issued \$12,670,000 of general obligation bond anticipation notes for various capital projects. The notes carry interest at 2.00% and mature on September 17, 2020.



## **Required Supplementary Information**

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Town's proportion of the net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%
Town's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the Town	<u>54,504,028</u>	<u>59,256,551</u>	<u>62,516,115</u>	<u>49,337,774</u>	<u>45,543,825</u>
Total	<u>\$ 54,504,028</u>	<u>\$ 59,256,551</u>	<u>\$ 62,516,115</u>	<u>\$ 49,337,774</u>	<u>\$ 45,543,825</u>
Town's covered payroll	\$ 17,279,176	\$ 16,181,359	\$ 16,928,720	\$ 17,285,173	\$ 17,474,844
Town's proportionate share of the net pension liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	57.69%	55.93%	52.26%	59.50%	61.51%

**Notes to Schedule**

Changes in benefit terms Beginning January 1, 2018, member contributions increased from 6% to 7% of salary.  
Changes of assumptions During 2016, rates of withdrawal, disability, retirement, mortality and assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience. These assumptions were recommended as part of the Experience Study for the System for the five-year period ended June 30, 2015.

Actuarial cost method Entry age  
Amortization method Level percent of salary, closed  
Single equivalent amortization period 17.6 years  
Asset valuation method 4-year smoothed market  
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 TOLLAND, CONNECTICUT**  
**SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS**  
**OPEB**  
**LAST THREE FISCAL YEARS\***

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB liability:			
Service cost	\$ 130,972	\$ 137,121	\$ 129,359
Interest	294,142	289,134	287,531
Changes of benefit terms			
Differences between expected and actual experience	(279,634)		
Changes of assumptions	(1,309,039)		
Benefit payments	<u>(268,458)</u>	<u>(402,893)</u>	<u>(393,092)</u>
Net change in total OPEB liability	<u>(1,432,017)</u>	<u>23,362</u>	<u>23,798</u>
Total OPEB liability - beginning	<u>4,903,663</u>	<u>4,880,301</u>	<u>4,856,503</u>
Total OPEB liability - ending	<u>3,471,646</u>	<u>4,903,663</u>	<u>4,880,301</u>
Plan fiduciary net position:			
Contributions - employer	325,723	444,283	473,839
Net investment income	61,219	45,139	71,772
Benefit payments	<u>(268,458)</u>	<u>(402,893)</u>	<u>(393,092)</u>
Net change in plan fiduciary net position	<u>118,484</u>	<u>86,529</u>	<u>152,519</u>
Plan fiduciary net position - beginning	<u>1,164,041</u>	<u>1,077,512</u>	<u>924,993</u>
Plan fiduciary net position - ending	<u>1,282,525</u>	<u>1,164,041</u>	<u>1,077,512</u>
Net OPEB Liability - Ending	<u>\$ 2,189,121</u>	<u>\$ 3,739,622</u>	<u>\$ 3,802,789</u>
Plan fiduciary net position as a percentage of the total OPEB liability	36.94%	23.74%	22.08%
Covered-employee payroll	\$ 16,323,734	\$ 16,323,734	\$ 16,844,405
Net OPEB liability as a percentage of covered-employee payroll	13.41%	22.91%	22.58%

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

**TOWN OF TOLLAND, CONNECTICUT**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
**OPEB**  
**LAST TEN FISCAL YEARS**  
**(In Thousands)**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Actuarially determined contribution (1)	\$ 461,000	\$ 486,000	\$ 521,000	\$ 547,000	\$ 485,000	\$ 508,000	\$ 447,781	\$ 466,488	\$ 437,420	\$ 446,295
Contributions in relation to the actuarially determined contribution	521,000	559,000	491,000	549,000	483,000	512,000	457,613	473,839	444,283	325,723
Contribution Deficiency (Excess)	<u>\$ (60,000)</u>	<u>\$ (73,000)</u>	<u>\$ 30,000</u>	<u>\$ (2,000)</u>	<u>\$ 2,000</u>	<u>\$ (4,000)</u>	<u>\$ (9,832)</u>	<u>\$ (7,351)</u>	<u>\$ (6,863)</u>	<u>\$ 120,572</u>
Covered-employee payroll	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ 22,286,770	\$ 22,286,770	\$ 16,844,405	\$ 16,844,405	\$ 16,323,734	\$ 16,323,734
Contributions as a percentage of covered-employee payroll	0.00%	0.00%	0.00%	0.00%	2.17%	2.30%	2.72%	2.81%	2.72%	2.00%

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

**Notes to Schedule**

Valuation date: July 1, 2018

Measurement date: June 30, 2019

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of payroll, closed
Amortization period	14 years
Asset valuation method	Actuarial value - 5-year smoothing period
Inflation	2.75%
Healthcare cost trend rates	BOE - 5.40% decreasing to 4.40% over 67 years Town - 5.30% decreasing to 4.30% over 63 years
Salary increases	Graded by service for Teachers and Administrators, and 3.5%, average, including inflation
Investment rate of return	6.00%, net of pension plan investment expense, including inflation
Retirement age	Scale from 15% at age 59 with 20 years of service, to 100% at age 70 with 20 years of service.

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. For All others, RP-2000 Mortality Table for males and females with generational projection per Scale AA; separate tables for active employees and annuitants.

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

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	<u>2019</u>	<u>2018</u>	<u>2017</u>
Annual money-weighted rate of return, net of investment expense	5.05%	4.06%	7.39%

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


**TOWN OF TOLLAND, CONNECTICUT**  
**SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY**  
**TEACHERS RETIREMENT PLAN**  
**LAST TWO FISCAL YEARS\***

	<u>2019</u>	<u>2018</u>
Town's proportion of the net OPEB liability	0.00%	0.00%
Town's proportionate share of the net OPEB liability	\$ -	\$ -
State's proportionate share of the net OPEB liability associated with the Town	<u>10,495,900</u>	<u>15,251,964</u>
Total	<u>\$ 10,495,900</u>	<u>\$ 15,251,964</u>
Town's covered payroll	\$ 17,279,176	\$ 16,181,359
Town's proportionate share of the net OPEB liability as a percentage of its covered payroll	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	1.49%	1.79%

**Notes to Schedule**

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

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



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





# General Fund

The General Fund is the general operating fund of the Town. It is used to account for all unrestricted resources, except those required to be accounted for in another fund. It accounts for all activities in relation to the normal recurring operations of the Town. These activities are funded principally by property taxes, user fees and grants from other governmental units.

The Board of Education Reserve fund is accounted for on the Town's general ledger. It provides funding resources solely for future Board of Education capital, technology, and/or unanticipated special education funding needs. The Board of Education Special Reserve Fund is funded through unexpended funds of the school district from the prior fiscal year's budgeted appropriation, not to exceed 1% of the Board of Education's adopted budget for the given fiscal year. After the Board of Education has approved a funding request, they shall provide a written request to the Town Council for these funds. The appropriation shall not be considered until the end of the third quarter of the fiscal year. If prior to the appropriation being made, the State of Connecticut reduces and/or withholds ECS revenue in an amount greater than provided for in the Town budget, the appropriation request of the BOE may be denied in part or whole. All income derived from said fund in any securities shall be paid into the Town's General fund and become a part thereof.

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

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Property Taxes:				
Current year levy	\$ 43,779,501	\$ 43,779,501	\$ 43,867,500	\$ 87,999
Prior year levy	319,423	319,423	350,478	31,055
Interest and lien fees	160,000	160,000	197,854	37,854
Motor vehicle supplement	560,000	560,000	608,318	48,318
Suspense	800	800	4,044	3,244
Telecommunications access line	26,000	26,000	20,314	(5,686)
Total property taxes	<u>44,845,724</u>	<u>44,845,724</u>	<u>45,048,508</u>	<u>202,784</u>
Intergovernmental:				
Education:				
Adult education	8,265	8,265	8,505	240
Education equalization	<u>9,736,833</u>	<u>9,736,833</u>	<u>9,761,563</u>	<u>24,730</u>
Total education	<u>9,745,098</u>	<u>9,745,098</u>	<u>9,770,068</u>	<u>24,970</u>
General Government:				
SDE/MH and AS/DEEP grants	20,000	20,000	23,493	3,493
Civil defense grant	5,000	5,000	7,424	2,424
Miscellaneous grants	41,500	41,500	43,617	2,117
Veterans			8,458	8,458
Town Clerk Preservation	4,000	4,000	4,500	500
Disability grant			1,395	1,395
MRSA: Property tax relief	85,064	85,064	85,064	-
MRSA: Sales tax funds	<u>48,871</u>	<u>48,871</u>	<u>48,871</u>	<u>-</u>
Total general government	<u>204,435</u>	<u>204,435</u>	<u>222,822</u>	<u>18,387</u>
Total intergovernmental	<u>9,949,533</u>	<u>9,949,533</u>	<u>9,992,890</u>	<u>43,357</u>

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

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Charges for Services:				
Building permit fees	\$ 180,000	\$ 180,000	\$ 261,886	\$ 81,886
Fines, fees and penalties	300	300	116	(184)
Pistol permits	7,000	7,000	6,920	(80)
Zoning permit fees	8,200	8,200	9,195	995
Town clerk	17,000	17,000	18,899	1,899
Library fees	10,000	10,000	8,050	(1,950)
Motor vehicle fine	16,000	16,000	17,314	1,314
Planning and zoning and IWWC	2,000	2,000	8,788	6,788
Rents/PILOT	32,000	32,000	34,607	2,607
Property conveyance tax	150,000	150,000	160,709	10,709
Document recording fees	70,000	70,000	61,734	(8,266)
Map and copy sales	12,000	12,000	12,315	315
Notary fees	1,000	1,000	1,074	74
Zoning board of appeals	1,800	1,800	1,834	34
Public safety services	1,000	1,000	1,649	649
Solid waste fees/sewer fees	43,000	43,000	28,477	(14,523)
Town preservation	5,000	5,000	4,644	(356)
Ambulance	39,140	39,140	39,140	-
Total charges for services	<u>595,440</u>	<u>595,440</u>	<u>677,351</u>	<u>81,911</u>
Investment Income:				
General Fund	<u>75,000</u>	<u>75,000</u>	<u>393,603</u>	<u>318,603</u>
Other Revenues	<u>15,000</u>	<u>15,000</u>	<u>73,440</u>	<u>58,440</u>
Total Revenues	<u>55,480,697</u>	<u>55,480,697</u>	<u>56,185,792</u>	<u>705,095</u>
Other Financing Sources:				
Cancellation of prior year encumbrances			38,169	38,169
Appropriation of fund balance	690,000	1,648,463		(1,648,463)
Transfers in			280,000	280,000
Total other financing sources	<u>690,000</u>	<u>1,648,463</u>	<u>318,169</u>	<u>(1,330,294)</u>
Total Revenues and Other Financing Sources	<u>\$ 56,170,697</u>	<u>\$ 57,129,160</u>	<u>\$ 56,503,961</u>	<u>\$ (625,199)</u>

**TOWN OF TOLLAND, CONNECTICUT  
GENERAL FUND  
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -  
BUDGET AND ACTUAL (BUDGETARY BASIS)  
FOR THE YEAR ENDED JUNE 30, 2019**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget</b>
Administrative:				
Town council	\$ 37,019	\$ 39,788	\$ 38,978	\$ 810
Town manager	223,154	208,692	178,112	30,580
Economic development commission	6,001	6,001	5,256	745
HR administrative services	2,354,278	2,338,500	2,308,810	29,690
Insurance	233,591	233,591	230,319	3,272
Legal services	71,000	100,559	92,163	8,396
Probate court	12,245	12,245	11,724	521
Total administrative	<u>2,937,288</u>	<u>2,939,376</u>	<u>2,865,362</u>	<u>74,014</u>
Planning and Community Development:				
Building inspection services	122,222	122,222	119,673	2,549
Zoning board of appeals	3,500	3,400	1,856	1,544
Environmental health services	78,541	78,541	78,540	1
Planning and zoning services	196,587	196,687	189,891	6,796
Inland wetlands commission	3,685	3,685	3,436	249
Planning and zoning commission	7,500	7,500	5,742	1,758
Conservation commission	3,235	3,235	2,030	1,205
Agricultural commission	300	300	124	176
Total planning and community development	<u>415,570</u>	<u>415,570</u>	<u>401,292</u>	<u>14,278</u>
Community Services:				
Elderly services	58,990	59,012	59,010	2
Human services	336,494	336,472	334,634	1,838
Library	422,469	422,469	419,591	2,878
Recreation and adult education	100,515	102,165	102,164	1
Total community services	<u>918,468</u>	<u>920,118</u>	<u>915,399</u>	<u>4,719</u>
Public Works:				
Engineering services	20,950	10,946	10,946	-
Parks and facilities	1,418,893	1,435,364	1,432,375	2,989
Refuse and recycling services	954,591	954,591	951,097	3,494
Streets and roads	2,000,609	1,997,625	1,995,479	2,146
Total public works	<u>4,395,043</u>	<u>4,398,526</u>	<u>4,389,897</u>	<u>8,629</u>

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**TOWN OF TOLLAND, CONNECTICUT  
GENERAL FUND  
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -  
BUDGET AND ACTUAL (BUDGETARY BASIS) (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Public Safety Services:				
Water supply	\$ 96,686	\$ 93,115	\$ 93,115	\$ -
Ambulance	364,762	361,863	361,853	10
Canine control	60,057	47,503	47,500	3
Emergency preparedness	14,347	14,651	14,650	1
Fire prevention	74,083	74,017	74,016	1
Fire suppression	614,696	657,151	655,951	1,200
Community emergency response team	2,000	2,000	1,998	2
Law enforcement	902,473	895,228	751,428	143,800
Total public safety services	<u>2,129,104</u>	<u>2,145,528</u>	<u>2,000,511</u>	<u>145,017</u>
Record and Financial Services:				
Accounting services	337,812	332,744	332,241	503
Assessment services	219,658	218,735	218,713	22
Board of assessment appeals	590	590	109	481
Independent audit	25,250	25,250	25,250	-
Registrar of voters	60,465	55,242	54,967	275
Revenue services	160,471	155,951	154,901	1,050
Town clerk	146,886	145,626	145,574	52
Total record and financial services	<u>951,132</u>	<u>934,138</u>	<u>931,755</u>	<u>2,383</u>
Contingency and Other	<u>144,579</u>	<u>137,928</u>	<u>132,622</u>	<u>5,306</u>
Board of Education:				
Language arts	109,050	109,050	287,990	(178,940)
Math	90,694	90,694	226,411	(135,717)
Social studies	16,150	16,150	10,817	5,333
Science	66,125	66,125	66,256	(131)
Art	26,905	26,905	26,580	325
Music	16,130	16,130	14,466	1,664
Physical education	15,140	15,140	20,002	(4,862)
World language	12,438	12,438	12,292	146
Family and consumer science	13,700	13,700	12,452	1,248
Technology education	25,740	25,740	23,123	2,617
Business education	24,125	24,125	43,411	(19,286)
Digital education	9,355	9,355	8,296	1,059
Talc	1,030	1,030	1,127	(97)
Special services	2,865,854	2,865,854	2,548,336	317,518
Special education	100,333	100,333	99,806	527
Interdistrict programs	253,298	253,298	190,095	63,203

**TOWN OF TOLLAND, CONNECTICUT  
GENERAL FUND  
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -  
BUDGET AND ACTUAL (BUDGETARY BASIS) (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Board of Education (continued):				
Student athletics	\$ 206,272	\$ 206,272	\$ 180,112	\$ 26,160
Student activities	16,661	16,661	13,956	2,705
Guidance and counseling	20,667	20,667	9,532	11,135
Nursing	19,761	19,761	24,038	(4,277)
Library	17,241	17,241	19,164	(1,923)
Audiovisual	2,800	2,800	2,063	737
Staff services	7,168,288	7,168,288	6,863,673	304,615
Communication/Insurance	220,126	220,126	231,533	(11,407)
Principals' offices	142,535	142,535	179,385	(36,850)
Transportation	2,805,540	2,805,540	2,596,563	208,977
Superintendent's office	45,752	45,752	43,813	1,939
Business services	270,199	270,199	271,149	(950)
Technology services	348,285	348,285	481,055	(132,770)
Custodial Services	227,035	227,035	244,927	(17,892)
Energy management	8,350	8,350	-	8,350
Energy management - utilities	1,467,250	1,467,250	1,467,259	(9)
Plant maintenance	563,352	563,352	785,439	(222,087)
BOE Payroll Clerk	6,030	6,030	2,780	3,250
Program/Professional development	170,900	170,900	116,940	53,960
Certified regular education payroll	12,529,699	12,529,699	12,463,018	66,681
Certified special education payroll	3,244,481	3,244,481	3,563,705	(319,224)
Noncertified payroll	1,605,734	1,605,734	1,460,285	145,449
Building operations	850,125	850,125	819,923	30,202
Building maintenance	224,586	224,586	266,797	(42,211)
Business services	385,256	385,256	409,211	(23,955)
Superintendent services	247,936	247,936	260,749	(12,813)
Principals' services	1,501,025	1,501,025	1,490,297	10,728
System-wide substitutes	464,387	464,387	465,474	(1,087)
System-wide services	1,008,665	1,008,665	1,083,019	(74,354)
Adult education	32,000	32,000	29,544	2,456
Board of Education	175,602	175,602	120,631	54,971
Total Board of Education	<u>39,642,607</u>	<u>39,642,607</u>	<u>39,557,494</u>	<u>85,113</u>
Debt Service	<u>4,478,295</u>	<u>4,468,952</u>	<u>4,468,517</u>	<u>435</u>
Total Expenditures	<u>56,012,086</u>	<u>56,002,743</u>	<u>55,662,849</u>	<u>339,894</u>

**TOWN OF TOLLAND, CONNECTICUT  
GENERAL FUND  
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -  
BUDGET AND ACTUAL (BUDGETARY BASIS) (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Other Financing Uses:				
Transfers out:				
Sewer fund	\$ 15,000	\$ 15,000	\$ 15,000	\$ -
Dog fund	10,000	10,000	10,000	-
Debt service fund	71,705	81,048	81,048	-
Education reserve fund		393,339	393,339	-
Capital improvements	<u>61,906</u>	<u>627,030</u>	<u>627,030</u>	<u>-</u>
Total other financing uses	<u>158,611</u>	<u>1,126,417</u>	<u>1,126,417</u>	<u>-</u>
Total Expenditures and Other Financing Uses	<u>\$ 56,170,697</u>	<u>\$ 57,129,160</u>	<u>\$ 56,789,266</u>	<u>\$ 339,894</u>



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

	<u>General</u>	<u>Education Reserve Fund</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 9,377,294	\$ 421,522	\$ 9,798,816
Investments	1,516,097		1,516,097
Receivables	843,532		843,532
Due from other funds	<u>47,526</u>		<u>47,526</u>
Total Assets	<u>\$ 11,784,449</u>	<u>\$ 421,522</u>	<u>\$ 12,205,971</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
Liabilities:			
Accounts and other payables	\$ 145,392	\$	\$ 145,392
Accrued liabilities	<u>75,065</u>		<u>75,065</u>
Total liabilities	<u>220,457</u>	<u>-</u>	<u>220,457</u>
Deferred inflows of resources:			
Unavailable revenue - property taxes	644,763		644,763
Advance property tax collections	<u>463,532</u>		<u>463,532</u>
Total deferred inflows of resources	<u>1,108,295</u>	<u>-</u>	<u>1,108,295</u>
Fund balances:			
Committed	275,000	421,522	696,522
Assigned	2,030,521		2,030,521
Unassigned	<u>8,150,176</u>		<u>8,150,176</u>
Total fund balances	<u>10,455,697</u>	<u>421,522</u>	<u>10,877,219</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 11,784,449</u>	<u>\$ 421,522</u>	<u>\$ 12,205,971</u>

## TOWN OF TOLLAND, CONNECTICUT

## GENERAL FUND

## COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

FOR THE YEAR ENDED JUNE 30, 2019

	General	Education Reserve Fund	Eliminations	Total
Revenues:				
Property taxes	\$ 45,048,508	\$	\$	\$ 45,048,508
Intergovernmental	13,349,967			13,349,967
Charges for services	677,351			677,351
Investment income	393,603			393,603
Other revenues	141,424			141,424
Total revenues	<u>59,610,853</u>	<u>-</u>	<u>-</u>	<u>59,610,853</u>
Expenditures:				
Current:				
Administration	2,808,468			2,808,468
Planning and community development	412,478			412,478
Community services	916,809			916,809
Public works	4,610,435			4,610,435
Public safety services	2,016,586			2,016,586
Record and financial services	997,461			997,461
Contingency and other	76,296			76,296
Board of Education	42,617,550	18,397		42,635,947
Debt service	5,020,102			5,020,102
Total expenditures	<u>59,476,185</u>	<u>18,397</u>	<u>-</u>	<u>59,494,582</u>
Excess (Deficiency) of Revenues over Expenditures	<u>134,668</u>	<u>(18,397)</u>	<u>-</u>	<u>116,271</u>
Other Financing Sources (Uses):				
Transfers in	763,601	393,339	(393,339)	763,601
Transfers out	(1,126,417)		393,339	(733,078)
Net other financing sources (uses)	<u>(362,816)</u>	<u>393,339</u>	<u>-</u>	<u>30,523</u>
Net Change in Fund Balances	(228,148)	374,942	-	146,794
Fund Balances at Beginning of Year	<u>10,683,845</u>	<u>46,580</u>	<u>-</u>	<u>10,730,425</u>
Fund Balances at End of Year	<u>\$ 10,455,697</u>	<u>\$ 421,522</u>	<u>\$ -</u>	<u>\$ 10,877,219</u>

**TOWN OF TOLLAND, CONNECTICUT  
GENERAL FUND  
REPORT OF TAX COLLECTOR  
FOR THE YEAR ENDED JUNE 30, 2019**

Grand List Year	Uncollected Taxes July 1, 2018	Supplement	Lawful Corrections		Transfers to Suspense	Adjusted Amount Collectible	Collections			Uncollected Taxes June 30, 2019
			Additions	Deductions			Taxes	Interest and Lien Fees	Total	
2008	\$	\$	\$ 71	\$	\$	\$ 71	\$ 71	\$ 121	\$ 192	\$ -
2009			85			85	85	135	220	-
2010	6,556		82			6,638	82	208	290	6,556
2011	17,478					17,478	4,665	1,657	6,322	12,813
2012	18,158				123	18,035	577	250	827	17,458
2013	25,656		604		42	26,218	6,440	5,073	11,513	19,778
2014	38,567		1,076		1,020	38,623	7,513	4,976	12,489	31,110
2015	115,858		1,378	166	7,444	109,626	66,642	19,335	85,977	42,984
2016	414,916		6,496	9,020	11,145	401,247	265,119	56,595	321,714	136,128
Total Prior Years	637,189	-	9,792	9,186	19,774	618,021	351,194	88,350	439,544	266,827
2017	44,483,057	637,311	62,971	181,571	4,360	44,997,408	44,475,818	126,818	44,602,636	521,590
Total	\$ 45,120,246	\$ 637,311	\$ 72,763	\$ 190,757	\$ 24,134	\$ 45,615,429	\$ 44,827,012	\$ 215,168	\$ 45,042,180	\$ 788,417



## **Nonmajor Governmental Funds**

## **SPECIAL REVENUE FUNDS**

Special Revenue Funds account for the proceeds of specific revenue sources that are restricted by law or administrative action to expenditures for specified purposes.

**Dog Fund** - To account for the sales of dog tags and the expenditures of the dog warden and pound.

**Open Space Maintenance** - To account for maintenance expenditures at open space land.

**Stone Pond Sewer Escrow and Tolland Townhouse Sewer Escrow** - To account for accumulation of revenues from the housing projects to provide funds in the event of a failure of the on-site sewage disposal system.

**Lodge Activity Fund** - To account for the receipt of rental, constable and attendant fees for special activities held at the lodge. Donations are also recognized. Revenues are used to provide furnishings for the lodge.

**Open Space Fund** - To account for the receipt of payments from builders in lieu of land. Money will be accumulated to purchase land for open space.

**Tolland Business Park Fund** - To account for monies from property sales in the business park to be used for future improvements.

**Town Aid Road** - To account for state revenues and expenditures for maintenance of both improved and unimproved Town roads.

**Recreation** - To account for Town recreation programs.

**Water Assessment** - To account for water main assessments to defray the cost of borrowing.

**School Lunch** - To account for the operation of the school lunch program.

**State and Federal Education Grants** - To account for the expenditure of various state and federal education grants not accounted for in the General Fund.

**FRC Before/After School Programs** - To account for the operation of the before and after school programs.

**Eviction Fund** - To account for the cost of storage for tenants' property until reimbursed.

**Cemetery Operations Fund** - To account for the operating expenditures and revenues of the Town cemeteries.

**Training Center Fund** - To account for user fees to provide for the replacement or repair of furniture and equipment at the training center.

**Traffic Fund** - To account for the State of Connecticut Speed Enforcement Grant that overlaps two fiscal years.

**Field Maintenance** - To utilize donations for field maintenance.

**Veterans Memorial Fund** - To account for donations and expenditures for the repairs and upkeep of existing monuments and plaques and the addition of new ones.

**Miscellaneous Grants Fund** - To account for various state, federal and local grants and their activities.

**Emergency Storm Fund** - To account for FEMA emergency storm disaster grant revenues and expenditures, and to create reserves for unanticipated future storm funding needs.

**Turf Field Operations Fund** - To account for revenues from field rental, donations and expenditures towards maintenance of the field.

**Conservation Fund** - To provide a mechanism for the Conservation Commission to accept gifts, donations and other contributions and to raise funds in order to promote conservation education, activities and efforts in Tolland. This fund is not intended for the purchase of land nor activities necessary for the purchase of land, such as surveys, appraisals, and similar activities.

## **DEBT SERVICE FUND**

**Debt Service Fund** - To account for and report financial resources that are restricted, committed, or assigned to pay interest, principal, and other fees associated with short-term and long-term debt.

## **PERMANENT FUNDS**

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government's programs.

**Cemetery Perpetual Care Fund** - To account for donations and proceeds from the sale of plots. The interest on the investment of funds is used for the perpetual care of those plots accounted for in a Special Revenue Fund.

**Ratcliffe Hicks Memorial School Fund** - To account for maintenance of the Hicks Memorial School Building, which now houses the Town offices. Interest earnings are available to defray costs of improvements and/or maintenance expenses.

**TOWN OF TOLLAND, CONNECTICUT  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2019**

	Special Revenue Funds									
	Dog Fund	Open Space Maintenance	Stone Pond Sewer Escrow	Tolland Townhouse Sewer Escrow	Lodge Activity Fund	Open Space Fund	Tolland Business Park Fund	Town Aid Road	Recreation	Water Assessment
<b>ASSETS</b>										
Cash	\$ 85,592	\$ 2,940	\$ 15,079	\$ 10,253	\$ 73,574	\$ 126,380	\$ 19,069	\$ 9,649	\$ 279,424	\$ 216,597
Investments										
Receivables									449	25,009
Due from other funds										
Other										
Total Assets	<u>\$ 85,592</u>	<u>\$ 2,940</u>	<u>\$ 15,079</u>	<u>\$ 10,253</u>	<u>\$ 73,574</u>	<u>\$ 126,380</u>	<u>\$ 19,069</u>	<u>\$ 9,649</u>	<u>\$ 279,873</u>	<u>\$ 241,606</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>										
Liabilities:										
Accounts and other payables/due to State	\$ 10,626	\$	\$	\$	839	\$	\$	\$	3,607	\$
Due to other funds										
Unearned revenue					10,333				1,500	
Total liabilities	<u>10,626</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,172</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,107</u>	<u>-</u>
Deferred inflows of resources:										
Unavailable revenue - special assessments										25,009
Unavailable revenue - cemetery										
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,009</u>
Fund balances:										
Nonspendable										
Restricted								9,649		
Committed	74,966	2,940	15,079	10,253	62,402	126,380	19,069		274,766	216,597
Total fund balances	<u>74,966</u>	<u>2,940</u>	<u>15,079</u>	<u>10,253</u>	<u>62,402</u>	<u>126,380</u>	<u>19,069</u>	<u>9,649</u>	<u>274,766</u>	<u>216,597</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 85,592</u>	<u>\$ 2,940</u>	<u>\$ 15,079</u>	<u>\$ 10,253</u>	<u>\$ 73,574</u>	<u>\$ 126,380</u>	<u>\$ 19,069</u>	<u>\$ 9,649</u>	<u>\$ 279,873</u>	<u>\$ 241,606</u>

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

	Special Revenue Funds								
	School Lunch	State and Federal Education Grants	FRC Before/After School Programs	Eviction Fund	Cemetery Operations Fund	Training Center Fund	Traffic Fund	Field Maintenance	Veterans Memorial Fund
<b>ASSETS</b>									
Cash	\$ 172,018	\$ 10,372	\$ 562,593	\$ 41	\$ 226,901	\$ 6,851	\$ 1,928	\$ 12,123	\$ 312
Investments									
Receivables	25,295	3,581	9,500		6,475		4,809		
Due from other funds					3,742				
Other	41,736								
Total Assets	<u>\$ 239,049</u>	<u>\$ 13,953</u>	<u>\$ 572,093</u>	<u>\$ 41</u>	<u>\$ 237,118</u>	<u>\$ 6,851</u>	<u>\$ 6,737</u>	<u>\$ 12,123</u>	<u>\$ 312</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>									
Liabilities:									
Accounts and other payables/due to State	\$	\$	\$	\$	\$	\$ 74	\$ 4,808	\$	\$
Due to other funds		1,283							
Unearned revenue	30,483	12,670	72,394						
Total liabilities	<u>30,483</u>	<u>13,953</u>	<u>72,394</u>	<u>-</u>	<u>-</u>	<u>74</u>	<u>4,808</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources:									
Unavailable revenue - special assessments					6,475				
Unavailable revenue - cemetery					6,475				
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:									
Nonspendable	41,736								
Restricted	25,295						1,929		
Committed	141,535		499,699	41	230,643	6,777		12,123	312
Total fund balances	<u>208,566</u>	<u>-</u>	<u>499,699</u>	<u>41</u>	<u>230,643</u>	<u>6,777</u>	<u>1,929</u>	<u>12,123</u>	<u>312</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 239,049</u>	<u>\$ 13,953</u>	<u>\$ 572,093</u>	<u>\$ 41</u>	<u>\$ 237,118</u>	<u>\$ 6,851</u>	<u>\$ 6,737</u>	<u>\$ 12,123</u>	<u>\$ 312</u>

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

	Special Revenue Funds				Debt Service Funds	Permanent Funds			Total Nonmajor Governmental Funds
	Miscellaneous Grants Fund	Emergency Storm Fund	Turf Field Operations Fund	Conservation Fund	Debt Service Fund	Cemetery Perpetual Care Fund	Ratcliff Hicks Memorial School Fund	Eliminations	
<b>ASSETS</b>									
Cash	\$ 19,746	\$ 181,164	\$ 6,106	\$ 50	\$ 447,304	\$	\$ 37,597	\$	\$ 2,523,663
Investments						299,243	797,806		1,097,049
Receivables						3,100			78,218
Due from other funds								(3,742)	-
Other									41,736
Total Assets	<u>\$ 19,746</u>	<u>\$ 181,164</u>	<u>\$ 6,106</u>	<u>\$ 50</u>	<u>\$ 447,304</u>	<u>\$ 302,343</u>	<u>\$ 835,403</u>	<u>\$ (3,742)</u>	<u>\$ 3,740,666</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>									
Liabilities:									
Accounts and other payables/due to State	\$ 200	\$	\$	\$	\$	\$	\$	\$	\$ 20,154
Due to other funds						3,742		(3,742)	1,283
Unearned revenue									127,380
Total liabilities	<u>200</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,742</u>	<u>-</u>	<u>(3,742)</u>	<u>148,817</u>
Deferred inflows of resources:									
Unavailable revenue - special assessments									25,009
Unavailable revenue - cemetery						3,100			9,575
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,100</u>	<u>-</u>	<u>-</u>	<u>34,584</u>
Fund balances:									
Nonspendable						292,263	20,800		354,799
Restricted	19,546								56,419
Committed		181,164	6,106	50	447,304	3,238	814,603		3,146,047
Total fund balances	<u>19,546</u>	<u>181,164</u>	<u>6,106</u>	<u>50</u>	<u>447,304</u>	<u>295,501</u>	<u>835,403</u>	<u>-</u>	<u>3,557,265</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 19,746</u>	<u>\$ 181,164</u>	<u>\$ 6,106</u>	<u>\$ 50</u>	<u>\$ 447,304</u>	<u>\$ 302,343</u>	<u>\$ 835,403</u>	<u>\$ (3,742)</u>	<u>\$ 3,740,666</u>

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

	Special Revenue Funds									
	Dog Fund	Open Space Maintenance	Stone Pond Sewer Escrow	Tolland Townhouse Sewer Escrow	Lodge Activity Fund	Open Space Fund	Tolland Business Park Fund	Town Aid Road	Recreation	Water Assessment
Revenues:										
Intergovernmental	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Charges for services	20,859				51,191				300,042	936
Investment income	105		275		474	1,939	146	175	2,568	4,728
Other									1,250	
Total revenues	20,964	-	275	-	51,665	1,939	146	175	303,860	5,664
Expenditures:										
Current:										
Community services					40,997		610		288,425	
Public works								6		
Public safety services	16,117									
Education										
Total expenditures	16,117	-	-	-	40,997	-	610	6	288,425	-
Excess (Deficiency) of Revenues over Expenditures	4,847	-	275	-	10,668	1,939	(464)	169	15,435	5,664
Other Financing Sources (Uses):										
Transfers in	10,000								6,000	
Transfers out					(6,000)					
Net other financing sources (uses)	10,000	-	-	-	(6,000)	-	-	-	6,000	-
Net Change in Fund Balances	14,847	-	275	-	4,668	1,939	(464)	169	21,435	5,664
Fund Balances at Beginning of Year	60,119	2,940	14,804	10,253	57,734	124,441	19,533	9,480	253,331	210,933
Fund Balances at End of Year	\$ 74,966	\$ 2,940	\$ 15,079	\$ 10,253	\$ 62,402	\$ 126,380	\$ 19,069	\$ 9,649	\$ 274,766	\$ 216,597

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

	Special Revenue Funds								
	School Lunch	State and Federal Education Grants	FRC Before/After School Programs	Eviction Fund	Cemetery Operations Fund	Training Center Fund	Traffic Fund	Field Maintenance	Veterans Memorial Fund
Revenues:									
Intergovernmental	\$ 227,492	\$ 724,407	\$	\$	\$	\$	\$ 24,443	\$	
Charges for services	617,216		467,346		31,340	1,260			
Investment income	727				3,417				
Other								3,000	125
Total revenues	845,435	724,407	467,346	-	34,757	1,260	24,443	3,000	125
Expenditures:									
Current:									
Community services					18,926				
Public works							24,442	3,787	
Public safety services						705			
Education	796,925	724,407	362,923						
Total expenditures	796,925	724,407	362,923	-	18,926	705	24,442	3,787	-
Excess (Deficiency) of Revenues over Expenditures	48,510	-	104,423	-	15,831	555	1	(787)	125
Other Financing Sources (Uses):									
Transfers in					3,742				
Transfers out					(12,139)				
Net other financing sources (uses)	-	-	-	-	(8,397)	-	-	-	-
Net Change in Fund Balances	48,510	-	104,423	-	7,434	555	1	(787)	125
Fund Balances at Beginning of Year	160,056	-	395,276	41	223,209	6,222	1,928	12,910	187
Fund Balances at End of Year	\$ 208,566	\$ -	\$ 499,699	\$ 41	\$ 230,643	\$ 6,777	\$ 1,929	\$ 12,123	\$ 312

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

	Special Revenue Funds				Debt Service Funds	Permanent Funds			Total Nonmajor Governmental Funds
	Miscellaneous Grants Fund	Emergency Storm Fund	Turf Field Operations Fund	Conservation Fund	Debt Service Fund	Cemetery Perpetual Care Fund	Ratcliff Hicks Memorial School Fund	Eliminations	
Revenues:									
Intergovernmental	\$	\$	\$	\$	\$	\$	\$	\$	\$ 976,342
Charges for services									1,490,190
Investment income		3,447			6,630	3,741	45,775		74,147
Other	1,713		3,851	50					9,989
Total revenues	1,713	3,447	3,851	50	6,630	3,741	45,775	-	2,550,668
Expenditures:									
Current:									
Community services			2,845						351,803
Public works									28,235
Public safety services	2,347								19,169
Education							6,056		1,890,311
Total expenditures	2,347	-	2,845	-	-	-	6,056	-	2,289,518
Excess (Deficiency) of Revenues over Expenditures	(634)	3,447	1,006	50	6,630	3,741	39,719	-	261,150
Other Financing Sources (Uses):									
Transfers in					81,048			(9,742)	91,048
Transfers out			(5,000)		(275,000)	(3,742)		9,742	(292,139)
Net other financing sources (uses)	-	-	(5,000)	-	(193,952)	(3,742)	-	-	(201,091)
Net Change in Fund Balances	(634)	3,447	(3,994)	50	(187,322)	(1)	39,719	-	60,059
Fund Balances at Beginning of Year	20,180	177,717	10,100		634,626	295,502	795,684	-	3,497,206
Fund Balances at End of Year	\$ 19,546	\$ 181,164	\$ 6,106	\$ 50	\$ 447,304	\$ 295,501	\$ 835,403	\$ -	\$ 3,557,265



## **Internal Service Funds**

Internal Service Funds are used to account for all of the activity associated with utility costs and debt service costs on the ESCO project and for providing Medical insurance to all eligible Town and Board of Education Employees.

**Utility Service Fund** - To account for all of the fees associated with utilities and the debt service on the ESCO project, the associated consultant fees, and future system improvements and repairs.

**Health Insurance Fund** - To account for the self-insured medical activities of the Town and Board of Education.

**TOWN OF TOLLAND, CONNECTICUT**  
**COMBINING STATEMENT OF NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**JUNE 30, 2019**

	<b><u>Utility Service Fund</u></b>	<b><u>Health Insurance</u></b>	<b><u>Total Internal Service Funds</u></b>
Assets:			
Current:			
Cash and cash equivalents	\$ 970,852	\$	\$ 970,852
Receivables	16,569		16,569
Advance to plan administrator		2,590,768	2,590,768
	<u>987,421</u>	<u>2,590,768</u>	<u>3,578,189</u>
Total assets			
	<u>987,421</u>	<u>2,590,768</u>	<u>3,578,189</u>
Liabilities:			
Current:			
Accounts payable	45,389		45,389
Claims payable		526,100	526,100
	<u>45,389</u>	<u>526,100</u>	<u>571,489</u>
Total liabilities			
	<u>45,389</u>	<u>526,100</u>	<u>571,489</u>
Net Position:			
Unrestricted	\$ <u>942,032</u>	\$ <u>2,064,668</u>	\$ <u>3,006,700</u>

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

	<u>Utility Service Fund</u>	<u>Health Insurance</u>	<u>Total Internal Service Funds</u>
Operating Revenues:			
Charges for services	\$ 1,769,212	\$	\$ 1,769,212
Employer contributions		6,544,660	6,544,660
Total operating revenues	<u>1,769,212</u>	<u>6,544,660</u>	<u>8,313,872</u>
Operating Expenses:			
Utilities	1,020,912		1,020,912
Administration	44,173	32,156	76,329
Employee benefits		7,198,453	7,198,453
Total operating expenses	<u>1,065,085</u>	<u>7,230,609</u>	<u>8,295,694</u>
Operating Income (Loss)	<u>704,127</u>	<u>(685,949)</u>	<u>18,178</u>
Nonoperating Revenue (Expenses):			
Investment income	8,229	32,744	40,973
Interest expense	(192,887)		(192,887)
Net nonoperating revenue (expenses)	<u>(184,658)</u>	<u>32,744</u>	<u>(151,914)</u>
Transfers in and out:			
Transfer In	5,298		5,298
Transfer out	(483,601)		(483,601)
Total transfers	<u>(478,303)</u>	<u>-</u>	<u>(478,303)</u>
Change in Net Position	41,166	(653,205)	(612,039)
Net Position at Beginning of Year	<u>900,866</u>	<u>2,717,873</u>	<u>3,618,739</u>
Net Position at End of Year	<u>\$ 942,032</u>	<u>\$ 2,064,668</u>	<u>\$ 3,006,700</u>



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

	<u>Utility Service Fund</u>	<u>Health Insurance</u>	<u>Total Internal Service Funds</u>
Cash Flows from Operating Activities:			
Received from customers	\$ 1,756,396	\$ 6,544,660	\$ 8,301,056
Payments to suppliers	(1,082,486)		(1,082,486)
Payments to providers of benefits		(6,577,404)	(6,577,404)
Net cash provided by (used in) operating activities	<u>673,910</u>	<u>(32,744)</u>	<u>641,166</u>
Cash Flows from Noncapital Financing Activities:			
Transfers in/out	(478,303)		(478,303)
Interest expense	(192,887)		(192,887)
Net cash provided by (used in) noncapital financing activities	<u>(671,190)</u>	<u>-</u>	<u>(671,190)</u>
Cash Flows from Investing Activities:			
Investment income	<u>8,229</u>	<u>32,744</u>	<u>40,973</u>
Net Increase (Decrease) in Cash and Cash Equivalents	10,949	-	10,949
Cash and Cash Equivalents at Beginning of Year	<u>959,903</u>	<u>-</u>	<u>959,903</u>
Cash and Cash Equivalents at End of Year	<u>\$ 970,852</u>	<u>\$ -</u>	<u>\$ 970,852</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:			
Operating income (loss)	\$ 704,127	\$ (685,949)	\$ 18,178
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
(Increase) decrease in accounts receivable	(12,816)		(12,816)
(Increase) decrease in advance to plan administrator		627,305	627,305
Increase (decrease) in accounts payable	(17,401)		(17,401)
Increase (decrease) in claims payable		25,900	25,900
Net Cash Provided by (Used in) Operating Activities	<u>\$ 673,910</u>	<u>\$ (32,744)</u>	<u>\$ 641,166</u>



## Agency Funds

## **AGENCY FUNDS**

Agency funds are used to report resources held by the reporting government in a purely custodial capacity (assets equal liabilities).

**Youth Center Reserve** - To accumulate student fundraising monies and donations, which are used to sponsor youth outings and camp scholarships.

**Student Activity Fund** - To collect monies from all sources outside the budget to be used to pay for various student activities.

**Senior Citizens Center** - To accumulate donations and fundraising monies to provide for the operations of the center.

**Tolland Public Library** - To accumulate money received from donations and ConnectiCard State funds for future capital and media purchases.

**Tolland Emergency Fund** - To help residents in crisis with food, fuel or medical relief. Private donations finance this effort.

**Education Fund** - To account for Board of Education benefits and summer school activities.

**Board of Education - Section 125** - To account for the Internal Revenue Code Section 125 plan.

**Non-Profit Housing Corporation** - To account for the lease proceeds and expenses for the operation of the Corporation who has possession of real property conveyed by the Town.

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

	<u>Balance, July 1, 2018</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance, June 30, 2019</u>
Cash:				
Youth Center Reserve	\$ 23,688	\$ 38,063	\$ 37,235	\$ 24,516
Student Activity Fund	373,605	783,543	766,526	390,622
Senior Citizens Center	17,286	33,130	31,774	18,642
Tolland Public Library	80,183	17,773	10,057	87,899
Tolland Emergency Fund	37,010	15,162	16,543	35,629
Education Fund	25,526	407,317	398,165	34,678
Board of Education - Section 125	10,588	245,239	247,107	8,720
Non-Profit Housing Corporation	120,641	11,331	2,989	128,983
Total Cash	<u>688,527</u>	<u>1,551,558</u>	<u>1,510,396</u>	<u>729,689</u>
Accounts Receivable:				
Senior Citizens Center		189		189
Non-Profit Housing Corporation	25,351	7,004	9,149	23,206
Total Accounts Receivable	<u>25,351</u>	<u>7,193</u>	<u>9,149</u>	<u>23,395</u>
Total Assets	<u>\$ 713,878</u>	<u>\$ 1,558,751</u>	<u>\$ 1,519,545</u>	<u>\$ 753,084</u>
Accounts Payable:				
Youth Center Reserve	\$ 23,688	\$ 38,063	\$ 37,235	\$ 24,516
Student Activity Fund	373,605	783,543	766,526	390,622
Senior Citizens Center	17,286	33,319	31,774	18,831
Tolland Public Library	80,183	17,773	10,057	87,899
Tolland Emergency Fund	37,010	15,162	16,543	35,629
Education Fund	25,526	407,317	398,165	34,678
Board of Education - Section 125	10,588	245,239	247,107	8,720
Non-Profit Housing Corporation	145,992	18,335	12,138	152,189
Total Liabilities	<u>\$ 713,878</u>	<u>\$ 1,558,751</u>	<u>\$ 1,519,545</u>	<u>\$ 753,084</u>



## Statistical Section

This part of the Town of Tolland, Connecticut's comprehensive annual report presents detailed information as a context for understanding what the information in the financial statements, note disclosure and required supplementary information says about the Town's overall financial health.

<b>Contents</b>	<b>Page</b>
Financial Trends	88-91
These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.	
Revenue Capacity	92-94
These schedules contain information to help the reader assess the Town's most significant local revenue source, property taxes.	
Debt Capacity	95-97
These schedules present information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.	
Demographic and Economic Information	98-99
These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place.	
Operating Information	100-102
These schedules contain service and infrastructure data to help the reader understand how the information in the Town's financial report relates to the services the Town provides and the activities it performs.	

TABLE 1

**TOWN OF TOLLAND, CONNECTICUT  
NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental Activities:										
Net investment in capital assets	\$ 81,360,747	\$ 80,465,804	\$ 79,197,477	\$ 78,699,978	\$ 81,610,820	\$ 76,933,951	\$ 76,382,043	\$ 77,127,304	\$ 68,793,985	\$ 73,179,715
Restricted	313,063	313,063	313,063	313,063	313,063	313,063	313,063	313,063	313,063	313,063
Unrestricted	15,413,879	16,943,872	16,742,638	15,874,642	14,558,545	18,974,027	18,030,770	18,211,767	22,957,775	22,180,817
Total governmental activities net position	<u>97,087,689</u>	<u>97,722,739</u>	<u>96,253,178</u>	<u>94,887,683</u>	<u>96,482,428</u>	<u>96,221,041</u>	<u>94,725,876</u>	<u>95,652,134</u>	<u>92,064,823</u>	<u>95,673,595</u>
Business-Type Activities:										
Net investment in capital assets	9,294,194	10,069,400	9,859,251	9,609,679	9,313,922	9,007,412	8,705,538	8,465,681	8,200,166	7,966,653
Restricted			24,357	30,682	36,239	42,725	49,825	49,825	66,520	76,294
Unrestricted	254,954	247,954	268,614	303,016	379,213	489,150	637,253	784,452	948,955	1,130,315
Total business-type activities net position	<u>9,549,148</u>	<u>10,317,354</u>	<u>10,152,222</u>	<u>9,943,377</u>	<u>9,729,374</u>	<u>9,539,287</u>	<u>9,392,616</u>	<u>9,299,958</u>	<u>9,215,641</u>	<u>9,173,262</u>
Primary Government:										
Net investment in capital assets	90,654,941	90,535,204	89,056,728	88,309,657	90,924,742	85,941,363	85,087,581	85,592,985	76,994,151	81,146,368
Restricted	313,063	313,063	337,420	343,745	349,302	355,788	362,888	362,888	379,583	389,357
Unrestricted	15,668,833	17,191,826	17,011,252	16,177,658	14,937,758	19,463,177	18,668,023	18,996,219	23,906,730	23,311,132
Total Primary Government Net Position	<u>\$ 106,636,837</u>	<u>\$ 108,040,093</u>	<u>\$ 106,405,400</u>	<u>\$ 104,831,060</u>	<u>\$ 106,211,802</u>	<u>\$ 105,760,328</u>	<u>\$ 104,118,492</u>	<u>\$ 104,952,092</u>	<u>\$ 101,280,464</u>	<u>\$ 104,846,857</u>

TABLE 2

**TOWN OF TOLLAND, CONNECTICUT  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses:										
Governmental activities:										
Administration	\$ 1,197,703	\$ 1,152,320	\$ 1,170,393	\$ 1,128,418	\$ 1,100,996	\$ 1,058,486	\$ 1,600,623	\$ 1,440,490	\$ 1,413,134	\$ 1,075,524
Planning and community development	437,811	459,598	505,425	478,632	355,708	448,187	438,009	474,277	491,843	502,276
Community services	2,241,062	1,756,255	2,125,783	1,307,822	1,993,470	1,724,251	1,687,426	2,292,140	1,698,846	1,777,504
Public works	7,327,481	7,843,996	8,260,781	9,389,371	7,775,750	8,579,435	9,763,091	8,422,874	8,165,431	9,388,239
Public safety services	1,476,762	1,967,888	2,021,332	2,068,676	2,147,154	2,170,204	2,445,574	2,478,544	2,308,812	2,563,483
Records and financial services	1,163,683	1,038,972	1,029,158	1,093,230	1,051,896	1,149,410	875,914	1,139,430	1,186,970	1,242,415
Board of Education	42,227,879	42,181,314	44,963,365	44,748,673	45,552,363	45,685,969	47,211,938	50,393,047	51,267,751	43,885,556
Interest expense	1,601,756	1,469,838	1,524,853	1,405,217	1,515,547	1,405,788	1,247,428	915,251	1,112,080	1,394,808
Total governmental activities expenses	57,674,137	57,870,181	61,601,090	61,620,039	61,492,884	62,221,730	65,270,003	67,556,053	67,644,867	61,829,805
Business-type activities:										
Water	376,151	388,310	368,586	376,706	386,035	342,447	324,016	313,802	332,778	384,383
Sewer	309,562	447,724	453,389	460,248	427,194	535,004	472,864	487,772	491,475	436,016
Total business-type activities expenses	685,713	836,034	821,975	836,954	813,229	877,451	796,880	801,574	824,253	820,399
Total primary government expenses	58,359,850	58,706,215	62,423,065	62,456,993	62,306,113	63,099,181	66,066,883	68,357,627	68,469,120	62,650,204
Program Revenues:										
Governmental activities:										
Charges for services:										
Administration				10,756						
Planning and community development	272,661	296,752	286,961	302,962	382,127	347,892	360,580	454,427	437,551	481,779
Community services	489,934	721,398	370,474	376,711	545,223	409,067	463,717	504,979	414,253	453,327
Public works	34,725	495,316	45,948	48,035	72,179	110,844	93,451	128,353	91,366	56,112
Public safety services	154,448	490,783	259,484	135,789	330,423	344,714	286,369	311,219	407,397	443,682
Records and financial services	97,487	117,532	122,561	125,682	104,747	103,599	105,751	107,063	99,445	94,022
Board of Education	1,299,973	1,235,591	1,180,834	1,236,580	1,227,663	1,087,047	1,100,158	1,194,206	1,262,058	1,113,293
Operating grants and contributions:										
Community services			23,516	54,620	38,258	55,909	22,015	12,499	7,427	28,535
Public works			713,000	243,507	200,290	338,861	98,715		22,622	24,443
Public safety services				26,500	11,500	39,527	46,916	34,743	21,609	1,713
Board of Education	15,676,752	15,742,394	16,506,865	16,733,049	17,510,095	16,687,608	17,211,591	19,683,233	18,678,318	14,079,044
Capital grants and contributions:										
Administration						16,586	387,114			
Planning and community development	749,762	1,227,483	289,946	102,017	247,737	150,957	262		28,302	
Community services			848,986	300,640	642,137	107,521	512,213	1,273,987	85,401	
Public works			256,910	436,075	94,000		362,888	390,955	685,461	2,084,524
Public safety services										
Board of Education	364,361	301,946	512,458		765,355		11,938		853,821	78,571
Interest expense	67,925	59,612	51,637	43,731	35,860	28,023	20,238	12,051	3,874	
Total governmental activities program revenues	19,208,028	20,688,807	21,469,580	20,176,654	22,207,594	19,828,155	21,083,916	24,107,715	23,098,905	18,939,045
Business-type activities:										
Charges for services:										
Water	199,308	225,340	303,144	243,188	257,244	313,502	267,256	327,083	338,695	346,297
Sewer	227,429	268,531	337,485	333,676	325,755	356,904	362,674	378,006	399,493	432,571
Capital grants and contributions:										
Water	159,047									
Total business-type activities program revenues	585,784	493,871	640,629	576,864	582,999	670,406	629,930	705,089	738,188	778,868
Total primary government program revenues	19,793,812	21,182,678	22,110,209	20,753,518	22,790,593	20,498,561	21,713,846	24,812,804	23,837,093	19,717,913
Net (expense) revenue:										
Governmental activities	(38,466,109)	(37,181,374)	(40,131,510)	(41,443,385)	(39,285,290)	(42,393,575)	(44,186,087)	(43,448,338)	(44,545,962)	(42,890,760)
Business-type activities	(99,929)	(342,163)	(181,346)	(260,090)	(230,230)	(207,045)	(166,950)	(96,485)	(86,065)	(41,531)
Total primary government net expense	(38,566,038)	(37,523,537)	(40,312,856)	(41,703,475)	(39,515,520)	(42,600,620)	(44,353,037)	(43,544,823)	(44,632,027)	(42,932,291)
General Revenues and Other Changes in Net Position:										
Governmental activities:										
Property taxes	36,569,603	37,290,129	38,343,637	39,058,990	39,472,811	40,575,260	42,207,337	43,527,376	44,299,403	45,216,830
Unrestricted grants and contributions	574,468	771,764	357,609	529,845	267,332	371,281	318,864	627,533	281,712	521,497
Investment income	398,723	448,225	202,173	264,739	293,666	108,406	102,253	196,135	227,649	610,285
Miscellaneous	641,127	405,717	506,984	274,316	88,287	1,092,241	77,468	23,552	128,703	139,495
Transfers	(103,483)	(1,099,411)	(15,000)	(50,000)	(15,000)	(15,000)	(15,000)		5,000	11,425
Total governmental activities	38,080,438	37,816,424	39,395,403	40,077,890	40,107,096	42,132,188	42,690,922	44,374,596	44,942,467	46,499,532
Business-type activities:										
Investment income	3,064	819	1,490	1,245	1,227	1,958	5,279	3,827	6,748	10,577
Miscellaneous	4,903	9,863								
Transfers	103,483	1,099,411	15,000	50,000	15,000	15,000	15,000		(5,000)	(11,425)
Total business-type activities	111,450	1,110,093	16,490	51,245	16,227	16,958	20,279	3,827	1,748	(848)
Total primary government	38,191,888	38,926,517	39,411,893	40,129,135	40,123,323	42,149,146	42,711,201	44,378,423	44,944,215	46,498,684
Change in Net Position:										
Governmental activities	(385,671)	635,050	(736,107)	(1,365,495)	821,806	(261,387)	(1,495,165)	926,258	396,505	3,608,772
Business-type activities	11,521	767,930	(164,856)	(208,845)	(214,003)	(190,087)	(146,671)	(92,658)	(84,317)	(42,379)
Total Primary Government	\$ (374,150)	\$ 1,402,980	\$ (900,963)	\$ (1,574,340)	\$ 607,803	\$ (451,474)	\$ (1,641,836)	\$ 833,600	\$ 312,188	\$ 3,566,393



TABLE 3

**TOWN OF TOLLAND, CONNECTICUT  
FUND BALANCES OF GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund:										
Reserved	\$ 1,176,551	\$	\$	\$	\$	\$	\$	\$	\$	\$
Unreserved	6,119,876									
Nonspendable										
Committed						75,249	63,813	46,580	46,580	696,522
Restricted			140,862	170,722	59,680					
Assigned		1,601,935	1,309,480	1,086,458	1,281,734	1,537,737	1,764,973	2,053,282	2,363,364	2,030,521
Unassigned		6,209,332	6,588,695	6,649,387	7,053,690	6,853,234	7,113,653	7,923,976	8,320,481	8,150,176
Total General Fund	<u>\$ 7,296,427</u>	<u>\$ 7,811,267</u>	<u>\$ 8,039,037</u>	<u>\$ 7,906,567</u>	<u>\$ 8,395,104</u>	<u>\$ 8,466,220</u>	<u>\$ 8,942,439</u>	<u>\$ 10,023,838</u>	<u>\$ 10,730,425</u>	<u>\$ 10,877,219</u>
All Other Governmental Funds:										
Reserved	\$ 329,059	\$	\$	\$	\$	\$	\$	\$	\$	\$
Unreserved, reported in:										
Special Revenue Funds	2,836,172									
Capital Projects Funds	250,097									
Permanent Funds	781,822									
Nonspendable		350,896	349,238	354,191	353,280	350,288	342,832	347,922	347,381	354,799
Restricted		264,177	166,425	89,708	4,127,934	110,228	264,540	189,978	193,061	172,483
Committed		8,336,702	7,126,927	5,685,035	3,100,145	7,017,336	5,693,424	4,183,849	11,726,422	8,368,948
Assigned										
Unassigned			(2,459)		(4,173)					
Total All Other Governmental Funds	<u>\$ 4,197,150</u>	<u>\$ 8,951,775</u>	<u>\$ 7,640,131</u>	<u>\$ 6,128,934</u>	<u>\$ 7,577,186</u>	<u>\$ 7,477,852</u>	<u>\$ 6,300,796</u>	<u>\$ 4,721,749</u>	<u>\$ 12,266,864</u>	<u>\$ 8,896,230</u>

Note 1: Information for years prior to the implementation of GASB Statement No. 54 has not been restated.

**TOWN OF TOLLAND, CONNECTICUT**  
**REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues:										
Property taxes	\$ 36,529,867	\$ 37,233,490	\$ 38,322,762	\$ 39,100,634	\$ 39,438,201	\$ 40,552,478	\$ 42,183,337	\$ 43,606,051	\$ 44,200,499	\$ 45,048,508
Intergovernmental	17,210,059	17,912,905	19,468,002	18,414,199	20,026,194	18,020,668	18,849,801	22,280,089	20,917,173	15,509,491
Charges for services	2,575,458	2,568,392	2,309,929	2,414,067	2,520,931	2,378,727	2,385,095	2,545,736	2,414,424	2,329,730
Investment income	398,723	448,225	202,173	264,739	289,584	108,406	102,253	196,135	227,649	569,312
Other revenues	761,405	405,717	528,023	552,436	268,990	1,348,950	332,545	317,609	501,696	573,210
Total revenues	57,475,512	58,568,729	60,830,889	60,746,075	62,543,900	62,409,229	63,853,031	68,945,620	68,261,441	64,030,251
Expenditures:										
Administration	2,406,461	2,388,643	2,456,691	2,585,864	2,587,899	2,674,620	3,024,034	2,950,835	2,813,641	2,808,468
Planning and community development	353,395	357,485	353,474	369,838	328,045	360,179	355,841	397,518	406,893	412,478
Community services	1,976,783	1,482,441	1,779,801	1,258,941	1,477,915	1,383,962	1,310,176	1,323,475	1,284,980	1,346,691
Public works	4,758,619	4,588,172	4,672,022	5,079,375	4,423,762	4,506,859	4,488,925	4,374,697	4,199,887	4,638,670
Public safety services	942,775	1,402,161	1,530,271	1,623,645	1,667,369	1,812,677	1,927,065	1,920,063	1,774,044	2,035,755
Records and financial services	958,041	836,717	803,047	887,048	860,910	935,031	633,230	936,000	956,625	997,461
Contingency and other	48,783	106,293	681,042	39,993	144,636	144,844	124,671	68,707	176,038	76,296
Board of Education	39,905,194	39,894,224	42,059,147	42,599,914	43,424,363	43,904,035	45,133,023	48,670,545	48,884,672	44,526,258
Capital outlay	1,808,716	3,358,775	4,807,253	4,575,746	10,319,486	7,526,243	5,322,867	3,888,346	4,239,918	5,673,805
Debt service:										
Principal	3,118,640	3,300,490	3,445,310	3,402,386	3,383,503	3,241,654	3,500,204	4,290,336	4,317,216	3,833,129
Interest	1,700,016	1,572,380	1,572,380	1,572,380	1,572,380	1,572,380	1,247,428	915,251	1,112,080	1,394,808
Total expenditures	57,977,423	59,287,781	64,160,438	63,995,130	70,190,268	68,062,484	67,067,464	69,735,773	70,165,994	67,743,819
Excess of revenues over (under) expenditures	(501,911)	(719,052)	(3,329,549)	(3,249,055)	(7,646,368)	(5,653,255)	(3,214,433)	(790,153)	(1,904,553)	(3,713,568)
Other financing sources (uses):										
Proceeds from capital lease		3,600,000						9,572,000		
Refinancing of capital lease								(9,332,590)		
Bond anticipation note repayment							(5,410,000)			
Bond issue proceeds		2,525,000	2,675,000	1,460,000	9,598,157	5,410,000	7,565,000		9,340,000	
Issuance of refunding bonds			2,235,000	8,025,000		9,635,000				
Payments to escrow agents			(2,345,417)	(9,122,074)		(10,592,003)				
Bond premium			191,275	134,338		49,838	285,400		287,694	
Premium on refunding bond issuance			153,420	1,158,124		1,065,684				
Transfers in	834,944	884,920	630,810	603,353	510,704	297,907	798,678	428,023	608,139	1,520,243
Transfers out	(843,186)	(936,552)	(645,810)	(653,353)	(525,704)	(241,389)	(725,482)	(374,928)	(79,578)	(1,030,515)
Total other financing sources (uses)	(8,242)	6,073,368	2,894,278	1,605,388	9,583,157	5,625,037	2,513,596	292,505	10,156,255	489,728
Net change in fund balances	(510,153)	5,354,316	(435,271)	(1,643,667)	1,936,789	(28,218)	(700,837)	(497,648)	8,251,702	(3,223,840)
Fund balances at beginning of year	12,003,730	11,493,577	16,114,439 *	15,679,168	14,035,501	15,972,290	15,944,072	15,243,235	14,745,587	22,997,289
Fund Balances at End of Year	\$ 11,493,577	\$ 16,847,893	\$ 15,679,168	\$ 14,035,501	\$ 15,972,290	\$ 15,944,072	\$ 15,243,235	\$ 14,745,587	\$ 22,997,289	\$ 19,773,449
Debt Service as a Percentage of Noncapital Expenditures	8.5%	8.5%	8.0%	8.0%	7.2%	8.3%	7.4%	7.7%	7.7%	8.2%

\* Fund balance restated

TABLE 5

**TOWN OF TOLLAND, CONNECTICUT  
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
LAST TEN FISCAL YEARS**

<b>Fiscal Year Ended June 30</b>	<b>Real Estate Assessed Value</b>	<b>Motor Vehicle Assessed Value</b>	<b>Personal Property Assessed Value</b>	<b>Total Assessed Value</b>	<b>Total Direct Tax Rate</b>	<b>Estimated Actual Value</b>	<b>Percentage of Total Assessed Value to Total Estimated Value</b>
2010	\$ 1,091,730,550	\$ 116,941,268	\$ 33,435,456	\$ 1,242,107,274	29.49	\$ 2,036,241,433	61.00%
2011	1,132,401,370	120,408,733	27,357,855	1,280,167,958	29.15	1,828,811,369	70.00%
2012	1,142,580,300	125,830,860	25,638,820	1,294,049,980	29.73	1,863,819,646	69.43%
2013	1,147,601,690	132,924,706	25,791,953	1,306,318,349	29.99	1,795,873,452	72.74%
2014	1,150,683,695	132,639,318	26,055,411	1,309,378,424	30.19	1,794,898,456	72.95%
2015	1,153,559,570	134,824,899	27,043,573	1,315,428,042	31.05	1,828,253,012	71.95%
2016	1,104,541,199	137,134,911	29,171,246	1,270,847,356	33.36	1,815,496,223	70.00%
2017	1,106,946,632	144,981,536	30,240,615	1,282,168,783	34.19	1,836,128,860	69.83%
2018	1,105,855,007	143,597,879	35,252,570	1,284,705,456	34.48	1,886,498,467	68.10%
2019	1,110,792,274	145,884,778	40,004,119	1,296,681,171	35.00	1,867,071,521	69.45%

Assessed values were taken from Board of Tax Appeal corrected abstracts. Motor vehicle includes supplement.

Ratios are predicted on the State of Connecticut Office of Policy and Management Sales/Ratio.

Personal property value is based on a 70% assessment ratio.

Personal property was adjusted to reflect newly enacted exemption for manufacturing/research equipment starting with 1991 list.

Tax-exempt property not broken out by category.

TABLE 6

**TOWN OF TOLLAND, CONNECTICUT  
PRINCIPAL PROPERTY TAXPAYERS  
CURRENT YEAR AND NINE YEARS AGO**

Taxpayer	2019			2010		
	Taxable Assessed Value	Rank	Percentage of Gross Taxable Assessed Grand List	Taxable Assessed Value	Rank	Percentage of Gross Taxable Assessed Grand List
Connecticut Light and Power	\$ 15,595,270	1	1.22%	\$ 7,641,640	2	0.60%
Capitol Ventures	13,848,900	2	1.09%	12,335,300	1	0.97%
Gerber Scientific, Inc.	8,397,870	3	0.66%	3,953,800	6	0.31%
JM Associates LLC (CNC Software)	7,128,040	4	0.56%			
Summers and Summers Realty			0.00%	4,128,000	4	0.33%
MRT of Connecticut SNF (Woodlake)	6,483,960	5	0.51%			
Silva Real Estate/Dari Farms	5,940,590	6	0.47%	2,786,200	9	0.22%
Norwegian Woods, Inc.	4,882,460	7	0.38%	3,597,000	7	0.28%
Ivy Woods LLC	4,173,800	8	0.33%	3,964,000	5	0.31%
Connecticut Water Company	4,156,160	9	0.33%			
MJB Realty (Star Hill Athletic Facility)	3,870,300	10	0.30%			
Carriage Crossing LLC				4,200,900	3	0.33%
NERAC, Inc.				3,152,400	8	0.25%
Tomlen				2,758,200	10	0.22%
Total	\$ 74,477,350		5.85%	\$ 48,517,440		3.82%

Note: Based on net taxable grand list, October 1, 2018 and October 1, 2009.

TABLE 7

**TOWN OF TOLLAND, CONNECTICUT  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	Mill Rate	Total Tax Levy for Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2010	29.49	\$ 36,374,695	\$ 36,045,689	99.10%	\$ 204,086	\$ 36,249,775	99.66%
2011	29.15	37,022,472	36,753,059	99.27%	224,531	36,977,590	99.88%
2012	29.73	38,100,458	37,743,231	99.06%	108,231	37,851,462	99.35%
2013	29.99	38,831,162	38,481,041	99.10%	79,275	38,560,316	99.30%
2014	30.19	39,263,225	38,885,680	99.04%	89,504	38,975,184	99.27%
2015	31.05	40,469,270	40,094,577	99.07%	69,760	40,164,337	99.25%
2016	33.36	41,981,338	41,653,686	99.22%	92,967	41,746,653	99.44%
2017	34.19	43,430,320	42,996,306	99.00%	115,858	43,112,164	99.27%
2018	34.48	44,114,882	43,699,966	99.06%	136,128	43,836,094	99.37%
2019	35.00	45,014,124	44,475,818	98.80%		44,475,818	98.80%

TABLE 8

**TOWN OF TOLLAND, CONNECTICUT  
RATIOS OF NET GENERAL BONDED DEBT TO  
ASSESSED VALUE AND NET GENERAL BONDED DEBT PER CAPITA  
LAST TEN FISCAL YEARS**

Fiscal Year	General Bonded Debt			Percentage of Actual Taxable Value of Property (a)	Per Capita	Sewer Notes	Capital Lease	Total Primary Government	Percentage of Personal Income (b)	Total Debt Per Capita
	General Obligation Bonds	Notes Payable	Total							
2010	\$ 39,311,535	\$ n/a	\$ 39,311,535	3.1%	\$ 2,647	\$ 761,994	\$ 127,087	\$ 40,200,616	9.05%	\$ 2,707
2011	38,641,899	n/a	38,641,899	3.0%	2,567	636,504	3,668,014	42,946,417	9.55%	2,853
2012	38,267,549	n/a	38,267,549	2.9%	2,515	509,133	3,600,000	42,376,682	8.41%	2,785
2013	36,696,551	n/a	36,696,551	2.7%	2,438	384,543	3,466,667	40,547,761	6.43%	2,694
2014	34,176,289	n/a	34,176,289	2.5%	2,289	256,195	12,798,157	47,230,641	7.55%	3,163
2015	31,760,588	5,410,000	37,170,588	2.2%	2,482	155,251	12,459,972	49,785,811	7.58%	3,324
2016	36,401,600	n/a	36,401,600	2.7%	2,431	52,268	12,105,109	48,558,977	7.40%	3,244
2017	32,742,212	n/a	32,742,212	2.4%	2,192		11,971,999	44,714,211	6.83%	2,994
2018	38,648,439	n/a	38,648,439	2.4%	2,583		11,231,771	49,880,210	7.60%	3,333
2019	35,271,825	n/a	35,271,825	2.4%	2,396		10,481,503	45,753,328	7.09%	3,108

Notes: Details regarding the Town's outstanding debt can be found in the notes to the financial statements.

a: See Table 5 for taxable property value data.

b: See Table 11 for personal income and population data.

These ratios are calculated using personal income and population for the prior calendar year.

**TOWN OF TOLLAND, CONNECTICUT**  
**SCHEDULE OF DEBT LIMITATION**  
**JUNE 30, 2019**

Total Tax Collections (Including Interest and Lien Fees)  
for the Year Ended June 30, 2018 \$ 44,275,666

Base for Debt Limitation Computation \$ 44,275,666

	<u>General Purpose</u>	<u>Schools</u>	<u>Sewers</u>	<u>Urban Renewal</u>	<u>Pension Deficit</u>
Debt Limitation:					
2 1/4 times base	\$ 99,620,249	\$	\$	\$	\$
4 1/2 times base		199,240,497			
3 3/4 times base			166,033,748		
3 1/4 times base				143,895,915	
3 times base					132,826,998
	<u>99,620,249</u>	<u>199,240,497</u>	<u>166,033,748</u>	<u>143,895,915</u>	<u>132,826,998</u>
Total debt limitation	<u>99,620,249</u>	<u>199,240,497</u>	<u>166,033,748</u>	<u>143,895,915</u>	<u>132,826,998</u>
Indebtedness:					
Bonds payable	17,227,002	15,176,518	761,480		
Bond authorized but unissued	<u>1,435,647</u>	<u>6,816,122</u>			
Net Indebtedness (1) (2)	<u>18,662,649</u>	<u>21,992,640</u>	<u>761,480</u>	<u>-</u>	<u>-</u>
Debt Limitation in Excess of Indebtedness	\$ <u><u>80,957,600</u></u>	\$ <u><u>177,247,857</u></u>	\$ <u><u>165,272,268</u></u>	\$ <u><u>143,895,915</u></u>	\$ <u><u>132,826,998</u></u>

(1) The total of the above net indebtedness amounts to: \$ 41,416,769

In no event shall total indebtedness exceed seven times the base for debt limitation computation: \$ 309,929,662

(2) There is no overlapping debt.

TABLE 10

**TOWN OF TOLLAND, CONNECTICUT  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Debt limit	\$ 255,521,231	\$ 260,406,559	\$ 267,626,436	\$ 273,336,217	\$ 276,365,677	\$ 283,577,056	\$ 295,505,581	\$ 304,004,526	\$ 304,004,526	\$ 309,929,662
Total net debt applicable to limit	44,220,139	43,543,142	40,060,513	37,096,154	37,193,008	34,137,145	37,610,716	45,685,921	44,074,405	41,416,769
Legal Debt Margin	\$ 211,301,092	\$ 216,863,417	\$ 227,565,923	\$ 236,240,063	\$ 239,172,669	\$ 249,439,911	\$ 257,894,865	\$ 258,318,605	\$ 259,930,121	\$ 268,512,893
Total net debt applicable to the limit as a percentage of debt limit	17.3%	16.7%	15.0%	13.6%	13.5%	12.0%	12.7%	15.0%	14.5%	13.4%

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 2019 debt limit can be found in the notes to the financial statements.



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

<b>Fiscal Year</b>	<b>Population (2)</b>	<b>Personal Income</b>	<b>Per Capita Personal Income (1)</b>	<b>Median Age (2)</b>	<b>School Enrollment</b>	<b>Unemployment Rate (2)</b>
2010	14,853	\$ 443,985,876	\$ 29,892	40.0	3,151	6.3%
2011	15,052	449,934,384	29,892	40.0	3,054	6.1%
2012	15,216	503,771,328	33,108	38.0	2,977	6.1%
2013	15,052	630,422,916	41,883	40.0	2,837	5.9%
2014	14,931	625,355,073	41,883	40.0	2,733	5.2%
2015	14,977	656,681,542	43,846	41.0	2,676	3.5%
2016	14,971	656,418,466	43,846	43.0	2,706	4.5%
2017	14,935	654,840,010	43,846	43.0	2,484	3.8%
2018	14,964	656,111,544	43,846	42.0	2,467	3.5%
2019	14,722	645,500,812	43,846	42.0	2,467	3.5%

Sources:

- (1) U.S. Department of Commerce, Bureau of Census, 2010 Census
- (2) Connecticut Economic Resource Center (CERC) Town Profile (2019)(not available yet)

TABLE 12

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

<b>Employer</b>	<b>2019</b>			<b>2010</b>		
	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total City Employment</b>	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total City Employment</b>
Town of Tolland (1)	498	1	6.1%	507	1	6.4%
Gerber Garment Technologies	286	2	3.5%	500	2	6.3%
Woodlake at Tolland	255	3	3.1%	200	4	2.5%
Big Y	184	4	2.2%	211	3	2.7%
CNC Software	152	5	1.8%	120	6	1.5%
Dari Farms	122	6	1.5%	190	5	2.4%
Star Hill Family Athletic Center	75	7	0.9%			
State Police Troop C	70	8	0.9%			
Eversource/Northeast Utilities	64	9	0.8%	42	10	0.5%
Soldream, Inc.				45	9	0.6%
NERAC, Inc.	41	10	0.5%	90	8	1.1%
Standard Register				105	7	1.3%
	<u>1,747</u>			<u>2,010</u>		

Notes:

(1): Full-time equivalents

Source: Assessor Office / Official Statements

TABLE 13

**TOWN OF TOLLAND, CONNECTICUT  
TOWN GOVERNMENT EMPLOYEES BY FUNCTION  
LAST TEN FISCAL YEARS**

Function	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Administration	4	4	4	4	4	4	4	4	4	4
Planning and community development	5	5	5	5	4	4	4	4	5	5
Community services	18	18	18	18	16	17	17	17	17	17
Public works	34	33	33	32	31	32	32	31	31	31
Public safety services	12	12	12	13	13	13	13	13	13	13
Records and financial services	14	14	14	14	14	14	14	14	14	14
Total	<u>87</u>	<u>86</u>	<u>86</u>	<u>86</u>	<u>82</u>	<u>84</u>	<u>84</u>	<u>83</u>	<u>84</u>	<u>84</u>

Source: Accounting Department

TABLE 14

**TOWN OF TOLLAND, CONNECTICUT  
OPERATING INDICATORS BY FUNCTION  
LAST TEN FISCAL YEARS**

Function	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Planning and community development:										
Residential permit inspections	9	6	8	7	13	17	8	10	8	8
Commercial permit inspections	12	22	11	34	21	22	24	66	51	65
Subdivision lots approved (P&Z Comm)	8	2	3	0	0	2	2	2	2	1
COs issued (P&Z Services)***	131	146	212	28	195	15	20	14	19	8
Elderly services:										
Senior center attendance	8,568	7,792	8,029	8,231	8,311	8,070	9,246	9,701	9,021	10,334
Library:										
Total circulation	144,512	136,776	112,356	119,949	122,365	125,480	120,000	98,074 *	105,898	99,179
Attendance at library	97,219	91,294	70,000	77,231	77,630	75,996	70,933	60,000 *	71,000	97,098
Recreation:										
Youth programs and sports participation	2,553	2,243	2,213	1,853	1,858	1,835	2,092	1,806	1,640	1,657
Adult programs and sports participation	1,576	1,397	1,061	710	731	755	795	880	997	1,019
Refuse and recycling:										
Tons of refuse co-generated	4,595	4,557	4,806	4,348	4,256	4,325	4,347	4,180	4,252	4,391
Tons of single stream recycling	1,824	1,840	1,737	1,772	1,730	1,753	1,711	1,761	1,611	1,139 ****
Public safety:										
Ambulance medical calls	1,031	1,095	1,183	1,135	1,235	1,272	1,307	1,338	1,285	1,356
Ambulance non-emergency calls	2,253	2,343	2,534	2,464	2,563	2,750	N/A	N/A	N/A	N/A
Fire calls	476	264	540	516	405	525	525	478	470	515
Fire medical calls	1,031	1,095	1,183	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Fire non-emergency calls	2,253	2,343	2,534	2,464	2,563	2,750	N/A	N/A	N/A	N/A
Hazardous materials	43	44	51	46	33	40	29	32	33	34
Other calls / service calls**				869	368	375	237	322	314	353
Vehicle Accidents						131	139	117	115	120
Law enforcement:										
Criminal investigations	375	214	169	398	396	458	502	456	399	402
Motor vehicle accident investigations	286	252	255	234	251	316	266	288	252	261
Registrar of voters:										
Total registered voters	9,661	9,300	9,186	9,415	9,271	9,400	9,436	10,128	10,125	10,301
Revenue services:										
Total taxes collected	\$ 36,045,688	\$ 36,706,615	\$ 37,641,605	\$ 38,505,984	\$ 38,882,421	\$ 40,094,577	\$ 41,653,686	\$ 42,996,306	\$ 43,699,966	\$ 44,475,818

\* due to library expansion and being closed for 5 weeks

\*\* new in 2013

\*\*\* only for new houses starting in 2015

\*\*\*\* includes tonnage reduction due to contamination fees

June tax collector's report (current year only)

Source: Department heads

TABLE 15

**TOWN OF TOLLAND, CONNECTICUT  
CAPITAL ASSET STATISTICS BY FUNCTION  
LAST TEN FISCAL YEARS**

<b>Function</b>	<b>Fiscal Year</b>									
	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
Fire stations	5	5	5	5	5	5	5	5	5	5
Municipal buildings	21	21	21	21	21	21	21	21	21	21
Schools	4	4	4	4	4	4	4	4	4	4
Parks and recreation:										
Fields - Municipal	16	16	16	16	16	16	16	16	16	16
Fields - Schools	16	16	16	16	16	16	16	16	16	16
Water:										
Water mains (Municipal) (miles)	66,991	66,991	66,991	66,994	66,994	66,994	66,994	66,994	66,994	66,994
Water mains (Private) (miles)	69,772	69,772	69,772	69,772	69,772	69,772	69,772	69,772	69,772	69,772
Fire hydrants (Public)	83	83	83	83	83	83	83	83	83	83
Fire hydrants (Private)	14	14	14	14	14	14	14	14	14	14
Wastewater:										
Sewer line (feet)	46,432	46,432	46,432	46,432	46,432	46,432	46,432	46,432	46,432	46,432
Highway:										
Paved miles	123.11	123.50	123.60	123.68	123.68	123.68	123.68	123.68	123.68	123.93
Unimproved miles	8.85	8.85	8.85	8.85	8.85	8.85	8.85	8.85	8.85	8.85

Source: Accounting Department