

**TOWN OF TOLLAND,  
CONNECTICUT**



**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**FOR THE YEAR ENDED JUNE 30, 2020**

**TOWN OF TOLLAND, CONNECTICUT**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Prepared by:  
The Finance Department

Lisa A. Hancock  
Director of Finance and Records

**TOWN OF TOLLAND, CONNECTICUT**  
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**JUNE 30, 2020**

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## **Introductory Section**



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

November 13, 2020

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, 2020.

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 and 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, 2020 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Town of Tolland's financial statements for the fiscal year ended June 30, 2020 are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

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 14,838. 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-three percent of its dwellings are owner-occupied and ninety-four percent are single-family homes. Land subdivision activity and housing starts have slowed down over the last 10 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. Employment decisions associated with management directly reporting to the Town Manager shall be subject to the approval of the Council.

The Manager has appointive and removal authority over 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 reserves the option of converting to a full-time paid Town Engineer if necessary. 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 512 residences, 33 businesses, 11 private fire services and 9 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 ½ 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**

The COVID outbreak has not had a materially adverse effect on the Town's financial condition for FY 2020. The Town's finances and financial plans remained stable for the end of the fiscal year with over 100% of total revenues received at June 30, 2020 including 100.9% of budgeted property taxes. The Town cannot predict future impact that the COVID pandemic will have on future revenue collections; however, collections appear to remain strong so far. The Town is also fortunate for a special Emergency Declaration fund to provide cash flow for emergency safety measures that will be reimbursed by FEMA and other Federal funding sources. The Town offered a tax deferment program for those affected by COVID for the period of April 1 to July 1, 2020 pursuant to the Governors Executive Order #7S. Only 18 taxpayers took advantage of this program and two of them ultimately paid on time.

Tolland continues to balance land preservation with the expansion and encouragement of business 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 reflects a strong emphasis on economic development and recommends revisiting the Tolland Village Area and the Technology Campus Zones. The Commission has engaged the services of a consultant to expand the uses allowed in these zones. The Town and its Economic Development Commission have been working with property owners, developers, and residents to promote development. The Town Council updated its Tax Abatement policy to expand eligibility to businesses. Along with efforts to produce a regional economic development action plan, it is the Town's goal to be more aggressive in marketing opportunities in Tolland and the region for development. The 2019 Plan of Development promotes the Town's vision for mixed-use development. Studies show there is a market potential for restaurants, apartments, possibly a hotel and other uses.

Tolland has joined with the towns of Bolton, Coventry and Mansfield to create a regional economic development action plan. The plan will be finalized in the Fall of 2020. It includes short-term low to no cost initiatives, and longer-term actions for four towns to undertake jointly.

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 10/1/2018 was \$1.28 Billion, representing an increase of .296% from 2017. Individually the real estate values increased by over \$2.3 million or .2%, personal property values decreased by \$545,000 or 1.36% and the motor vehicle list increased by \$2.1 million or .63%. Although slow, the town continues to see some residential growth. 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. The total personal property accounts decreased by 3 with several additions and small businesses assessments. Values decreased mainly due to lack of projects and heavy equipment being in Town. The Board of Assessment appeals reduced 77 properties on the Grand List for FY 19-20 with a \$7.1 million value loss. There were 14 properties added back after repairs were completed, worth about \$1 million. In FY 20-21, we have at least 29 properties to be added back onto the Grand List. The value of these additions are estimated at \$2.2 million. We also only had 4 new applications in FY 20-21. Building permits have been increasing up from 1,010 in 2019 to 1,174 in 2020. It is projected that 2021 permits will exceed the number of permits in 2020. This is a good indication for some increase to our Grand List.

Tolland remains attractive to business development with a median household income of \$115,718 (American Community Survey 2014-2018). Tolland's unemployment rate was 5.2% in August 2020 vs. the State of CT 8.2% for the same period. Current unemployment rates are higher than they were last year, but have begun to decrease. This is due to the impact of the COVID pandemic on the workforce.

## **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 and Town Council 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 Declaration fund, an Education Reserve fund, a Town-wide Property Revaluation 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.

**Bond Rating** – Due to its strong financial management practices, Tolland has maintained a credit rating of AAA from Standard and Poors Rating Agency since 2013. The Town also has a AAA rating from Fitch Rating Agency, which was recently reaffirmed.

## **Major Initiatives**

The Town received grants to fund several major capital projects which include funding of \$117,041 for a Municipal Center Pathway from the new elderly housing and other Town buildings to Town Hall and the Town Green. There were also grants for 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. 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 is in the process of replacing Birch Grove Primary School, impacted by the crumbling foundation epidemic prevalent in Eastern Connecticut. The State of Connecticut order declaring and emergency status for the school is funding 89% of the \$46 million project. We are hopeful that action of insurance claims and/or a Federal Congressional funding Bill that is moving its way through the process will mitigate the Town share further. The Town was also awarded a 100% State funded grant to cover the cost of portable classrooms during the construction and soil remediation for this project.

### **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, 2019. This was the twenty-eighth 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 2019-2020 Budget from the GFOA. The Town has received this highest form of recognition in governmental budgeting for nine consecutive years. We have applied for the 2020-21 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,



Lisa A. Hancock, CPFO  
Director of Finance and Records



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, 2019

*Christopher P. Morrell*

Executive Director/CEO



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**Town of Tolland  
Connecticut**

For the Fiscal Year Beginning

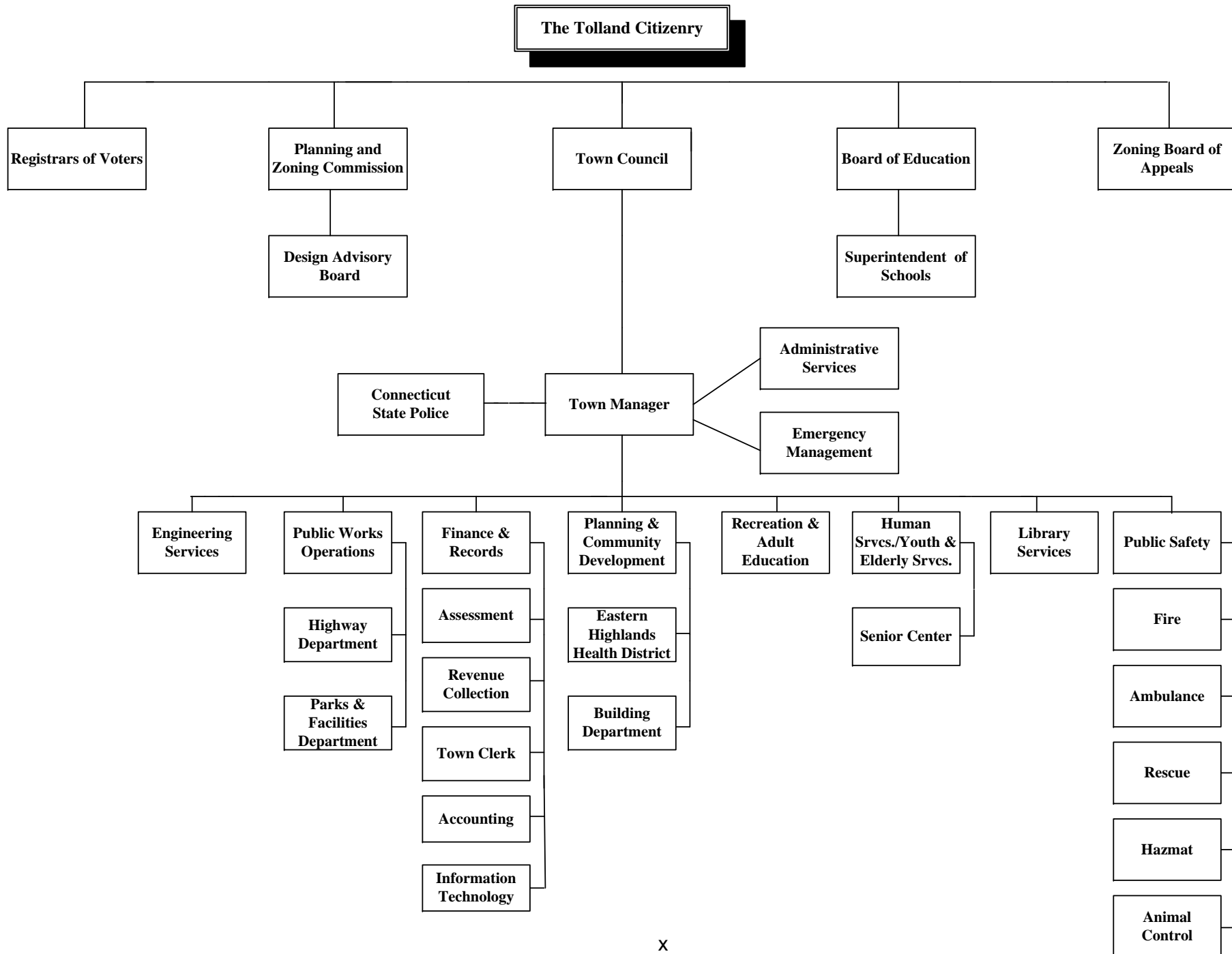
**July 1, 2019**

*Christopher P. Morill*

Executive Director

# Town of Tolland

## Organization Chart



**TOWN OF TOLLAND, CONNECTICUT**

**LIST OF PRINCIPAL OFFICIALS**

**JUNE 30, 2020**

**Town Council**

Tammy Nuccio, Chairperson  
Steven Jones, Vice Chairperson  
Brenda Falusi  
Lou Luba  
John Reagan  
Kurt Schenher  
Cassandra York

**Board of Education**

Ashley Lundgren, Chairperson  
Christina Plourd, Vice Chairperson  
Renie Besaw  
Christine Griffin  
Anthony Holt  
Katherine Howard-Bender  
Jacob Marie  
Karen Moran  
Dana Philbin





# 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, 2020, 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, 2020 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 13, 2020 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 13, 2020

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2020

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, 2020. 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 and deferred outflows of resources of the Town of Tolland exceeded its liabilities and deferred inflows of resources at the close of the most recent year by \$102,512,164 (net position). Of this amount, \$16,118,701 (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 decreased by \$2,334,693. Governmental and business-type activity expenses were \$91,704,067 while revenues were \$89,369,374.
- The total cost of all Town services for the fiscal year 2020 was \$91,704,067 of which \$90,849,930 was for governmental services and \$854,137 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 \$23,143,234, an increase of \$3,369,785 from the prior fiscal year. Of the total fund balance as of June 30, 2020, \$9,494,295 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 \$12,958,248, an increase of \$2,081,029 over the prior fiscal year. Unassigned fund balance for the general fund was \$9,494,295 or 15.3% 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 \$12,958,248 or 20.9% 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 deferred outflows of resources, liabilities and deferred inflows of resources, 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 32 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 28 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 Declaration, Miscellaneous Grants, Artificial Turf, Cemetery Perpetual Care, Debt Service Fund, Agricultural Fund, Tax Stabilization 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 71 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 \$102,512,164 at the close of the most recent fiscal year.

By far, the largest portion of the Town of Tolland's net position \$85,993,293 (83.9%) 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, 2020 AND 2019

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 39,927,975	\$ 26,321,456	\$ 1,591,768	\$ 1,302,114	\$ 41,519,743	\$ 27,623,570
Capital assets	118,285,202	117,914,767	8,281,210	7,966,653	126,566,412	125,881,420
Total assets	158,213,177	144,236,223	9,872,978	9,268,767	168,086,155	153,504,990
Deferred outflows of resources	1,072,299	2,392,264			1,072,299	2,392,264
Current liabilities	16,378,173	5,568,404	155,066	95,505	16,533,239	5,663,909
Noncurrent liabilities	48,721,818	44,902,195			48,721,818	44,902,195
Total liabilities	65,099,991	50,470,599	155,066	95,505	65,255,057	50,566,104
Deferred inflows of resources	1,391,233	484,293			1,391,233	484,293
Net investment in capital assets	77,712,083	73,179,715	8,281,210	7,966,653	85,993,293	81,146,368
Restricted	313,063	313,063	87,107	76,294	400,170	389,357
Unrestricted	14,769,106	22,180,817	1,349,595	1,130,315	16,118,701	23,311,132
Total Net Position	\$ 92,794,252	\$ 95,673,595	\$ 9,717,912	\$ 9,173,262	\$ 102,512,164	\$ 104,846,857

An additional portion of the Town of Tolland's total net position, .39% or \$400,170, represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$16,118,701 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 \$10,813 and there was no change for governmental activities from the previous year.



**TOWN OF TOLLAND CHANGES IN NET POSITION  
JUNE 30, 2020 AND 2019**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Revenues:						
Program revenues:						
Charges for services	\$ 2,108,489	\$ 2,642,215	\$ 752,741	\$ 778,868	\$ 2,861,230	\$ 3,421,083
Operating grants and contributions	18,883,341	14,133,735			18,883,341	14,133,735
Capital grants and contributions	19,767,330	2,163,095			19,767,330	2,163,095
General revenues:						
Property taxes	46,685,864	45,216,830			46,685,864	45,216,830
Grants and contributions not restricted to specific programs	519,024	521,497			519,024	521,497
Investment income	475,553	610,285	7,471	10,577	483,024	620,862
Miscellaneous	169,561	139,495			169,561	139,495
Total revenues	<u>88,609,162</u>	<u>65,427,152</u>	<u>760,212</u>	<u>789,445</u>	<u>89,369,374</u>	<u>66,216,597</u>
Expenses:						
Administration	1,753,006	1,075,524			1,753,006	1,075,524
Planning and community development	645,191	502,276			645,191	502,276
Community services	1,414,041	1,777,504			1,414,041	1,777,504
Public works	10,252,618	9,388,239			10,252,618	9,388,239
Public safety services	1,903,423	2,563,483			1,903,423	2,563,483
Records and financial services	1,531,846	1,242,415			1,531,846	1,242,415
Board of education	72,076,692	43,885,556			72,076,692	43,885,556
Interest expense	1,273,113	1,394,808			1,273,113	1,394,808
Sewer Fund			442,663	436,016	442,663	436,016
Water Fund			411,474	384,383	411,474	384,383
Total expenses	<u>90,849,930</u>	<u>61,829,805</u>	<u>854,137</u>	<u>820,399</u>	<u>91,704,067</u>	<u>62,650,204</u>
Excess (deficiency) before transfers	(2,240,768)	3,597,347	(93,925)	(30,954)	(2,334,693)	3,566,393
Transfers	(638,575)	11,425	638,575	(11,425)	-	-
Change in net position	<u>(2,879,343)</u>	<u>3,608,772</u>	<u>544,650</u>	<u>(42,379)</u>	<u>(2,334,693)</u>	<u>3,566,393</u>
Net Position - July 1	<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>
Net Position - June 30	<u>\$ 92,794,252</u>	<u>\$ 95,673,595</u>	<u>\$ 9,717,912</u>	<u>\$ 9,173,262</u>	<u>\$ 102,512,164</u>	<u>\$ 104,846,857</u>

The Town of Tolland's overall net position decreased \$2,334,693 from the prior fiscal year. The major changes in revenues and expenses creating this overall decrease are discussed in the following sections for governmental activities and business-type activities. Governmental activities decreased the Town of Tolland's net position by \$2,879,343 and business-type activities increased it by \$544,650.

## Governmental Activities

For governmental activities, approximately 52.7% of the revenues were derived from property taxes, followed by 43.6% in other intergovernmental revenues. These numbers reflect an increase in property tax revenue and an increase in intergovernmental revenue as compared to the prior fiscal year where property taxes were 69.2% and other intergovernmental revenues were 24.9% of total revenues.

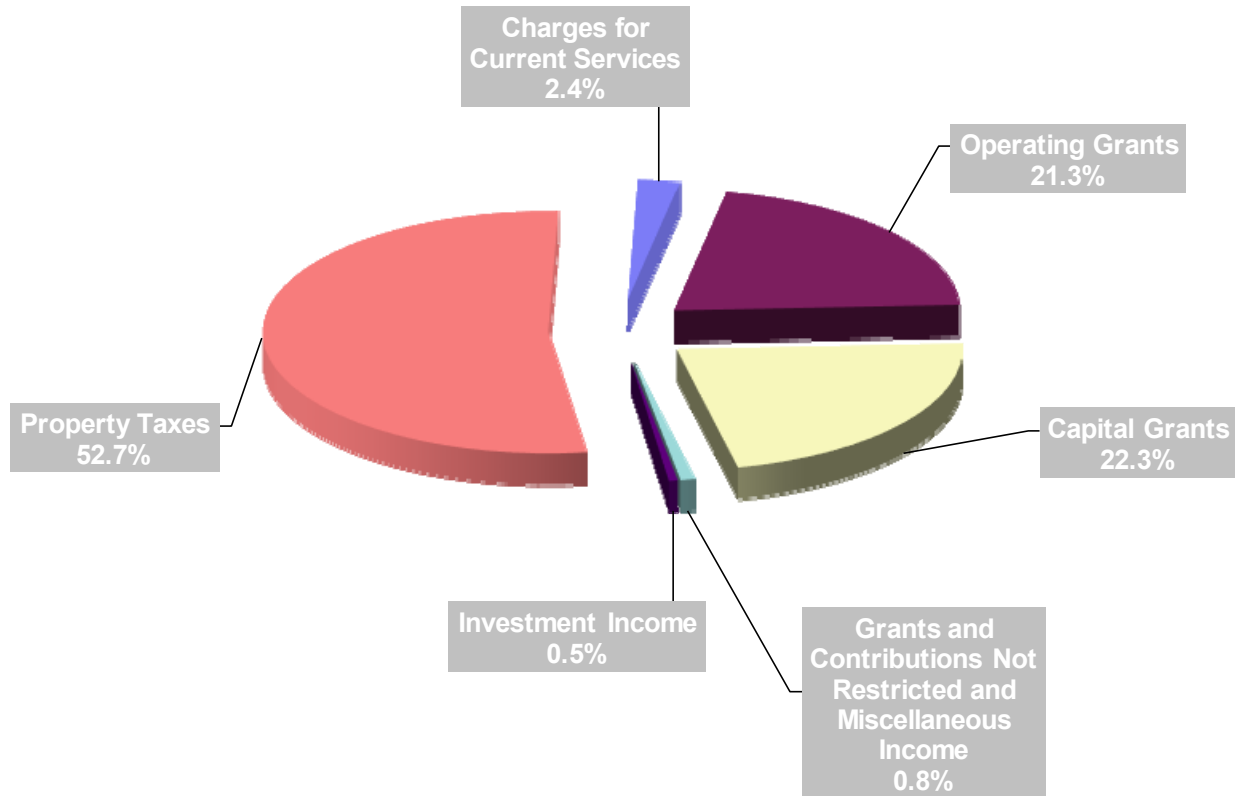
Major revenue factors included:

1. *Property tax revenues* recorded during the fiscal year 2020 reflect a 1.05 mill increase in the mill rate for the current levy and the impact of a .296% increase in the grand list. There was \$1,469,034 more in property tax revenues collected over the previous year.
2. *Charges for services* were \$533,726 lower than the prior year. Reductions are mainly due to the impact of the closures or reduction in services in response to the COVID pandemic are Before/After School program (\$108,909), Lodge rentals (\$17,671), Recreation programs (\$134,983) and School food services (\$149,704). Other reductions were for the sales of cemetery plots (\$9,295) and Small Cities funds (\$35,108).
3. *Operating grants* reflected an increase of \$4,749,606 mainly due to an increase in State Teacher Retirement pension and OPEB expense for \$5,180,020, a decrease of \$363,434 in Education Cost Sharing, decrease in Special Education Excess Cost \$97,948 and are offset by minor increases in other operating grants. Education Cost Sharing will continue to decrease for the next several years by approximately \$330,000 per year as part of the State phase in plan to reduce ECS for Tolland.
4. *Capital grants and contributions* reflected an increase of \$17,604,235 over the previous year due to grants received for one-time school construction projects.
5. *Grants and contributions not restricted to specific programs* decreased by \$2,473 mainly due to a decrease in the state veterans benefits for \$1,537 and other miscellaneous grant reductions for \$936.
6. *Miscellaneous General Revenues* increased by \$30,066 over the previous year mainly due to the receipt of bond premiums from debt issuance.

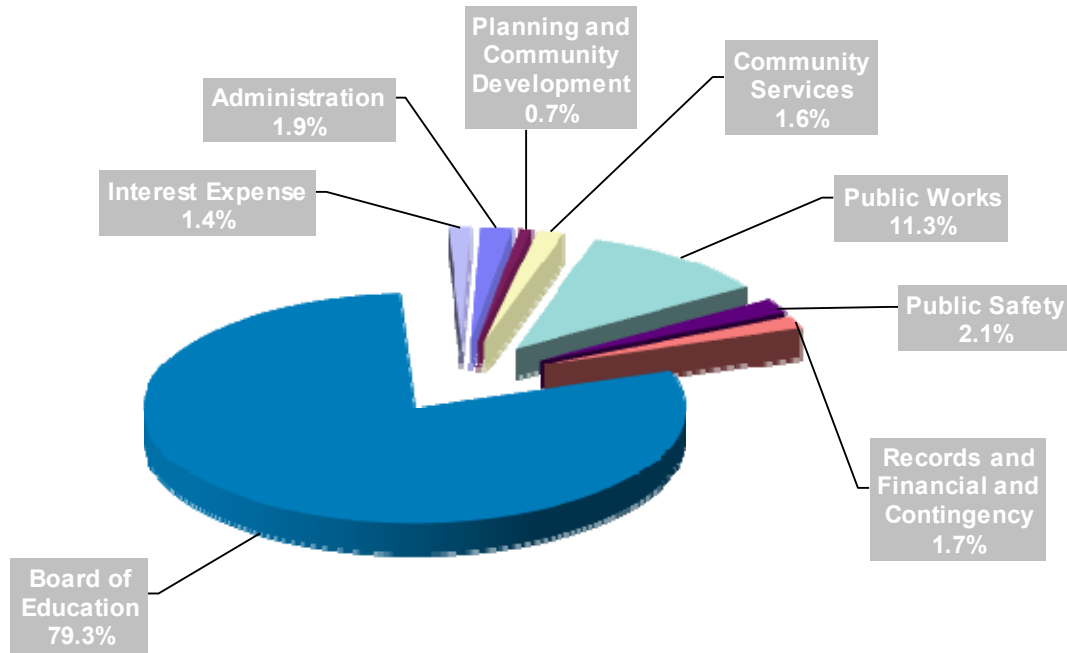
Overall governmental revenue increased by \$23,182,010. This is mainly due to an increase in State Teacher Retirement grants of \$5,180,020 as mentioned above and school construction grants for the Birch Grove School building project and other capital grants for \$17,604,235. The increase of property taxes of \$1,469,034 and a decrease in miscellaneous and investment income of \$104,666.

## REVENUES BY SOURCE - GOVERNMENTAL ACTIVITIES

The largest component of revenue, which is from property taxes, decreased to 52.7% of total revenue in the current year as compared to 69.2% in the prior year. This decrease was mainly due to the proportionate share of overall revenues increasing by capital grants.



## EXPENSES BY SOURCE - GOVERNMENTAL ACTIVITIES



For governmental activities, 79.3% of the Town's expenses relate to education, 11.3% to public works, 2.1% to public safety, 1.6% to community services, 1.4% to interest payments on long-term debt, 1.9% to administration, 1.7% to records & financial services and contingency and 0.7% to planning and community development.

The overall total of governmental expenses excluding transfers increased in the amount of \$29,020,125 with the biggest impact of an increase of \$5,180,020 in the State of CT Teacher's Retirement pension and OPEB expense and in Education for School Construction and a charge to Education for capital assets for \$20,955,217.

**Business-Type Activities.** Business-type activities increased the Town of Tolland's net position by \$544,650. Key elements of this year's activities are as follows:

- The Water Fund had operating income of \$20,733 and the Sewer Fund experienced an operating loss of \$87,110 for a combined operating loss of \$66,377. The non-operating losses of \$27,548 and transfers out to Capital Reserves of \$11,425 and a transfer in for the addition of a new pump station as part of the Highway Garage renovation project, bring the increase in net position to \$544,650 at year end. A majority of the operating loss in the Sewer Fund relates to the impact of depreciation expense.

## 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 \$23,143,234, an increase of \$3,369,785 from the previous year.

The largest change in fund balance was an increase in the General Fund for \$2,081,029 and Capital Projects Fund by \$1,370,330. There were also decreases in the Sewer Assessment and Small Cities funds. Nonmajor Governmental funds had an increase of \$15,852.

*The general fund* balance increased by \$2,081,029 due to an excess of \$1,896,478 in revenues over expenditures plus the other financing sources and uses of \$184,551.

*The sewer assessment* fund decreased by \$92,992 due to sewer assessment fees that were lower than the cost of debt service and for system improvements.

The Capital Projects fund increased by \$1,370,330 due to the issuance of debt.

The overall amount of the governmental fund balances totals up to \$23,143,234. Of that amount the assigned fund balance is \$2,732,318 which includes \$2,232,318 for encumbrances and \$500,000 for the subsequent budget. The restricted amount of the total fund balance is a restriction on spending grant receipts in the amount of \$199,791. There are balances committed in the amount of \$10,370,526. Of this amount, \$5,788,240 is for capital projects, \$225,000 for the Tax Stabilization fund, \$506,635 for the Education Reserve fund and the balance is for other special commitments. An additional amount of \$346,304 represents the non-spendable portion of fund balance and the unassigned portion of fund balance is \$9,494,295 or 42% 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 \$9,494,295, while total fund balance was \$12,958,248. 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 15.3% of total general fund expenditures including transfers out. Total fund balance represents 20.9% of that same amount. The unassigned portion of fund balance, when compared with unassigned last year portion for the general fund had increased by \$1,344,119 while the total fund balance increased by \$2,081,029.

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

- Overall Town experienced an excess in revenues for \$239,574. The current, prior year, and motor vehicle supplemental tax collections exceeded the budget by \$374,471. Motor vehicle supplemental taxes collected as part of this amount account for \$279,154 due to more than anticipated vehicles being added to the Motor Vehicle list. The Town Council reduced the Motor Vehicle Supplemental budget number when the revenue budget for the Education Cost Sharing grant was adjusted. Although the budget was exceeded for MV Supplemental, its original budget had been reduced by \$268,966. Had that budget not been reduced, the excess would only have been \$10,188.
- Additional revenue collected in investment income and other revenues was \$126,815 was mainly due to higher investment returns and longer maturity.

- Charges for Services exceeded the budget by \$94,605. Of this amount, \$59,763 was for Property Tax Conveyance and Document Recording fees.
- Total Expenditures were \$1,029,531 less than anticipated. \$708,770 of this amount was unexpended from the Board of Education. The Town unexpended balance of \$320,761 mainly consisted of unexpended State Police contracted services of \$66,909 due to attrition and staffing changes and \$155,854 for savings resulting from employee attrition/retirements and delays in the hiring process. There were also additional savings in other departments due to COVID restrictions and other miscellaneous savings.

The *Sewer Assessment fund* had a decrease in its operating revenue by \$9,651 as compared to last year and a decrease of fund balance of \$92,992.

The *CDBG Small Cities funds* produced program income revenues of \$27,691 and program expenditures of \$32,125 resulting in a net reduction to fund balance by \$4,434.

The *Capital Projects funds* produced revenues and other financing sources that were more than expenditures and other financing uses by \$1,370,330 due to the timing of capital projects and the bond issue from this 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 \$3,231,275 and \$6,486,637 for the sewer fund at year end. This represented an increase of \$15,381 for water and an increase of \$529,269 for sewer. The increase in water resulted from an increase in customer user fees and a reduction in other charges for services. There was also an increase in overall expenses for \$22,200 mostly in services fees. The decrease in sewer is due mainly to expenses, including depreciation, not being covered by user fees. The Sewer Operating expenses were \$17,338 less than the previous fiscal year. This was mainly due to less service fees, utilities and supplies in this fiscal year.

The Utility Internal Service Fund operating revenues and transfers in were \$1,896,383 and operating expenses were \$976,321, when combined with non-operating expenses of \$182,634, non-operating revenues of \$1,648 and transfers-out of \$1,078,853, resulted in a decrease in net position of \$339,777. Total net position as of June 30, 2020 was \$602,255. Operating expenses decreased by \$88,764 due to savings in utility costs related to building and school closures as a result of the COVID Pandemic. Our current fiscal year non-operating revenues/expenses are \$380,943 more than the previous fiscal year mainly due to the use of funds for energy efficient capital projects.

The ECHIP Health Insurance Internal Service Fund had total revenue of \$6,634,012 and operating expenses of \$6,816,622 resulting in a reduction in net position of \$182,610. A majority of these excess funds were expended in July 2020 due to timing differences. The total net position as of June 30, 2020 was \$1,882,058.

### **General Fund Budgetary Highlights**

The final amended budget of \$57,157,848 was increased by \$385,113. This increase was for funds transferred to the Board of Education Reserve fund for \$85,113, \$225,000 to a new Tax Stabilization fund and the balance of \$75,000 was transferred to the Capital Improvements fund for Board of Education additional funding for non-grant funded Birch Grove capital project needs. During the year, actual revenues and other financing sources on a budgetary basis were \$57,397,422, which was more than the budgetary estimates by \$239,574.

Actual tax revenues were over budget by \$397,055 due to aggressive prior year's delinquent collections and an adjustment to supplemental motor vehicles budget to offset an increase in the Education Cost Sharing revenue.

Actual intergovernmental revenue was less than the budget by \$39,517. Less funds were received for the Education Cost Sharing grant for \$37,708 resulting from prior year calculation adjustments. The Town also had a reduction of \$1,481 for Veterans and other miscellaneous grant adjustments.

Charges for current services exceeded the budget by \$94,605 due to higher than anticipated Building Permit applications, Property Conveyance and document recording fees. Investment income was \$126,815 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 \$48,403 for cancellation of previous year encumbrances.

Other revenues fell short of the budget by \$9,674. This shortfall came from less than anticipated funds from our sports leagues to assist with the cost associated with the Artificial Turf field. Since sports were restricted for safety due to the COVID pandemic, leagues were unable to do fund raising to support their payments.

The Town had an original budgeted appropriation for the use of fund balance in the amount of \$300,000. All of this amount did not have to be used mainly due to unanticipated excess revenues received for prior and motor vehicle supplemental taxes, investment income, charges for services and expenditures less than budgeted. The actual amount of budgetary basis fund balance increased by \$1,269,105.

Actual expenditures on a budgetary basis and other financing uses totaled \$56,128,317 which was less than budgeted by \$1,029,531. 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	
	2020	2019	2020	2019	2020	2019
Land	\$ 14,881,115	\$ 14,881,115	\$ 50,858	\$ 50,858	\$ 14,931,973	\$ 14,931,973
Construction in progress	12,970,834	3,455,512	48,374	72,359	13,019,208	3,527,871
Buildings	67,537,246	76,114,158			67,537,246	76,114,158
Vehicles, furniture and equipment	5,896,148	5,524,293			5,896,148	5,524,293
Plant and pumping station			1,553,178	990,738	1,553,178	990,738
Water distribution system			6,628,800	6,852,698	6,628,800	6,852,698
Infrastructure	16,999,859	17,939,689			16,999,859	17,939,689
Total	\$ <u>118,285,202</u>	\$ <u>117,914,767</u>	\$ <u>8,281,210</u>	\$ <u>7,966,653</u>	\$ <u>126,566,412</u>	\$ <u>125,881,420</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 increase in the Town of Tolland's investment in capital assets for the current fiscal year was \$684,992 or approximately .6%, with an increase of \$370,435 for governmental activities and an increase of \$314,557 for business-type activities.

The Town's Governmental Activities type capital assets increase of \$370,435 is the net result of depreciation and deletions combined with the addition of the following assets:

TMS SECURITY SYSTEM	\$ 19,566
TIS ALARM SYSTEM	6,708
DISTRICT WIDE CO2 DETECTORS	11,640
THS FLOORING	10,000
TMS SECURITY DOORS	89,164
BIRCH GROVE SCHOOL (CIP)	12,952,805
SENIOR CENTER GENERATOR	24,995
PLAYGROUND EQUIPMENT AT RECREATION CENTER	34,674
2020 ACADIA TRUCK	31,089
2020 FORD EXPLORER	37,137
2004 MACK ENGINE	39,630
2019 FORD F-250 PICKUP TRUCK	34,584
KUBOTA EXCAVATOR	69,416
AIR CONDITIONING FOR RECREATION CENTER	214,659
TIRE MACHINE	7,585
STATION 240 BOILER	7,492
2020 FORD F-350 PICKUP	81,585
GENERATOR (WFSB TOWER)	27,207
PEDESTRIAN PATHWAY (#3874) (CIP)	12,529
DISTRICT WIDE SECURITY UPGRADES (#3850) (CIP TO FA)	100,025
PUBLIC WORKS GARAGE RENOVATION (#3825) (CIP TO FA)	427,985

Business-type activities decreased by \$314,557 due to the net effect of depreciation and the addition of the following assets:

Hydrants	\$ 6,454
Pump Station at Highway garage	650,000

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 \$29,890,000, all of which is backed by the full faith and credit of the Town. Of this debt, \$13,319,037 is school related and \$16,570,963 is general obligation. The Town of Tolland's total debt decreased by the amount of \$3,275,000 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, 2020 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 had another bond rating performed in the summer of 2020 in preparation for a bond issue in September, 2020. The AAA rating was reaffirmed by Standard and Poor's and Fitch.

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 \$315,295,260 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 45-49 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. In addition, are also compounded with the impact of the COVID pandemic. 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 continues to work 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:

- A Brewer received Planning and Zoning approval and expects to open Tolland's first Brewery in the next year. Other new businesses include small retail, building contractors and suppliers, expanded day care facilities and home occupations.
- The Town Council entered into a Purchase and sale agreement for a 9.7 acre parcel located in the Tolland Village Area. The agreement allows the abutting property owner to seek permits for business development that encompasses his property and the Town owned parcel.
- The former Dari-Farms facility in Tolland Business Park was quickly re-tenanted by a custom-food manufacturer.

The new economic indicators were taken into consideration when adopting the general fund budget for fiscal year 2020/2021. The preliminary State budget reduced Tolland's municipal aid by \$238,036. For several years the Town adopted budgets at the first referendum. This reflects the support of the citizens for the Town's submission of responsible budgets. In FY 2019-2020 the world was hit by the COVID pandemic. The Governor created an executive order that required the Town Council to adopt a budget without a Town-wide referendum. With concern for the impact on the citizens, the Town Council approved a budget with an unchanged mill rate for FY 2020/2021. With some growth in other revenue sources and some planned use of fund balance and Tax Stabilization funds, we were able to maintain services while having a small budget increase.

The 2019 Grand List was a result of the 5 year Revaluation process to bring property values in line with current market trends. There was a .41% decrease in the October 1, 2019 Grand List. This resulted in a decrease of approximately \$189,577 in actual dollars generated based on the FY 19-20 mill rate. The value of these funds is factored into the FY 20-21 mill rate calculation.

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 \$336,686. A majority of this revenue loss and expenditure increase is covered by a combined use of \$500,000 from fund balance and \$115,000 from the Tax Stabilization fund. The Town Manager and Finance Director have recommended cautious use of fund balance and there is a plan in place for the next budget to continue to responsibly plan for the use and the future needs to replenish fund balance.

In the 2020/2021 the overall Town expenditure budget increased by .72% will no mill increase. This no mill increase was done in recognition of the impact of the current COVID pandemic on our citizens. 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.

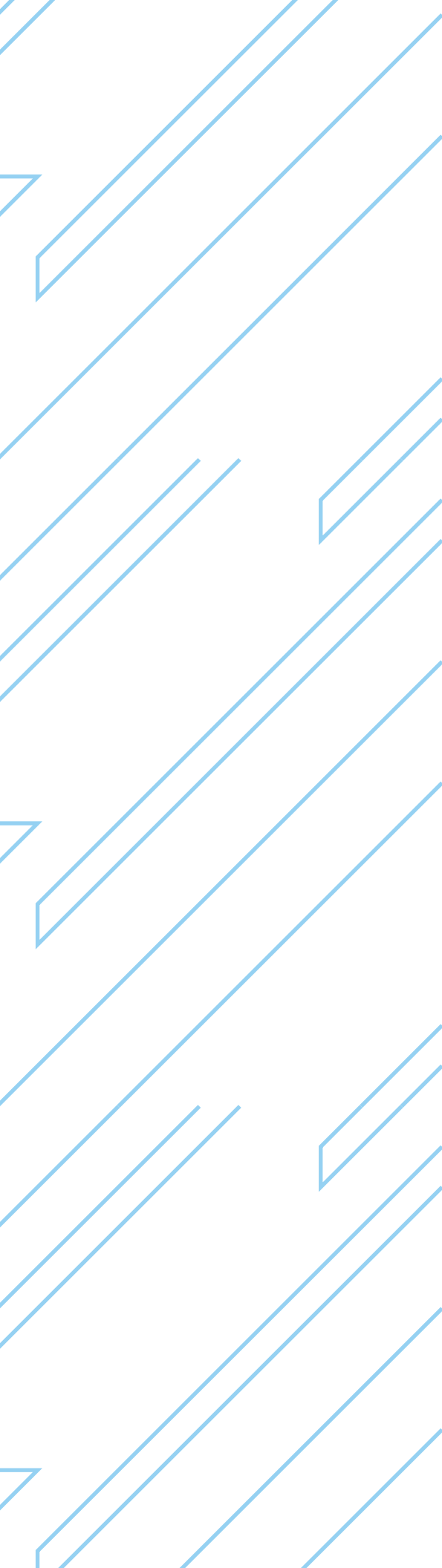
Amounts available for the FY 2020/2021 appropriation in the general fund budget are \$57,182,497, an increase of \$409,762 over the fiscal year 2020 budget of \$56,772,735. A combination of increased costs for fixed items such as, insurance, utilities, salaries, employee benefits and other commodities along with a substantial change in the percentage decrease in State aid had the biggest impact on the fiscal year 2020/2021 budget. In order to achieve this budget level, cost savings measures were employed such as eliminating one time expenditure requests and funded them in the prior year with savings 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 a State School Construction grants for a school roof replacement. In addition, the Legislature approved special legislation to fund unexpected costs for unsuitable soils at the Birch Grove School project at a 100% reimbursement rate.

Tolland's unemployment rate increased from 3.1% as of June 2019 to 7.3% as of June 2020. The State of CT unemployment rate increased from 3.8% (June 2019) to 10.1% as of June 2020. These rates have begun to decline and the increases were mainly a result of the State shut-down due to the impact of the COVID pandemic.

### **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, 2020**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Assets:</b>			
Cash and cash equivalents	\$ 28,295,816	\$ 1,258,705	\$ 29,554,521
Investments	3,318,627		3,318,627
Property taxes receivable	1,136,786		1,136,786
Intergovernmental receivable	3,167,365		3,167,365
Accounts and other receivables	1,306,746	333,063	1,639,809
Other assets	33,241		33,241
Advance to plan administrator	2,356,331		2,356,331
Restricted cash	292,263		292,263
Restricted investments	20,800		20,800
Capital assets, nondepreciable	27,851,949	99,232	27,951,181
Capital assets, net of accumulated depreciation	90,433,253	8,181,978	98,615,231
Total assets	<u>158,213,177</u>	<u>9,872,978</u>	<u>168,086,155</u>
<b>Deferred Outflows of Resources:</b>			
Deferred outflows related to OPEB	158,979		158,979
Deferred charge on refunding	913,320		913,320
Total deferred outflows of resources	<u>1,072,299</u>	<u>-</u>	<u>1,072,299</u>
<b>Liabilities:</b>			
Accounts payable	6,570,908	92,344	6,663,252
Accrued liabilities	128,902		128,902
Accrued interest payable	350,601		350,601
Unearned revenue	618,882	62,722	681,604
Bond anticipation notes payable	4,505,000		4,505,000
Noncurrent liabilities, due within one year	4,203,880		4,203,880
Noncurrent liabilities, due in more than one year	48,721,818		48,721,818
Total liabilities	<u>65,099,991</u>	<u>155,066</u>	<u>65,255,057</u>
<b>Deferred Inflows of Resources:</b>			
Deferred inflows related to OPEB	1,159,303		1,159,303
Advance property tax collections	231,930		231,930
Total deferred inflows of resources	<u>1,391,233</u>	<u>-</u>	<u>1,391,233</u>
<b>Net Position:</b>			
Net investment in capital assets	77,712,083	8,281,210	85,993,293
Restricted for:			
Capital repairs and improvements		87,107	87,107
Endowments - nonexpendable	20,800		20,800
Perpetual care - nonexpendable	292,263		292,263
Unrestricted	<u>14,769,106</u>	<u>1,349,595</u>	<u>16,118,701</u>
Total Net Position	<u>\$ 92,794,252</u>	<u>\$ 9,717,912</u>	<u>\$ 102,512,164</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, 2020**

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	\$ 1,753,006	\$	\$	\$	\$ (1,753,006)	\$	\$ (1,753,006)
Planning and community development	645,191	494,635		16,132	(134,424)		(134,424)
Community services	1,414,041	252,405	17,957		(1,143,679)		(1,143,679)
Public works	10,252,618	44,038	20,622	1,246,111	(8,941,847)		(8,941,847)
Public safety services	1,903,423	377,393	5,699		(1,520,331)		(1,520,331)
Record and financial services	1,531,846	114,066			(1,417,780)		(1,417,780)
Board of education	72,076,692	825,952	18,839,063	18,505,087	(33,906,590)		(33,906,590)
Interest expense	1,273,113				(1,273,113)		(1,273,113)
Total governmental activities	<u>90,849,930</u>	<u>2,108,489</u>	<u>18,883,341</u>	<u>19,767,330</u>	<u>(50,090,770)</u>	<u>-</u>	<u>(50,090,770)</u>
Business-type activities:							
Sewer Fund	442,663	331,568				(111,095)	(111,095)
Water Fund	411,474	421,173				9,699	9,699
Total business-type activities	<u>854,137</u>	<u>752,741</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(101,396)</u>	<u>(101,396)</u>
Total	<u>\$ 91,704,067</u>	<u>\$ 2,861,230</u>	<u>\$ 18,883,341</u>	<u>\$ 19,767,330</u>	<u>(50,090,770)</u>	<u>(101,396)</u>	<u>(50,192,166)</u>
General revenues:							
Property taxes					46,685,864		46,685,864
Grants and contributions not restricted to specific programs					519,024		519,024
Investment income					475,553	7,471	483,024
Miscellaneous					169,561		169,561
Transfers					(638,575)	638,575	-
Total general revenues and transfers					<u>47,211,427</u>	<u>646,046</u>	<u>47,857,473</u>
Change in net position					<u>(2,879,343)</u>	<u>544,650</u>	<u>(2,334,693)</u>
Net Position at Beginning of Year					<u>95,673,595</u>	<u>9,173,262</u>	<u>104,846,857</u>
Net Position at End of Year					<u>\$ 92,794,252</u>	<u>\$ 9,717,912</u>	<u>\$ 102,512,164</u>

The accompanying notes are an integral part of the financial statements

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

	<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	\$ 11,810,192	\$ 711,999	\$ 111,630	\$ 12,848,816	\$ 2,471,707	\$ 27,954,344
Investments	1,539,422			696,303	1,103,702	3,339,427
Receivables	1,075,655	262,804	953,516	3,069,195	95,340	5,456,510
Due from other funds	900					900
Other					33,241	33,241
Total Assets	<u>\$ 14,426,169</u>	<u>\$ 974,803</u>	<u>\$ 1,065,146</u>	<u>\$ 16,614,314</u>	<u>\$ 3,703,990</u>	<u>\$ 36,784,422</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>						
Liabilities:						
Accounts and other payables	\$ 259,422	\$	\$	\$ 5,800,855	\$ 4,878	\$ 6,065,155
Accrued liabilities	128,902					128,902
Due to other funds					900	900
Bond anticipation notes payable				4,505,000		4,505,000
Unearned revenue				520,219	98,663	618,882
Total liabilities	<u>388,324</u>	<u>-</u>	<u>-</u>	<u>10,826,074</u>	<u>104,441</u>	<u>11,318,839</u>
Deferred Inflows of Resources:						
Unavailable revenue - property taxes	847,667					847,667
Unavailable revenue - special assessments		262,804			16,942	279,746
Unavailable revenue - loans receivable			953,516			953,516
Unavailable revenue - cemetery					9,490	9,490
Advance property tax collections	231,930					231,930
Total deferred inflows of resources	<u>1,079,597</u>	<u>262,804</u>	<u>953,516</u>	<u>-</u>	<u>26,432</u>	<u>2,322,349</u>
Fund Balances:						
Nonspendable					346,304	346,304
Restricted			111,630		88,161	199,791
Committed	731,635	711,999		5,788,240	3,138,652	10,370,526
Assigned	2,732,318					2,732,318
Unassigned	9,494,295					9,494,295
Total fund balances	<u>12,958,248</u>	<u>711,999</u>	<u>111,630</u>	<u>5,788,240</u>	<u>3,573,117</u>	<u>23,143,234</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 14,426,169</u>	<u>\$ 974,803</u>	<u>\$ 1,065,146</u>	<u>\$ 16,614,314</u>	<u>\$ 3,703,990</u>	<u>\$ 36,784,422</u>

The accompanying notes are an integral part of the financial statements

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

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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)	\$ 23,143,234
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Governmental capital assets	\$ 222,296,429	
Less accumulated depreciation	<u>(104,011,227)</u>	
		118,285,202

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	169,656
Property tax, sewer use, water assessment and community development block grant receivable - accrual basis change	2,090,419
Allowance for doubtful accounts on interest and liens	(15,269)
Deferred outflows of resources related to OPEB	158,979

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.	2,484,313
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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	(29,890,000)
Bond anticipation notes payable	(8,165,000)
Other post employment benefit liability	(2,079,397)
Deferred inflows of resources related to OPEB	(1,159,303)
Deferred charge on refunding	913,320
Compensated absences	(1,194,862)
Accrued interest payable	(350,601)
Capital lease	(9,720,983)
Bond premium	<u>(1,875,456)</u>

Net Position of Governmental Activities (Exhibit I)	<u>\$ 92,794,252</u>
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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, 2020**

	<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	\$ 46,434,593	\$	\$	\$	\$	\$ 46,434,593
Intergovernmental	16,071,638			19,724,571	1,021,320	36,817,529
Charges for services	677,045	115,568	27,691		1,075,732	1,896,036
Investment income	301,815	6,107		97,648	40,843	446,413
Other revenues	64,728	24		346,027	18,656	429,435
Total revenues	<u>63,549,819</u>	<u>121,699</u>	<u>27,691</u>	<u>20,168,246</u>	<u>2,156,551</u>	<u>86,024,006</u>
Expenditures:						
Current:						
Administration	3,038,020				53,479	3,091,499
Planning and community development	431,155					431,155
Community services	885,164		32,125		341,499	1,258,788
Public works	4,350,025				21,800	4,371,825
Public safety services	1,317,479				71,616	1,389,095
Record and financial services	963,999					963,999
Contingency and other	203,128					203,128
Board of Education	45,401,670				1,738,821	47,140,491
Capital outlay		51,192		27,819,148		27,870,340
Debt service	5,062,701	189,924		29,890	2,257	5,284,772
Total expenditures	<u>61,653,341</u>	<u>241,116</u>	<u>32,125</u>	<u>27,849,038</u>	<u>2,229,472</u>	<u>92,005,092</u>
Excess (Deficiency) of Revenues over Expenditures	<u>1,896,478</u>	<u>(119,417)</u>	<u>(4,434)</u>	<u>(7,680,792)</u>	<u>(72,921)</u>	<u>(5,981,086)</u>
Other Financing Sources (Uses):						
Issuance of debt				8,165,000		8,165,000
Bond anticipation note payable premium					95,593	95,593
Transfers in	500,853	26,425		886,122	105,254	1,518,654
Transfers out	(316,302)				(112,074)	(428,376)
Net other financing sources	<u>184,551</u>	<u>26,425</u>	<u>-</u>	<u>9,051,122</u>	<u>88,773</u>	<u>9,350,871</u>
Net Change in Fund Balances	2,081,029	(92,992)	(4,434)	1,370,330	15,852	3,369,785
Fund Balances at Beginning 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>
Fund Balances at End of Year	<u>\$ 12,958,248</u>	<u>\$ 711,999</u>	<u>\$ 111,630</u>	<u>\$ 5,788,240</u>	<u>\$ 3,573,117</u>	<u>\$ 23,143,234</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, 2020**

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)	\$ 3,369,785
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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	14,890,475
Depreciation expense	(4,142,636)

The statement of activities reports losses arising from the trade-in of existing capital assets to acquire new capital assets. Conversely, governmental funds do not report any gain or loss on a trade-in of capital assets.	(10,377,404)
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Change in deferred outflows related to OPEB	(1,215,009)
Change in deferred inflows related to OPEB	(1,138,542)

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:

Increase in property tax, sewer use, water assessment and community development block grant receivable - accrual basis change	121,305
Increase in property tax interest and lien revenue	53,151
Increase in property tax, sewer use and community development block grant allowance for doubtful accounts	(4,784)
Amortization of bond premiums	231,369

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	3,275,000
Bond anticipation notes payable issuance	(8,165,000)
Capital lease payments	760,520

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	(52,314)
Change in accrued interest	32,360
Amortization of deferred charge on refunding	(104,956)
Net other post employment benefit expense	109,724

The net income of the internal service funds is reported with governmental activities.	(522,387)
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Change in Net Position of Governmental Activities (Exhibit II)	\$ (2,879,343)
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The accompanying notes are an integral part of the financial statements

**TOWN OF TOLLAND, CONNECTICUT**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget Positive (Negative)</b>
Revenues:				
Property taxes	\$ 46,306,504	\$ 46,037,538	\$ 46,434,593	\$ 397,055
Intergovernmental	9,393,791	9,962,757	9,923,240	(39,517)
Charges for services	582,440	582,440	677,045	94,605
Investment income	175,000	175,000	301,815	126,815
Other revenues	15,000	15,000	5,326	(9,674)
Total revenues	<u>56,472,735</u>	<u>56,772,735</u>	<u>57,342,019</u>	<u>569,284</u>
Expenditures:				
Current:				
Administrative	2,979,678	2,993,393	2,988,654	4,739
Planning and community development	437,295	461,131	447,954	13,177
Community services	934,157	949,629	861,862	87,767
Public works	4,479,404	4,500,704	4,392,273	108,431
Public safety services	2,068,410	2,063,339	1,980,438	82,901
Record and financial services	966,640	981,176	962,714	18,462
Contingency and other	185,704	97,009	91,726	5,283
Board of Education	39,975,605	39,975,605	39,266,835	708,770
Debt service	4,504,540	4,509,447	4,509,446	1
Total expenditures	<u>56,531,433</u>	<u>56,531,433</u>	<u>55,501,902</u>	<u>1,029,531</u>
Excess of Revenues over Expenditures	<u>(58,698)</u>	<u>241,302</u>	<u>1,840,117</u>	<u>1,598,815</u>
Other Financing Sources (Uses):				
Cancellation of prior year encumbrances			48,403	48,403
Appropriation of fund balance	300,000	385,113		(385,113)
Transfers in			7,000	7,000
Transfers out	<u>(241,302)</u>	<u>(626,415)</u>	<u>(626,415)</u>	<u>-</u>
Net other financing sources (uses)	<u>58,698</u>	<u>(241,302)</u>	<u>(571,012)</u>	<u>(329,710)</u>
Excess of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	<u>\$ -</u>	<u>\$ -</u>	<u>1,269,105</u>	<u>\$ 1,269,105</u>
Fund Balance at Beginning of Year			<u>8,725,176</u>	
Fund Balance at End of Year			<u>\$ 9,994,281</u>	

The accompanying notes are an integral part of the financial statements

**TOWN OF TOLLAND, CONNECTICUT**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2020**

	<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	\$ 1,024,078	\$ 234,627	\$ 1,258,705	\$ 633,735
Advance to plan administrator			-	2,356,331
Accounts receivable	111,051	222,012	333,063	
Total current assets	<u>1,135,129</u>	<u>456,639</u>	<u>1,591,768</u>	<u>2,990,066</u>
Noncurrent assets:				
Capital assets, nondepreciable:				
Land	50,858		50,858	
Construction in progress	48,374		48,374	
Capital assets, net of accumulated depreciation:				
Plant and pumping station	340,851	1,212,327	1,553,178	
Distribution system	1,737,082	4,891,718	6,628,800	
Total noncurrent assets	<u>2,177,165</u>	<u>6,104,045</u>	<u>8,281,210</u>	<u>-</u>
Total assets	<u>3,312,294</u>	<u>6,560,684</u>	<u>9,872,978</u>	<u>2,990,066</u>
<b>Liabilities:</b>				
Current liabilities:				
Accounts payable	18,297	74,047	92,344	31,480
Claims payable			-	474,273
Unearned revenue	62,722		62,722	
Total current liabilities	<u>81,019</u>	<u>74,047</u>	<u>155,066</u>	<u>505,753</u>
<b>Net Position:</b>				
Net investment in capital assets	2,177,165	6,104,045	8,281,210	
Restricted for commitments for capital repairs and improvements	87,107		87,107	
Unrestricted	967,003	382,592	1,349,595	2,484,313
<b>Total Net Position</b>	<u>\$ 3,231,275</u>	<u>\$ 6,486,637</u>	<u>\$ 9,717,912</u>	<u>\$ 2,484,313</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, 2020**

	<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	\$ 413,667	\$ 331,568	\$ 745,235	\$ 1,896,383
Other charges for services	7,506		7,506	
Employer contributions			-	6,606,520
Total operating revenues	<u>421,173</u>	<u>331,568</u>	<u>752,741</u>	<u>8,502,903</u>
Operating Expenses:				
Professional services	71,902	43,145	115,047	
Repairs and maintenance	71,921	24,305	96,226	
Service fees	25,329	105,706	131,035	
Materials and supplies	17,014	6,218	23,232	
Utilities	120,891	25,809	146,700	928,810
Administration			-	82,766
Employee benefits			-	6,781,367
Depreciation	93,383	213,495	306,878	
Total operating expenses	<u>400,440</u>	<u>418,678</u>	<u>819,118</u>	<u>7,792,943</u>
Operating Income (Loss)	<u>20,733</u>	<u>(87,110)</u>	<u>(66,377)</u>	<u>709,960</u>
Nonoperating Revenue (Expenses):				
Interest expense			-	(182,634)
Investment income	5,682	1,789	7,471	29,140
Loss on disposal	(11,034)	(23,985)	(35,019)	
Net nonoperating revenue (expense)	<u>(5,352)</u>	<u>(22,196)</u>	<u>(27,548)</u>	<u>(153,494)</u>
Income (Loss) Before Transfers	<u>15,381</u>	<u>(109,306)</u>	<u>(93,925)</u>	<u>556,466</u>
Transfers In		650,000	650,000	
Transfers Out		(11,425)	(11,425)	(1,078,853)
Total transfers	<u>-</u>	<u>638,575</u>	<u>638,575</u>	<u>(1,078,853)</u>
Change in Net Position	15,381	529,269	544,650	(522,387)
Net Position at Beginning of Year	<u>3,215,894</u>	<u>5,957,368</u>	<u>9,173,262</u>	<u>3,006,700</u>
Net Position at End of Year	<u>\$ 3,231,275</u>	<u>\$ 6,486,637</u>	<u>\$ 9,717,912</u>	<u>\$ 2,484,313</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, 2020**

	Business-Type Activities Enterprise Funds			Governmental Activities
	Water Fund	Sewer Fund	Total	Internal Service Funds
Cash Flows from Operating Activities:				
Receipts from customers	\$ 480,683	\$ 291,745	\$ 772,428	\$ 8,519,472
Payments to suppliers	(313,515)	(201,886)	(515,401)	(990,230)
Payments to providers of benefits			-	(6,634,012)
Net cash provided by (used in) operating activities	<u>167,168</u>	<u>89,859</u>	<u>257,027</u>	<u>895,230</u>
Cash Flows from Noncapital Financing Activities:				
Transfers in/out		(11,425)	(11,425)	(1,078,853)
Interest payments			-	(182,634)
Net cash provided by (used in) noncapital financing activities	<u>-</u>	<u>(11,425)</u>	<u>(11,425)</u>	<u>(1,261,487)</u>
Cash Flows from Capital and Related Financing Activities:				
Purchase of capital assets	<u>(6,454)</u>		<u>(6,454)</u>	
Cash Flows from Investing Activities:				
Investment income	<u>5,682</u>	<u>1,789</u>	<u>7,471</u>	<u>29,140</u>
Net Increase (Decrease) in Cash and Cash Equivalents	166,396	80,223	246,619	(337,117)
Cash and Cash Equivalents at Beginning of Year	<u>857,682</u>	<u>154,404</u>	<u>1,012,086</u>	<u>970,852</u>
Cash and Cash Equivalents at End of Year	<u>\$ 1,024,078</u>	<u>\$ 234,627</u>	<u>\$ 1,258,705</u>	<u>\$ 633,735</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:				
Operating income (loss)	\$ 20,733	\$ (87,110)	\$ (66,377)	\$ 709,960
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation expense	93,383	213,495	306,878	
(Increase) decrease in accounts receivable	(3,212)	(39,823)	(43,035)	16,569
(Increase) decrease in advance to plan administrator				234,437
Increase (decrease) in accounts payable	(6,458)	3,297	(3,161)	(13,909)
Increase (decrease) in claims payable			-	(51,827)
Increase (decrease) in unearned revenue	<u>62,722</u>		<u>62,722</u>	
Net Cash Provided by (Used in) Operating Activities	<u>\$ 167,168</u>	<u>\$ 89,859</u>	<u>\$ 257,027</u>	<u>\$ 895,230</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF TOLLAND, CONNECTICUT**  
**STATEMENT OF NET POSITION**  
**FIDUCIARY FUNDS**  
**JUNE 30, 2020**

	<b>OPEB Trust Fund</b>	<b>Private Purpose Trust Fund Stevenson Scholarship</b>	<b>Agency Funds</b>
Assets:			
Cash and cash equivalents	\$	\$ 25,083	\$ 800,909
Investments:			
Mutual funds	1,440,088		
Accounts receivable			24,992
Total assets	<u>1,440,088</u>	<u>25,083</u>	<u>825,901</u>
Liabilities:			
Accounts payable			<u>825,901</u>
Net Position:			
Held in Trust for Other Purposes	<u>\$ 1,440,088</u>	<u>\$ 25,083</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, 2020**

	<b>OPEB Trust Fund</b>	<b>Private Purpose Trust Fund Stevenson Scholarship</b>
Additions:		
Interest and dividends	\$	\$ 12
Contributions	499,499	
Net change in fair value of investments	55,519	
Total additions	<u>555,018</u>	<u>12</u>
Deductions:		
Scholarships awarded		16
Benefits	397,455	
Total deductions	<u>397,455</u>	<u>16</u>
Change in Net Position	157,563	(4)
Net Position at Beginning of Year	<u>1,282,525</u>	<u>25,087</u>
Net Position at End of Year	<u>\$ 1,440,088</u>	<u>\$ 25,083</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, 2020**

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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.

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**  
**JUNE 30, 2020**

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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  
JUNE 30, 2020**

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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.

## **P. Subsequent Events Evaluation by Management**

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through November 13, 2020, the date the financial statements were available to be issued.

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

### **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, 2020, the Town approved additional appropriations of \$385,113 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  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

A reconciliation of the accounting treatment required by GAAP and budgetary requirements at June 30, 2020 is as follows:

	<b>Revenues and Other Financing Sources</b>	<b>Expenditures and Other Financing Uses</b>	<b>Fund Balance</b>
Balance, budgetary basis	\$ 57,397,422	\$ 56,128,317	\$ 9,994,281
Prior year encumbrances liquidated		1,486,148	
Prior year encumbrances cancelled	(48,403)		
Prior year encumbrances still outstanding			195,970
Utility Service Fund transfer nonbudgeted	493,853	493,853	
Education Reserve Fund beginning fund balance			421,522
Debt Service Interest refund credits	59,402	59,402	
Education Reserve Fund and Municipal Stabilization Fund transfers are not budgeted		(310,113)	310,113
Current year encumbrances		(2,036,362)	2,036,362
State of Connecticut grants for Special Education Excess Costs, netted for budgetary purposes	853,212	853,212	
State Teachers' Retirement OPEB on-behalf payment	140,872	140,872	
State Teachers' Retirement pension on-behalf payment	<u>5,154,314</u>	<u>5,154,314</u>	
Balance, GAAP Basis	<u>\$ 64,050,672</u>	<u>\$ 61,969,643</u>	<u>\$ 12,958,248</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*, \$11,099,413 of the Town's bank balance of \$12,395,924 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 9,859,820
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name	<u>1,239,593</u>
Total Amount Subject to Custodial Credit Risk	<u>\$ 11,099,413</u>

## **Cash Equivalents**

At June 30, 2020, the Town's cash equivalents amounted to \$20,727,620. 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	

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**Investments**

As of June 30, 2020, the Town had the following investments:

<u>Investment Type</u>	<u>Credit Rating</u>	<u>Fair Value</u>	<u>Investment Maturities (Years)</u>		
			<u>Less Than 1</u>	<u>1 - 10</u>	<u>More than 10</u>
Certificates of deposit*		\$ 1,839,315	\$ 1,839,315	\$ _____	\$ _____
Total		1,839,315	\$ <u>1,839,315</u>	\$ <u>-</u>	\$ <u>-</u>
Other investments:					
Mutual funds		<u>2,940,200</u>			
Total Investments		\$ <u>4,779,515</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, 2020:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments by fair value level:				
Mutual funds	\$ <u>2,940,200</u>	\$ <u>2,940,200</u>	\$ _____	\$ _____
Total investments by fair value level	2,940,200	\$ <u>2,940,200</u>	\$ <u>-</u>	\$ <u>-</u>
Certificates of deposit	<u>1,839,315</u>			
Total Investments	\$ <u>4,779,515</u>			

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

**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, 2020.

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**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	<u>3,238</u>	<u>829,497</u>	<u>832,735</u>
Total Value	<u>\$ 295,501</u>	<u>\$ 850,297</u>	<u>\$ 1,145,798</u>

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

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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	\$ 1,008,644	\$	\$	\$	\$	\$	\$	\$ 1,008,644
Accounts and other	61,541	262,804		953,516	56,077	112,740	223,850	1,670,528
Intergovernmental	31,715		3,069,195		64,255			3,165,165
Gross receivables	1,101,900	262,804	3,069,195	953,516	120,332	112,740	223,850	5,844,337
Less allowance for collection losses	26,245					1,689	1,838	29,772
Net Total Receivables	<u>\$ 1,075,655</u>	<u>\$ 262,804</u>	<u>\$ 3,069,195</u>	<u>\$ 953,516</u>	<u>\$ 120,332</u>	<u>\$ 111,051</u>	<u>\$ 222,012</u>	<u>\$ 5,814,565</u>

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**D. Capital Assets**

Capital asset activity for the year ended June 30, 2020 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	412,862				412,862
Construction in progress	3,455,512	13,615,334	650,000	(3,450,012)	12,970,834
Total capital assets not being depreciated	<u>18,336,627</u>	<u>13,615,334</u>	<u>650,000</u>	<u>(3,450,012)</u>	<u>27,851,949</u>
Capital assets being depreciated:					
Buildings and improvements	140,026,542	642,644	14,758,976	2,896,784	128,806,994
Vehicles, furniture and equipment	14,848,472	632,497	202,123	553,228	15,832,074
Infrastructure	49,805,412				49,805,412
Total capital assets being depreciated	<u>204,680,426</u>	<u>1,275,141</u>	<u>14,961,099</u>	<u>3,450,012</u>	<u>194,444,480</u>
Less accumulated depreciation for:					
Buildings and improvements	63,912,384	2,427,764	5,070,400		61,269,748
Vehicles, furniture and equipment	9,324,179	775,042	163,295		9,935,926
Infrastructure	31,865,723	939,830			32,805,553
Total accumulated depreciation	<u>105,102,286</u>	<u>4,142,636</u>	<u>5,233,695</u>	<u>-</u>	<u>104,011,227</u>
Total capital assets being depreciated, net	<u>99,578,140</u>	<u>(2,867,495)</u>	<u>9,727,404</u>	<u>3,450,012</u>	<u>90,433,253</u>
Governmental Activities Capital Assets, Net	<u>\$ 117,914,767</u>	<u>\$ 10,747,839</u>	<u>\$ 10,377,404</u>	<u>\$ -</u>	<u>\$ 118,285,202</u>
Business-type activities:					
Capital assets not being depreciated:					
Land	\$ 50,858	\$	\$	\$	\$ 50,858
Construction in progress	72,359		23,985		48,374
Total capital assets not being depreciated	<u>123,217</u>	<u>-</u>	<u>23,985</u>	<u>-</u>	<u>99,232</u>
Capital assets being depreciated:					
Plant and pumping stations	2,527,279	650,000			3,177,279
Water/sewer distribution system	10,809,305	6,454	20,998		10,794,761
Total capital assets being depreciated	<u>13,336,584</u>	<u>656,454</u>	<u>20,998</u>	<u>-</u>	<u>13,972,040</u>
Less accumulated depreciation for:					
Plant and pumping stations	1,536,541	87,560			1,624,101
Water/sewer distribution system	3,956,607	219,318	9,964		4,165,961
Total accumulated depreciation	<u>5,493,148</u>	<u>306,878</u>	<u>9,964</u>	<u>-</u>	<u>5,790,062</u>
Total capital assets being depreciated, net	<u>7,843,436</u>	<u>349,576</u>	<u>11,034</u>	<u>-</u>	<u>8,181,978</u>
Business-Type Activities Capital Assets, Net	<u>\$ 7,966,653</u>	<u>\$ 349,576</u>	<u>\$ 35,019</u>	<u>\$ -</u>	<u>\$ 8,281,210</u>

During 2020, the Town disposed of the old Birch Grove School due to the crumbling foundation, which made the school unusable. This resulted in a loss on disposal of \$9,688,577, which is included as education expenditures in the statement of activities. The Town has begun construction on the new Birch Grove School, that is being funded through bonds and grants with the grant funding from the State accounting for approximately 89% of the construction costs, which can be seen in construction in progress above, with the remaining construction commitment detailed in the table below.

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

Governmental activities:	
Administration	\$ 269,003
General finance	8,606
Planning and development	4,719
Development and community affairs	129,673
Public works	2,097,355
Public safety services	254,933
Board of Education	<u>1,378,347</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 4,142,636</u>
Business-type activities:	
Water	\$ 93,383
Sewer	<u>213,495</u>
Total Depreciation Expense - Business-Type Activities	<u>\$ 306,878</u>

**Construction Commitments**

The Town has active construction projects as of June 30, 2020. 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>
Tolland Middle School Paving of Parking Lot	\$	\$ 259,310
District Wide School Conversion of Internal Lighting		343,000
Other District Wide School Projects	117,766	384,904
2017-2018 Education Bond Issue	5,401,759	4,198,241
Birch Grove School Portables	7,416,345	2,299,190
Birch Grove School Reconstruction	13,159,780	32,840,220
Refurbishment of Engine Tanker 140		140,000
Rescue 240 Fire Truck		750,000
Public Works Garage Renovations	4,123,510	4,606
Municipal Center Pathway	14,379	125,662
Drainage & Construction	166,609	218,705
Plains Road Culvert		319,000
Old Cathole Road North Town Share	192,558	218,242
Old Cathole Road State Share	882,286	409,802
2018 Road Bond Project	1,316,812	3,683,188

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, 2020 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 900

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>	
Transfers out:					
General Fund	\$	\$ 15,000	\$ 196,048	\$ 105,254	\$ 316,302
Sewer Fund		11,425			11,425
Nonmajor Governmental Funds	7,000		105,074		112,074
Internal Service Fund	493,853		585,000		1,078,853
Total Transfers In	\$ <u>500,853</u>	\$ <u>26,425</u>	\$ <u>886,122</u>	\$ <u>105,254</u>	\$ <u>1,518,654</u>

**F. Long-Term Debt**

**Changes in Long-Term Liabilities**

Long-term liability activity for the year ended June 30, 2020 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	\$ 33,165,000	\$	\$ 3,275,000	\$ 29,890,000	\$ 3,270,000
Premium	2,106,825		231,369	1,875,456	
Total bonds and notes payable	35,271,825	-	3,506,369	31,765,456	3,270,000
Bond anticipation notes payable		8,165,000		8,165,000	
Capital lease	10,481,503		760,520	9,720,983	770,990
Net OPEB liability	2,189,121		109,724	2,079,397	
Compensated absences	1,142,548	284,112	231,798	1,194,862	162,890
Total Governmental Activities					
Long-Term Liabilities	\$ <u>49,084,997</u>	\$ <u>8,449,112</u>	\$ <u>4,608,411</u>	\$ <u>52,925,698</u>	\$ <u>4,203,880</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, 2020</b>
General purpose:						
General obligation	8/1/10	8/1/30	2.0-4.0	\$ 825,000	Various	\$ 498,278
General obligation refunding	10/1/11	10/1/26	2.0-3.0	2,675,000	Various	750,000
General obligation	9/1/12	9/1/27	1.5-3.0	1,145,310	Various	596,160
General obligation refunding	9/1/12	9/1/25	3.0-5.0	1,445,100	Various	649,900
General obligation refunding	10/1/14	8/1/24	2.0-4.0	2,117,715	Various	1,385,625
General obligation	10/15/15	10/15/35	2.0-4.0	7,275,000	Various	5,821,000
General obligation	5/15/18	5/15/43	3.0-5.0	7,169,908	Various	6,870,000
Total general purpose				<u>22,653,033</u>		<u>16,570,963</u>
School:						
School improvement	8/1/10	8/1/30	2.0-4.0	1,700,000	Various	1,026,722
School improvement	10/1/11	10/1/26	2.0-3.0	2,235,000	Various	770,000
School improvement	9/1/12	9/1/27	1.5-3.0	314,690	Various	163,840
School improvement - refunding	9/1/12	9/1/25	3.0-5.0	6,579,900	Various	4,645,100
School improvement - refunding	10/1/14	8/1/27	2.0-4.0	7,517,285	Various	4,344,375
School improvement	10/15/15	10/15/35	2.0-4.0	290,000	Various	289,000
School improvement	5/15/18	5/15/43	3.0-5.0	2,170,092	Various	2,080,000
Total school				<u>20,806,967</u>		<u>13,319,037</u>
Total Outstanding				<u>\$ 43,460,000</u>		<u>\$ 29,890,000</u>



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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>
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	2,795,000	503,907
2026-2030	7,115,000	1,655,584
2031-2035	4,000,000	918,551
2036-2040	2,325,000	400,488
2041-2045	1,155,000	80,850
	<u>\$ 29,890,000</u>	<u>\$ 6,751,798</u>

**Bond Anticipation Notes**

On September 19, 2019, the Town issued \$12,670,000 of bond anticipation notes for a variety of projects. These notes carry interest at 2.0% and were due on September 17, 2020. The bond anticipation note activity for the year ended June 30, 2020 is summarized as follows:

Outstanding, beginning of year	\$
New borrowings	12,670,000
Repayments	<u>                    </u>
Outstanding, End of Year	<u>\$ 12,670,000</u>

On September 9, 2020, bond anticipation notes totaling \$8,165,000 were replaced through the issuance of general obligation bonds. In meeting the criterion established by GASB 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, the bond anticipation notes are included within long-term debt above as of June 30, 2020. See subsequent event disclosure at Note 7 for further information on the general obligation bonds issued.

**Authorized but Unissued Bonds**

The total of authorized but unissued bonds at June 30, 2020 is \$32,715,770. In most cases, interim financing is obtained through bond anticipation notes or other short-term borrowings until the issuance of long-term debt.

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**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:

<u>Category</u>	<u>Debt Limitation</u>	<u>Net Indebtedness</u>	<u>Balance</u>
General purpose	\$ 101,344,905	\$ 16,993,398	\$ 84,351,507
Schools	202,689,810	45,612,372	157,077,438
Sewers	168,908,175		168,908,175
Urban renewal	146,387,085		146,387,085
Pension deficit	135,126,540		135,126,540

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, or \$315,295,260. 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.

**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:

	<u>Governmental Activities</u>
Asset:	
ESCO Project	\$ 10,461,490
Geothermal heating system	3,682,123
Less accumulated depreciation	<u>4,623,218</u>
Total	<u><u>\$ 9,520,395</u></u>

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

<u>Fiscal Year Ending June 30,</u>	<u>Governmental Activities</u>
2021	\$ 1,021,508
2022	1,007,881
2023	994,254
2024	980,626
2025	967,001
Thereafter	<u>6,365,275</u>
Total lease payments	11,336,545
Less amount representing interest	<u>1,615,562</u>
 Present Value of Future Minimum Lease Payments	 \$ <u><u>9,720,983</u></u>

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**4. FUND BALANCE**

The components of fund balance for the governmental funds at June 30, 2020 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	\$	\$	\$	\$	\$ 33,241	\$ 33,241
Permanent fund principal					313,063	313,063
Restricted for:						
Community rehabilitation services			111,630			111,630
Unspent grant proceeds					88,161	88,161
Committed to:						
Sewer capital improvements		711,999				711,999
Dog warden					97,149	97,149
Open space					128,272	128,272
Sewer escrow					25,507	25,507
Lodge furnishings					17,084	17,084
Business park improvements					19,162	19,162
Recreation					190,976	190,976
Water assessments					225,978	225,978
Food service					126,124	126,124
Education programs	506,635				1,403,875	1,910,510
Municipal stabilization	225,000					225,000
Cemeteries					160,944	160,944
Training center repair and replacement					4,881	4,881
Field maintenance					12,123	12,123
Veterans memorial					312	312
Conservation					148	148
Emergency storms					129,834	129,834
Artificial turf operation					5,185	5,185
Agriculture					1,070	1,070
Debt service					590,028	590,028
Special assessment projects				5,788,240		5,788,240
Assigned to:						
Administration	111,381					111,381
Planning and community development	32,769					32,769
Community services	21,065					21,065
Environmental maintenance	199,055					199,055
Public safety services	799,638					799,638
Records and financial services	30,042					30,042
Contingency	123,598					123,598
Education	914,770					914,770
Contribution to next fiscal budget	500,000					500,000
Unassigned	<u>9,494,295</u>					<u>9,494,295</u>
Total Fund Balances	\$ <u>12,958,248</u>	\$ <u>711,999</u>	\$ <u>111,630</u>	\$ <u>5,788,240</u>	\$ <u>3,573,117</u>	\$ <u>23,143,234</u>

Significant encumbrances of \$2,232,318 at June 30, 2020 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, 2020 was \$513,264 and represented 6% of covered payroll. The employees' required contributions were \$213,862 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 \$120,625 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.

For the year ended June 30, 2020, the amount of "on-behalf" contributions made by the State was \$5,154,314 and is recognized in the General Fund as intergovernmental revenues and education expenditures.

*Employees*

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

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

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

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

Town's proportionate share of the net pension liability	\$ -
State's proportionate share of the net pension liability associated with the Town	<u>68,093,479</u>
Total	<u>\$ 68,093,479</u>

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

For the year ended June 30, 2020, the Town recognized pension expense and revenue of \$8,363,040 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	2.50%
Salary increase	3.25-6.50%, including inflation
Investment rate of return	6.90%, net of pension plan investment expense, including inflation

Mortality rates were based on the RPH-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale, 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%.

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

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

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

**Discount Rate**

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

**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 \$434,552 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, 2020, the annual money-weighted rate of return on investments, net of investment expense, was 4.14%. 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, 2020. The components of the net OPEB liability of the Town at June 30, 2020, were as follows:

Total OPEB liability	\$ 3,519,485
Plan fiduciary net position	<u>1,440,088</u>
Net OPEB Liability	<u><u>\$ 2,079,397</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability	40.92%

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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, 2019	\$ 3,471,646	\$ 1,282,525	\$ 2,189,121
Changes for the year:			
Service cost	98,441		98,441
Interest on total OPEB liability	202,455		202,455
Differences between expected and actual experience	144,398		144,398
Employer contributions		434,552	(434,552)
Contributions - TRB subsidy		64,947	(64,947)
Net investment income		55,519	(55,519)
Benefit payments	(397,455)	(397,455)	-
Net changes	47,839	157,563	(109,724)
Balances as of June 30, 2020	\$ 3,519,485	\$ 1,440,088	\$ 2,079,397

**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 or 1% higher than the current discount rate:

	<b>1% Decrease</b>	<b>Current Discount Rate</b>	<b>1% Increase</b>
Net OPEB Liability	\$ 2,375,366	\$ 2,079,397	\$ 1,813,841

**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 or 1% higher 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	\$ 1,714,939	\$ 2,079,397	\$ 2,503,280

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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, 2020, the Town recognized OPEB expense of (\$28,075). At June 30, 2020, 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	\$ 34,094	\$ 955,245
Changes of assumptions		
Differences between expected and actual experience	<u>124,885</u>	<u>204,058</u>
Total	\$ <u><u>158,979</u></u>	\$ <u><u>1,159,303</u></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>	
2021	\$ 184,055
2022	184,053
2023	188,204
2024	190,282
2025	195,172
Thereafter	58,558

**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.

For the year ended June 30, 2020, the amount of "on-behalf" contributions made by the State was \$140,872 and is recognized in the General Fund as intergovernmental revenues and education expenditures.

*Employees/Retirees*

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

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

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

Town's proportionate share of the net OPEB liability	\$ -
State's proportionate share of the net OPEB liability associated with the Town	<u>10,619,563</u>
Total	\$ <u><u>10,619,563</u></u>

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

For the year ended June 30, 2020, the Town recognized OPEB revenue of (\$777,103) 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	2.50%
Health care costs trend rate	
Pre-Medicare	5.95% decreasing to 4.75% by 2025
Medicare	5.00% decreasing to 4.75% by 2028
Salary increases	3.25-6.50%, including inflation
Investment rate of return	3.00%, net of OPEB plan investment expense, including inflation
Year fund net position will be depleted	2019

Mortality rates were based on the RPH-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale.

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

The long-term expected rate of return on plan assets is reviewed as part of the GASB 75 valuation process. Several factors are considered in evaluating the long-term rate of return assumption, including the plan's current asset allocations and a log-normal distribution analysis using the best-estimate ranges of expected future real rates of return (expected return, net investment expense and inflation) for each major asset class. The long-term expected rate of return was determined by



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JUNE 30, 2020**

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weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years. The plan is 100% invested in U.S. Treasuries (Cash Equivalents) for which the expected 10-Year Geometric Real Rate of Return is (0.41%).

**Discount Rate**

The discount rate used to measure the total OPEB liability was 3.50%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current member contribution rate and that contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members. No future State contributions were assumed to be made. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be depleted in 2019 and, as a result, the Municipal Bond Index Rate was used in the determination.

**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, 2020. 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.

**TOWN OF TOLLAND, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

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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.

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, 2019 and 2020, are as follows:

	<u>Claims Payable July 1</u>	<u>Claims and Changes in Estimates</u>	<u>Claims Paid</u>	<u>Claims Payable June 30</u>
2018-2019	\$ 500,200	\$ 7,198,453	\$ 7,172,553	\$ 526,100
2019-2020	526,100	6,781,367	6,833,194	474,273

**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. CORONAVIRUS (COVID-19)**

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

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

**9. SUBSEQUENT EVENTS**

On September 17, 2020, the Town issued \$10,570,000 of general obligation bonds for various capital projects that carry interest at 2.0%-5.0% and mature serially through September 15, 2040, \$2,210,000 of general obligation refunding bonds that carry interest at 4.0%-5.0% and mature serially through August 1, 2030, and \$4,505,000 of general obligation bond anticipation notes with interest at 1.25% and maturing on September 16, 2021.



## **Required Supplementary Information**

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

	2020	2019	2018	2017	2016	2015
Town's proportion of the net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Town's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the Town	68,093,479	54,504,028	59,256,551	62,516,115	49,337,774	45,543,825
Total	<u>\$ 68,093,479</u>	<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	\$ 17,698,053	\$ 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%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	52.00%	57.69%	55.93%	52.26%	59.50%	61.51%

**Notes to Schedule**

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

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

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB liability:				
Service cost	\$ 98,441	\$ 130,972	\$ 137,121	\$ 129,359
Interest	202,455	294,142	289,134	287,531
Changes of benefit terms				
Differences between expected and actual experience	144,398	(279,634)		
Changes of assumptions		(1,309,039)		
Benefit payments	(397,455)	(268,458)	(402,893)	(393,092)
Net change in total OPEB liability	47,839	(1,432,017)	23,362	23,798
Total OPEB liability - beginning	3,471,646	4,903,663	4,880,301	4,856,503
Total OPEB liability - ending	<u>3,519,485</u>	<u>3,471,646</u>	<u>4,903,663</u>	<u>4,880,301</u>
Plan fiduciary net position:				
Contributions - employer	434,552	325,723	444,283	473,839
Contributions - TRB subsidy	64,947			
Net investment income	55,519	61,219	45,139	71,772
Benefit payments	(397,455)	(268,458)	(402,893)	(393,092)
Net change in plan fiduciary net position	157,563	118,484	86,529	152,519
Plan fiduciary net position - beginning	1,282,525	1,164,041	1,077,512	924,993
Plan fiduciary net position - ending	<u>1,440,088</u>	<u>1,282,525</u>	<u>1,164,041</u>	<u>1,077,512</u>
Net OPEB Liability - Ending	<u>\$ 2,079,397</u>	<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	40.92%	36.94%	23.74%	22.08%
Covered payroll	\$ 16,895,065	\$ 16,323,734	\$ 16,323,734	\$ 16,844,405
Net OPEB liability as a percentage of covered payroll	12.31%	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**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Actuarially determined contribution (1)	\$ 486,000	\$ 521,000	\$ 547,000	\$ 485,000	\$ 508,000	\$ 447,781	\$ 466,488	\$ 437,420	\$ 446,295	\$ 303,217
Contributions in relation to the actuarially determined contribution	559,000	491,000	549,000	483,000	512,000	457,613	473,839	444,283	325,723	434,552
Contribution Deficiency (Excess)	<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>	<u>\$ (131,335)</u>
Covered payroll	\$ N/A	\$ N/A	\$ N/A	\$ 22,286,770	\$ 22,286,770	\$ 16,844,405	\$ 16,844,405	\$ 16,323,734	\$ 16,323,734	\$ 16,895,065
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	2.17%	2.30%	2.72%	2.81%	2.72%	2.00%	2.57%

(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, 2020

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

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

Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of payroll, closed
Amortization period	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 FOUR FISCAL YEARS\***

	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Annual money-weighted rate of return, net of investment expense	4.14%	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 THREE FISCAL YEARS\***

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Town's proportion of the net OPEB liability	0.00%	0.00%	0.00%
Town's proportionate share of the net OPEB liability	\$ -	\$ -	\$ -
State's proportionate share of the net OPEB liability associated with the Town	<u>10,619,563</u>	<u>10,495,900</u>	<u>15,251,964</u>
Total	<u>\$ 10,619,563</u>	<u>\$ 10,495,900</u>	<u>\$ 15,251,964</u>
Town's covered payroll	\$ 17,698,053	\$ 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%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	2.08%	1.49%	1.79%

**Notes to Schedule**

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

\* This schedule is intended to show information for ten years. Additional 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.

The Tax Stabilization Fund (TSF) is accounted for on the Town's general ledger. The Town's general tax revenues are sensitive to economic conditions as well as actions taken by state and federal government. Unanticipated revenue shortfalls during a fiscal year are usually addressed through reductions to services or increased taxes. The TSF program is established for sound financial management and fiscal accountability and enforces spending discipline by setting aside monies received from higher than anticipated state revenues allocated to the Town after formal adoption of the Town budget for the next fiscal year. The TSF program may also reduce Town borrowing costs due to stronger bond ratings. The purpose of the TSF is to set aside revenue in a fund which does not lapse at the end of the municipal fiscal year, which monies would then be available when revenue is stagnant or in decline and may be expended to prevent large tax increases and protect against the reduction of services in future years.

**TOWN OF TOLLAND, CONNECTICUT  
GENERAL FUND  
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES -  
BUDGET AND ACTUAL (BUDGETARY BASIS)  
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Property Taxes:				
Current year levy	\$ 45,263,390	\$ 45,263,390	\$ 45,178,110	\$ (85,280)
Prior year levy	257,474	257,474	438,071	180,597
Interest and lien fees	160,000	160,000	179,987	19,987
Motor vehicle supplement	605,640	336,674	615,828	279,154
Suspense	1,000	1,000	2,473	1,473
Telecommunications access line	19,000	19,000	20,124	1,124
Total property taxes	<u>46,306,504</u>	<u>46,037,538</u>	<u>46,434,593</u>	<u>397,055</u>
Intergovernmental:				
Education:				
Adult education	9,115	9,115	8,787	(328)
Education equalization	<u>8,866,871</u>	<u>9,435,837</u>	<u>9,398,129</u>	<u>(37,708)</u>
Total education	<u>8,875,986</u>	<u>9,444,952</u>	<u>9,406,916</u>	<u>(38,036)</u>
General Government:				
PILOT state-owned property	24,569	24,569	24,569	-
SDE/MH and AS/DEEP grants	22,000	22,000	23,493	1,493
Civil defense grant	6,000	6,000	6,000	-
Miscellaneous grants	42,000	42,000	40,402	(1,598)
Veterans	8,300	8,300	6,921	(1,379)
Town Clerk Preservation	5,500	5,500	5,500	-
Disability grant	1,395	1,395	1,398	3
MRSA: Property tax relief	85,064	85,064	85,064	-
MRSA: Sales tax funds	<u>322,977</u>	<u>322,977</u>	<u>322,977</u>	<u>-</u>
Total general government	<u>517,805</u>	<u>517,805</u>	<u>516,324</u>	<u>(1,481)</u>
Total intergovernmental	<u>9,393,791</u>	<u>9,962,757</u>	<u>9,923,240</u>	<u>(39,517)</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, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Charges for Services:				
Building permit fees	\$ 205,000	\$ 205,000	\$ 218,733	\$ 13,733
Fines, fees and penalties	300	300	4,687	4,387
Pistol permits	4,500	4,500	5,520	1,020
Zoning permit fees	8,200	8,200	12,499	4,299
Town clerk	17,000	17,000	19,319	2,319
Library fees	7,500	7,500	6,180	(1,320)
Motor vehicle fine	16,000	16,000	17,094	1,094
Planning and zoning and IWWC	2,000	2,000	5,339	3,339
Rents/PILOT	32,000	32,000	38,389	6,389
Property conveyance tax	160,000	160,000	209,450	49,450
Document recording fees	70,000	70,000	80,313	10,313
Map and copy sales	12,000	12,000	13,374	1,374
Notary fees	1,000	1,000	1,060	60
Zoning board of appeals	1,800	1,800	786	(1,014)
Public safety services	1,000	1,000	410	(590)
Town preservation	5,000	5,000	4,752	(248)
Ambulance	39,140	39,140	39,140	-
Total charges for services	<u>582,440</u>	<u>582,440</u>	<u>677,045</u>	<u>94,605</u>
Investment Income:				
General Fund	<u>175,000</u>	<u>175,000</u>	<u>301,815</u>	<u>126,815</u>
Other Revenues	<u>15,000</u>	<u>15,000</u>	<u>5,326</u>	<u>(9,674)</u>
Total Revenues	<u>56,472,735</u>	<u>56,772,735</u>	<u>57,342,019</u>	<u>569,284</u>
Other Financing Sources:				
Cancellation of prior year encumbrances			48,403	48,403
Appropriation of fund balance	300,000	385,113		(385,113)
Transfers in			7,000	7,000
Total other financing sources	<u>300,000</u>	<u>385,113</u>	<u>55,403</u>	<u>(329,710)</u>
Total Revenues and Other Financing Sources	<u>\$ 56,772,735</u>	<u>\$ 57,157,848</u>	<u>\$ 57,397,422</u>	<u>\$ 239,574</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, 2020**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget</b>
Administrative:				
Town council	\$ 37,329	\$ 33,655	\$ 32,956	\$ 699
Town manager	224,303	232,039	230,855	1,184
Economic development commission	6,001	6,001	5,044	957
HR administrative services	2,394,157	2,374,740	2,374,648	92
Insurance	239,643	235,577	235,573	4
Legal services	66,000	100,877	100,875	2
Probate court	12,245	10,504	8,703	1,801
Total administrative	<u>2,979,678</u>	<u>2,993,393</u>	<u>2,988,654</u>	<u>4,739</u>
Planning and Community Development:				
Building inspection services	126,310	150,146	147,238	2,908
Zoning board of appeals	3,500	2,601	2,050	551
Environmental health services	79,790	79,794	79,793	1
Planning and zoning services	199,715	199,711	191,061	8,650
Inland wetlands commission	3,685	3,685	3,332	353
Planning and zoning commission	20,560	20,560	19,906	654
Conservation commission	2,235	3,134	3,133	1
Agricultural commission	1,500	1,500	1,441	59
Total planning and community development	<u>437,295</u>	<u>461,131</u>	<u>447,954</u>	<u>13,177</u>
Community Services:				
Elderly services	58,881	60,374	60,124	250
Human services	343,694	355,329	345,108	10,221
Library	417,417	417,417	340,123	77,294
Recreation and adult education	114,165	116,509	116,507	2
Total community services	<u>934,157</u>	<u>949,629</u>	<u>861,862</u>	<u>87,767</u>
Public Works:				
Engineering services	96,836	96,836	90,577	6,259
Parks and facilities	1,417,837	1,446,011	1,394,643	51,368
Refuse and recycling services	948,721	948,721	948,721	-
Streets and roads	2,016,010	2,009,136	1,958,332	50,804
Total public works	<u>4,479,404</u>	<u>4,500,704</u>	<u>4,392,273</u>	<u>108,431</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, 2020**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget</b>
Public Safety Services:				
Water supply	\$ 96,686	\$ 96,686	\$ 90,384	\$ 6,302
Ambulance	385,859	364,288	359,449	4,839
Emergency preparedness	16,347	15,213	15,213	-
Fire prevention	82,145	82,330	82,201	129
Fire suppression	647,941	678,061	677,570	491
Community emergency response team	3,250	3,250	3,249	1
Law enforcement	836,182	823,511	752,372	71,139
Total public safety services	<u>2,068,410</u>	<u>2,063,339</u>	<u>1,980,438</u>	<u>82,901</u>
Record and Financial Services:				
Accounting services	347,298	353,010	351,771	1,239
Assessment services	222,937	227,808	224,882	2,926
Board of assessment appeals	590	590	479	111
Independent audit	25,250	25,250	25,250	-
Registrar of voters	58,724	58,724	48,929	9,795
Revenue services	164,102	165,116	163,213	1,903
Town clerk	147,739	150,678	148,190	2,488
Total record and financial services	<u>966,640</u>	<u>981,176</u>	<u>962,714</u>	<u>18,462</u>
Contingency and Other	<u>185,704</u>	<u>97,009</u>	<u>91,726</u>	<u>5,283</u>
Board of Education:				
Language arts	70,608	70,608	146,583	(75,975)
Math	75,694	75,694	83,279	(7,585)
Social studies	13,150	13,150	10,643	2,507
Science	66,365	66,365	54,633	11,732
Art	27,755	27,755	26,444	1,311
Music	21,099	21,099	21,527	(428)
Physical education	15,140	15,140	10,461	4,679
World language	12,438	12,438	11,534	904
Family and consumer science	13,700	13,700	13,263	437
Technology education	25,670	25,670	36,621	(10,951)
Business education	19,825	19,825	4,884	14,941
Digital education	8,955	8,955	6,616	2,339
Talc	1,030	1,030	1,146	(116)
Special services	2,204,264	2,204,264	2,263,297	(59,033)
Special education	95,728	95,728	154,789	(59,061)
Interdistrict programs	171,013	171,013	207,302	(36,289)

(Continued on next page)



**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, 2020**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget</b>
Board of Education (continued):				
Student athletics	\$ 188,281	\$ 188,281	\$ 121,673	\$ 66,608
Student activities	16,620	16,620	9,546	7,074
Guidance and counseling	19,560	19,560	16,516	3,044
Nursing	20,450	20,450	18,583	1,867
Library	17,241	17,241	17,268	(27)
Audiovisual	2,000	2,000	3,882	(1,882)
Staff services	7,035,243	7,035,243	7,123,588	(88,345)
Certified regular education payroll	12,934,487	12,934,487	12,678,467	256,020
Certified special education payroll	3,798,638	3,798,638	3,686,663	111,975
Noncertified payroll	1,624,840	1,624,840	1,528,879	95,961
Building operations	864,140	864,140	829,278	34,862
Building maintenance	230,878	230,878	312,198	(81,320)
BOE Payroll Clerk	3,500	3,500	2,818	682
Business services	400,748	400,748	446,700	(45,952)
Superintendent services	259,673	259,673	309,175	(49,502)
Principals' services	1,526,976	1,526,976	1,501,225	25,751
System-wide substitutes	443,088	443,088	396,776	46,312
System-wide services	1,199,500	1,199,500	1,147,802	51,698
Custodial Services	226,935	226,935	203,650	23,285
Plant maintenance	571,651	571,651	664,563	(92,912)
Energy management	1,503,874	1,503,874	1,503,874	-
Energy management - utilities	2,850	2,850		2,850
Communication/Insurance	224,307	224,307	229,438	(5,131)
Transportation	2,988,157	2,988,157	2,409,060	579,097
Principals' offices	134,200	134,200	109,764	24,436
Superintendent's office	45,106	45,106	35,663	9,443
Business services	276,843	276,843	255,500	21,343
Technology services	352,886	352,886	423,973	(71,087)
Program/Professional development	61,245	61,245	58,414	2,831
Adult education	27,860	27,860	27,860	-
Board of Education	131,394	131,394	141,017	(9,623)
Total Board of Education	<u>39,975,605</u>	<u>39,975,605</u>	<u>39,266,835</u>	<u>708,770</u>
Debt Service	<u>4,504,540</u>	<u>4,509,447</u>	<u>4,509,446</u>	<u>1</u>
Total Expenditures	<u>56,531,433</u>	<u>56,531,433</u>	<u>55,501,902</u>	<u>1,029,531</u>

(Continued on next page)

**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, 2020**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget</b>
Other Financing Uses:				
Transfers out:				
Sewer fund	\$ 15,000	\$ 15,000	\$ 15,000	\$ -
Dog fund	59,794	59,794	59,794	-
Debt service fund	45,460	45,460	45,460	-
Municipal stabilization fund		225,000	225,000	-
Education reserve fund		85,113	85,113	-
Capital improvements	121,048	196,048	196,048	-
Total other financing uses	241,302	626,415	626,415	-
Total Expenditures and Other Financing Uses	\$ <u>56,772,735</u>	\$ <u>57,157,848</u>	\$ <u>56,128,317</u>	\$ <u>1,029,531</u>

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

	<u>General</u>	<u>Education Reserve Fund</u>	<u>Tax Stabilization Fund</u>	<u>Total</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 11,078,557	\$ 506,635	\$ 225,000	\$ 11,810,192
Investments	1,539,422			1,539,422
Receivables	1,075,655			1,075,655
Due from other funds	900			900
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Assets	\$ <u>13,694,534</u>	\$ <u>506,635</u>	\$ <u>225,000</u>	\$ <u>14,426,169</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
Liabilities:				
Accounts and other payables	\$ 259,422	\$	\$	\$ 259,422
Accrued liabilities	128,902			128,902
Total liabilities	<u>388,324</u>	<u>-</u>	<u>-</u>	<u>388,324</u>
Deferred inflows of resources:				
Unavailable revenue - property taxes	847,667			847,667
Advance property tax collections	231,930			231,930
Total deferred inflows of resources	<u>1,079,597</u>	<u>-</u>	<u>-</u>	<u>1,079,597</u>
Fund balances:				
Committed		506,635	225,000	731,635
Assigned	2,732,318			2,732,318
Unassigned	9,494,295			9,494,295
Total fund balances	<u>12,226,613</u>	<u>506,635</u>	<u>225,000</u>	<u>12,958,248</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ <u>13,694,534</u>	\$ <u>506,635</u>	\$ <u>225,000</u>	\$ <u>14,426,169</u>

**TOWN OF TOLLAND, CONNECTICUT**  
**GENERAL FUND**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	<u>General</u>	<u>Education Reserve Fund</u>	<u>Tax Stabilization Fund</u>	<u>Eliminations</u>	<u>Total</u>
Revenues:					
Property taxes	\$ 46,434,593	\$	\$	\$	\$ 46,434,593
Intergovernmental	16,071,638				16,071,638
Charges for services	677,045				677,045
Investment income	301,815				301,815
Other revenues	64,728				64,728
Total revenues	<u>63,549,819</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>63,549,819</u>
Expenditures:					
Current:					
Administration	3,038,020				3,038,020
Planning and community development	431,155				431,155
Community services	885,164				885,164
Public works	4,350,025				4,350,025
Public safety services	1,317,479				1,317,479
Record and financial services	963,999				963,999
Contingency and other	203,128				203,128
Board of Education	45,401,670				45,401,670
Debt service	5,062,701				5,062,701
Total expenditures	<u>61,653,341</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>61,653,341</u>
Excess (Deficiency) of Revenues over Expenditures	<u>1,896,478</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,896,478</u>
Other Financing Sources (Uses):					
Transfers in	500,853	85,113	225,000	(310,113)	500,853
Transfers out	<u>(626,415)</u>			<u>310,113</u>	<u>(316,302)</u>
Net other financing sources (uses)	<u>(125,562)</u>	<u>85,113</u>	<u>225,000</u>	<u>-</u>	<u>184,551</u>
Net Change in Fund Balances	1,770,916	85,113	225,000	-	2,081,029
Fund Balances at Beginning of Year	<u>10,455,697</u>	<u>421,522</u>	<u>-</u>	<u>-</u>	<u>10,877,219</u>
Fund Balances at End of Year	<u>\$ 12,226,613</u>	<u>\$ 506,635</u>	<u>\$ 225,000</u>	<u>\$ -</u>	<u>\$ 12,958,248</u>

**TOWN OF TOLLAND, CONNECTICUT  
GENERAL FUND  
REPORT OF TAX COLLECTOR  
FOR THE YEAR ENDED JUNE 30, 2020**

Grand List Year	Uncollected Taxes		Lawful Corrections		Transfers to Suspense	Adjusted Amount Collectible	Collections			Uncollected Taxes June 30, 2020
			Supplement	Additions	Deductions		Taxes	Interest and Lien Fees	Total	
2010	\$ 6,556	\$	\$	\$	\$	\$ 6,556	\$	\$	\$ -	\$ 6,556
2011	12,813			26		12,839	26	44	70	12,813
2012	17,458			1,119		18,577	1,119	1,240	2,359	17,458
2013	19,778			943	153	20,517	917	811	1,728	19,600
2014	31,110			526	100	31,127	4,593	1,566	6,159	26,534
2015	42,984			362	277	35,771	5,305	2,388	7,693	30,466
2016	136,128			389	384	120,234	67,740	15,649	83,389	52,494
2017	521,590			9,345	9,006	518,639	344,329	68,018	412,347	174,310
Total Prior Years	788,417	-		12,710	9,920	764,260	424,029	89,716	513,745	340,231
2018	45,885,962	657,347		63,073	144,029	46,462,353	45,793,940	107,365	45,901,305	668,413
Total	\$ 46,674,379	\$ 657,347	\$ 75,783	\$ 153,949	\$ 26,947	\$ 47,226,613	\$ 46,217,969	\$ 197,081	\$ 46,415,050	\$ 1,008,644



## **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.

**Agriculture Fund** - To account for revenues from gifts, donations and other contributions to raise funds in order to promote agriculture and farming in Tolland.

**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, 2020**

	<b>Special Revenue Funds</b>									
	<b>Dog Fund</b>	<b>Open Space Maintenance</b>	<b>Stone Pond Sewer Escrow</b>	<b>Tolland Townhouse Sewer Escrow</b>	<b>Lodge Activity Fund</b>	<b>Open Space Fund</b>	<b>Tolland Business Park Fund</b>	<b>Town Aid Road</b>	<b>Recreation</b>	<b>Water Assessment</b>
<b>ASSETS</b>										
Cash	\$ 97,071	\$ 2,940	\$ 15,254	\$ 10,253	\$ 21,574	\$ 125,332	\$ 19,162	\$ 9,761	\$ 196,402	\$ 225,978
Investments										
Receivables	78								253	16,942
Due from other funds										
Other										
<b>Total Assets</b>	<b>\$ 97,149</b>	<b>\$ 2,940</b>	<b>\$ 15,254</b>	<b>\$ 10,253</b>	<b>\$ 21,574</b>	<b>\$ 125,332</b>	<b>\$ 19,162</b>	<b>\$ 9,761</b>	<b>\$ 196,655</b>	<b>\$ 242,920</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>										
<b>Liabilities:</b>										
Accounts and other payables/due to State	\$	\$	\$	\$	\$ 60	\$	\$	\$	\$ 4,179	\$
Due to other funds					4,430				1,500	
Unearned revenue										
Total liabilities	-	-	-	-	4,490	-	-	-	5,679	-
<b>Deferred inflows of resources:</b>										
Unavailable revenue - special assessments										16,942
Unavailable revenue - cemetery										
Total deferred inflows of resources	-	-	-	-	-	-	-	-	-	16,942
<b>Fund balances:</b>										
Nonspendable										
Restricted								9,761		
Committed	97,149	2,940	15,254	10,253	17,084	125,332	19,162		190,976	225,978
Total fund balances	97,149	2,940	15,254	10,253	17,084	125,332	19,162	9,761	190,976	225,978
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 97,149</b>	<b>\$ 2,940</b>	<b>\$ 15,254</b>	<b>\$ 10,253</b>	<b>\$ 21,574</b>	<b>\$ 125,332</b>	<b>\$ 19,162</b>	<b>\$ 9,761</b>	<b>\$ 196,655</b>	<b>\$ 242,920</b>

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

	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	Miscellaneous Grants Fund
ASSETS										
Cash	\$ 184,452	\$ 15,984	\$ 588,692	\$	\$ 153,314	\$ 4,881	\$ 751	\$ 12,123	\$ 312	\$ 14,294
Investments										
Receivables	63,355	900	4,322		6,390					
Due from other funds					4,392					
Other	33,241									
Total Assets	\$ 281,048	\$ 16,884	\$ 593,014	\$ -	\$ 164,096	\$ 4,881	\$ 751	\$ 12,123	\$ 312	\$ 14,294
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES										
Liabilities:										
Accounts and other payables/due to State	\$	\$	\$ 215	\$	\$	\$	\$	\$	\$	\$
Due to other funds		900								
Unearned revenue	58,328	15,984	18,421							
Total liabilities	58,328	16,884	18,636	-	-	-	-	-	-	-
Deferred inflows of resources:										
Unavailable revenue - special assessments										
Unavailable revenue - cemetery					6,390					
Total deferred inflows of resources	-	-	-	-	6,390	-	-	-	-	-
Fund balances:										
Nonspendable	33,241									
Restricted	63,355						751			14,294
Committed	126,124		574,378		157,706	4,881		12,123	312	
Total fund balances	222,720	-	574,378	-	157,706	4,881	751	12,123	312	14,294
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 281,048	\$ 16,884	\$ 593,014	\$ -	\$ 164,096	\$ 4,881	\$ 751	\$ 12,123	\$ 312	\$ 14,294

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

	Special Revenue Funds				Debt Service Funds	Permanent Funds			Total Nonmajor Governmental Funds
	Emergency Storm Fund	Turf Field Operations Fund	Agriculture Fund	Conservation Fund	Debt Service Fund	Cemetery Perpetual Care Fund	Ratcliff Hicks Memorial School Fund	Eliminations	
<b>ASSETS</b>									
Cash	\$ 130,258	\$ 5,185	\$ 1,070	\$ 148	\$ 590,028	\$	\$ 46,488	\$	\$ 2,471,707
Investments						299,893	803,809		1,103,702
Receivables						3,100			95,340
Due from other funds								(4,392)	-
Other									33,241
Total Assets	<u>\$ 130,258</u>	<u>\$ 5,185</u>	<u>\$ 1,070</u>	<u>\$ 148</u>	<u>\$ 590,028</u>	<u>\$ 302,993</u>	<u>\$ 850,297</u>	<u>\$ (4,392)</u>	<u>\$ 3,703,990</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>									
Liabilities:									
Accounts and other payables/due to State	\$ 424	\$	\$	\$	\$	\$	\$	\$	\$ 4,878
Due to other funds						4,392		(4,392)	900
Unearned revenue									98,663
Total liabilities	<u>424</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,392</u>	<u>-</u>	<u>(4,392)</u>	<u>104,441</u>
Deferred inflows of resources:									
Unavailable revenue - special assessments									16,942
Unavailable revenue - cemetery						3,100			9,490
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,100</u>	<u>-</u>	<u>-</u>	<u>26,432</u>
Fund balances:									
Nonspendable						292,263	20,800		346,304
Restricted									88,161
Committed	129,834	5,185	1,070	148	590,028	3,238	829,497		3,138,652
Total fund balances	<u>129,834</u>	<u>5,185</u>	<u>1,070</u>	<u>148</u>	<u>590,028</u>	<u>295,501</u>	<u>850,297</u>	<u>-</u>	<u>3,573,117</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 130,258</u>	<u>\$ 5,185</u>	<u>\$ 1,070</u>	<u>\$ 148</u>	<u>\$ 590,028</u>	<u>\$ 302,993</u>	<u>\$ 850,297</u>	<u>\$ (4,392)</u>	<u>\$ 3,703,990</u>

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

	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	19,902				33,520				165,059	8,067
Investment income	66		175		295	1,239	93	112	1,642	1,314
Other									510	
Total revenues	19,968	-	175	-	33,815	1,239	93	112	167,211	9,381
Expenditures:										
Current:										
General government										
Community services					79,133	2,287			216,327	
Public works										
Public safety services	57,579									
Debt Service										
Education										
Total expenditures	57,579	-	-	-	79,133	2,287	-	-	216,327	-
Excess (Deficiency) of Revenues over Expenditures	(37,611)	-	175	-	(45,318)	(1,048)	93	112	(49,116)	9,381
Other Financing Sources (Uses):										
Transfers in	59,794									
Transfers out									(34,674)	
BAN premium										
Net other financing sources (uses)	59,794	-	-	-	-	-	-	-	(34,674)	-
Net Change in Fund Balances	22,183	-	175	-	(45,318)	(1,048)	93	112	(83,790)	9,381
Fund Balances at Beginning of Year	74,966	2,940	15,079	10,253	62,402	126,380	19,069	9,649	274,766	216,597
Fund Balances at End of Year	\$ 97,149	\$ 2,940	\$ 15,254	\$ 10,253	\$ 17,084	\$ 125,332	\$ 19,162	\$ 9,761	\$ 190,976	\$ 225,978

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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, 2020**

	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	Miscellaneous Grants Fund
Revenues:										
Intergovernmental	\$ 219,445	\$ 773,553	\$	\$	\$ 2,700	\$	\$ 20,622	\$	\$	\$ 5,000
Charges for services	467,512		358,437		22,045	1,190				
Investment income	506				1,837					
Other										699
Total revenues	687,463	773,553	358,437	-	26,582	1,190	20,622	-	-	5,699
Expenditures:										
Current:										
General government										
Community services				41	33,511					
Public works							21,800			
Public safety services						3,086				10,951
Debt Service										
Education	673,309	773,553	283,758							
Total expenditures	673,309	773,553	283,758	41	33,511	3,086	21,800	-	-	10,951
Excess (Deficiency) of Revenues over Expenditures	14,154	-	74,679	(41)	(6,929)	(1,896)	(1,178)	-	-	(5,252)
Other Financing Sources (Uses):										
Transfers in					4,392					
Transfers out					(70,400)					
BAN premium										
Net other financing sources (uses)	-	-	-	-	(66,008)	-	-	-	-	-
Net Change in Fund Balances	14,154	-	74,679	(41)	(72,937)	(1,896)	(1,178)	-	-	(5,252)
Fund Balances at Beginning of Year	208,566	-	499,699	41	230,643	6,777	1,929	12,123	312	19,546
Fund Balances at End of Year	\$ 222,720	\$ -	\$ 574,378	\$ -	\$ 157,706	\$ 4,881	\$ 751	\$ 12,123	\$ 312	\$ 14,294

(Continued on next page)

**TOWN OF TOLLAND, CONNECTICUT**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	Special Revenue Funds				Debt Service Funds	Permanent Funds			Total Nonmajor Governmental Funds
	Emergency Storm Fund	Turf Field Operations Fund	Agriculture Fund	Conservation Fund	Debt Service Fund	Cemetery Perpetual Care Fund	Ratcliff Hicks Memorial School Fund	Eliminations	
Revenues:									
Intergovernmental	\$	\$	\$	\$	\$	\$	\$	\$	\$ 1,021,320
Charges for services									1,075,732
Investment income	2,149		6,800	295	1,671	4,392	25,352		40,843
Other		10,352							18,656
Total revenues	<u>2,149</u>	<u>10,352</u>	<u>6,800</u>	<u>295</u>	<u>1,671</u>	<u>4,392</u>	<u>25,352</u>	<u>-</u>	<u>2,156,551</u>
Expenditures:									
Current:									
General government	53,479								53,479
Community services		4,273	5,730	197					341,499
Public works									21,800
Public safety services									71,616
Debt Service							2,257		2,257
Education							8,201		1,738,821
Total expenditures	<u>53,479</u>	<u>4,273</u>	<u>5,730</u>	<u>197</u>	<u>-</u>	<u>-</u>	<u>10,458</u>	<u>-</u>	<u>2,229,472</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(51,330)</u>	<u>6,079</u>	<u>1,070</u>	<u>98</u>	<u>1,671</u>	<u>4,392</u>	<u>14,894</u>	<u>-</u>	<u>(72,921)</u>
Other Financing Sources (Uses):									
Transfers in					45,460			(4,392)	105,254
Transfers out		(7,000)				(4,392)		4,392	(112,074)
BAN premium					95,593				95,593
Net other financing sources (uses)	<u>-</u>	<u>(7,000)</u>	<u>-</u>	<u>-</u>	<u>141,053</u>	<u>(4,392)</u>	<u>-</u>	<u>-</u>	<u>88,773</u>
Net Change in Fund Balances	(51,330)	(921)	1,070	98	142,724	-	14,894	-	15,852
Fund Balances at Beginning of Year	<u>181,164</u>	<u>6,106</u>	<u>-</u>	<u>50</u>	<u>447,304</u>	<u>295,501</u>	<u>835,403</u>	<u>-</u>	<u>3,557,265</u>
Fund Balances at End of Year	<u>\$ 129,834</u>	<u>\$ 5,185</u>	<u>\$ 1,070</u>	<u>\$ 148</u>	<u>\$ 590,028</u>	<u>\$ 295,501</u>	<u>\$ 850,297</u>	<u>\$ -</u>	<u>\$ 3,573,117</u>



## **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, 2020**

	<b>Utility Service Fund</b>	<b>Health Insurance</b>	<b>Total Internal Service Funds</b>
Assets:			
Current:			
Cash and cash equivalents	\$ 633,735	\$	\$ 633,735
Advance to plan administrator		2,356,331	2,356,331
Total assets	633,735	2,356,331	2,990,066
Liabilities:			
Current:			
Accounts payable	31,480		31,480
Claims payable		474,273	474,273
Total liabilities	31,480	474,273	505,753
Net Position:			
Unrestricted	\$ 602,255	\$ 1,882,058	\$ 2,484,313

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

	<u>Utility Service Fund</u>	<u>Health Insurance</u>	<u>Total Internal Service Funds</u>
Operating Revenues:			
Charges for services	\$ 1,896,383	\$	\$ 1,896,383
Employer contributions		6,606,520	6,606,520
Total operating revenues	<u>1,896,383</u>	<u>6,606,520</u>	<u>8,502,903</u>
Operating Expenses:			
Utilities	928,810		928,810
Administration	47,511	35,255	82,766
Employee benefits		6,781,367	6,781,367
Total operating expenses	<u>976,321</u>	<u>6,816,622</u>	<u>7,792,943</u>
Operating Income (Loss)	<u>920,062</u>	<u>(210,102)</u>	<u>709,960</u>
Nonoperating Revenue (Expenses):			
Investment income	1,648	27,492	29,140
Interest expense	(182,634)		(182,634)
Net nonoperating revenue (expenses)	<u>(180,986)</u>	<u>27,492</u>	<u>(153,494)</u>
Transfers in and out:			
Transfer out	(1,078,853)		(1,078,853)
Total transfers	<u>(1,078,853)</u>	<u>-</u>	<u>(1,078,853)</u>
Change in Net Position	(339,777)	(182,610)	(522,387)
Net Position at Beginning of Year	<u>942,032</u>	<u>2,064,668</u>	<u>3,006,700</u>
Net Position at End of Year	<u>\$ 602,255</u>	<u>\$ 1,882,058</u>	<u>\$ 2,484,313</u>

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

	<u>Utility Service Fund</u>	<u>Health Insurance</u>	<u>Total Internal Service Funds</u>
Cash Flows from Operating Activities:			
Received from customers	\$ 1,912,952	\$ 6,606,520	\$ 8,519,472
Payments to suppliers	(990,230)		(990,230)
Payments to providers of benefits		(6,634,012)	(6,634,012)
Net cash provided by (used in) operating activities	<u>922,722</u>	<u>(27,492)</u>	<u>895,230</u>
Cash Flows from Noncapital Financing Activities:			
Transfers in/out	(1,078,853)		(1,078,853)
Interest expense	(182,634)		(182,634)
Net cash provided by (used in) noncapital financing activities	<u>(1,261,487)</u>	<u>-</u>	<u>(1,261,487)</u>
Cash Flows from Investing Activities:			
Investment income	<u>1,648</u>	<u>27,492</u>	<u>29,140</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(337,117)	-	(337,117)
Cash and Cash Equivalents at Beginning of Year	<u>970,852</u>	<u>-</u>	<u>970,852</u>
Cash and Cash Equivalents at End of Year	<u>\$ 633,735</u>	<u>\$ -</u>	<u>\$ 633,735</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:			
Operating income (loss)	\$ 920,062	\$ (210,102)	\$ 709,960
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
(Increase) decrease in accounts receivable	16,569		16,569
(Increase) decrease in advance to plan administrator		234,437	234,437
Increase (decrease) in accounts payable	(13,909)		(13,909)
Increase (decrease) in claims payable		(51,827)	(51,827)
Net Cash Provided by (Used in) Operating Activities	<u>\$ 922,722</u>	<u>\$ (27,492)</u>	<u>\$ 895,230</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, 2020**

	<u>Balance, July 1, 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance, June 30, 2020</u>
Cash:				
Youth Center Reserve	\$ 24,516	\$ 34,664	\$ 36,866	\$ 22,314
Student Activity Fund	390,622	615,196	555,210	450,608
Senior Citizens Center	18,642	25,441	29,817	14,266
Tolland Public Library	87,899	19,137	17,197	89,839
Tolland Emergency Fund	35,629	35,790	25,825	45,594
Education Fund	34,678	376,251	377,789	33,140
Board of Education - Section 125	8,720	15,000	13,328	10,392
Non-Profit Housing Corporation	128,983	10,791	5,018	134,756
Total Cash	<u>729,689</u>	<u>1,132,270</u>	<u>1,061,050</u>	<u>800,909</u>
Accounts Receivable:				
Youth Center Reserve	-	2,203		2,203
Senior Citizens Center	189		189	-
Non-Profit Housing Corporation	23,206	6,912	7,329	22,789
Total Accounts Receivable	<u>23,395</u>	<u>9,115</u>	<u>7,518</u>	<u>24,992</u>
Total Assets	<u>\$ 753,084</u>	<u>\$ 1,141,385</u>	<u>\$ 1,068,568</u>	<u>\$ 825,901</u>
Accounts Payable:				
Youth Center Reserve	\$ 24,516	\$ 36,867	\$ 36,866	\$ 24,517
Student Activity Fund	390,622	615,196	555,210	450,608
Senior Citizens Center	18,831	25,441	30,006	14,266
Tolland Public Library	87,899	19,137	17,197	89,839
Tolland Emergency Fund	35,629	35,790	25,825	45,594
Education Fund	34,678	376,251	377,789	33,140
Board of Education - Section 125	8,720	15,000	13,328	10,392
Non-Profit Housing Corporation	152,189	17,703	12,347	157,545
Total Liabilities	<u>\$ 753,084</u>	<u>\$ 1,141,385</u>	<u>\$ 1,068,568</u>	<u>\$ 825,901</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	90-93
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	94-96
These schedules contain information to help the reader assess the Town's most significant local revenue source, property taxes.	
Debt Capacity	97-99
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	100-101
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	102-104
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									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental Activities:										
Net investment in capital assets	\$ 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	\$ 77,712,083
Restricted	313,063	313,063	313,063	313,063	313,063	313,063	313,063	313,063	313,063	313,063
Unrestricted	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	14,769,106
Total governmental activities net position	<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>	<u>92,794,252</u>
Business-Type Activities:										
Net investment in capital assets	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	8,281,210
Restricted	24,357	30,682	36,239	42,725	49,825	49,825	66,520	76,294	87,107	87,107
Unrestricted	247,954	268,614	303,016	379,213	489,150	637,253	784,452	948,955	1,130,315	1,349,595
Total business-type activities net position	<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>	<u>9,717,912</u>
Primary Government:										
Net investment in capital assets	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	85,993,293
Restricted	313,063	337,420	343,745	349,302	355,788	362,888	362,888	379,583	389,357	400,170
Unrestricted	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	16,118,701
Total Primary Government Net Position	<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>	<u>\$ 102,512,164</u>

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

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses:										
Governmental activities:										
Administration	\$ 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	\$ 1,753,006
Planning and community development	459,598	505,425	478,632	355,708	448,187	438,009	474,277	491,843	502,276	645,191
Community services	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	1,414,041
Public works	7,843,996	8,260,781	9,389,371	7,775,750	8,579,435	9,763,091	8,422,674	8,165,431	9,388,239	10,252,618
Public safety services	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	1,903,423
Records and financial services	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	1,531,846
Board of Education	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	72,076,692
Interest expense	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	1,273,113
Total governmental activities expenses	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	90,849,930
Business-type activities:										
Water	388,310	368,586	376,706	386,035	342,447	324,016	313,802	332,778	384,383	411,474
Sewer	447,724	453,389	460,248	427,194	535,004	472,864	487,772	491,475	436,016	442,663
Total business-type activities expenses	836,034	821,975	836,954	813,229	877,451	796,880	801,574	824,253	820,399	854,137
Total primary government expenses	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	91,704,067
Program Revenues:										
Governmental activities:										
Charges for services:										
Administration			10,756							
Planning and community development	296,752	286,961	302,962	382,127	347,892	360,580	454,427	437,551	481,779	494,635
Community services	721,398	370,474	376,711	545,223	409,067	463,717	504,979	414,253	453,327	252,405
Public works	495,316	45,948	48,035	72,179	110,844	93,451	128,353	91,366	56,112	44,038
Public safety services	490,783	259,484	135,789	330,423	344,714	286,369	311,219	407,397	443,682	377,393
Records and financial services	117,532	122,561	125,682	104,747	103,599	105,751	107,063	99,445	94,022	114,066
Board of Education	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	825,952
Operating grants and contributions:										
Community services		23,516	54,620	38,258	55,909	22,015	12,499	7,427	28,535	17,957
Public works		713,000	243,507	200,290	338,861	98,715		22,622	24,443	20,622
Public safety services			26,500	11,500	39,527	46,916	34,743	21,609	1,713	5,699
Board of Education	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	18,839,063
Capital grants and contributions:										
Administration					16,586	387,114				
Planning and community development	1,227,483	289,946	102,017	247,737	150,957	262		28,302		16,132
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	1,246,111
Public safety services										
Board of Education	301,946	512,458		765,355		11,938		853,821	78,571	18,505,087
Interest expense	59,612	51,637	43,731	35,860	28,023	20,238	12,051	3,874		
Total governmental activities program revenues	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	40,759,160
Business-type activities:										
Charges for services:										
Water	225,340	303,144	243,188	257,244	313,502	267,256	327,083	338,695	346,297	331,568
Sewer	268,531	337,485	333,676	325,755	356,904	362,674	378,006	399,493	432,571	421,173
Capital grants and contributions:										
Water										
Total business-type activities program revenues	493,871	640,629	576,864	582,999	670,406	629,930	705,089	738,188	778,868	752,741
Total primary government program revenues	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	41,511,901
Net (expense) revenue:										
Governmental activities	(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)	(50,090,770)
Business-type activities	(342,163)	(181,346)	(260,090)	(230,230)	(207,045)	(166,950)	(96,485)	(86,065)	(41,531)	(101,396)
Total primary government net expense	(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)	(50,192,166)
General Revenues and Other Changes in Net Position:										
Governmental activities:										
Property taxes	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	46,685,864
Unrestricted grants and contributions	771,764	357,609	529,845	267,332	371,281	318,864	627,533	281,712	521,497	519,024
Investment income	448,225	202,173	264,739	293,666	108,406	102,253	196,135	227,649	610,285	475,553
Miscellaneous	405,717	506,984	274,316	88,287	1,092,241	77,468	23,552	128,703	139,495	169,561
Transfers	(1,099,411)	(15,000)	(50,000)	(15,000)	(15,000)	(15,000)		5,000	11,425	(638,575)
Total governmental activities	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	47,211,427
Business-type activities:										
Investment income	819	1,490	1,245	1,227	1,958	5,279	3,827	6,748	10,577	7,471
Miscellaneous	9,863									
Transfers	1,099,411	15,000	50,000	15,000	15,000	15,000		(5,000)	(11,425)	638,575
Total business-type activities	1,110,093	16,490	51,245	16,227	16,958	20,279	3,827	1,748	(848)	646,046
Total primary government	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	47,857,473
Change in Net Position:										
Governmental activities	635,050	(736,107)	(1,365,495)	821,806	(261,387)	(1,495,165)	926,258	396,505	3,608,772	(2,879,343)
Business-type activities	767,930	(164,856)	(208,845)	(214,003)	(190,087)	(146,671)	(92,658)	(84,317)	(42,379)	544,650
Total Primary Government	\$ 1,402,980	\$ (900,963)	\$ (1,574,340)	\$ 607,803	\$ (451,474)	\$ (1,641,836)	\$ 833,600	\$ 312,188	\$ 3,566,393	\$ (2,334,693)

TABLE 3

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

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund:										
Restricted	\$	\$ 140,862	\$ 170,722	\$ 59,680	\$	\$	\$	\$	\$	\$
Committed					75,249	63,813	46,580	46,580	696,522	731,635
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	2,732,318
Unassigned	<u>6,209,332</u>	<u>6,588,695</u>	<u>6,649,387</u>	<u>7,053,690</u>	<u>6,853,234</u>	<u>7,113,653</u>	<u>7,923,976</u>	<u>8,320,481</u>	<u>8,150,176</u>	<u>9,494,295</u>
Total General Fund	<u>\$ 7,811,267</u>	<u>\$ 7,898,175</u>	<u>\$ 7,735,845</u>	<u>\$ 8,335,424</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>	<u>\$ 12,958,248</u>
All Other Governmental Funds:										
Nonspendable	\$ 350,896	\$ 349,238	\$ 354,191	\$ 353,280	\$ 350,288	\$ 342,832	\$ 347,922	\$ 347,381	\$ 354,799	\$ 346,304
Restricted	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	9,638,891
Committed	264,177	166,425	89,708	4,127,934	110,228	264,540	189,978	193,061	172,483	199,791
Assigned										
Unassigned		(2,459)		(4,173)						
Total All Other Governmental Funds	<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>	<u>\$ 10,184,986</u>

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

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues:										
Property taxes	\$ 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	\$ 46,434,593
Intergovernmental	17,912,905	19,468,002	18,414,199	20,026,194	18,020,668	18,849,801	22,280,089	17,885,492	18,318,759	36,817,529
Charges for services	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	1,896,036
Investment income	448,225	202,173	264,739	289,584	108,406	102,253	196,135	227,649	569,312	446,413
Other revenues	405,717	528,023	552,436	268,990	1,348,950	332,545	317,609	501,696	573,210	429,435
Total revenues	<u>58,568,729</u>	<u>60,830,889</u>	<u>60,746,075</u>	<u>62,543,900</u>	<u>62,409,229</u>	<u>63,853,031</u>	<u>68,945,620</u>	<u>65,229,760</u>	<u>66,839,519</u>	<u>86,024,006</u>
Expenditures:										
Administration	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	3,091,499
Planning and community development	357,485	353,474	369,838	328,045	360,179	355,841	397,518	406,893	412,478	431,155
Community services	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	1,258,788
Public works	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	4,371,825
Public safety services	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	1,389,095
Records and financial services	836,717	803,047	887,048	860,910	935,031	633,230	936,000	956,625	997,461	963,999
Contingency and other	106,293	681,042	39,993	144,636	144,844	124,671	68,707	176,038	76,296	203,128
Board of Education	39,894,224	42,059,147	42,599,914	43,424,363	43,904,035	45,133,023	48,670,545	45,852,991	47,335,526	47,140,491
Capital outlay	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	27,870,340
Debt service:										
Principal	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	4,011,659
Interest	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	1,273,113
Total expenditures	<u>59,287,781</u>	<u>64,160,438</u>	<u>63,995,130</u>	<u>70,190,268</u>	<u>68,062,484</u>	<u>67,067,464</u>	<u>69,735,773</u>	<u>67,134,313</u>	<u>70,553,087</u>	<u>92,005,092</u>
Excess of revenues over (under) expenditures	<u>(719,052)</u>	<u>(3,329,549)</u>	<u>(3,249,055)</u>	<u>(7,646,368)</u>	<u>(5,653,255)</u>	<u>(3,214,433)</u>	<u>(790,153)</u>	<u>(1,904,553)</u>	<u>(3,713,568)</u>	<u>(5,981,086)</u>
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		8,165,000
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		95,593
Premium on refunding bond issuance		153,420	1,158,124		1,065,684					
Transfers in	884,920	630,810	603,353	510,704	297,907	798,678	428,023	608,139	1,520,243	1,518,654
Transfers out	(936,552)	(645,810)	(653,353)	(525,704)	(241,389)	(725,482)	(374,928)	(79,578)	(1,030,515)	(428,376)
Total other financing sources (uses)	<u>6,073,368</u>	<u>2,894,278</u>	<u>1,605,388</u>	<u>9,583,157</u>	<u>5,625,037</u>	<u>2,513,596</u>	<u>292,505</u>	<u>10,156,255</u>	<u>489,728</u>	<u>9,350,871</u>
Net change in fund balances	5,354,316	(435,271)	(1,643,667)	1,936,789	(28,218)	(700,837)	(497,648)	8,251,702	(3,223,840)	3,369,785
Fund balances at beginning of year	12,003,730	16,114,439 *	15,679,168	14,035,501	15,972,290	15,944,072	15,243,235	14,745,587	22,997,289	19,773,449
Fund Balances at End of Year	<u>\$ 17,358,046</u>	<u>\$ 15,679,168</u>	<u>\$ 14,035,501</u>	<u>\$ 15,972,290</u>	<u>\$ 15,944,072</u>	<u>\$ 15,243,235</u>	<u>\$ 14,745,587</u>	<u>\$ 22,997,289</u>	<u>\$ 19,773,449</u>	<u>\$ 23,143,234</u>
Debt Service as a Percentage of Noncapital Expenditures	8.5%	8.0%	8.0%	7.2%	8.3%	7.4%	7.7%	7.7%	7.7%	6.9%

\* 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>
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%
2020	1,112,668,682	147,989,711	39,453,734	1,300,112,127	36.05	1,895,759,882	68.58%

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	2020			2011		
	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	\$ 17,001,370	1	1.33%	\$ 8,010,750	2	0.62%
Capitol Ventures	13,641,800	2	1.07%	12,335,300	1	0.96%
Gerber Scientific, Inc.	8,623,280	3	0.68%	3,953,800	6	0.31%
MRT of Connecticut SNF (Woodlake)	8,104,500	4	0.64%			
Summers and Summers Realty				4,128,000	4	0.32%
JM Associates LLC (CNC Software)	7,547,830	5	0.59%			
Silva Real Estate/Dari Farms	6,028,420	6	0.47%	2,847,140	9	0.22%
Norwegian Woods, Inc.	5,544,100	7	0.43%	3,597,000	8	0.28%
Ivy Woods LLC	5,009,900	8	0.39%	3,964,000	5	0.31%
MJB Realty (Star Hill Athletic Facility)	4,572,230	9	0.36%			
Connecticut Water Company	4,166,030	10	0.33%	6,260,300	3	0.49%
Carriage Crossing LLC				3,817,100	7	0.30%
NERAC, Inc.						
Tomlen				2,798,500	10	0.22%
Total	\$ 80,239,460		6.29%	\$ 51,711,890		4.03%

Note: Based on net taxable grand list, October 1, 2019 and October 1, 2010.

TABLE 7

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

<b>Fiscal Year Ended June 30</b>	<b>Mill Rate</b>	<b>Total Tax Levy for Fiscal Year</b>	<b>Collected Within the Fiscal Year of the Levy</b>		<b>Collections in Subsequent Years</b>	<b>Total Collections to Date</b>	
			<b>Amount</b>	<b>Percentage of Levy</b>		<b>Amount</b>	<b>Percentage of Levy</b>
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	44,997,409	44,475,818	98.84%	357,613	44,833,431	99.64%
2020	36.05	46,462,354	45,793,939	98.56%	424,388	46,218,327	99.47%

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							
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	3.0%	2,515	509,133	3,600,000	42,376,682	8.41%	2,785
2013	36,696,551	n/a	36,696,551	2.8%	2,438	384,543	3,466,667	40,547,761	6.43%	2,694
2014	34,176,289	n/a	34,176,289	2.6%	2,289	256,195	12,798,157	47,230,641	7.55%	3,163
2015	31,760,588	5,410,000	37,170,588	2.4%	2,482	155,251	12,459,972	49,785,811	7.58%	3,324
2016	36,401,600	n/a	36,401,600	2.9%	2,431	52,268	12,105,109	48,558,977	7.40%	3,244
2017	32,742,212	n/a	32,742,212	2.6%	2,192		11,971,999	44,714,211	6.83%	2,994
2018	38,648,439	n/a	38,648,439	3.0%	2,583		11,231,771	49,880,210	7.60%	3,333
2019	35,271,825	n/a	35,271,825	2.7%	2,396		10,481,503	45,753,328	7.09%	3,108
2020	31,765,456	8,165,000	39,930,456	2.4%	2,691		9,720,983	49,651,439	7.63%	3,346

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, 2020**

Total Tax Collections (Including Interest and Lien Fees)  
for the Year Ended June 30, 2019 \$ 45,042,180

Base for Debt Limitation Computation \$ 45,042,180

	<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	\$ 101,344,905	\$	\$	\$	\$
4 1/2 times base		202,689,810			
3 3/4 times base			168,908,175		
3 1/4 times base				146,387,085	
3 times base					135,126,540
	<u>101,344,905</u>	<u>202,689,810</u>	<u>168,908,175</u>	<u>146,387,085</u>	<u>135,126,540</u>
Total debt limitation	<u>101,344,905</u>	<u>202,689,810</u>	<u>168,908,175</u>	<u>146,387,085</u>	<u>135,126,540</u>
Indebtedness:					
Bonds payable	16,570,963	13,319,037			
Bond authorized but unissued	<u>422,435</u>	<u>32,293,335</u>			
Net Indebtedness (1) (2)	<u>16,993,398</u>	<u>45,612,372</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt Limitation in Excess of Indebtedness	\$ <u><u>84,351,507</u></u>	\$ <u><u>157,077,438</u></u>	\$ <u><u>168,908,175</u></u>	\$ <u><u>146,387,085</u></u>	\$ <u><u>135,126,540</u></u>

(1) The total of the above net indebtedness amounts to: \$ 62,605,770

In no event shall total indebtedness exceed seven times the base for debt limitation computation: \$ 315,295,260

(2) There is no overlapping debt.

TABLE 10

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

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt limit	\$ 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	\$ 315,295,260
Total net debt applicable to limit	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	62,605,770
Legal Debt Margin	\$ <u>216,863,417</u>	\$ <u>227,565,923</u>	\$ <u>236,240,063</u>	\$ <u>239,172,669</u>	\$ <u>249,439,911</u>	\$ <u>257,894,865</u>	\$ <u>258,318,605</u>	\$ <u>259,930,121</u>	\$ <u>268,512,893</u>	\$ <u>252,689,490</u>
Total net debt applicable to the limit as a percentage of debt limit	16.7%	15.0%	13.6%	13.5%	12.0%	12.7%	15.0%	14.5%	13.4%	19.9%

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>
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	2,393	3.0%
2020	14,838	650,586,948	43,846	44.0	2,354	7.3%*

\* Impact of COVID related employee layoffs etc. As employees began to return to work in the following months, the unemployment rate began to decline. August 2020 declined to 5.2%.

Sources:

- (1) U.S. Department of Commerce, Bureau of Census, 2010 Census
- (2) Connecticut Economic Resource Center (CERC) Town Profile (2020)

TABLE 12

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

<b>Employer</b>	<b>2020</b>			<b>2011</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)	492	1	6.0%	518	1	6.5%
Gerber Garment Technologies	286	2	3.5%	313	2	3.9%
Woodlake at Tolland	255	3	3.1%	215	3	2.7%
Big Y	184	4	2.2%	210	4	2.6%
Dari Farms				190	5	2.4%
CNC Software	152	5	1.8%	120	6	1.5%
Star Hill Family Athletic Center	75	6	0.9%			
State Police Troop C	70	7	0.9%			
Eversource/Northeast Utilities	64	8	0.8%	61	9	0.8%
Soldream, Inc.				55	10	0.7%
NERAC, Inc.	41	9	0.5%	62	8	0.8%
USDA	29	10	0.4%			
Standard Register				91	7	1.1%
	<u>1,648</u>			<u>1,835</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**

<b>Function</b>	<b>Fiscal Year</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>	<b>2020</b>
Administration	4	4	4	4	4	4	4	4	4	4
Planning and community development	5	5	5	4	4	4	4	5	5	5
Community services	18	18	18	16	17	17	17	17	17	17
Public works	33	33	32	31	32	32	31	31	31	32
Public safety services	12	12	13	13	13	13	13	13	13	13
Records and financial services	14	14	14	14	14	14	14	14	14	14
Total	86	86	86	82	84	84	83	84	84	85

Source: Accounting Department

TABLE 14

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

Function	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Planning and community development:										
Residential permit inspections	6	8	7	13	17	8	10	8	8	11
Commercial permit inspections	22	11	34	21	22	24	66	51	65	56
Subdivision lots approved (P&Z Comm)	2	3	0	0	2	2	2	2	1	4
COs issued (P&Z Services)***	146	212	28	195	15	20	14	19	8	10
Elderly services:										
Senior center attendance	7,792	8,029	8,231	8,311	8,070	9,246	9,701	9,021	10,334	7,758 ****
Library:										
Total circulation	136,776	112,356	119,949	122,365	125,480	120,000	98,074 *	105,898	99,179	73,567 *****
Attendance at library	91,294	70,000	77,231	77,630	75,996	70,933	60,000 *	71,000	97,098	85,128 *****
Recreation:										
Youth programs and sports participation	2,243	2,213	1,853	1,858	1,835	2,092	1,806	1,640	1,657	1,479 *****
Adult programs and sports participation	1,397	1,061	710	731	755	795	880	997	1,019	992 *****
Refuse and recycling:										
Tons of refuse co-generated	4,557	4,806	4,348	4,256	4,325	4,347	4,180	4,252	4,391	4,549
Tons of single stream recycling	1,840	1,737	1,772	1,730	1,753	1,711	1,761	1,611	1,139	1,577
Public safety:										
Ambulance medical calls	1,095	1,183	1,135	1,235	1,272	1,307	1,338	1,285	1,356	1,349
Ambulance non-emergency calls	2,343	2,534	2,464	2,563	2,750	N/A	N/A	N/A	N/A	N/A
Fire calls	264	540	516	405	525	525	478	470	515	512
Fire medical calls*****	1,095	1,183	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Fire non-emergency calls	2,343	2,534	2,464	2,563	2,750	N/A	N/A	N/A	N/A	N/A
Hazardous materials	44	51	46	33	40	29	32	33	34	35
Other calls / service calls**			869	368	375	237	322	314	353	307
Vehicle Accidents					131	139	117	115	120	94
Law enforcement:										
Criminal investigations	214	169	398	396	458	502	456	399	402	273
Motor vehicle accident investigations	252	255	234	251	316	266	288	252	261	208
Registrar of voters:										
Total registered voters	9,300	9,186	9,415	9,271	9,400	9,436	10,128	10,125	10,301	10,339
Revenue services:										
Total taxes collected	\$ 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	\$ 45,793,939

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

\*\* new in 2013

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

\*\*\*\* due to Senior Center/Recreation/Library being closed April, May and June because of COVID-19

\*\*\*\*\* no longer used

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>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>	<b>2020</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	66,994	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	123.50	123.60	123.68	123.68	123.68	123.68	123.68	123.68	123.93	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