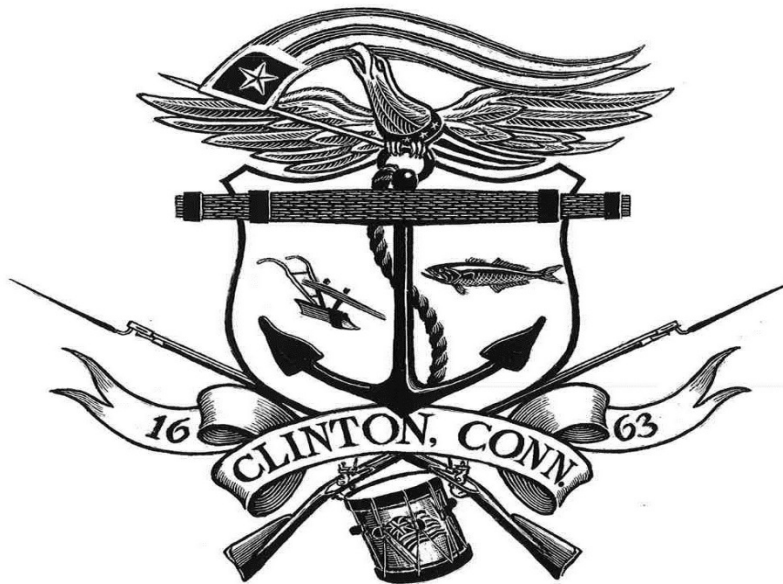


Town of Clinton, Connecticut

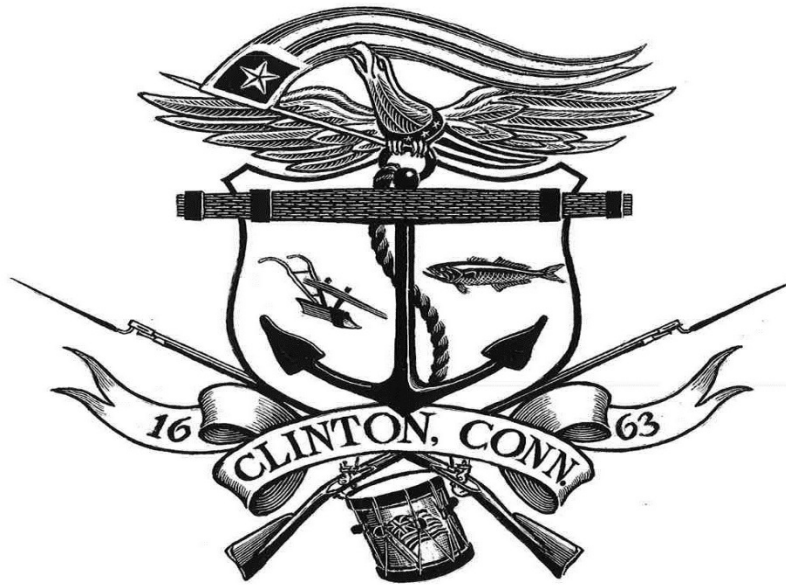
Comprehensive Annual Financial Report



Fiscal Year 2019

July 1, 2018 - June 30, 2019

COMPREHENSIVE ANNUAL FINANCIAL REPORT
OF THE
TOWN OF CLINTON, CONNECTICUT
FOR THE FISCAL YEAR ENDED
June 30, 2019



Prepared by the Department of Finance

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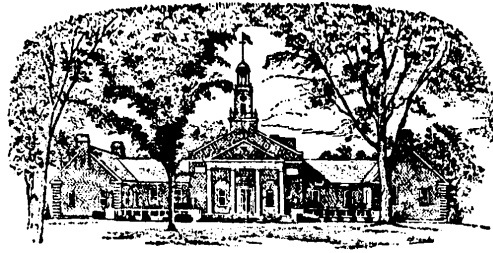
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TOWN OF CLINTON, CONNECTICUT

LETTER OF TRANSMITTAL

December 6, 2019

Residents of the Town of Clinton
First Selectman, Ms. Christine Goupil
Town Treasurer, Mr. Todd Pozefsky
Members of the Board of Selectmen
Members of the Board of Finance

We are pleased to provide the fiscal year 2018-2019 Comprehensive Annual Financial Report (CAFR) of the town of Clinton for the fiscal year ended June 30, 2019.

The purpose of this report is to provide citizens, board members, investors, grantor agencies and other interested parties with reliable information about the Town of Clinton. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the Town. The intent is to provide reasonable assurance that the financial statements are free of any material misstatements.

The Town is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996 and the requirements of the Uniform Guidance. The Town is also required to undergo a Single Audit under Public Act 91-401 of the State of Connecticut. Information related to these single audits will be issued separately.

RSM US LLP, have issued an unmodified ("clean") opinion on the Town of Clinton's financial statements for the year ended June 30, 2019. The independent auditor's report is located at the front of the financial section of this report. Management's discussion and analysis (MD&A) immediately follow the independent auditor's report and provides a narrative overview of the basic financial statements. The MD&A is intended to complement this transmittal letter and should be read in conjunction with it.

This report includes all the funds and accounts of the Town. It includes all activities controlled or dependent on the Town, which are identified as general, special revenue, capital projects, trust and agency funds. The Clinton Board of Education (grades K through 12) are considered departments of the Town and therefore, these activities are included in this report. The Clinton Ambulance, Library and Volunteer Fire Department are governmental entities having operations within the Town but are separate legal entities. Their operations have therefore not been included in the Town's financial statements.

The Town provides a full range of municipal services including public safety, police, animal control and civil preparedness, public works, health, zoning compliance, youth services, social services, recreation, library, education and schools and general government administrative service.

Profile of the Town

The Town of Clinton was incorporated as Connecticut's 137th town in May, 1838. The Town is located seventeen miles east of New Haven, adjacent to Madison to the west, Westbrook to the east, Long Island Sound to the south and Killingworth to the north. The Town is located approximately 100 miles east of New York City, 40 miles south of Hartford, Connecticut and 120 miles southwest of Boston. The Town encompasses approximately 17.2 square miles within Middlesex County.

The Town is traversed by the Connecticut Turnpike (Interstate 95), the Boston Post Road (Route 1), and Routes 81 and 145. Metro-North/Shoreline East and Amtrak also provide rail service to New Haven, Boston, or New York. In addition, Tweed New Haven Airport, located in New Haven is a major commuter center with direct flights to Philadelphia and Chicago. The Town is served by the State of Connecticut Department of Transportation that operates buses on multiple routes that include New Haven, East Haven, Middletown, Guilford, Madison and Old Saybrook.

Clinton is a balanced community of residential, waterfront and rural areas, retail and commercial development and major manufacturing plants. Tower Laboratories, Clinton Instrument Company and Clinton Nurseries are the major industries in Town. The Clinton Crossing Premium Factory Outlet Center which opened in 1996 employs approximately 1,000 part-and full-time employees in 65 stores.

Clinton public school system provides a balanced curriculum for approximately 1,742 students. There are several vocational training facilities, colleges and universities, including Yale University, located in the New Haven region which offers a variety of educational programs available to the Town.

The Town's location on Long Island Sound provides residents with 1 public beach, 6 marinas that provide approximately two hundred moorings, seven hundred boat slips and 2 public launch ramps. The Town beach includes a pavilion and recreation facilities. In addition, the Town maintains a second smaller beach facility as well as docking for approximately 56 boats of various sizes plus 18 stakes for sailboats.

The majority of Town government offices are housed in the historic Andrew Memorial Town Hall. Because of its character and magnificent setting overlooking Long Island Sound and located on Route 1, this building is utilized by theatrical, musical and cultural groups on an ongoing basis.

A listing of Town offices and further information about the Town may be found on the Town's official web site, **www.clintonct.org**

Form of Government

The Town of Clinton is organized and has operated since 1839 under the Town Charter that utilizes the Board of Selectmen, Board of Finance, and Town Meeting form of government. The First Selectman is the elected full-time Chief Executive Officer of the Town who is responsible for supervising and coordinating all matters pertaining to the delivery of Town programs and services. The Town Meeting is the legislative body of the Town. The Board of Finance, consisting of six members, is made up of three persons of each political party elected for terms of four years. The five-person Board of Selectmen are elected biennially for two year terms.

The voters of the Town at referendum must approve the annual budget, supplemental appropriations exceeding certain amounts and bond authorizations. Refunding bond authorizations are approved solely by the Board of Selectmen.

The voters of the Town of Clinton voted to change its form of government and amend its current Town Charter, effective November 19, 2019. The new government will consist of a Town Manager and an elected seven-member Town Council, which will replace the present Board of Selectman and Board of Finance. The Town Council shall appoint a Town Manager for a term not to exceed three years. The Town Council will also be responsible for enacting ordinances as well as performing additional duties as defined in the new Town Charter.

Economic Condition and Outlook

The Town of Clinton was incorporated under the provisions of the Connecticut General Statutes in 1838. The Town covers 17.2 square miles located in the southeastern part of Connecticut. Located on the Long Island Sound, Clinton is bordered by Westbrook to the East, Madison to the West and Killingworth to the North. At June 2019, 96.8% of the Town's available labor force was employed. This compares favorably to the area and State rates. The Town's Per Capita income was \$39,713 and the Median Family Income was \$76,509 as reported by the State of Connecticut Economic Digest Report and the U.S. Census Bureau.

The Town's position as a residential community is illustrated by the fact that approximately 84.5% of the October 2017 grand list was residential. The Town has several subdivisions in various stages of completion.

The Planning and Zoning Commission produced Clinton's Plan of Conservation and Development. A key element to stimulate new economic activity is to draw residents, not just as patrons, but those who will make up the workforce. A new campus style high school, the Morgan School, was completed on time in August of 2016 on a new site and will draw young families to Clinton. The Board of Selectman recently approved an agreement with a developer for the site of the old Morgan School property, a 28-acre parcel at the I-95 exit 63 interchange across from the Clinton Crossing Outlets. The village style development of this site will be called Indian River Landing, and will include retail, hotel and chain restaurants, generating substantial revenues for Clinton. Preliminary local approvals have been granted for the initial stages of the agreement, the costs of demolition, road improvements and remediation will be borne by the developer. Depending on approvals, leasing demand, interest rates and the housing market, the projected completion goal will be approximately 5 years.

In addition, there is great opportunity for in the Unilever property currently under development and adjacent to the Clinton Train Station. which is undergoing a \$12.5-million-dollar renovation funded by the State Department of Transportation. Once completed, the State Department of Transportation's expansion of Clinton's Train Station will have a new platform on the north side of the tracks, an "up-and-over" pedestrian bridge/elevator connecting both sides, a ramp to the new platform, a bike shelter, additional parking and will be fully ADA compliant. It should be completed by January 2021.

The economic base of the Town is presently diverse. In the current tax period, retail is in the lead with the Clinton Crossing Outlets bringing an estimated \$1,500,000 in revenues. Connecticut Water Company utility brings in approximately \$380,000. These top tax payers are examples of the

mix of economic enterprises in Town. Also within the top ten is Cedar Island Marina, which pays an estimated \$135,000 in property taxes.

The newly energized Economic Development Commission is implementing strategies to engage the Town's merchants and the business community. They recently held successful seminars on economic development in tourism and manufacturing. The commission is coordinating efforts of various boards and commissions in concert with the Clinton's Chamber of Commerce to welcome and support economic development for the future while protecting the Town's quality of life, safety and environment. During the past year, several new retail establishments including restaurants have moved to Clinton with more to follow shortly. In addition, the commission has revamped their approach to development utilizing support of Connecticut Economic Resources Center (CERC) services as economic development consultants to provide strategies for growth in revenues, investment in Clinton, partnerships, and potential State support where possible with consideration for public open space and conservation.

Summary of Municipal Services

The Town of Clinton operates under a management structure consisting of the following divisions: Administration, Finance, Public Safety, Health and Well Being, Parks and Recreation and Public Works. All areas report to the First Selectman or Board of Selectmen.

Administration: This division consists of numerous departments; the First Selectman's Office, Town Clerk, Town Attorney, Registrar of Voters, Police Commission, Board of Education Planning and Zoning as well as regional office for Judge of Probate. The division provides administrative support services to the general public, the Board of Selectmen, Board of Finance and most departments. The Town's First Selectman, Christine Goupil, was elected in November 2017 for a 2 year term.

Finance Department: This division consists of five areas; financial administration, accounting, purchasing, tax assessment and tax collection. The Finance division, under the direction of the Director of Finance, is responsible for overall supervisions of the Town's financial management, including the Town Police and Fire pension fund and debt management program.

Public Safety: This division consists of five departments; Police, Communications, Fire, Emergency Medical Services and Animal Control. This division is responsible for the security and safety of the community. The police department has 27 sworn officers, 7 full-time and 3 part-time employees along with a K-9 Unit and operates a 24-hour public safety dispatch center which coordinates responses by all safety services. Besides various vehicle patrols, the police have a twenty-five-foot Safe Defender class boat that patrols the harbors and waterfront areas of Town. Numerous grants help fund community-based police programs, particularly in the drug and substance abuse area.

The Clinton Volunteer Fire Department, as first responders to fires, public safety, medical emergencies and disasters protect the lives and property of the Town of Clinton residents and visitors. The department advances public safety through training in fire prevention, investigation and education programs. The Core Values of the department are Service, Ethics, Bravery, Safety, Honor, Dedication and Preparedness. By combining all the components of our core values, the department will maintain its constant state of readiness to meet all threats and challenges, traditional

and new. The department has 70 active firefighters and 46 active Emergency Medical Service members who make up the ambulance division of the department.

Health and Well Being: The Health and Well Being division provides health and environmental services as well as social services for Town residents and emergency financial support where needed. The Town belongs to the Connecticut River Area Health District serving the Towns of Deep River, Old Saybrook, Haddam and Clinton. This group is working to uphold and enforce the Connecticut Public Health Code, while working with member towns to implement new public health programs. Clinton's Human Services Department provides assistance to Town residents that have a social service needs including food, heat, shelter and a range of financial issues. Counseling and/or parenting services for children and families with emotional or behavioral services. Prevention services are also provided for children and youth to reduce drug and alcohol abuse and other problematic behaviors.

Library: The public library functions as a multi-purpose informational and cultural center funded primarily by separate town appropriations. The Henry Carter Hull Library offers many entertainment-streaming options for town cardholders; movies, audiobooks, music and e-books are just a click away and available on your phone, tablet or smart TV. The HCH Library also hosts many cultural and education programs to our community such as local history speakers, art shows by local artists and concerts by area musicians. Teens can take advantage of free SAT and ACT prep, and many other programs in their own spacious Teen Room. The Children's Room offers regularly scheduled programs with music, movement, sign language and Spanish for kids of all ages. All programs at the HCH Library are free to all members of our community and are funded solely by non-tax donations and sponsorships.

Parks and Recreation: The Town operates the Peters Recreational complex consisting of 50 acres of active and passive recreation facilities that include five ball fields, one of which is lighted, a lighted football/soccer/lacrosse field, a four-hundred-meter track, five tennis courts, one lighted basketball court, a skateboard park, two picnic areas and a concession stand. The Indian River Recreation Park encompasses 47 acres that include athletic fields (two lighted), hiking trails, open space nature areas and a community building. In addition, a turf field used for soccer, lacrosse and field hockey, a lighted ball field, and a playground with a pavilion. A beach area with a pavilion, a splash pad, play areas and concession stand utilizes the Town's shoreline location. Also, Hesser's Pond provides three acres of a passive recreation area with a pavilion and a picnic area and offers ice skating during the winter. The recreation department operated and/or supported approximately 60 programs for both children and adults in the Town. They currently completed an upgrade to their software allowing for online registration and collection of payments for almost all the programs offered by the Recreation Department.

Public Works: The Department of Public Works is responsible for the design, developing, construction and maintenance of approximately 77 miles of roads along with 17.5 miles of sidewalks. The Department is also responsible for the exterior and interior maintenance of all Town buildings, the grounds of the public schools as well as all parks, athletic complexes and passive recreational facilities. The Department provides construction services, project consulting to other Town agencies as well as construction management services for town projects. The Department operates the Town Transfer Facility and Land Fill operation with a strong emphasis on recycling and pollution avoidance. The Town encourages recycling and provides a single stream recycling program which allows residents to dispose of all recycled items in one location eliminating the need to separate items.

Educational System

The Town's school system consists of four schools located throughout the Town. There is one elementary school for pupils in grades pre-K through 3; one elementary school for grades 4-5, a middle school for grades 6-8, and a high school for grades 9-12. The schools are governed by a seven-member, elected Board of Education.

Municipal Employees

The Town has a workforce of 406 employees. 78 full time employees work on the town side and 328 full time employees are employed by the Board of Education. There are five unions within the Town: Police, Public Works, Clerical, Supervisors, and Dispatchers / Animal Control. Of the 78 employees on the Town side 70 belong to one of these five unions. There are four unions within the Board of Education: Teachers, Administrators, Secretaries, and Paraprofessionals. Of the 328 Board of Education employees 277 belong to one of the four Board of Education unions.

Financial Information

Management of the government is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Town are protected from losses, theft or misuse to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Single Audit

As a recipient of Federal financial assistance both directly and as passed through the State, the Town is responsible for maintaining an adequate internal control structure to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management. The same applies to financial assistance provided directly by the State.

As a part of the Town's single audits, tests are made to determine the adequacy of the internal control structure, including that portion related to Federal and State financial assistance programs, as well as to determine that the government has complied with applicable laws and regulations. The single audits for the fiscal year ended June 30, 2019 will be issued as separate reports. They will be filed with the Town Clerk for public inspection and will be filed with appropriate Federal and State agencies.

Budgeting Controls

In addition to internal accounting controls, the Town maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget for the General Fund approved at the annual referendum and as may be amended by the Board of Selectmen with recommendation to the Board of Finance, and/or a Special Town Meeting during the fiscal year. The General Fund level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is at the departmental level. The Town also maintains project length budgets for all capital projects.

To aid in budgetary control, the Town maintains an encumbrance accounting system to record obligations by line item for all budgets. Verification of funds availability is required prior to the issuance of purchase orders, which are recorded as encumbrances in the budgetary accounting system. Those encumbrances for goods and services that have not been committed on June 30 of each year are closed at the end of the fiscal year. Encumbrances for the Clinton Public School system maintain their committed encumbrances and report them as reservations of fund balance. Only valid previously committed charges in the previous fiscal year are paid from these encumbrances.

As demonstrated by the statements and schedules included in the financial section of this report, the Town continues to meet its responsibility for sound financial management.

General Fund Balance

The unassigned, or available, General Fund, fund balance decreased by \$19,752 or .2% during the fiscal year. This amount, \$9,156,965, is equivalent to about 44 days of operating expenditures and is 17% of the adopted fiscal year 2020 budget. The decrease is the result of favorable budget versus actual results being offset by additional appropriations from fund balance. Actual revenue exceeded budget by \$1,625,372 mainly from additional tax collections and State education cost sharing grant revenue received and actual expenditures less than budget by \$515,132 due to conservative spending throughout the Town and Education departments.

These favorable results were offset by special appropriations from fund balance of \$2,021,200. This included \$1,271,200 mainly for various capital expenditures including water pipe repairs to the middle school of \$556,200, \$200,000 for a new Public Works heavy duty dump truck, and \$274,000 for road paving, drainage and sidewalk repair. The total appropriations also included \$750,000 for emergency repairs resulting from damage caused to the high school property as the result of a flash flood.

Debt Administration

On June 30, 2019 the Town has 13 debt issues outstanding. Bonded indebtedness was \$52,925,000 with a final maturity date of February 2038. All the bonds are general obligations of the Town. Bonds that are authorized but unissued total \$18,009,222. In April 2019, the Board of Selectman adopted a \$10,700,000 Bonding Resolution to fund bridge, school roof and road repairs and is 59% of this unissued total; while the construction of the new Morgan High School project accounts for 11% of this amount.

In May 2019, the Town issued \$12,130,000 of general obligation bonds to refund certain outstanding issuances for an economic gain of \$631,265 (differences between the present value of the debt service payments) and cash savings of \$758,550 (difference between the old and new debt service payments).

According to State Statutes, total Town indebtedness may not exceed seven times the annual receipts from taxation or \$328,743,506 on June 30, 2019. There are also sub-limits by category for bonds. In total, bonded indebtedness on June 30, 2019 was 16% of statutory capacity.

On June 30, 2019, the ratio of bonded indebtedness to assessed value (grand list) was 3.52%. The amount of bonded indebtedness per capita was \$4,121.

Relevant Policies and Practices

Fund Balance Policy

The Board of Selectmen along with the Board of Finance approved a policy providing guidelines for budgeting decisions and to insure adequate reserves are established and maintained to fund operations by providing sufficient working capital and a margin of safety to address local and regional emergencies without borrowing. This policy established a minimum undesignated/unassigned fund balance of 10 percent of budgeted expenditures. This policy further established pertinent classifications of the established reserves and the level of authority necessary for each classification taking into consideration the Town's operating characteristics, diversity of tax base, reliability on non-tax revenue sources, working capital needs, impact on bond rating, local and economic outlooks, emergency and disaster risk and other contingent issues. In accordance with current budgeting practices, the unassigned fund balance may be used on a one-time basis to lower taxes or offset one time capital expenditures.

Whistle Blower Policy

A whistle blower policy was approved by the Board of Selectman and is included as part of the employee handbooks. This policy establishes the guidelines of reporting any behavior that would not be in the best interest of the Town.

Debt Management and Capital Planning

The First Selectman and Board of Selectmen approved a Fiscal Task Force to review debt management and a bonding committee to be used in assessing long range planning of the Town's capital needs, the determination of appropriate funding methods, and the management of debt and capital assets at a portfolio level. The commissions' basic objectives are debt issuance and acceptable uses, as well as decision analysis for capital planning, oversight and monitoring. The Town of Clinton established a Long Range Capital Planning committee, consisting of various members for the Board of Selectmen, Board of Finance and public.

Policies are reviewed, updated and approved based on an as needed basis by the Board of Finance, and may be upon recommendation by the Board of Selectmen. Any changes to the Town Charter as a result of a Charter Review will be approved by the Boards.

The voters of the Town of Clinton voted to change its form of government and amend its current Town Charter, effective November 19, 2019.

Independent Audit

The Town Charter requires an annual audit of books of account, financial records and transactions of all administrative departments of the Town by independent certified public accountants selected by the Board of Finance. This requirement has been complied with and the auditor's report and has been included in this report.

Awards and Acknowledgements

Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Clinton for its comprehensive annual financial report for the fiscal year ended June 30, 2018. This was the initial year that the government achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual report. This report must satisfy both generally accepted accounting principles 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 GFOA to determine its eligibility for another certificate.

The Town has achieved a AA+ rating from Standard and Poors, in March 2019.

The preparation of the Town's Comprehensive Annual Financial Report could not have been accomplished without the efficient and dedicated services of the entire staff of the Finance Department with support from many departments including the Clinton Public School's business office. I offer my profound appreciation and humble thanks to all for their efforts in the completion of this major accomplishment.

I would also like to thank the Board of Selectmen, for their support and guidance through this process along with the Board of Finance for their dedicated interest, support and leadership in planning and conducting the independent oversight of the financial operations of the Town in a responsible and progressive manner.

Respectfully Submitted,



Sue Cunningham

Director of Finance
Town of Clinton, CT

PRINCIPAL ELECTED OFFICIALS

As of June 30, 2019

First Selectman

Christine Goupil

BOARD OF SELECTMEN

Jack Scherban
Timothy Guerra

Carol Walter
Phillip Sengle

BOARD OF FINANCE

Dara Onofrio, Chairman
Ona Nejd
Thomas Hollinger

Jason Adler
Jane Scully Welch
Amy Maklari

BOARD OF EDUCATION

Erica Gelven, Chairman
Kimberly Russo
Sandy Luke
Omar Francis

Catherine Staunton
Michael Hornyak
Lois Ruggiero

ADMINISTRATION

Town

Assessor
Building Official
Chief of Police
Director of Finance
Director of Human Services
Director of Public Works
Director of Recreation
Library Director
Tax Collector
Town Clerk
Treasurer
Zoning Officer

Donna Sempey
Edward Smith
Vincent DeMaio
Sue Cunningham
David Melillo
Todd Hajek
Robert Potter
Maribeth Breen
Melanie Yanus
Sharon Uricchio
Todd Pozefsky
Vacant

Board of Education

Superintendent of Schools
Business Manager

Maryann O'Donnell
Carolyn Dickey



Government Finance Officers Association

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

Presented to

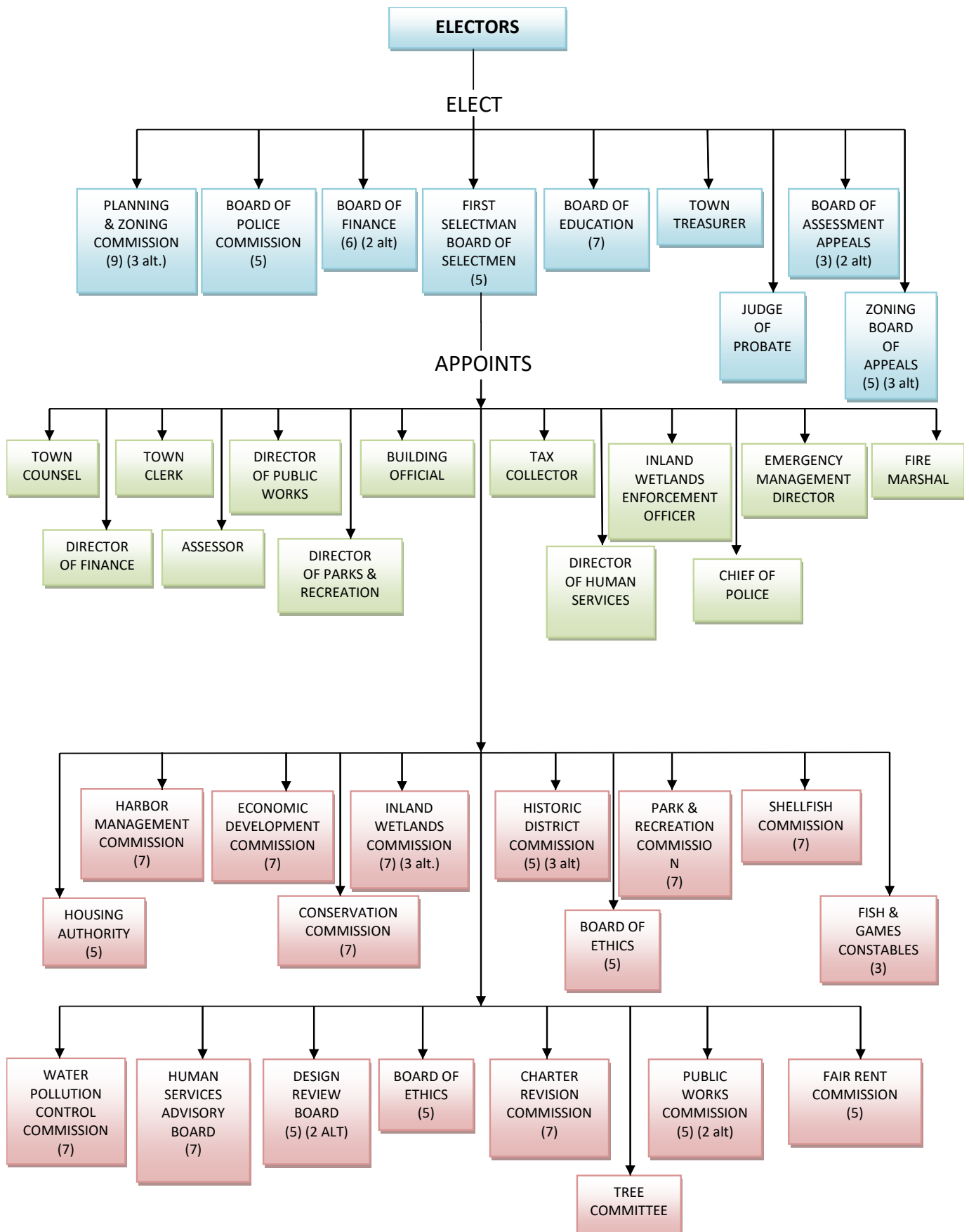
**Town of Clinton
Connecticut**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morill

Executive Director/CEO



Financial Section

Independent Auditor's Report

To the Board of Finance
Town of Clinton, Connecticut

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Clinton, Connecticut, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Town of Clinton, 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 of material misstatement.

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

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

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information and the pension and OPEB schedules as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Clinton, Connecticut's basic financial statements. The introductory section, combining and individual fund financial statements and other 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 fund financial statements and supplemental 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 fund financial statements and other schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections, as listed in the table of contents, 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 December 18, 2018 on our consideration of the Town of Clinton, 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 Clinton, 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 Clinton, Connecticut's internal control over financial reporting and compliance.

RSM VS LLP

New Haven, Connecticut
December 6, 2019

Town of Clinton, Connecticut
Management's Discussion and Analysis - unaudited
June 30, 2019

This discussion and analysis of the Town of Clinton, Connecticut's (the Town) financial performance is provided by management to provide an overview of the Town's financial activities for the fiscal year ended June 30, 2019. Please read this MD&A in conjunction with the transmittal letter at the front of this report and the Town's financial statements including the accompanying notes. All amounts in this section of the report are reported in thousands.

Financial Highlights

- The Town's total net position, of \$48,088 improved by \$1,565 during the fiscal year, mainly due to the net impact of the capital asset activity, debt issuances and debt services activity. A large portion of the Town's net position is its investment in capital assets (i.e., land, building, machinery, and equipment) less any related debt used to acquire those assets as well as any other debt outstanding. The Town uses these capital assets to provide services to citizens.
- Special appropriations of \$2,021 were made from undesignated fund balance for various infrastructure improvements of \$275, \$240 for the Town revaluation process, \$200 for the purchase of a heavy duty dump truck and \$556 for the improvements to the water pipes at the Eliot school, in addition to a special appropriation of \$750 to cover infrastructure damages to a bridge and river embankments at the high school resulting from a flash flood event in September 2018.
- The Town's general obligation bonds continue to carry an S&P rating of AA+
- During the year, the Town had revenues on a government wide basis that were \$1,565, above the \$58,419 of expenses for governmental programs. Property tax revenue for the year ended June 30, 2019 was \$47,055, an increase of \$1,172 over prior year. The increase was largely driven by a slight mil increase of 0.63 and the continuation of a strong tax collections rate, offset by a reduced non-tax levy revenue which included a \$300, fund balance contribution. In addition to current year taxes the Town took in \$5,122 in advanced tax collections.
- Total cost of all the Town's programs was \$58,419, with no new programs added this year.
- With continued uncertainty with the State budget, the Town both budgeted conservative and maintained strong controls over spending. General Government revenues exceeded expenditures by \$3,521, on a governmental basis.
- The general fund reported a fund balance this year of \$9,963, an increase of \$302, over prior year, with the unassigned fund balance \$9,156. With total transfers out of \$3,218, including the special appropriations noted above this was only a slight decrease from the prior year of \$20K.
- There are three pension trust funds in the Town. In total these three plans ended the year with a positive change of \$1,692 resulting in a total net position of \$20,322, with net investment income for the three plans of \$1,655. The Police Pension Fund had a net position increase of \$826, the Board of Education noncertified pension had a net position increase of \$838 and the Volunteer Firefighters pension's net position increase was \$29.

Overview of the Financial Statements

This annual report consists of a series of financial statements. The statement of net position and the statement of activities (Exhibits I and II, respectively) known as government-wide statements provide information about the activities of the Town as a whole and present a longer-term view of the Town's finances. Fund financial statements are presented in Exhibits III to IX for governmental activities, these statements tell how these services were financed in the short term as well as what remains for future

spending. Fund financial statements also report the Town's operations in more detail than the government-wide statements by providing information about the Town's most significant funds. The remaining statements provide financial information about activities for which the Town acts solely as a trustee or agent for the benefit of those outside of the government.

Our analysis of the Town as a whole begins with Exhibit I and Exhibit II. One of the most important questions asked about the Town's finances is, "Is the Town as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the Town as a whole and about its activities in a way that helps answer this question. These two statements reflect all assets, liabilities, deferred outflows/inflows and operations using the accrual basis of accounting, which is similar to the accounting method used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

Government-Wide Financial Statements

Reporting the Town as a Whole

These two statements report the Town's net position and related changes. You can think of the Town's net position—the difference between assets and deferred outflows and liabilities and deferred inflows—as one way to measure the Town's financial health, or financial position. Over time, increases or decreases in the Town's net position are an indicator of whether its financial health is improving or deteriorating. You need to consider other nonfinancial factors to assess the overall health of the Town; such as changes in the Town's property tax base and the condition of the Town's roads and structures

In the statement of net position and the statement of activities, the Town reports its activities:

- *Governmental Activities* - The Town's basic services are reported here, including education, public safety, public works, planning and development, parks and recreation and general administration. Property taxes, charges for services, and state and federal grants finance most of these activities.

Fund Financial Statements

The fund financial statements begin with Exhibit III and provide detailed information about the most significant funds - not the Town as a whole. Some funds are required to be established by Charter. However, the Town establishes many other funds to help control and manage financial activities for particular purposes or to show that it is meeting legal responsibilities for using grants and other revenues. The Town's funds are divided into three categories: governmental, proprietary and fiduciary.

- *Governmental Funds (Exhibits III and IV)* - Most of the Town's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balance left at year-end available for spending. These funds are reported using the modified accrual form of accounting which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Town's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources available to be spent in the near future to finance the Town's programs. The relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds is described in a reconciliation after each fund financial statement.
- *Proprietary Fund (Exhibits V, VI and VII)* – The Town's Internal Service fund is the only proprietary fund and captures the activity of the Police Heart and Hypertension. Proprietary funds are reported in the same way that all activities are reported in the statement of net positions and the statement of activities. Internal service funds (the component of proprietary funds) are used to report activities that provide supplies and services for the Town's other programs and activities.

- *Trust Funds (Exhibits VIII and IX)* The Town is the trustee, or fiduciary, for its employees' pension plans. It is also responsible for other assets that, because of a trust arrangement, can be used only for the trust beneficiaries. All the Town's fiduciary activities are reported in separate statements of fiduciary net position and changes in fiduciary net position. These activities are excluded from the Town's other financial statements because the Town cannot use these assets to finance its operations. The Town is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Government-Wide Financial Analysis

The Town's combined net position increased \$1,565, from \$46,523 to \$48,088. The analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the Town's governmental activities.

Table 1
Summary Statement of Net Position
(In Thousands)

	Governmental Activities	
	June 30, 2019	June 30, 2018
Current and other assets	\$ 20,319	\$ 15,007
Capital assets	125,809	125,102
Total assets	146,128	140,109
Deferred outflow of resources	5,770	3,397
Long-term debt outstanding	89,584	89,462
Other liabilities	7,472	6,555
Total liabilities	97,056	96,017
Deferred inflow of resources	6,754	966
Net position:		
Net investment in capital assets	65,560	65,221
Unrestricted	(17,472)	(18,698)
Total net position	\$ 48,088	\$ 46,523

Table 1 (above) focuses on the net position and the comparison of prior fiscal year to current fiscal year. The figures presented are extracted from Exhibit I in the Financial Statements.

The Town's overall net position in the governmental activities increased by 3.4 percent over prior year's net position. There was an increase in unrestricted net position of \$1226, the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements, from \$(18,698) at June 30, 2018 to \$(17,472) at June 30, 2019.

Some of the significant changes in the government-wide net position include:

- Cash (and cash equivalents) increased by \$5,447 due to the issuance of a \$5,000 BAN to reimburse the Town for expenditures including construction of a new high school and various infrastructure capital projects.

- Deferred outflow of resources is up almost 70 percent over prior year. Deferred outflows of resources, like deferred inflows of resources, primarily account for differences in pension and other post-employment benefits (OPEB). These differences are then amortized, allocated to revenue or expense, to smooth over time the pension and OPEB costs. The Town employees State Municipal Employees Retirement plan accounted for \$2,142 of this increase, with \$1492 of this increase being due to the effect of assumption changes as discussed further in Note 8 to the Financial Statements.
- Deferred inflows increased \$5,788 over prior year with the advanced collection of property taxes of \$5,045 and pension related items of \$803, offset by an OPEB related items of \$(60).

Table 2
Summary Statement of Changes in Net Position
(In Thousands)

	Governmental Activities	
	2019	2018
Revenues:		
Program revenues:		
Charge for services	\$ 1,507	\$ 1,462
Operating grants and contributions	10,295	14,897
Capital grants and contributions	333	326
General revenues:		
Property taxes	47,055	45,883
Grants and contributions not restricted to specific purposes	518	310
Unrestricted investment earnings	121	43
Other general revenues	155	290
Total revenues	59,984	63,211
Program expenses:		
General government	7,610	7,295
Public safety	5,419	5,204
Public works	3,545	3,435
Planning and development	875	787
Health and welfare	695	561
Culture and recreation	491	521
Education	37,869	41,874
Interest on long-term debt	1,915	1,637
Total program expenses	58,419	61,314
Increase in net position	1,565	1,897
Net position, beginning	46,523	44,626
Net position, ending	\$ 48,088	\$ 46,523

Table 2 (above) reflects the changed in Net Position for the governmental activities with respect to revenues and expenses. The information in this table is extracted from Exhibit II in the Financial Statements.

The Town's total government wide revenues were \$59,984, a decrease of \$3,227 or 5.1 percent decrease over prior year. The total cost of all programs and services was \$58,419, a decrease of \$2,895, or 4.7 percent.

Property taxes account for 78 percent of all revenues followed by operating grants and contributions at 17 percent. Education expenses are 64.8 percent of total expenses; general government and public safety are 13 percent and 9.3 percent, respectively.

Significant changes from last fiscal year to this fiscal year are discussed below:

- Operating grants and contributions year over year decreased \$4,602. For reporting purposes, the operating grants also include the state contribution to the teachers' retirement costs and state teachers' retirement retiree health insurance on the Town's behalf for public school teachers and their beneficiaries. The state pays 100% of the teachers' retirement pensions. The Town must report this as an operating grant and as a cost of education. In 2018 payments made to the state for teacher's retirement and state teacher's retirement retiree health insurance was reported as \$6,921. In 2019, the state's contribution was reported as \$2,353. The large decrease is due to a change in actuarial assumptions.
- Property tax revenue increased \$1,172 due to an increase in the tax levy with collections of \$1,111 more than the prior fiscal year's collection, strong supplemental motor vehicle collections drove most of the increase with collections of \$177 over budget.

Governmental Activities

Table 3 presents the cost of each of the Town's five largest programs - general government, public safety, public works, education, and culture and recreation - as well as each program's net cost (total cost less revenues generated by the activities). The net cost shows the financial burden that was placed on the Town's taxpayers by each of these functions.

Table 3
Governmental Activities
(In Thousands)

	Total Cost of Services		Net Cost of Services	
	2019	2018	2019	2018
General government	\$ 7,610	\$ 7,295	\$ (6,840)	\$ (6,349)
Public safety	5,419	5,204	(5,130)	(4,940)
Public works	3,545	3,435	(2,999)	(2,830)
Education	37,869	41,874	(27,834)	(27,503)
Culture and recreation	491	521	(287)	(334)
All others	3,485	2,985	(3,194)	(2,673)
Total	\$ 58,419	\$ 61,314	\$ (46,284)	\$ (44,629)

Town Funds Financial Analysis

Governmental Funds

As the Town completed the year, its governmental funds (as presented in the Balance Sheet – Exhibit III and Statement of Revenues and Expenditures and Changes in Fund Balance-Exhibit IV) reported a combined fund balance of \$5,910, which is a decrease of \$666 from last year's \$6,576 total. The fund balance breakout in total is as follows: increases in the General Fund balance of \$302; a decrease in the Capital Projects Fund of \$(1,035), and non-major Governmental Fund's increase of \$68.

- As noted above, Property tax revenue increased \$1,172 a 2.5 percent increase for the current fiscal year due to strong collections and a tax collection mill rate increase of .63 to 30.54.
- Total expenditures decreased in the current year from \$62,583 to \$60,908 or 2.7 percent. Education expenditures decreased \$3,960, mainly due to the teachers' pension mentioned previously, while capital outlay increased \$1,129 both discussed in more detail below.
- Many new capital projects were approved during the year which increased the transfers out by \$1,614.

General Fund Budgetary Highlights

At the end of the current fiscal year, the General Fund total balance was \$9,963. Of this fund balance, \$350, is committed to the Landfill closing; \$135, remained non-spendable for inventories and prepaid; and there was a balance of unassigned fund balance in the amount of \$9,157.

The fund balance of the town's General Fund increased by \$302, during the current year of this the unassigned fund balance decreased by \$20. Other factors on a budgetary basis are as follows:

- As special appropriation of \$2,021 to cover various infrastructure projects, as well as the Town's revaluation process was approved this year. The unassigned General Fund balance decreased by \$20 or a 0.2%. The General Fund unassigned balance of \$9,157 is 17% of budgetary expenditures. The Government Finance Officers Association (GFOA), which develops best practices for governments, recommends a minimum fund balance of 16.6% of budgetary expenditures for the unassigned fund balance. With growing concerns about the stability of State of Connecticut grant funding, the Town is in a good position to shield against possible future State directives that could negatively affect the Town and use of the unassigned fund balance.
- Intergovernmental revenues were \$804, higher than budget. This was the effect of conservative budgeting for education cost sharing, \$600 greater than budget, as well as State municipal revenue sharing, grants for municipal projects unbudgeted but received \$192. Total property taxes collected were \$164 higher than budget, mainly due to supplemental motor vehicle collections of \$177, better than budget.
- Conservative budgeting on charges for services resulted in a collection of \$373, better than budget.
- Prudent spending kept expenditures below budget by \$550. Of the \$550, \$267 was unspent Education funds. The expenditure of some maintenance projects was not realized in the fiscal year as well as a slight savings in utilities expense at the Fire Department.
- Transfers in excess of \$20,000 and special appropriations, other than those from contingency, must be approved by vote at a Town Meeting. As discussed earlier, there were supplemental appropriations of \$2,021, during the fiscal year. In addition to the \$750 approval for the September 2018 flash flood repairs, the Town approved \$240, for revaluation, \$160, to cover

paving projects, \$115 for additional street infrastructure repair, \$200 for a heavy-duty dump truck and \$556 for Eliot School water pipe repairs.

Capital Asset and Debt Administration

Capital Assets

At June 30, 2019, the Town had \$125,809 invested in a broad range of capital assets, including land, buildings, park facilities, vehicles and equipment and roads. This amount represents a net increase (including additions and deductions) of \$706, or about 0.6 percent, over last year.

- At the end of the year, the Town had an investment of \$7,145 in non-depreciable assets of land \$6,068 and construction in progress \$1,077. A total of \$3,005 was added to construction in progress and \$4,386 was removed from construction in progress as projects were completed during the year. Depreciable assets were \$185,344, a net increase (including additions and deletions) to assets being depreciated of \$5,689 from last year. Total accumulated depreciation was \$66,681
- Additions to capital assets consisted of: Infrastructure \$2,800; Improvements other than Buildings \$1,040; Buildings \$899.

Table 4

Capital Assets at Year-End (Net of Depreciation) (In Thousands)

	Governmental Activities	
	2019	2018
Land	\$ 6,068	\$ 6,068
Buildings	86,406	86,620
Improvements other than buildings	2,700	2,129
Machinery and equipment	5,087	5,410
Infrastructure	24,470	22,417
Construction in progress	1,078	2,459
Total	<u>\$ 125,809</u>	<u>\$ 125,103</u>

This year's major projects included (in thousands):

	Spent To Date
Bond - Bridge Projects	\$ 391,317
Bond - Joel School Roof Phase I	293,319
Bond - Eliot Roof Phase IV	353,767
Peter's Complex	157,434
Total	<u>\$ 1,195,837</u>

The Town's fiscal year 2019-20 capital budget calls for it to spend another \$1,154, for capital projects, principally for building maintenance, infrastructure repair, and equipment purchases.

The completion of the various projects was the main driver of a decrease in construction in progress and an increase in the assets.

More detailed information about the Town's capital assets is presented in Note 5 to the financial statements.

Long-Term Debt

At June 30, 2019, the Town had \$52,925, in bonds and notes outstanding versus \$56,915 last year - a decrease of \$3,990, or approximately 7 percent.

In February 2019, the Town issued a \$5000 in general obligation bond anticipation notes with a maturity of February 5, 2020 for construction of the new high school (\$2000) and various capital projects (\$3000). In May 2019 with the issuance of \$12,130 in general obligation bond refunding the Town realized a \$759 in cash savings with an economic gain of \$631.

The Town's general obligation bonds maintains a rating of AA+ from S&P Global.. The State limits the amount of general obligation debt that cities can issue based on formula determined under State Statutes based on type of debt and tax base. The Town's outstanding general obligation debt is significantly below this \$328,744, state-imposed limit. In April 2019, the Board of Selectmen adopted a \$10,700 Bonding Resolution to fund bridges, school roofs and road repairs.

More detailed information about the Town's long-term liabilities is presented in Note 7 to the financial statements.

Economic Factors and Next Year's Budgets and Rates

The Town's elected and appointed officials considered many factors when setting the fiscal year 2019-20 budget tax rates. One of those factors is the economy. The Town's employment growth is flat. The Town's unemployment rate is similar to the State's current rate.

The State's financial condition is a main concern for the governing bodies as well as businesses and individuals throughout Clinton. The uncertainties of how the many issues the State of Connecticut faces will be addressed, continues to loom over many of the decisions made by the governing bodies not only in Clinton but throughout the State. The Town of Clinton used to receive approximately \$8 million in direct State grants each year. The Town of Clinton's governing bodies are keeping financial prudent appraisal as the State reviews re-distribution of these funds.

These indicators were taken into account when adopting the General Fund budget for 2019-20. The adopted budget is \$55,116 or an increase of \$1,557 or 2.91 percent over the 2018-19 budget of \$53,559. The estimated collection rate was set at 98.8 percent. The Town's grand list grew by 0.71 percent and the mil rate set at 31.25 for a mil rate increase .712 or 2.33 percent. The tax levied increases over-all is \$48,248 for the FY2019-2020 approved budget. Town all other revenue increased \$150, including an anticipated \$5,244, ECS and Excess Cost and Adult Ed income. Total expenditure increased by \$1,557. This was comprised of operating increases for town of \$896, and education of \$305, not including debt or capital.

One other area of possible risk or uncertainty is the revaluation of property assessment. The mill rate is determined based on the valuation of the "grand list" which is created during a valuation assessment of real estate. Every 5 years, the Town is required to appraise all real estate, and once within a 10-year span there needs to be a full revaluation of all real estate. The Town of Clinton's next scheduled full revaluation is for October 1, 2020, which will determine their fiscal year 2021-2022 mill rate. The mill rate is calculated by dividing the Town budget by the grand list. This mill rate when multiplied by the new appraised values determines the real estate tax levy for each home or business. Real estate that moves on or off the tax grand list will also have an impact on the mill rate.

Contacting the Town's Financial Management

This financial report is designed to provide citizens, taxpayers, customers, investors and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Department, 54 Main Street, Clinton, Connecticut 06413.

Basic Financial Statements

Statement of Net Position
June 30, 2019

	Governmental Type Activities
Assets	
Cash and cash equivalents	\$ 16,985,287
Receivables, net	2,778,966
Inventories and other assets	147,517
Restricted cash	406,775
Capital assets not being depreciated	7,145,739
Capital assets being depreciated, net of accumulated depreciation	118,662,844
Total assets	146,127,128
Deferred outflows of resources:	
Deferred charge on refunding	317,816
Deferred outflows of pension expense - PERS	1,198,430
Deferred outflows of pension expense - MERS	2,861,328
Deferred outflows of pension expense - LOSAP	31,875
Deferred outflows of pension expense - OPEB	1,360,142
Total deferred outflows of resources	5,769,591
Liabilities	
Accounts and other payables	2,176,760
Unearned revenue	294,154
Bond anticipation notes	5,000,000
Noncurrent liabilities:	
Due within one year	4,249,392
Due in more than one year	85,334,648
Total liabilities	97,054,954
Deferred inflows of resources:	
Pension related items	1,252,917
OPEB related items	379,582
Advance property tax collections	5,121,577
Total deferred inflows of resources	6,754,076
Net Position	
Net investment in capital assets	65,560,184
Unrestricted (deficit)	(17,472,495)
Total net position	\$ 48,087,689

See notes to financial statements.

Town of Clinton, Connecticut

Exhibit II

Statement of Activities
For the Year Ended June 30, 2019

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
General government	\$ 7,610,343	\$ 758,048	\$ 12,423	\$ -	\$ (6,839,872)
Public safety	5,418,605	196,649	91,720	-	(5,130,236)
Public works	3,544,931	76,678	370,331	98,651	(2,999,271)
Planning and development	874,956	15,381	157,024	-	(702,551)
Health and welfare	694,598	10,005	107,864	-	(576,729)
Culture and recreation	491,503	189,624	8,000	7,412	(286,467)
Education	37,869,072	260,395	9,547,453	226,922	(27,834,302)
Interest on long-term debt	1,914,960	-	-	-	(1,914,960)
Total governmental activities	58,418,968	1,506,780	10,294,815	332,985	(46,284,388)
General revenues:					
Property taxes					47,055,237
Grants and contributions not restricted to specific programs					517,833
Unrestricted investment earnings					121,113
Miscellaneous					155,078
Total general revenues					47,849,261
Change in net position					1,564,873
Net position - beginning					46,522,816
Net position - ending					<u><u>\$ 48,087,689</u></u>

See notes to financial statements.

Balance Sheet - Governmental Funds
June 30, 2019

	Major Funds		Nonmajor	Total
	General	Capital Projects	Governmental Funds	Governmental Funds
Assets				
Cash and cash equivalents	\$ 15,100,522	\$ -	\$ 1,880,609	\$ 16,981,131
Restricted cash	406,775	-	-	406,775
Receivables, net	1,051,291	1,380,768	346,907	2,778,966
Inventories and other assets	134,644	-	12,873	147,517
Due from other funds	365,746	-	63,984	429,730
Total assets	\$ 17,058,978	\$ 1,380,768	\$ 2,304,373	\$ 20,744,119
Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)				
Liabilities:				
Accounts payable and accrued expenses	\$ 1,037,600	\$ 408,850	\$ 46,557	\$ 1,493,007
Due to other funds	63,984	-	338,395	402,379
Bond anticipation notes payable	-	5,000,000	-	5,000,000
Unearned revenue	-	-	294,154	294,154
Total liabilities	1,101,584	5,408,850	679,106	7,189,540
Deferred inflows of resources:				
Unavailable revenue - property taxes	873,243	-	-	873,243
Unavailable revenue - loans receivable	-	-	282,031	282,031
Unavailable revenue - other	-	1,367,443	-	1,367,443
Advance property tax collections	5,121,577	-	-	5,121,577
Total deferred inflows of resources	5,994,820	1,367,443	282,031	7,644,294
Fund balances (deficits):				
Nonspendable	134,644	-	12,873	147,517
Restricted	-	-	1,119,599	1,119,599
Committed	350,000	-	210,764	560,764
Assigned	320,965	-	-	320,965
Unassigned	9,156,965	(5,395,525)	-	3,761,440
Total fund balances (deficits)	9,962,574	(5,395,525)	1,343,236	5,910,285
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$ 17,058,978	\$ 1,380,768	\$ 2,304,373	\$ 20,744,119

(Continued)

Balance Sheet - Governmental Funds (Continued)
June 30, 2019

Reconciliation of the balance sheet - governmental funds to the
statement of net position:

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

Fund balances - total governmental funds	\$ 5,910,285
------------------------------------------	--------------

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

Governmental capital assets	\$ 192,489,912	
Less accumulated depreciation	(66,681,329)	
Net capital assets		125,808,583

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

Deferred outflows due to pension liabilities- Police	976,727
Deferred outflows due to pension liabilities- BOE Noncertified	221,703
Deferred outflows due to pension liabilities- LOSAP	31,875
Deferred outflows due to pension liabilities- MERS	2,861,328
Deferred outflows due to pension liabilities- OPEB	1,360,142
Property tax receivables greater than 60 days	667,923
Interest receivable on property taxes	205,320
School construction receivable	1,299,000
Grants receivable	68,443
Loans receivable	282,031

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.

4,156

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

Net pension liability	(14,762,277)
Net other post-employment benefit liability	(10,712,752)
Bonds and notes payable	(52,925,000)
Interest payable on bonds and notes	(711,104)
Compensated absences	(1,954,233)
Bond premium	(2,232,729)
Capital leases	(815,261)
Retainage payable	(68,130)
Landfill closure liability	(6,113,658)
Deferred inflows related to pension- PERS	(1,096,007)
Deferred inflows related to pension- MERS	(156,910)
Deferred inflows related to pension- OPEB	(379,582)
Deferred charges on refunding	317,816

Net position of governmental activities (Exhibit I)

\$ 48,087,689

See notes to financial statements.

**Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits) -
Governmental Funds
For the Year Ended June 30, 2019**

	Major Funds		Nonmajor	Total
	General	Capital Projects	Governmental Funds	Governmental Funds
Revenues:				
Property taxes	\$ 46,961,357	\$ -	\$ -	\$ 46,961,357
Intergovernmental	9,232,561	213,509	1,687,667	11,133,737
Charges for services	1,062,263	-	444,517	1,506,780
Income on investments	90,103	-	31,010	121,113
Miscellaneous	25,629	500	127,432	153,561
Total revenues	57,371,913	214,009	2,290,626	59,876,548
Expenditures:				
Current:				
General government	7,048,469	-	54,950	7,103,419
Public safety	4,367,628	-	7,388	4,375,016
Public works	1,859,752	-	-	1,859,752
Planning and development	874,956	-	-	874,956
Health and welfare	464,923	-	208,417	673,340
Culture and recreation	237,198	-	154,356	391,554
Education	34,422,312	-	1,530,419	35,952,731
Debt service	4,576,020	23,770	-	4,599,790
Capital outlay	-	4,810,683	266,980	5,077,663
Total expenditures	53,851,258	4,834,453	2,222,510	60,908,221
Excess (deficiency) of revenues over (under) expenditures	3,520,655	(4,620,444)	68,116	(1,031,673)
Other financing sources (uses):				
Issuance of refunding bonds	12,015,123	-	-	12,015,123
Payment to escrow	(13,457,278)	-	-	(13,457,278)
Premiums on bonds	1,442,155	-	-	1,442,155
Premiums on bond anticipation notes	-	55,000	-	55,000
Capital lease proceeds	-	311,304	-	311,304
Transfers in	-	3,218,700	-	3,218,700
Transfers out	(3,218,700)	-	-	(3,218,700)
Total other financing sources (uses)	(3,218,700)	3,585,004	-	366,304
Net change in fund balances (deficits)	301,955	(1,035,440)	68,116	(665,369)
Fund balances (deficits), beginning	9,660,619	(4,360,085)	1,275,120	6,575,654
Fund balances (deficits), ending	\$ 9,962,574	\$ (5,395,525)	\$ 1,343,236	\$ 5,910,285

(Continued)

**Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits) -
Governmental Funds (Continued)
For the Year Ended June 30, 2019**

Reconciliation of the statement of revenues, expenditures and changes in fund balances of
governmental funds to the statement of activities:

Net change in fund balances (deficits) - total governmental funds (Exhibit IV) \$ (665,369)

Governmental funds report capital outlays as expenditures. In the statement of activities, the
cost of those assets is allocated over their estimated useful lives and reported as
depreciation expense:

Capital outlay	4,501,291
Loss on disposal	-
Depreciation expense	(3,794,921)

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:

Property tax receivable - accrual basis change	79,065
Property tax interest and lien revenue - accrual basis change	14,815
Loans receivable - accrual basis change	-
Grants receivable	13,413
Amortization of bond premiums	225,102
Change in deferred outflows related to pension - PERS	(639,506)
Change in deferred outflows related to pension - MERS	2,141,904
Change in deferred outflows related to OPEB	874,750

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 has any effect
on net position. Also, governmental funds report premiums, discounts and similar items
when debt is first issued, whereas these amounts are amortized and deferred in the
statement of activities. The details of these differences in the treatment of long-term debt
and related items are as follows:

Bond and note principal payments	16,120,000
Issuance of bonds and notes	(12,130,000)
Premium on bonds and refunding bonds issued	(1,497,155)

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 the governmental
funds:

Compensated absences	(20,289)
Accrued interest	(83,257)
Amortization of deferred charge on refunding	(4,860)
Capital leases	(89,332)
Retainage payable	68,685
Landfill closure liability	(289,798)
Change in deferred inflows related to pension - PERS	(657,361)
Change in deferred inflows related to pension - MERS	(145,145)
Change in deferred inflows related to OPEB	59,519
Change in net pension liability	(1,141,719)
Change in net OPEB liability	(1,373,370)

Internal service funds are used by management to charge costs to individual funds. The net revenue
of certain activities of internal service funds is reported with governmental activities.

(1,589)

Change in net position of governmental activities (Exhibit II)

\$ 1,564,873

See notes to financial statements.

**Statement of Net Position - Proprietary Funds
June 30, 2019**

	Governmental Activities
	Internal Service Fund
<hr/>	
Assets	
Current assets:	
Cash and cash equivalents	\$ 4,156
Total assets	<u>4,156</u>
Liabilities	
Current liabilities:	
Claims payable	-
Total liabilities	<u>-</u>
Net position:	
Unrestricted	<u>\$ 4,156</u>

See notes to financial statements.

Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds
For the Year Ended June 30, 2019

	Governmental Activities
	Internal Service Funds
Operating expenses:	
Employee benefits	\$ 1,589
Operating loss	<u>(1,589)</u>
 Change in net position	 (1,589)
Total net position, beginning of year	<u>5,745</u>
Total net position, end of year	<u><u>\$ 4,156</u></u>

See notes to financial statements.

Statement of Cash Flows - Proprietary Funds
For the Year Ended June 30, 2019

	Governmental Activities
	Internal Service Funds
Cash flows from operating activities:	
Payments to employees/claims paid	\$ (8,189)
Net cash used in operating activities	<u>(8,189)</u>
Net decrease in cash and cash equivalents	(8,189)
Cash and cash equivalents, beginning of year	<u>12,345</u>
Cash and cash equivalents, end of year	<u><u>\$ 4,156</u></u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (1,589)
Change in assets and liabilities:	
Decrease in claims payable	<u>(6,600)</u>
Net cash used in operating activities	<u><u>\$ (8,189)</u></u>

See notes to financial statements.

Statement of Fiduciary Net Position - Fiduciary Funds
June 30, 2019

	Trust Funds	Agency Funds
Assets		
Cash and cash equivalents	\$ 1,292,335	\$ 992,530
Investments - mutual funds	4,583,523	-
Investments - equities and ETF's	13,264,438	-
Investments - corporate bonds	524,352	-
Investments - U.S. government and agency	627,666	-
Investments - government- backed securities	120,594	-
Accrued investment income	16,453	-
Total assets	\$ 20,429,361	\$ 992,530
Liabilities		
Accounts payable	\$ 1,251	\$ 27,351
Due to student groups and others	-	898,961
Total liabilities	\$ 1,251	\$ 926,312
Net position:		
Restricted for pension/OPEB benefits	\$ 20,428,110	

See notes to financial statements.

Statement of Changes in Net Position - Trust Funds
For the Year Ended June 30, 2019

	Trust Funds
Additions:	
Contributions:	
Employer	\$ 1,543,279
Plan members	143,133
Total contributions	<u>1,686,412</u>
Investment income:	
Net appreciation in fair value of investments	1,662,097
Net investment income	<u>1,662,097</u>
Total additions	3,348,509
Deductions:	
Benefits	1,486,234
Administration	168,699
Total deductions	<u>1,654,933</u>
Change in net position	1,693,576
Net position- restricted for pension/OPEB benefits, beginning of year	<u>18,734,534</u>
Net position- restricted for pension/OPEB benefits, end of year	<u><u>\$ 20,428,110</u></u>

See notes to financial statements.

Town of Clinton, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies

Reporting entity: The Town of Clinton, Connecticut (the Town), was incorporated in 1838. The Town covers 19 square miles located in the southeastern part of Connecticut. The Town operates under a Town Meeting form of government. The First Selectman serves as the Chief Executive Officer. The Town provides the following services including public safety, public works, planning and development, health and welfare, culture and recreation, education and general government.

Accounting principles generally accepted in the United States of America (GAAP) require that the reporting entity include (1) the primary government, (2) organizations for which the primary government is financially accountable and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The criteria provided in Government Accounting Standards Board Statements (GASB) have been considered and there are no agencies or entities which should be presented with the Town.

Accounting standards adopted in the current year:

GASB Statement No. 83, *Certain Asset Retirement Obligations*, was effective for the Town beginning with its year ending June 30, 2019. The objective of this Statement is to set guidance for determining the timing and pattern of recognition for liabilities and corresponding deferred outflow of resources related to asset retirement obligations. The adoption of this statement did not impact the Town financial statements.

GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, was effective for the Town beginning with its year ending June 30, 2019. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statement related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The adoption of GASB Statement No. 88 did not impact the Town financial position or results of operations.

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 non-fiduciary activities of the Town. For the most part, the effect of interfund activity has been removed from these statements.

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 are reported as separate columns in the fund financial statements.

Internal service fund balances, whether positive or negative, have been eliminated against the expenses and program revenues reported in governmental activities Statement of Activities.

Note 1. Summary of Significant Accounting Policies (Continued)

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. Agency funds do not have a measurement focus but are accounted for on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing related to cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recognized when a liability is incurred as under accrual accounting. However, debt service expenditures and expenditures related to compensated absences, pension expense, other post-employment benefit obligations, and claims and judgments are recognized only when payment is due (matured).

Property taxes when levied for, intergovernmental revenue when eligibility requirements are met, charges for services, and interest associated with the current fiscal period are all considered to be measurable and so have been recognized as revenues of the current fiscal period, if available. All other revenue items, primarily licenses are considered to be measurable only when cash is received by the Town.

Governmental Funds

The Town reports the following major governmental funds:

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

The *Capital Projects Fund* is used to account for the financial resources for the acquisition and construction of major capital facilities.

Additionally, the Town reports the following fund types:

Special Revenue Funds account for and report the proceeds of specific revenue sources (other than major capital projects) that are restricted or committed for expenditure for specific activities other than debt service or capital projects.

Internal Service Fund accounts for the Police Heart and Hypertension claims.

Trust Funds account for the activities of the Town of Clinton Retirement System and OPEB plans, which accumulates resources for pension and OPEB benefit payments to qualified personnel.

Agency Funds, fiduciary funds, account for various activities held on behalf of others such as activities and performance bonds.

Town of Clinton, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes 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, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of proprietary funds are charges to customers for services and other Town funds for premiums. Operating expenses for the funds include the cost of operations and maintenance, administrative expenses, claim expense, and depreciation on capital expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Accounting estimates: The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts on the financial statements and the accompanying notes. Actual results could differ from those estimates.

Property taxes: Property taxes are assessed as of October 1, and are levied for on the following July 1. Real estate and personal property taxes are due in two installments, July 1 and January 1. Motor vehicle taxes are due in one installment on July 1, and supplemental motor vehicle taxes are due in full January 1. Payments not received within one month after the due date become delinquent, with interest charged at the rate of 1-1/2% per month. Assessments for real and personal property, excluding motor vehicles, are compared at 70% of the market value. Unpaid balances at June 30 are lienied. An amount of \$37,000 has been established as an allowance for uncollectible taxes. At June 30, 2019, this represents about 5% of all property taxes receivable. Delinquent real estate taxes are billed at least twice a year, with interest charged at a rate of 1.5 percent per month.

Cash equivalents: Cash equivalents are short-term, highly liquid investments with original maturities of three months or less, when purchased, such as certificates of deposit and investment pools. The Connecticut State Treasurer's Short-Term Investment Fund is an investment pool managed by the State of Connecticut Office of the State Treasurer. Investments must be made in instruments authorized by Connecticut General Statutes 3-27c through 3-27e. These cash equivalents are measured at amortized cost.

Restricted cash: Certain assets are classified as restricted because their use is limited. Restricted cash is to be used for construction purposes.

Allowance for doubtful accounts: Accounts, property tax and notes receivable for the primary government are reported net of allowance for doubtful accounts. An amount of \$37,000 has been established as an allowance for uncollectible taxes. The allowance for doubtful accounts represents those accounts which are deemed uncollectible based on past collection history and on analysis of creditor's ability to pay.

Town of Clinton, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Interfunds: 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.”

Inventories and prepaid items: All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures when consumed rather than purchased.

Investments: Investments are reported at fair value.

Fair value: The Town uses fair value measurements to record fair value adjustments to certain assets and to determine fair value disclosures. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is best determined based upon quoted market prices. However, in certain instances, there are no quoted market prices for certain assets or liabilities. In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows. Accordingly, the fair value estimates may not be realized in an immediate settlement of the asset or liability.

Fair value measurements focus on exit prices in an orderly transaction (that is, not a forced liquidation or distressed sale) between market participants at the measurement date under current market conditions. If there has been a significant decrease in the volume and level of activity for the asset or liability, a change in valuation technique or the use of multiple valuation techniques may be appropriate. In such instances, determining the price at which willing market participants would transact at the measurement date under current market conditions depends on the facts and circumstances and requires the use of significant judgment.

The Town's fair value measurements are classified into a fair value hierarchy based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value.

The three categories within the hierarchy are as follows:

Level 1: Quoted prices in active markets for identical assets and liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, including quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, interest rates and yield curves observable at commonly quoted intervals, implied volatilities, credit spreads, and market-corroborated inputs.

Town of Clinton, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Level 3: Unobservable inputs shall be used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flows methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgement.

See Note 3 for additional information regarding fair value.

Capital assets: Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$5,000. 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 assets' 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.

Capital assets of the Town are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	50
Building improvements	10-25
Infrastructure	20-70
Improvements other than buildings	5-10
Vehicles	5-25
Machinery and tools	10
Office equipment	5
Computer equipment	5

In the governmental fund financial statements, capital outlay (assets) is reported as expenditure and no depreciation expense is reported.

Compensated absences: Town employees accumulate vacation and sick leave hours for subsequent use or for payment upon termination or retirement. Vacation and sick leave expenses to be paid in future periods are accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only for amounts that have become due (matured). The general fund is typically used to liquidate the liability.

Unused sick leave may be accumulated for certain employees up to a limit ranging from 50 to 240 days, depending upon the contracts in force, until termination, retirement or death, at which time payments will be made.

Liabilities for compensated absences are accrued at current salary rates in force at June 30, 2019.

Note 1. Summary of Significant Accounting Policies (Continued)

Long-term obligations: In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities and statement of net position. Bond principal premiums and discounts are deferred and amortized over the life the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount and deferred gains/losses on refundings. Bond issuance costs are expensed as incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. Bond principal payments are recognized as expenditures. 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 and principal payments, are reported as debt service expenditures.

Net pension liability: The net pension liability is measured as the portion of the actuarial present value of projected benefits that is attributed to past periods of employee service (total pension liability), net of the pension plan's fiduciary net position. The pension plan's fiduciary net position is determined using the same valuation methods that are used by the pension plan for purposes of preparing its statement of fiduciary net position. The net pension liability is measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year, consistently applied from period to period. The net pension liability is reported in the statement of net position. In the governmental funds, expenditures are recognized when they are paid or are expected to be paid with current available resources. The investments are reported at fair value in the calculation of the net pension liability.

Deferred outflows/inflows 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. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position. The Town also reports deferred outflows related to pensions and OPEB in the government-wide statement of net position. A deferred outflow of resources related to pension and OPEB results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension and OPEB expenses in a systematic and rational manner.

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 tax collections in this category on the government wide statements of net position. The Town also reports a deferred inflow of resources related to pensions and OPEB in the government-wide statement of net position. A deferred inflow of resources related to pension and OPEB results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension and OPEB expenses in a systematic and rational manner.

The governmental funds report unavailable revenues from property taxes, interest on property taxes, and charges for services. These amounts are deferred and recognized as an inflow of resources (revenue) in the period during which the amounts become available, in accordance with the modified accrual basis of accounting.

Note 1. Summary of Significant Accounting Policies (Continued)

Other Postemployment Benefits (OPEB) Accounting:

Net OPEB liability: The net OPEB liability is measured as the portion of the actuarial present value of projected benefits that is attributed to past periods of employee service (total OPEB liability), net 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. The net OPEB liability is reported in the statement of net position. In the governmental funds, expenditures are recognized when they are paid or are expected to be paid with current available resources.

Net position: In the Government-Wide and Proprietary Fund Financial Statements, net position is classified in the following categories:

Net investment in capital assets: The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances (net of unspent bond proceeds) of bonds, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.

Restricted net position: These amounts are restricted to specific purposes when constraints placed on the use of resources are either (a) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislations.

Unrestricted net position (deficit): This category represents the net position of the Town, which are not restricted for any project or other purpose. A deficit will require future funding.

Fund balance: The Town has a policy providing guidelines for budgeting decisions and to insure adequate reserves are established and maintained to fund operations by providing sufficient working capital and a margin of safety to address local and regional emergencies without borrowing. This policy established a minimum undesignated/unassigned fund balance of 10 percent of budgeted expenditures. This policy further established pertinent classifications of the established reserves and the level of authority necessary for each classification taking into consideration the Town's operating characteristics, diversity of tax base, reliability on non-tax revenue sources, working capital needs, impact on bond rating, local and economic outlooks, emergency and disaster risk and other contingent issues. In the government fund financial statements, the Town classified fund balances as follows:

Nonspendable fund balance: Amounts, which cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted fund balance: These amounts are restricted to specific purposes when constraints placed on the use of resources are either (a) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislations.

Committed fund balance: This represents amounts constrained prior to year-end for a specific purpose by a government using its highest level of decision-making authority (Town of Clinton Board of Finance). Amounts remain committed until action is taken by the Board of Finance (resolution) to remove or revise the limitations.

Town of Clinton, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Assigned fund balance: Amounts constrained for the intent to be used for a specific purpose by the Director of Finance that has been delegated authority to assign amounts by the Board of Finance.

Unassigned fund balance: The residual amount not allocated to any other fund balance category in the General Fund and any residual deficit balance of any other governmental funds.

When both restricted and unrestricted amounts are available for use, it is the Town's practice to use restricted resources first. Additionally, the Town would first use committed, then assigned, and lastly unassigned.

Note 2. Stewardship, Compliance and Accountability

Budgetary information: The Town's Annual Budget Meeting is held on the first Wednesday in May. Each department, office, board, commission and agency seeking an annual appropriation is required to present itemized estimates of expenditures and revenues for the ensuing year to the Board of Selectmen. The Board of Selectmen makes comments and recommendations and presents the proposed general budget to the Board of Finance. Not less than 14 days prior to the Annual Budget Meeting, the Board of Finance holds a public hearing on the budget proposal. Five days prior to the Annual Budget Meeting, the Board of Finance is required to file its budget recommendation with the Town Clerk.

The Annual Budget Meeting has the power to decrease any appropriation recommended by the Board of Finance, but may not increase any appropriation or create a new appropriation. The Town general government budget and the Board of Education budget are voted on as separate resolutions. The Town Charter provides for procedures to be followed upon defeat of the recommended budget, and in the event of a referendum.

Town management may transfer amounts between line items within a department. The Board of Selectmen, upon approval of the Board of Finance, is authorized to transfer amounts between departmental accounts. Appropriations generally lapse at the end of the fiscal year with the exception of appropriations for capital projects, which are carried forward until the project is completed.

The Board of Selectmen, with the approval of the Board of Finance, is authorized to approve additional appropriations from the contingency account not to exceed \$20,000 per department in any fiscal year. Transfers in excess of \$20,000, and special appropriations other than those from contingency, must be approved by vote of the Town Meeting. There were supplemental appropriations during the fiscal year of \$2,021,200.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year-end are reported as assigned fund balances and do not constitute expenditures or liabilities because the commitments will be re-appropriated and honored during the subsequent year.

Town of Clinton, Connecticut

Notes to Financial Statements

Note 3. Cash, Cash Equivalents and Investments

Deposits: The Town does not have a policy for deposits. The State of Connecticut requires that each depository maintain segregated collateral in an amount equal to a defined percentage of its public deposits based upon the bank's risk based capital ratio.

Investments: The investment policies of the Town conform to the policies as set forth by the State of Connecticut (the Statutes). The Town allows investments in the following: (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. The Statutes (Sections 3-24f and 3-27f) also provide for investment in shares of the Connecticut Short Term Investment Fund. These investments are carried at amortized cost.

Other provisions of the Statutes cover specific other post-employment benefit obligation funds with particular investment authority and do not specify permitted investments. Therefore, investment of such funds is generally controlled by the laws applicable to fiduciaries (i.e., prudent person rule) and the provisions of the applicable plan. Their approved policies target an asset mix to provide the probability of meeting or exceeding the return objectives at the lowest possible risk.

Town does not have a policy for custodial credit risk for investments.

Interest rate risk: The Town does not have a policy that limits investment maturities as a means of managing its exposure to fair value losses arising from changes in interest rates. However, its practice is to structure the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity, and investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools.

Concentration of credit risk: The Town does have a policy that limits the amounts invested in any one issuer. Its practice is to maintain a diversified portfolio to minimize the risk of loss resulting from over-concentration of assets in a specific issuer.

Custodial credit risk:

Deposits: This is the risk that, in the event of failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. As of June 30, 2019, approximately \$15,890,000 of the Town's bank balance of approximately \$19,204,000 was uninsured or uncollateralized.

Investments: This is the risk that in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

Credit risk: The Town conforms to the policies as set forth by the State of Connecticut.

Town of Clinton, Connecticut

Notes to Financial Statements

Note 3. Cash, Cash Equivalents and Investments (Continued)

Cash equivalents: At June 30, 2019, the Town's cash equivalents amounted to \$406,775. 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 have maturities of less than one year.

	<u>Standard & Poor's</u>
State Short-Term Investment Fund (STIF)	AAAm
Cash, cash equivalents and investments of the Town consist of the following at June 30, 2019:	
Cash and cash equivalents:	
Deposits with financial institutions	\$ 19,270,152
Cash equivalents	<u>406,775</u>
Total cash and cash equivalents	<u>19,676,927</u>
Investments:	
Trust funds:	
Investments - mutual funds	4,583,523
Investments - equities and exchange traded funds	13,264,438
Investments - corporate bonds	524,352
Investments - U.S. government and agency	627,666
Investments - government- backed securities	<u>120,594</u>
Total trust funds	<u>19,120,573</u>
Total investments	<u>19,120,573</u>
Total cash, cash equivalents and investments	<u><u>\$ 38,797,500</u></u>

Cash, cash equivalents and investments are classified in the accompanying financial statements as follows:

Statement of net position:	
Cash and cash equivalents	\$ 16,985,287
Restricted cash	<u>406,775</u>
	<u>17,392,062</u>
Fiduciary funds:	
Cash and cash equivalents	2,284,865
Investments	<u>19,120,573</u>
	<u>21,405,438</u>
Total cash, cash equivalents and investments	<u><u>\$ 38,797,500</u></u>

Town of Clinton, Connecticut

Notes to Financial Statements

Note 3. Cash, Cash Equivalents and Investments (Continued)

Investments: Investments as of June 30, 2019 in all funds are as follows:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1 Year	1-5	6-10	More Than 10
Interest-bearing investments:					
Government-backed securities	\$ 120,594	\$ 39,883	\$ 80,711	\$ -	\$ -
U.S. government and agency securities	627,666	309,451	318,215	-	-
Fixed income mutual funds	4,452,419	-	1,067,253	943,897	2,441,269
Corporate bonds	524,352	-	51,659	472,693	-
		<u>\$ 349,334</u>	<u>\$ 1,517,838</u>	<u>\$ 1,416,590</u>	<u>\$ 2,441,269</u>
Other investments:					
Equities and exchange traded funds	13,264,438				
Mutual funds (non fixed income)	<u>131,104</u>				
Total investments	<u>\$ 19,120,573</u>				
	U.S. Government and Agency Securities	Corporate Bonds	Government Bonds	Fixed Income Mutual Funds	
Aaa	\$ 627,666	\$ -	\$ 120,594	\$ 1,528,843	
Aa2	-	51,131	-	218,743	
A2	-	103,255	-	281,292	
A3	-	207,756	-	-	
Baa1	-	59,611	-	-	
Baa2	-	51,659	-	991,387	
Baa3	-	50,940	-	-	
Ba2	-	-	-	631,871	
B2	-	-	-	488,311	
Below B	-	-	-	240,119	
Unrated	-	-	-	71,853	
	<u>\$ 627,666</u>	<u>\$ 524,352</u>	<u>\$ 120,594</u>	<u>\$ 4,452,419</u>	

Town of Clinton, Connecticut

Notes to Financial Statements

Note 3. Cash, Cash Equivalents and Investments (Continued)

Fair value: The Plan categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The Plan has the following recurring fair value measurements as of June 30, 2019:

Investment Instruments Measured at Fair Value:

	Fair Value Measurements Using			
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Observable Inputs (Level 3)
	June 30, 2019			
Investments by fair value level:				
Equities and EFT's	\$ 13,264,438	\$ 13,264,438	\$ -	\$ -
Fixed income mutual funds	4,452,419	4,452,419	-	-
Non-Fixed Income Mutual funds	131,104	131,104	-	-
Debt securities:				
U.S. Government and agency securities	627,666	627,666	-	-
Municipal bonds	120,594	120,594	-	-
Corporate bonds	524,352	-	524,352	-
Total debt securities	1,272,612	748,260	524,352	-
Total investments by fair value level	\$ 19,120,573	\$ 18,465,117	\$ 524,352	\$ -

Debt and equity securities: 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. The Town has no Level 3 investments as of June 30, 2019.

Town of Clinton, Connecticut

Notes to Financial Statements

Note 4. Receivables

Receivables as of year-end for the Town's individual major funds and nonmajor, internal service and fiduciary funds in the aggregate, including the applicable allowance for uncollectible accounts, are as follows:

	General	Capital Projects	Nonmajor and Other Funds	Total
Receivables:				
Interest	\$ 205,320	\$ -	\$ -	\$ 205,320
Taxes	784,706	-	-	784,706
Loans	-	-	260,163	260,163
Accounts	98,265	81,768	-	180,033
Intergovernmental	-	1,299,000	86,744	1,385,744
Gross receivables	1,088,291	1,380,768	346,907	2,815,966
Less allowance for uncollectibles	(37,000)	-	-	(37,000)
Net total receivables	\$ 1,051,291	\$ 1,380,768	\$ 346,907	\$ 2,778,966

Note 5. Capital Assets

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 6,068,110	\$ -	\$ -	\$ 6,068,110
Construction in progress	2,458,500	3,005,346	(4,386,217)	1,077,629
Total capital assets, not being depreciated	8,526,610	3,005,346	(4,386,217)	7,145,739
Capital assets, being depreciated:				
Buildings	118,602,160	1,401,888	-	120,004,048
Improvements other than buildings	10,674,083	1,039,738	-	11,713,821
Machinery and equipment	12,184,945	640,918	(193,284)	12,632,579
Infrastructure	38,194,107	2,799,618	-	40,993,725
Total capital assets, being depreciated	179,655,295	5,882,162	(193,284)	185,344,173
Less accumulated depreciation for:				
Buildings	(31,982,142)	(1,615,832)	-	(33,597,974)
Improvements other than buildings	(8,544,611)	(469,414)	-	(9,014,025)
Machinery and equipment	(6,775,333)	(963,486)	193,284	(7,545,535)
Infrastructure	(15,777,606)	(746,189)	-	(16,523,795)
Total accumulated depreciation	(63,079,692)	(3,794,921)	193,284	(66,681,329)
Total capital assets, being depreciated, net	116,575,603	2,087,241	-	118,662,844
Governmental activities capital assets, net	\$ 125,102,213	\$ 5,092,587	\$ (4,386,217)	\$ 125,808,583

Town of Clinton, Connecticut

Notes to Financial Statements

Note 5. Capital Assets (Continued)

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

Governmental activities:	
General government	\$ 356,070
Public safety	784,508
Public works	925,541
Culture and recreation	84,591
Education	1,644,211
Total depreciation expense - governmental activities	<u>\$ 3,794,921</u>

Construction commitments: The Town has active construction projects as of June 30, 2019. The project balances are as follows:

	Expenditures Spent-to-Date	Remaining Commitment
Bond - Bridge Projects	\$ 391,317	\$ 2,588,412
Bond - Joel School Roof Phase I	293,319	170,865
Bond - Eliot Roof Phase IV	353,767	205,405
Peter's Complex	157,434	80,505
Total	<u>\$ 1,195,837</u>	<u>\$ 3,045,187</u>

Note 6. Interfund Receivables, Payables and Transfers

Individual fund interfund receivable and payable balances at June 30, 2019 are as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor Governmental Funds	\$ 338,395
General Fund	Agency Fund	27,351
Nonmajor Governmental Funds	General Fund	63,984
Total		<u>\$ 429,730</u>

Interfund balances represent temporary amounts due that result when one fund pays bills for another fund.

Town of Clinton, Connecticut

Notes to Financial Statements

Note 6. Interfund Receivables, Payables and Transfers (Continued)

Interfund transfers:

	Transfers In Capital Projects	Total
Transfers out:		
General Fund	\$ 3,218,700	\$ 3,218,700
Total	<u>\$ 3,218,700</u>	<u>\$ 3,218,700</u>

All transfers are routine in nature and are used to move resources from one fund to another. Transfer to capital projects is for annual Town and Board of Education capital appropriations.

Note 7. Long-Term Debt

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds payable	\$ 56,915,000	\$ 12,130,000	\$ 16,120,000	\$ 52,925,000	\$ 3,115,000
Premiums on bonds payable	960,676	1,497,155	225,102	2,232,729	-
Total bonds payable	<u>57,875,676</u>	<u>13,627,155</u>	<u>16,345,102</u>	<u>55,157,729</u>	<u>3,115,000</u>
Estimated landfill closure costs	5,823,860	289,798	-	6,113,658	-
Claims and judgments	6,600	-	6,600	-	-
Compensated absences	1,933,944	978,587	958,298	1,954,233	900,000
Capital leases	725,929	311,304	221,972	815,261	234,392
Retainage payable	136,815	68,130	136,815	68,130	-
Net OPEB liability	9,339,382	1,818,257	444,887	10,712,752	-
Net pension liability	13,620,558	5,085,563	3,943,844	14,762,277	-
Total governmental activities long-term liabilities	<u>\$ 89,462,764</u>	<u>\$ 22,178,794</u>	<u>\$ 22,057,518</u>	<u>\$ 89,584,040</u>	<u>\$ 4,249,392</u>

The pension and OPEB liabilities will be liquidated by the general fund.

Town of Clinton, Connecticut

Notes to Financial Statements

Note 7. Long-Term Debt (Continued)

In-substance defeasance – prior years: In prior years, the Town has defeased various bond issues by creating separate irrevocable trust funds. New debt has been issued and the proceeds have been used to purchase U.S. government securities that were placed in the trust funds. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability from the Town's government-wide financial statements. At June 30, 2019, \$2,350,000 of the defeased debt is outstanding.

A schedule of bonds as of June 30, 2019 is as follows:

Description	Date of Issue	Amount of Original Issue	Interest Rate	Balance Outstanding June 30, 2019
Refunding general obligation bonds	2012	1,923,000	3.00%	\$ 404,000
Refunding school bonds	2012	1,052,000	3.00%	221,000
Refunding general obligation bonds	2013	2,996,000	3.00-4.00%	1,497,000
Refunding school bonds	2013	804,000	3.00-4.00%	403,000
School bonds	2015	5,000,000	2.00-3.00%	4,450,000
General obligation	2016	2,300,000	2.00-5.00%	2,185,000
School building bonds	2016	12,000,000	2.00-5.00%	11,525,000
Refunding general obligation bonds	2016	3,015,000	2.00-5.00%	2,773,000
Schools refunding	2016	585,000	2.00-5.00%	537,000
School bonds	2017	14,000,000	3.00-5.00%	14,000,000
General obligation	2018	2,800,000	2.00-5.00%	2,800,000
Refunding general obligation bonds	2019	6,690,000	3.00-5.00%	6,690,000
Schools refunding	2019	5,440,000	3.00-5.00%	5,440,000
Total				<u>\$ 52,925,000</u>

2019 General Obligation Refunding Bond- In-Substance Defeasance: On May 2, 2019, the Town issued \$12,130,000 of general obligation refunding bonds with an average interest rate of 4.0%, of which the proceeds were used to current refund the outstanding principal amounts of the general obligation bond of the Town dated 2012-A, 2013 and 2014 (the "Refunded Bonds"). Net proceeds of \$13,457,278 (after payment of expenses of \$113,991), was placed in an irrevocable trust under an Escrow Agreement dated May 2, 2019 between the Town and the Escrow Holder. The Escrow Holder used the proceeds to purchase a portfolio of primarily non-callable direct obligations of the United States of America (Government Obligations). The Government Obligations will have maturities and interest rates sufficient to pay principal and interest payments and redemption prices of the Refunded Bonds on the date the payments are due.

The Town current refunded the above bonds to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$631,265, and a cash savings of \$758,550 between the old debt payments and the new debt payments.

At June 30, 2019, there was \$2,381,124 in escrow. The balance of the defeased bonds was approximately \$2,350,000 at June 30, 2019. As a result, the refunded bonds are considered defeased and the liability has been removed from the basic financial statements.

Town of Clinton, Connecticut

Notes to Financial Statements

Note 7. Long-Term Debt (Continued)

The following is a schedule of bond maturities as of June 30, 2019:

	Principal	Interest	Total
Years ending June 30:			
2020	\$ 3,115,000	\$ 1,651,599	\$ 4,766,599
2021	3,165,000	1,660,306	4,825,306
2022	3,390,000	1,516,656	4,906,656
2023	3,570,000	1,364,481	4,934,481
2024	3,805,000	1,217,981	5,022,981
2024-2028	15,600,000	4,535,463	20,135,463
2029-2033	14,970,000	2,124,650	17,094,650
2034-2038	5,310,000	318,638	5,628,638
	<u>\$ 52,925,000</u>	<u>\$ 14,389,774</u>	<u>\$ 67,314,774</u>

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

Category	Debt Limit	Net Indebtedness	Balance
General purpose	\$ 105,667,556	\$ 31,338,079	\$ 74,329,477
Schools	211,335,111	44,898,270	166,436,841
Sewers	176,112,593	-	176,112,593
Urban renewal	152,630,914	-	152,630,914
Pension deficit	140,890,074	-	140,890,074

The total over statutory debt limit for the Town is equal to seven times annual receipts from taxation, \$328,743,506. It is estimated that the Town will receive State of Connecticut School Construction grant progress payments in the amount of \$1,299,000 for the new high school. Net indebtedness also includes bonds authorized-unissued in the amount of \$18,009,222.

Capital leases: The Town has entered into leases for the purchase of street lights, police cars, public works equipment, and leasing of copiers that constitute as capital leases.

Town of Clinton, Connecticut

Notes to Financial Statements

Note 7. Long-Term Debt (Continued)

These lease agreements qualify as capital leases for accounting purposes and therefore, have been recorded at the present value of future minimum lease payments as of the date of inception. The cost of these assets was approximately \$1,443,449 with accumulated depreciation as of June 30, 2019 of approximately \$598,430. The following is a schedule of minimum lease payments under the leases and the present value of the future minimum lease payments reflected at June 30, 2019:

Years ending June 30:

2020	\$ 233,730
2021	229,733
2022	88,209
2023	62,552
2024	62,552
2025-2029	<u>200,770</u>
	877,546
Less amount representing interest	<u>(62,285)</u>
Present value of future minimum lease payments	<u><u>\$ 815,261</u></u>

Note 8. Employee Retirement Systems and Pension Plan

Police Employees' Retirement Plan:

Plan description and benefits provided: The Town is the administrator of a single-employer Police Employee Retirement System (PERS or the Plan) established and administered by the Town to provide pension benefits for its police officers. The PERS is considered to be part of the Town's financial reporting entity and is included in the Town's financial reports as a pension trust fund.

Management of the plans rests with the PERS Board, which consists of three elected members. The members consist of the First Selectman, the Board of Finance Chair and the Police Commission Chair.

The Plan provides retirement, disability and death benefits to plan members and their beneficiaries. All regular police employees hired who attain the age of 18 are eligible, on the first day of the following plan year, to participate. Benefits vest after ten years of service. Normal retirement is age 55 with 25 years of service. The Police Pension Committee, which consists of the Chairman of the Police Commission, the Chairman of the Board of Finance and the First Selectman, has the authority to establish and amend the benefit provisions for the plan.

The Town is now offering a "DROP" plan for non-bargaining members. This benefit only provides an additional retirement option and does not increase plan cost.

Town of Clinton, Connecticut

Notes to Financial Statements

Note 8. Employee Retirement Systems and Pension Plans (Continued)

As of July 1, 2018, PERS membership consisted of:

Retirees, disabled and beneficiaries currently receiving benefits	22
Terminated plan members entitled to benefits but not yet receiving them	2
Current plan members	25
Total	<u>49</u>

Summary of significant accounting policies and plan asset matters:

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

Method used to value investments: Investments are reported at fair value.

Funding policy: The Town's funding policy provides for periodic employer contributions approximating the actuarially determined recommended contribution. Employees contribute 6 percent of their compensation to the plan. Administrative costs of the plan are financed through investment earnings. Contributions are established and may be amended by the Board of Selectmen. The contribution rate for the year beginning July 1, 2018 amounted to 63 percent of covered payroll.

Investments:

Investment policy: The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the PERS Board by a majority vote of its members. It is the policy of the PERS Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the Board's adopted asset allocation policy as of June 30, 2019:

Asset Class	Target Allocation
Large Cap	31.00%
Mid Cap	13.50%
Small Cap	5.50%
International Equity	8.00%
Emerging Market Equity	2.00%
Fixed Income	35.00%
Cash	5.00%
Total	<u>100.00%</u>

Town of Clinton, Connecticut

Notes to Financial Statements

Note 8. Employee Retirement Systems and Pension Plans (Continued)

Rate of return: For the year ended June 30, 2019, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 6.67 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net pension liability: For the year ended June 30, 2019, the actuarial valuation date utilized was July 1, 2018, which was projected forward to June 30, 2019, which is the measurement date that the net pension liability is reported on. The components of the net pension liability of the Town at June 30, 2019, were as follows:

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

Total pension liability	\$ 21,665,878
Plan fiduciary net position	13,728,200
Net pension liability	<u>\$ 7,937,678</u>

Plan fiduciary net position as a percentage of the total pension liability	63.36%
----------------------------------------------------------------------------	--------

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

Valuation date	July 1, 2018
Measurement date	June 30, 2019
Inflation	2.6%
Salary increases	4.1%, average, including inflation
Investment rate of return	7.35%, net of pension plan investment expense, including inflation

Mortality rates were based on RP-2014 Adjusted to 2006 Blue Collar Mortality Table projected to valuation date with Scale MP 2-2018.

A full actuarial experience study has not been completed.

Town of Clinton, Connecticut

Notes to Financial Statements

Note 8. Employee Retirement Systems and Pension Plans (Continued)

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

Asset Class	Long-Term Expected Real Rate of Return	Weighting
Large Cap	6.40%	1.98%
Mid Cap	7.30%	0.99%
Small Cap	7.80%	0.43%
International Equity	6.40%	0.51%
REIT Equity	9.00%	0.18%
Fixed Income	0.70%	0.25%
Cash	0.00%	0.00%
		<hr/> 4.34%
Long-Term Inflation Expectation		<hr/> 2.50%
Long-Term Expected Nominal return		<hr/> <hr/> 6.84%

Discount rate: The discount rate used to measure the total pension liability was 7.35 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Town contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Town of Clinton, Connecticut

Notes to Financial Statements

Note 8. Employee Retirement Systems and Pension Plans (Continued)

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balances as of June 30, 2018	\$ 21,125,772	\$ 12,902,587	\$ 8,223,185
Changes for the year:			
Service cost	304,942	-	304,942
Interest on total pension liability	1,554,696	-	1,554,696
Differences between expected and actual experience	(7,512)	-	(7,512)
Changes in assumptions	(187,402)	-	(187,402)
Employer contributions	-	989,650	(989,650)
Member contributions	-	109,844	(109,844)
Net investment income	-	852,996	(852,996)
Benefit payments, including refund to employee contributions	(1,124,618)	(1,124,618)	-
Administrative expenses	-	(2,259)	2,259
Net changes	540,106	825,613	(285,507)
Balances as of June 30, 2019	\$ 21,665,878	\$ 13,728,200	\$ 7,937,678

Sensitivity of the net pension liability to changes in the discount rate: The following presents the net pension liability of the Town, calculated using the discount rate of 7.35 percent, as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.35%) or 1 percentage point higher (8.35%) than the current rate:

	1% Decrease (6.35%)	Current Discount Rate (7.35%)	1% Increase (8.35%)
Net pension liability	\$ 10,440,869	\$ 7,937,678	\$ 5,856,260

Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions: For the year ended June 30, 2019, the Town recognized pension expense of \$1,201,706. As of June 30, 2019, the Town reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (272,091)
Changes of assumptions	662,378	(154,524)
Net difference between projected and actual earnings on pension plan investments	314,349	-
Total	\$ 976,727	\$ (426,615)

Town of Clinton, Connecticut

Notes to Financial Statements

Note 8. Employee Retirement Systems and Pension Plans (Continued)

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

Years ending June 30:

2020	\$	309,512
2021		117,957
2022		114,675
2023		31,902
2024		(23,934)
Thereafter		-

Town of Clinton Board of Education Noncertified Personnel Pension Plan

Plan description: The Town of Clinton Board of Education is the administrator of a single-employer PERS established and administered by the Board of Education to provide pension benefits to the noncertified employees of the Board of Education. The PERS is considered part of the Town's financial reporting entity and is included in the Town's financial reports as a pension trust fund. The Board of Education establishes and amends the benefit provisions for the plan.

Management of the plans rests with the PERS Board, which consists of four members. The elected members include the Secretary of the Board of Education and the Chair of the Board of Education while the appointed members include the Superintendent of Schools and a representative from the banking institution holding the assets.

Town of Clinton Board of Education Noncertified Personnel Pension Plan provides retirement benefits as well as death benefits and disability benefits. Employees who have attained the age of 20-1/2 are eligible to participate in the plan on July 1, following the completion of six months of employment. Benefits vest after reaching age 65 or the tenth anniversary of entry into the plan. Normal retirement is age 65 with an early retirement option that includes a reduced benefit.

As of July 1, 2018, PERS membership consisted of:

Retirees currently receiving benefits	23
Current employees:	
Vested	21
Not yet vested	90
Total	<u>134</u>

Summary of significant accounting policies and plan asset matters:

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

Town of Clinton, Connecticut

Notes to Financial Statements

Note 8. Employee Retirement Systems and Pension Plans (Continued)

Method used to value investments: Investments are reported at fair value.

Funding policy: The Board of Education's funding policy provides for periodic employer contributions approximating the actuarially determined recommended contribution. Employees contribute 1 percent of their compensation to the plan. Administrative costs are funded from investment earnings. The contribution rate for the year beginning July 1, 2018 amounted to 14.62 percent of covered payroll. Contributions are established and amended by the Board of Education.

Investments:

Investment policy: The PERS Board meets regularly with their investment advisors to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes and discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. Although the Plan does not have a formal policy at this time, the actuaries used investment trends shown within the plan asset portfolio as of June 30, 2019 to target its allocation as follows:

Asset Class	Target Allocation
U.S. Cash	5.00%
U.S. Core Fixed Income	28.00%
U.S. Large Caps	30.00%
U.S. Small Caps	4.00%
U.S. Mid Caps	9.00%
Foreign Developed Equity	9.00%
Emerging Markets Equity	9.00%
U.S. REITs	2.00%
Commodities	4.00%
Total	100.00%

Rate of return: For the year ended June 30, 2019, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 10.92 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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

Total pension liability	\$ 8,079,825
Plan fiduciary net position	6,493,309
Net pension liability	<u>\$ 1,586,516</u>

Plan fiduciary net position as a percentage of the total pension liability	80.36%
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For the year ended June 30, 2019, the actuarial valuation date utilized was July 1, 2018, which was projected forward to June 30, 2019, which is the measurement date that the net pension liability is reported on.

Town of Clinton, Connecticut

Notes to Financial Statements

Note 8. Employee Retirement Systems and Pension Plans (Continued)

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

Valuation date	July 1, 2018
Measurement date	June 30, 2019
Inflation	2.75%
Salary increases	4.00%, average, including inflation
Investment rate of return	6.50%, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2000 Healthy Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA.

In the current period, the only actuarial change from the previous actuarial valuation to the current valuation as of July 1, 2018 was a decrease in the investment rate of return from 7.00 percent to 6.50 percent.

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

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2019 (see the discussion of the pension plan's investment policy) are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
U.S. Cash	0.35%
U.S. Core Fixed Income	2.27%
U.S. Large Caps	3.13%
U.S. Small Caps	3.62%
U.S. Mid Caps	3.27%
Foreign Developed Equity	3.91%
Emerging Markets Equity	4.59%
U.S. REITs	3.27%
Commodities	1.42%

Town of Clinton, Connecticut

Notes to Financial Statements

Note 8. Employee Retirement Systems and Pension Plans (Continued)

Discount rate: The discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Town contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the net pension liability:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balances as of June 30, 2018	\$ 8,087,509	\$ 5,655,669	\$ 2,431,840
Changes for the year:			
Service cost	266,106	-	266,106
Interest on total pension liability	574,316	-	574,316
Effect of plan changes	-	-	-
Effect of economic/demographic gains or losses	(264,680)	-	(264,680)
Effect of assumptions changes or inputs	(280,109)	-	(280,109)
Benefit payments	(303,317)	(303,317)	-
Employer contributions	-	475,883	(475,883)
Member contributions	-	33,289	(33,289)
Net investment income	-	631,785	(631,785)
Administrative expenses	-	-	-
Net changes	(7,684)	837,640	(845,324)
Balances as of June 30, 2019	\$ 8,079,825	\$ 6,493,309	\$ 1,586,516

Sensitivity of the net pension liability to changes in the discount rate: The following presents the net pension liability of the Town, calculated using the discount rate of 6.50 percent, as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.50%) or 1 percentage point higher (7.50%) than the current rate:

	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
Net pension liability	\$ 2,429,229	\$ 1,586,516	\$ 957,265

Town of Clinton, Connecticut

Notes to Financial Statements

Note 8. Employee Retirement Systems and Pension Plans (Continued)

Pension expense and deferred outflows of resources related to pensions: For the year ended June 30, 2019, the Town recognized pension expense of \$434,193. At June 30, 2019, the Town reported deferred outflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 221,703	\$ (278,515)
Changes of assumptions	-	(240,093)
Net difference between projected and actual earnings on pension plan investments	-	(124,074)
Total	<u>\$ 221,703</u>	<u>\$ (642,682)</u>

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

Years ending June 30:

2020	\$ (27,367)
2021	(85,061)
2022	(79,648)
2023	(87,150)
2024	(66,245)
Thereafter	(75,508)

Volunteer Firefighters' Pension

Summary of plan provisions:

Effective Date- July 1, 2018

Participants covered- Any active Volunteer Firefighter or Ambulance Attendant of the Clinton Volunteer Fire Department who is on regular work schedule.

Eligibility- An employee becomes a plan participant on the first day of the month coinciding with or next following the completion of 12 months of continuous service. No new participants will be added.

Vesting- Each plan year in which a Volunteer is credited with a year of service.

Credited service- Each plan year in which a Volunteer is credited with a year of continuous service.

Normal Retirement-

Eligibility- First day of the month coinciding with or next following age 65 and the completion of 20 years of service.

Town of Clinton, Connecticut

Notes to Financial Statements

Note 8. Employee Retirement Systems and Pension Plans (Continued)

Benefit- Monthly benefits of \$400,000 as of normal retirement date, retroactive to July 1, 2016 based on member eligibility as of October 31, 2015.

Vesting:

Eligibility- 100% vested with 20 years of service

Benefit- At Normal Retirement Date, Normal Retirement Benefit based on Vesting Percentage.

Death Benefits- None provided

Disability benefits- None provided

Participant breakdown:

Inactive plan members or beneficiaries currently receiving benefits	11
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	<u>32</u>
Total	<u><u>43</u></u>

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

Inflation	2.60%
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

Mortality rates were based on RP-2014 Adjusted to 2006 Blue Collar Mortality Table projected to valuation date with Scale MP 2-2018.

Town of Clinton, Connecticut

Notes to Financial Statements

Note 8. Employee Retirement Systems and Pension Plans (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation. The allocation as of June 30, 2019 is summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	Weighting
U.S. Large Cap	22.00%	4.50%	0.99%
U.S. Mid-Small Cap	10.00%	5.00%	0.50%
Developed International Equities	10.00%	5.25%	0.53%
Emerging Market Equities	4.00%	5.75%	0.23%
Intermediate Corporate	12.00%	2.00%	0.24%
Intermediate Government	8.00%	0.75%	0.06%
High-Yield Bonds	5.00%	3.75%	0.19%
International Bonds	5.00%	1.00%	0.05%
Short Term Bonds	20.00%	0.25%	0.05%
Real Estate (Core)	4.00%	3.75%	0.15%
Alternatives	0.00%	1.00%	0.00%
	100.00%		2.99%
Long-Term Inflation Expectation			2.60%
Long-Term Expected Nominal Return			5.59%

The long-term expected rate of return on pension plan investments was determined using a building block method in which best- estimate ranges of expected future real rates of return are developed. Best estimate of the real rates of return for each major asset class are included in the pension plan's target asset allocation.

The information above is based on geometric means and does not reflect additional returns through investment selection, asset allocation and rebalancing. An expected rate of return of 6.75% was used. This is the first year of the plan and there are annuity payments already being paid as past service credits were granted. Currently, there is a need to keep a larger percentage of the fund in liquid assets (money market). As time goes by, the allocation will change.

Discount rate: The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Town contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Town of Clinton, Connecticut

Notes to Financial Statements

Note 8. Employee Retirement Systems and Pension Plans (Continued)

Changes in the net pension liability:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balances as of June 30, 2018	\$ 930,441	\$ 71,304	\$ 859,137
Changes for the year:			
Service cost	12,107	-	12,107
Interest on total pension liability	64,161	-	64,161
Differences between expected and actual experience	(29,183)	-	(29,183)
Effect of assumptions changes or inputs	32,383	-	32,383
Benefit payments	(52,800)	(52,800)	-
Employer contributions	-	77,746	(77,746)
Member contributions	-	-	-
Net investment income	-	3,765	(3,765)
Administrative expenses	-	-	-
Net changes	26,668	28,711	(2,043)
Balances as of June 30, 2019	\$ 957,109	\$ 100,015	\$ 857,094

Sensitivity of the net pension liability to changes in the discount rate: The following presents the net pension liability of the Town, calculated using the discount rate of 6.75 percent, as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.75%) or 1 percentage point higher (7.75%) than the current rate:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Net pension liability	\$ 974,727	\$ 857,094	\$ 757,635

Town of Clinton, Connecticut

Notes to Financial Statements

Note 8. Employee Retirement Systems and Pension Plans (Continued)

Pension expense and deferred outflows of resources related to pensions: For the year ended June 30, 2019, the Town recognized pension expense of \$71,382. At June 30, 2019, the Town reported deferred outflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (26,710)
Changes of assumptions	29,639	-
Net difference between projected and actual earnings on pension plan investments	2,236	-
Total	<u>\$ 31,875</u>	<u>\$ (26,710)</u>

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

Years ending June 30:

2020	\$ 963
2021	963
2022	707
2023	687
2024	271
Thereafter	1,574

Financial information for the separate plans:

Statement of net position:

	Pension Trust Funds as of June 30, 2019				
	Police Pension Fund	Board of Education Noncertified Personnel Pension Fund	Volunteer Firefighters' LOSAP Plan	OPEB Trust	Total Trust Funds
Assets:					
Cash and cash equivalents	\$ 926,244	\$ 344,044	\$ 20,523	\$ 1,524	\$ 1,292,335
Investments - mutual funds	4,070,870	326,848	79,492	106,313	4,583,523
Investments - equities and ETF's	8,731,086	4,533,352	-	-	13,264,438
Investments - corporate bonds	-	524,352	-	-	524,352
Investments - U.S. Government and Agency	-	627,666	-	-	627,666
Investments - government- backed securities	-	120,594	-	-	120,594
Accrued investment income	-	16,453	-	-	16,453
Total assets	<u>13,728,200</u>	<u>6,493,309</u>	<u>100,015</u>	<u>107,837</u>	<u>20,429,361</u>
Liabilities:					
Accounts payable	-	-	-	1,251	1,251
Net position- restricted for benefits	<u>\$ 13,728,200</u>	<u>\$ 6,493,309</u>	<u>\$ 100,015</u>	<u>\$ 106,586</u>	<u>\$ 20,428,110</u>

Town of Clinton, Connecticut

Notes to Financial Statements

Note 8. Employee Retirement Systems and Pension Plans (Continued)

Pension Trust Funds - Year Ended June 30, 2019					
	Police Pension Fund	Board of Education Noncertified Personnel Pension Fund	Volunteer Firefighters' LOSAP Plan	OPEB Trust	Total Trust Funds
Additions:					
Contributions:					
Employer	\$ 989,650	\$ 475,883	\$ 77,746	\$ -	\$ 1,543,279
Plan members	109,844	33,289	-	-	143,133
Total contributions	1,099,494	509,172	77,746	-	1,686,412
Investment income:					
Net appreciation in fair value of investments	980,435	670,786	3,765	7,111	1,662,097
Net investment income	980,435	670,786	3,765	7,111	1,662,097
Total additions	2,079,929	1,179,958	81,511	7,111	3,348,509
Deductions:					
Benefits, annuities and lump-sum distributions	1,124,618	303,317	52,800	5,499	1,486,234
Administrative and other expenses	129,698	39,001	-	-	168,699
Total deductions	1,254,316	342,318	52,800	5,499	1,654,933
Changes in net position	825,613	837,640	28,711	1,612	1,693,576
Restricted net position, beginning	12,902,587	5,655,669	71,304	104,974	18,734,534
Restricted net position, ending	\$ 13,728,200	\$ 6,493,309	\$ 100,015	\$ 106,586	\$ 20,428,110

Municipal Employees' Retirement System

Plan description: Full-time employees participate in the Municipal Employees' Retirement System (MERS). MERS is a cost-sharing multiple-employer public employee retirement system established by the State of Connecticut and administered by the State Retirement Commission to provide pension benefits to employees of participating municipalities. Chapters 7-425 to 7-451 of the State of Connecticut General Statutes, which can be amended by legislative action, establishes MERS benefits, member contribution rates and other plan provisions. MERS is considered to be part of the State of Connecticut's financial reporting entity and is included in the State's financial reports as a pension trust fund. Those reports can be obtained at www.ct.gov.

Benefit provisions: The plan provides retirement, disability and death benefits and annual cost-of-living adjustments to plan members and their beneficiaries. Employees are eligible to retire at age 55 with 5 years of continuous service, or 15 years of active aggregate service or 25 years of aggregate service. In addition, compulsory retirement is at age 65 for police and fire members.

Note 8. Employee Retirement Systems and Pension Plans (Continued)

Normal retirement: For members not covered by social security, retirement benefits are calculated as 2 percent of the average of the three highest paid years of service times the years of service. For members covered by social security, retirement benefits are calculated as 1½ percent of the average of the three highest paid years of service not in excess of the year's breakpoint plus 2 percent of average of the three highest paid years of service in excess of the year's breakpoint, times years of service. The year's breakpoint is defined as \$10,700 increased by 6.0 percent each year after 1982, rounded to the nearest multiple of \$100. Maximum benefit is 100 percent of average final compensation and the minimum benefit is \$1,000 annually.

Early retirement: Members must have 5 years of continuous or 15 years of active aggregate service. Benefits are calculated as a service retirement allowance on the basis of the average of the three highest paid years of service to the date of termination. Benefits are deferred to normal retirement age, or an actuarially reduced allowance may begin at the time of separation.

Disability retirement - service connected: This applies to employees who are totally and permanently disabled and such disability has arisen out of and in the course of employment with the municipality. Disability due to heart and hypertension in the case of fire and police is presumed to have been suffered in the line of duty. Benefits are calculated as a service retirement allowance based on compensation and service to the date of the disability with a minimum benefit (including worker's compensation benefits) of 50 percent of compensation at the time of disability.

Disability retirement - non-service connected: This applies to employees who have 10 years of service and are totally and permanently disabled. Benefits are calculated as a service retirement allowance based on compensation and service to the date of the disability.

Pre-retirement death benefit: Plan offers a lump sum return of contributions with interest or if vested and married, the surviving spouse will receive a lifetime benefit.

Contributions:

Member: Contributions for members not covered by social security are 5 percent of compensation; for members covered by social security, 2¼ percent of compensation up to the social security taxable wage base plus 5 percent, if any, in excess of such base.

Employer: Participating employers make annual contributions consisting of a normal cost contribution, a contribution for the amortization of the net unfunded accrued liability and a prior service amortization payment, which covers the liabilities of MERS not met by member contributions.

Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions: At June 30, 2019, the Town reports a liability of \$4,380,989 for its proportionate share of the net pension liability. The net pension liability was measured at June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participants, actuarially determined. At June 30, 2019, the Town's proportion was 1.15 percent. The decrease in proportion from 2018 was 0.12%. Investments are measured at fair value.

Town of Clinton, Connecticut

Notes to Financial Statements

Note 8. Employee Retirement Systems and Pension Plans (Continued)

For the year ended June 30, 2019, the Town recognized pension expense (credit) of \$625,046. At June 30, 2019, the Town reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Town contributions after the measurement date	\$ 420,481	\$ -
Difference between expected and actual experience	624,133	-
Net difference between projected and actual earnings on pension plan investments	263,759	-
Effect of assumptions changes or inputs	1,492,569	-
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	60,386	(156,910)
Total	<u>\$ 2,861,328</u>	<u>\$ (156,910)</u>

Amounts reported as deferred outflows of resources related to Town contributions after the measurement date will be recognized as a reduction of the net pension liability in the subsequent year. Amounts reported as deferred inflows of resources related to pension will be recognized in pension expense as follows:

Years ending June 30:	
2020	\$ 712,325
2021	608,607
2022	447,200
2023	515,805
Total	<u>\$ 2,283,937</u>

Actuarial assumptions: The total pension liability was determined by an actuarial valuation as of June 30, 2018, which was projected forward to June 30, 2018, which was the measurement date the net pension liability is reported on, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	3.50%-10.00%
Investment rate of return	7.00%, net of investment related expenses

Mortality rates: For the period after retirement and for dependent beneficiaries, mortality rates were based on the RP-2014 Combined Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB for General Employees and the RP-2014 Blue Collar Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB for Police and Fire.

For disabled retirees, the RP-2014 Disabled Mortality Table projected with Scale BB to 2020 was used. The static projection produces sufficient margin in the mortality rates to reflect future improvement in our judgement.

Town of Clinton, Connecticut

Notes to Financial Statements

Note 8. Employee Retirement Systems and Pension Plans (Continued)

Future Cost-of-Living adjustments for members who retire on or after January 1, 2002 are 60% of the annual increase in the CPI up to 6%. The minimum annual COLA is 2.5%; the maximum is 6%.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	20.00%	5.30%
Developed Market International	11.00%	5.10%
Emerging Market International	9.00%	7.40%
Core Fixed Income	16.00%	1.60%
Inflation Linked Bond	5.00%	1.30%
Emerging Market Debt	5.00%	2.90%
High Yield Bond	6.00%	3.40%
Real Estate	10.00%	4.70%
Private Equity	10.00%	7.30%
Alternative Investments	7.00%	3.20%
Liquidity Fund	1.00%	0.90%
Total	100.00%	

Discount rate: The discount rate used to measure the total pension liability was 7.0 percent. 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 employer 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 following presents the Town's proportionate share of the net pension liability, calculated using the discount rate of 7.00 percent, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.00%) or 1 percentage point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Town's proportionate share of the net pension liability	\$ 5,910,047	\$ 4,380,989	\$ 2,609,226

Town of Clinton, Connecticut

Notes to Financial Statements

Note 8. Employee Retirement Systems and Pension Plans (Continued)

Aggregate pension plans:

	Net Pension Liability	Pension Expense	Deferred Inflows	Deferred Outflows
Defined Benefit Plan - Police	\$ 7,937,678	\$ 1,201,706	\$ (426,615)	\$ 976,727
Defined Benefit Plan- Board of Education	1,586,516	434,183	(642,682)	221,703
Volunteer Firefighter Plan	857,094	71,382	(26,710)	31,875
Connecticut Municipal Retirement System	4,380,989	625,046	(156,910)	2,861,328
Total	<u>\$ 14,762,277</u>	<u>\$ 2,332,317</u>	<u>\$ (1,252,917)</u>	<u>\$ 4,091,633</u>

Teachers' Retirement System 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.

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

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

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

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

Town of Clinton, Connecticut

Notes to Financial Statements

Note 8. Employee Retirement Systems and Pension Plans (Continued)

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

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

Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions: At June 30, 2019, the Town reports no amounts for its proportionate share of the net pension liability, and related deferred outflows and inflows, due to the statutory requirement that the State pay 100 percent 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	51,355,496
Total	<u>\$ 51,355,496</u>

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

For the year ended June 30, 2018, the Town recognized pension expense and revenue of \$6,274,101 in Exhibit II for on-behalf amounts for the benefits provided by the State.

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

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

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

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.

Future cost-of-living increases for teachers who retired prior to September 1, 1992, are made in accordance with increases in the Consumer Price Index, with a minimum of 3% and a maximum of 5% per annum. For teachers who were members of the Teachers' Retirement System before July 1, 2007, and retire on or after September 1, 1992, pension benefit adjustments are made that are consistent with those provided for Social Security benefits on January 1 of the year granted, with a maximum of 6% per annum. If the return on assets in the previous year was less than 8.5%, the maximum increase is 1.5%. For teachers who were members of the Teachers' Retirement System after July 1, 2007, pension benefit adjustments are made that are consistent with those provided for Social Security benefits on January 1 of the year granted, with a maximum of 5% per annum. If the return on assets in the previous year was less than 11.5%, the maximum increase is 3%, and if the return on the assets in the previous year was less than 8.5%, the maximum increase is 1.0%..

Town of Clinton, Connecticut

Notes to Financial Statements

Note 8. Employee Retirement Systems and Pension Plans (Continued)

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Large Cap U.S. Equities	21.00%	5.80%
Developed Non-U.S. Equities	18.00%	6.60%
Emerging Markets (Non-U.S.)	9.00%	8.30%
Real estate	7.00%	5.10%
Private equity	11.00%	7.60%
Alternative investments	8.00%	4.10%
Core fixed income	7.00%	1.30%
High yield bonds	5.00%	3.90%
Emerging market bonds	5.00%	3.70%
Inflation linked bond fund	3.00%	1.00%
Cash	6.00%	0.40%
Total	100.00%	

Discount rate: The discount rate used to measure the total pension liability was 8.00 percent. 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.

Town of Clinton, Connecticut

Notes to Financial Statements

Note 8. Employee Retirement Systems and Pension Plans (Continued)

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.

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Decrease (9.00%)
State's proportionate share of the Town's net pension liability	\$ 64,904,004	\$ 51,355,496	\$ 39,897,927

Pension plan fiduciary net position: Detailed information about the pension plan's fiduciary net position is available in the separately issued financial statements available at www.ct.gov.

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.

Note 9. Other Post-Employment Benefits

Plan description: The Town, in accordance with various collective bargaining agreements, is committed to providing medical benefits to certain eligible retirees and their spouses. The Post-Retirement Medical Program (RMP) is a single-employer defined benefit plan and covers Town and Board of Education employees. Eligible retirees and their spouses can receive medical and life insurance in accordance with the plan documents. The percentage contribution and eligibility of the employees and retirees for these benefits vary and are detailed within the Town's various bargaining agreements. The Town does not issue a separate stand-alone financial statement for this program.

Plan membership per their latest actuarial valuation consisted of the following:

	Board of Education	Town
Retired participants and spouses	20	49
Active plan members	252	77
Total participants	272	126
Valuation date	7/1/17	7/1/18

Funding policy: The Town's funding and payment of postemployment benefits are accounted for in the General Fund on a pay-as-you-go basis. The Town has established a trust fund to irrevocably segregate assets to fund the liability associated with postemployment benefits in accordance with GASB guidelines. The Town anticipates a commitment to fund normal cost and a long-term approach to the amortization of the actuarial accrued liability. The goal is to absorb, within the budgetary process, the actual cost of benefits in the determination of the costs of providing services to taxpayers.

Town of Clinton, Connecticut

Notes to Financial Statements

Note 9. Other Post-Employment Benefits (Continued)

The Town's funding strategy for postemployment obligations is based upon characteristics of benefits on two distinct groups of employees established within their respective collective bargaining units and/or contracts and includes the following:

- Clinton Board of Education Retirees are required to pay 100 percent of the health premium for self and spouse, less the \$1,320 annual Connecticut Teachers Retirement Board subsidy, for those who retire from the school system and meet the following criteria by bargaining group:
 - Teachers and Administrators are eligible at the earliest of age 60 with 20 years of service, or completion of 35 years of service regardless of age for normal retirement and earliest of age 60 with 10 years of service, any age with 25 years of service, or age 55 with 20 years of service under early retirement.
 - BOE Noncertified employees are eligible for retirement at age 65 with 10 years of service. Early retirement is age 55 with 10 years of service.
- The Town funds 100 percent of the cost of life insurance for Town Employees who retire and meet the following criteria by bargaining group:
 - Employees in the supervisors union of the Town are eligible to receive life insurance at age 55 with 10 years of service. Eligible life insurance for these individuals is \$10,000.
 - Police employees age 55 with 10 years of continuous service or age 55 and 15 years of noncontinuous service or 25 years of service have access to a Major Medical plan until age 62 at no cost to the retiree.
 - All other Town employees are eligible to receive life insurance at age 55 and 10 years of service. Eligible life insurance for these individuals ranges from \$5,000 to \$10,000 depending on the bargaining group.
 - Only two existing retirees have spouse coverage, and no future retirees are eligible for spouse coverage.

Investments:

Investment policy: The OPEB plan's policy in regard to the allocation of invested assets is established and may be amended by the Board. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the OPEB plan.

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

	<u>Rate of return</u>
Town	1.51%
Board of Education	6.88%

Town of Clinton, Connecticut

Notes to Financial Statements

Note 9. Other Post-Employment Benefits (Continued)

Net OPEB liability: The components of the net OPEB liability at June 30, 2019 were as follows:

Net OPEB Liability as of June 30, 2019	Town	Board of Education
Total OPEB liability	\$ 2,778,991	\$ 8,041,598
Plan fiduciary net position	32,351	75,486
Net OPEB liability	<u>\$ 2,746,640</u>	<u>\$ 7,966,112</u>
Plan fiduciary net position as a percentage of total OPEB liability	1.16%	0.94%

Actuarial assumptions:

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as accrual results are compared with past expectations and new estimates are made about the future. Projections for benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Board of Education actuarial assumptions: In the July 1, 2017 actuarial valuation for the Board of Education, the entry age normal cost method was used. The actuarial assumptions include a 4.0% investment rate of return, which is the rate of the expected long-term investment returns of plan assets calculated based on the funding policy of the plan at the valuation date. The actuarial value of assets was determined using the closed group method. The UAAL is being amortized on a level percent basis with a remaining amortization period at June 30, 2019 of 26 years.

For the year ended June 30, 2019, the actuarial valuation date utilized was July 1, 2017, which was projected forward to June 30, 2019, which is the measurement date that the net OPEB liability is reported on. The actuarial valuation as of July 1, 2017, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increases	Graded by age for Teachers and Administrators; 4.00% for all others
Investment rate of return	4.00%
Healthcare Trend Rates	6.30%-4.50% over 57 years

Mortality rates were RP-2000 Combined Healthy Mortality Table with generational projection per Scale AA. This assumption includes a provision for improvements in longevity beyond the valuation date.

Town of Clinton, Connecticut

Notes to Financial Statements

Note 9. Other Post-Employment Benefits (Continued)

Town actuarial assumptions: In the July 1, 2018 actuarial valuation for the Town employees, the entry age normal actuarial cost method was used. The actuarial assumptions include a 3.87% investment rate of return, which is the rate of the expected long-term investment returns of plan assets. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return are developed. Best estimates of the real rates of return for each major asset class are included in the OPEB plan's target asset allocation. The actuarial value of assets was determined using the open group method. The UAAL is being amortized each year over a constant 30-year period, as a level dollar amount.

For the year ended June 30, 2019, the actuarial valuation date utilized was July 1, 2018, which was projected forward to June 30, 2019, which is the measurement date that the net OPEB liability is reported on. The actuarial valuation as of July 1, 2018, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60%
Salary increases	2.60%, including inflation
Investment rate of return	3.87%

Mortality rates were based on the RP-2014 Adjusted to 2006 Blue Collar Mortality Table projected to valuated date with Scale MP-2017.

Assumed rate of return: The long-term expected rate of return on OPEB plan investments was determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. Best estimates of the real rates of returns for each major asset class are included in the OPEB plan's target asset allocation. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan's target asset allocation as of July 1, 2018, and the final vestment return assumption, are summarized in the following table:

Asset Class	Town OPEB Fund Allocation %	Long-Term Expected Real Rate of Return	Weighting
Large Cap	44.00%	4.65%	2.05%
Mid/Small Cap	12.00%	5.50%	0.66%
International	15.00%	5.50%	0.83%
Intermediate Bond	23.00%	1.95%	0.45%
Short Term Bond/Cash	1.00%	0.00%	0.00%
Specialty/Alts	5.00%	2.25%	0.11%
	100.00%		4.10%
Long-Term Inflation Expectation			2.60%
Long-Term Expected Nominal Return			6.70%

Town of Clinton, Connecticut

Notes to Financial Statements

Note 9. Other Post-Employment Benefits (Continued)

Discount rate: The discount rate used to measure the total OPEB liability was 3.87%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Town contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Also, based on the net position of the plans and contribution policies, it was assumed the plan's projected fiduciary net position would be sufficient to cover projected benefit payments and administrative expenses indefinitely. Therefore, the long-term expected rates of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Asset Class	BOE OPEB Fund Allocation %	Long-Term Expected Real Rate of Return
U.S. Cash	1.00%	0.35%
U.S. Core Fixed Income	28.00%	2.27%
U.S. Large & Mid Caps	20.00%	3.27%
U.S. Mid Caps	12.00%	3.27%
U.S. Large Growth	12.00%	3.52%
U.S. Large Value	12.00%	2.98%
Non-U.S. Equity	10.00%	4.11%
Emerging Markets Equity	5.00%	4.59%
	100.00%	
Long-Term Expected Rate of Return		4.00%

Discount rate: The discount rate used to measure the total OPEB liability was 3.87%. The plan's fiduciary net position was not projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total OPEB liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payments, to the extent that the plan's fiduciary net position is not projected to be sufficient.

Town of Clinton, Connecticut

Notes to Financial Statements

Note 9. Other Post-Employment Benefits (Continued)

Changes in the Net OPEB Liability:

Town:

	Changes in the Net OPEB Liability		
	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Changes in the net OPEB liability:			
Balances at June 30, 2018	\$ 2,213,621	\$ 31,868	\$ 2,181,753
Changes for the year:			
Service cost	53,141	-	53,141
Interest	83,526	-	83,526
Differences between expected and actual experience	515,048	-	515,048
Changes of assumptions	132,667	-	132,667
Contributions- employer	-	219,012	(219,012)
Benefit payments, including refunds of members contributions	(219,012)	(219,012)	-
Net investment income	-	483	(483)
Net changes	565,370	483	564,887
Balances at June 30, 2019	\$ 2,778,991	\$ 32,351	\$ 2,746,640

Board of Education:

	Changes in the Net OPEB Liability		
	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Changes in the net OPEB liability:			
Balances at June 30, 2018	\$ 7,231,986	\$ 74,357	\$ 7,157,629
Changes for the year:			
Service cost	313,060	-	313,060
Interest on total OPEB liability	287,768	-	287,768
Effects of assumption changes or inputs	429,198	-	429,198
Benefit payments	(220,414)	(220,414)	-
Employer contributions	-	220,414	(220,414)
Administrative expenses	-	(3,849)	3,849
Net investment income	-	4,978	(4,978)
Net changes	809,612	1,129	808,483
Balances at June 30, 2019	\$ 8,041,598	\$ 75,486	\$ 7,966,112

Town of Clinton, Connecticut

Notes to Financial Statements

Note 9. Other Post-Employment Benefits (Continued)

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

Net OPEB Liability	1.0% Decrease	Healthcare Cost Trend Rates	1.0% Increase
Net Town OPEB liability as of June 30, 2019	\$ 2,533,780	\$ 2,746,640	\$ 2,966,670
Net BOE OPEB liability as of June 30, 2019	\$ 6,583,900	\$ 7,966,112	\$ 9,776,606

Sensitivity of estimates used in calculating the net OPEB liability: The following presents the net OPEB liability, calculated using the discount rate of as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the rate utilized.

Net OPEB Liability	1% Decrease 3.51%	Current Discount Rate 2.51%	1% Increase 4.51%
Town Plan	\$ 3,065,996	\$ 2,746,640	\$ 2,479,442

Net OPEB Liability	1% Decrease 2.50%	Current Discount Rate 3.50%	1% Increase 4.50%
BOE Plan	\$ 9,316,349	\$ 7,966,112	\$ 6,879,351

OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB: For the year ended June 30, 2019, the Town recognized OPEB expense of \$878,528 (\$211,018 and \$667,510 for the Town and Board of Education plans, respectively). At June 30, 2019, the Town reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Town		
Differences between expected and actual experience	\$ 492,860	\$ -
Change in assumptions	114,241	(130,167)
Net difference between projected and actual earnings on plan investments	318	-
Total Town	607,419	(130,167)
Board of Education		
Differences between expected and actual experience	371,749	-
Change in assumptions	380,974	(244,993)
Net difference between projected and actual earnings on plan investments	-	(4,422)
Total Board of Education	752,723	(249,415)
Total	\$ 1,360,142	\$ (379,582)

Town of Clinton, Connecticut

Notes to Financial Statements

Note 9. Other Post-Employment Benefits (Continued)

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

Years ending June 30:

2020	\$	141,387
2021		141,387
2022		141,388
2023		142,418
2024		142,671
Thereafter		271,309

Connecticut State Teachers' Retirement System- Retiree Health Insurance 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 Section 10-183 (t) 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.

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 that 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, any remaining portion is used to offset the district's cost. The subsidy amount is set by statute, and has not increased since July of 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 that 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.

Town of Clinton, Connecticut

Notes to Financial Statements

Note 9. Other Post-Employment Benefits (Continued)

If a member participating in Medicare Parts A & B so elects, they may enroll in one of the CTRB Sponsored Medicare Supplemental Plans. Active members, retirees, and the State pay equally toward the cost of the basic coverage (medical and prescription drug benefits).

Those participants electing vision, hearing, and/or dental are required by the System's funding policy to pay the full cost of coverage for these benefits, and no liability is assumed by the Plan for these benefits.

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 that is currently receiving a retirement or disability benefit is eligible to participate in the Plan.

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

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

Early retirement: 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.

Proratable retirement: Age 60 with 10 years of credited service

Disability retirement: 5 years of Credited Service in Connecticut if not incurred in the performance of duty and no service requirement if incurred in the performance of duty.

Termination of employment: 10 or more years of Credited Service.

Contributions:

State of Connecticut

Per Connecticut General Statutes Section 10-183t, 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.

Town of Clinton, Connecticut

Notes to Financial Statements

Note 9. Other Post-Employment Benefits (Continued)

Employer (School Districts)

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

Employees

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

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

Town's proportionate share of the net OPEB liability	\$ -
State's proportionate share of the net OPEB liability associated with the Town	10,266,282
	<u>\$ 10,266,282</u>

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

For the year ended June 30, 2019, the Town recognized OPEB expense and revenue of \$(3,410,453) in Exhibit II for on-behalf amounts for the benefits provided by the State.

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

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

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

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

Note 9. Other Post-Employment Benefits (Continued)

The long-term expected rate of return on plan assets is reviewed as part of the GASB 74 valuation process. Several factors are considered in evaluating the long-term rate of return assumption, including the Plan's current asset allocations and a log-normal distribution analysis using the best-estimate ranges of expected future real rates of return (expected return, net investment expense and inflation) for each major asset class. The long-term expected rate of return was determined by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years. The plan is 100% invested in U.S. Treasuries (Cash Equivalents) for which the expected 10-Year Geometric Real Rate of Return is (0.27%).

Discount rate: The discount rate used to measure the total OPEB liability was 3.87%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current member contribution rate and that contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members. No future State contributions were assumed to be made. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be deplete 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.

Town of Clinton, Connecticut

Notes to Financial Statements

Note 10. Fund Balance Components

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

	General Fund	Capital Projects	Nonmajor Governmental Funds	Total
Fund balances:				
Non-spendable:				
Inventory and prepaids	\$ 134,644	\$ -	\$ 12,873	\$ 147,517
	134,644	-	12,873	147,517
Restricted for:				
General government	-	-	12,553	12,553
Education	-	-	701,772	701,772
Public safety	-	-	39,116	39,116
Health and welfare	-	-	60,463	60,463
Culture and recreation	-	-	32,907	32,907
Capital projects	-	-	272,788	272,788
	-	-	1,119,599	1,119,599
Committed to:				
Landfill closure	350,000	-	-	350,000
Health and welfare	-	-	2,503	2,503
Parks & Rec- future programs	-	-	208,261	208,261
	350,000	-	210,764	560,764
Assigned to:				
Education	320,965	-	-	320,965
	320,965	-	-	320,965
Unassigned	9,156,965	(5,395,525)	-	3,761,440
Total fund balances (deficits)	\$ 9,962,574	\$ (5,395,525)	\$ 1,343,236	\$ 5,910,285

At June 30, 2019, there were encumbrances of \$320,965.

Town of Clinton, Connecticut

Notes to Financial Statements

Note 11. Risk Management

The Town is exposed to various risks of loss including torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town generally obtains commercial insurance for these risks, but has chosen to retain the risks for heart/hypertension benefits paid to public safety employees provided by the State of Connecticut Workers' Compensation Act, Section 7-433c. The amount of claim settlements has not exceeded insurance coverage for each of the past three years. There were no significant reductions in insurance coverage from the prior year in any major category of risk.

The Town currently is a member in the Connecticut Interlocal Risk Management Agency (CIRMA), a public entity risk pool established for the purpose of administering an interlocal risk management program pursuant to the provisions of Section 7-479a, et seq., of Connecticut General Statutes, for workers' compensation first dollar coverage.

The Workers' Compensation Pool provides statutory benefits pursuant to the provisions of the Connecticut Workers' Compensation Act. The coverage is subject to an insured loss retrospective rating plan and losses incurred in the coverage period will be evaluated at 18, 30, and 42 months after the effective date of coverage. The premium is subject to payroll audit at the close of the coverage period. CIRMA's Workers' Compensation Pool retains \$1,000,000 per occurrence.

As of July 1, 2015, the Town participates in the Eastern CT Healthcare Cooperative (the Cooperative) to provide medical, prescription and dental health coverage for all employees. The Cooperative was established in June 2013 by several eastern Connecticut entities under the provisions of Connecticut Public Act 10-174 for the purpose of providing one or more health care benefits as allowed by such act for their employees. The Cooperative is a public entity risk pool operating as a common risk management and insurance program for its members. The Cooperative covers approximately 920 participants in its medical plan, 550 participants in its prescription drug plan and approximately 960 participants in the dental plan. The Cooperative is designed to be self-sustaining through actuarially determined premiums established annually to cover expected claims, administration and a margin for unexpected losses or expenses. The Cooperative reinsures for medical, dental and prescription drug claims in excess of \$1,000,000 maximum aggregate benefit. The members are subject to supplemental assessments in the event of deficiencies.

The Police Heart and Hypertension Fund is reported as an internal service fund. As of June 30, 2019, there are no outstanding claim liabilities. Changes in the balances of claims liabilities during the fiscal year is as follows:

	Police Heart and Hypertension Fund	
	2019	2018
Unpaid claims, beginning of year	\$ 6,600	\$ 15,400
Incurred claims (including IBNR):		
Claim payments	(6,600)	(8,800)
Unpaid claims at end of year	\$ -	\$ 6,600

Town of Clinton, Connecticut

Notes to Financial Statements

Note 12. Landfill Closure

The Town is in the process of closing its municipal landfill in accordance with the requirements of the State of Connecticut Department of Environmental Protection and the Federal Environmental Protection Agency. The revised estimated cost to complete the project as of June 30, 2019 is \$6,113,658. This estimate includes monitoring costs in accordance with the Federal and State requirements. An appropriation of \$350,000 has been established within the General Fund to partially fund the closure. The balance will be funded through appropriations in the annual General Fund operating budget. The actual cost for the closure may be increased due to inflation, changes in technology or changes in laws and regulations. Since none of these costs are expected to be paid from currently available resources, the liability for the post-closure period is recorded in the statement of net position.

Note 13. Contingent Liabilities

The Town is currently a defendant in a number of lawsuits. It is the opinion of Town officials and legal counsel that such pending litigation will not be finally determined so as to result individually or in the aggregate in a final judgment against the Town that would materially adversely affect its financial position.

Note 14. Governmental Accounting Standards Board (GASB) Statements

The Governmental Accounting Standards Board (GASB) has issued several pronouncements that have effective dates that may impact future financial presentations. Management has not currently determined what, if any, impact implementation of the following statements may have on the financial statements.

The impact of the following accounting pronouncements are currently being assessed by the Town as to the impact to the financial statements. Other recently issued financial statements are not expected to have a material effect to the Town's financial statements.

- **GASB Statement No. 84, *Fiduciary Activities***, is effective for reporting periods beginning after December 15, 2018. The objective of this statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The Town is aware of this statement and will assess its impact to ensure timely implementation.
- **GASB Statement No. 87, *Leases***, establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset, which should result in the recognition and reporting of leased assets and the liability associated with subsequent lease payments, which have historically been classified as operating leases of the current reporting period only. The new statement requires a Lessee to recognize a lease liability and an intangible right-to-use lease asset, with the lessor required to recognize a lease receivable and a deferred inflow of resources. The requirements of this statement are effective for reporting periods beginning after December 15, 2019. Management is currently evaluating the impact of the adoption of this statement on the Town's financial statements.
- **GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period***. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. The requirements of this Statement should be applied prospectively. Management is currently evaluating the impact of the adoption of this statement on the Town's financial statements.

Note 15. Governmental Accounting Standards Board (GASB) Statements (Continued)

- **GASB Statement No. 90, *Majority Equity Interests***—an amendment of GASB Statements No. 14 and No. 61. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged. Management is currently evaluating the impact of the adoption of this statement on the Town's financial statements.
- **GASB Statement No. 91, *Conduit Debt Obligations***. In May 2019, the GASB issued Statement No. 91, Conduit Debt Obligations. This Statement provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Earlier application is encouraged. The Town is not an issuer of conduit debt, therefore this Statement will have no effect on its financial statements.

**Required Supplementary
Information - Unaudited**

Schedule of Revenues and Other Financing Sources - Budget and Actual - General Fund
(Non-GAAP Budgetary Basis)
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Property taxes:				
Current taxes	\$ 46,257,419	\$ 46,257,419	\$ 46,161,884	\$ (95,535)
Prior year's levies	175,000	175,000	227,151	52,151
Tax interest/liens/fees	140,000	140,000	170,295	30,295
Supplemental motor vehicle	225,000	225,000	402,027	177,027
Total property taxes	46,797,419	46,797,419	46,961,357	163,938
Intergovernmental revenues:				
General government:				
State of Connecticut and Federal Government:				
Town aid road	267,911	267,911	267,626	(285)
Totally disabled persons	1,000	1,000	947	(53)
Property tax relief veterans	15,299	15,299	19,790	4,491
State Property Grant	-	-	16,949	16,949
Miscellaneous	15,000	15,000	4,086	(10,914)
Local capital improvement	98,040	98,040	98,651	611
Municipal Revenue Sharing	-	-	191,674	191,674
Municipal Stabilization Grant	259,936	259,936	288,473	28,537
Civil Preparedness Grant	-	-	1,296	1,296
Tax relief Elderly	2,000	2,000	2,000	-
Total general government	659,186	659,186	891,492	232,306
Education:				
State of Connecticut and Federal Government:				
Education cost sharing	5,097,449	5,097,449	5,698,299	600,850
Special education	302,000	302,000	272,547	(29,453)
Total education	5,399,449	5,399,449	5,970,846	571,397
Total intergovernmental revenue	6,058,635	6,058,635	6,862,338	803,703
Charges for services:				
General government:				
Telephone access lines	-	-	22,770	22,770
W.S.A.M. trust	39,000	39,000	47,084	8,084
W.S.A.M. rental	4,000	4,000	2,712	(1,288)
Boat Moorings/launch pass	105,000	105,000	115,339	10,339
Z.B.A.	4,000	4,000	5,714	1,714
Planning and zoning	20,000	20,000	15,381	(4,619)
Park and recreation passes	25,000	25,000	19,125	(5,875)
Real Estate conveyance tax	150,000	150,000	260,705	110,705
Building fees	135,000	135,000	243,519	108,519
Town property rentals	10,000	10,000	30,831	20,831
Transfer station	53,000	53,000	63,481	10,481

(Continued)

Schedule of Revenues and Other Financing Sources - Budget and Actual - General Fund
(Non-GAAP Budgetary Basis) (Continued)
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Charges for services, continued:				
General government, continued:				
Dog boarding fees	\$ 300	\$ 300	\$ 185	\$ (115)
Inland/wetland fees	1,800	1,800	3,104	1,304
Police miscellaneous	14,000	14,000	13,348	(652)
Town Clerk fees	97,000	97,000	80,503	(16,497)
Vitals	11,000	11,000	13,376	2,376
Contracted police services	-	-	67,776	67,776
Refund workers' compensation	10,000	10,000	44,113	34,113
Scrap metal fees	10,000	10,000	13,197	3,197
Total charges for services	689,100	689,100	1,062,263	373,163
Other services:				
Miscellaneous	40,000	40,000	17,659	(22,341)
Sale of Fixed Assets	-	-	7,970	7,970
FEMA Flash Flood 919	-	-	16,929	16,929
Appropriated Surplus	300,000	300,000	-	(300,000)
Total other services	340,000	340,000	42,558	(297,442)
Income from investments:				
Interest income	45,000	45,000	90,103	45,103
Total revenues	53,930,154	53,930,154	55,018,619	1,088,465
Total revenues and other financing sources	\$ 53,930,154	\$ 53,930,154	55,018,619	\$ 1,088,465

Budgetary revenues are different than GAAP revenues because:

State of Connecticut "on-behalf" contributions to the Connecticut State

Teachers' Retirement System and Retiree Health for Town teachers are not budgeted.

2,353,291

Total revenues and other financing sources as reported on the
statement of revenues, expenditures and changes in fund balances (deficits) -
general fund (Exhibit IV)

\$ 57,371,910

Schedule of Expenditures and Other Financing Uses - Budget and Actual - General Fund
(Non-GAAP Budgetary Basis)
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
General government:				
First Selectman	\$ 159,218	\$ 159,218	\$ 153,991	\$ 5,227
Finance	284,182	327,855	327,400	455
Elections and Meetings	34,914	34,914	33,842	1,072
Town Clerk	160,232	160,232	149,096	11,136
Assessor	188,426	188,426	187,912	514
Tax Collector	155,957	173,985	173,205	780
Probate	4,524	4,524	4,524	-
WSAM Maintenance	162,116	162,116	149,951	12,165
Technology	347,257	344,780	334,604	10,176
Social Security	500,000	474,063	474,063	-
Health/Life Insurance	1,777,270	1,700,968	1,674,729	26,239
Pension Plan Fire	108,300	127,778	127,778	-
Pension Plan Police	1,001,000	1,013,847	1,013,847	-
Pension Plan Highway	122,000	122,000	121,978	22
Pension Plan Other	348,080	305,131	260,760	44,371
Worker's Compensation Insurance	401,237	367,887	360,855	7,032
Employee Insurance	1,300	1,300	513	787
Secretarial for Boards/Commissions	14,000	14,000	12,804	1,196
Police Contractual	-	-	-	-
Unemployment Compensation	5,000	2,521	146	2,375
Travel Expense	7,500	8,099	8,099	-
Heat/Hot Water	140,000	125,772	125,772	-
Electricity	220,000	220,787	220,787	-
Legal Ads	25,000	21,204	17,791	3,413
Town Counsel	57,000	57,000	57,000	-
Other Legal Fees	60,000	97,065	97,065	-
Union Negotiator	90,000	51,153	51,153	-
Insurance	343,598	346,077	346,076	1
Audit and Accounting	48,860	61,762	61,762	-
Annual Town Report	8,000	8,000	5,575	2,425
Copy Equipment	15,000	8,006	5,824	2,182
Land Records Index Audit	1,500	1,500	1,314	186
Holiday Activities	500	500	-	500
Board of Assessment Appeal	300	300	46	254
Special Events	7,000	7,000	1,516	5,484
Bank Fees	-	17,734	17,733	1
Miscellaneous Administrative	9,000	9,000	5,175	3,825
Other Services	351,542	246,519	223,202	23,317
Total general government	7,159,813	6,973,023	6,807,888	165,135

(Continued)

Schedule of Expenditures and Other Financing Uses - Budget and Actual - General Fund
(Non-GAAP Budgetary Basis) (Continued)
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Public safety:				
Fire Department	\$ 334,060	\$ 334,060	\$ 327,371	\$ 6,689
Fire Marshall	58,700	58,700	53,726	4,974
Communication	566,431	591,956	591,937	19
Police	2,633,704	2,702,808	2,702,795	13
Animal Control	65,833	41,115	41,113	2
Civil Preparedness	5,200	5,200	5,000	200
Water and Hydrants	463,000	463,000	462,005	995
Street lighting	45,000	121,941	121,941	-
Total public safety	4,171,928	4,318,780	4,305,888	12,892
Public works	1,832,634	1,832,882	1,820,691	12,191
Planning and development:				
Economic Development	30,150	30,150	28,091	2,059
Inland/Wetland	77,338	77,338	52,837	24,501
Planning and Zoning	192,488	192,488	185,499	6,989
Zoning Board of Appeals	2,900	2,900	1,155	1,745
Building Department	120,968	124,068	124,067	1
Total planning and development	423,844	426,944	391,649	35,295
Health and welfare:				
Water Pollution Control	73,841	82,841	59,904	22,937
Youth Family	261,022	261,022	257,264	3,758
Health Department	150,041	150,041	147,755	2,286
Total health and welfare	484,904	493,904	464,923	28,981
Library	721,000	721,000	721,000	-
Culture and recreation:				
Parks and Recreation Department	228,648	228,648	202,680	25,968
Harbor Commission	33,960	33,960	32,995	965
Shellfish Commission	2,770	2,770	1,523	1,247
Total culture and recreation	265,378	265,378	237,198	28,180
Debt service	4,680,479	4,680,479	4,679,712	767
Education	32,656,674	32,656,674	32,389,983	266,691
Total expenditures	52,396,654	52,369,064	51,818,932	550,132

(Continued)

Schedule of Expenditures and Other Financing Uses - Budget and Actual - General Fund
(Non-GAAP Budgetary Basis) (Continued)
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Other financing uses:				
Transfer to capital projects	\$ 1,162,500	\$ 3,183,700	\$ 3,218,700	\$ (35,000)
Total other financing uses	<u>1,162,500</u>	<u>3,183,700</u>	<u>3,218,700</u>	<u>(35,000)</u>
 Total expenditures and other financing uses	 <u>\$ 53,559,154</u>	 <u>\$ 55,552,764</u>	 55,037,632	 <u>\$ 515,132</u>

Budgetary expenditures are different than GAAP expenditures because:

State of Connecticut "on-behalf" contributions to the Connecticut State

Teachers' Retirement System and Retiree Health for Town teachers are not budgeted.

2,353,291

Encumbrances

(320,965)

Total expenditures and other financing uses as reported on the statement
of revenues, expenditures and changes in fund balances (deficits) - general
fund (Exhibit IV).

\$ 57,069,958

Required Supplementary Information - Unaudited
Schedule of Changes in Net Pension Liability and Related Ratios - Police Pension Plan
Last Six Fiscal Years *

Retirement Pension Trust	2019	2018	2017	2016	2015	2014
Changes in Net Pension Liability						
Total pension liability:						
Service cost	\$ 304,942	\$ 285,054	\$ 256,440	\$ 252,737	\$ 241,854	\$ 175,184
Interest	1,554,696	1,513,585	1,455,432	1,421,707	1,369,272	1,339,105
Differences between expected and actual experience	(7,512)	(52,663)	(238,824)	(82,608)	(302,810)	-
Changes of assumptions	(187,402)	336,844	407,900	368,968	313,857	-
Benefit payments, including refunds of member contributions	(1,124,618)	(1,175,171)	(1,113,627)	(968,584)	(952,996)	(982,131)
Net change in total pension liability	540,106	907,649	767,321	992,220	669,177	532,158
Total pension liability, beginning	21,125,772	20,218,123	19,450,802	18,458,582	17,789,405	17,257,247
Total pension liability, ending (a)	21,665,878	21,125,772	20,218,123	19,450,802	18,458,582	17,789,405
Plan fiduciary net position:						
Contributions, employer	989,650	939,773	888,373	904,253	975,000	969,323
Contributions, member	109,844	114,400	112,111	111,878	110,416	99,909
Net investment income	852,996	851,530	872,780	(60,852)	356,949	1,656,511
Benefit payments, including refunds of member contributions	(1,124,618)	(1,175,171)	(1,113,627)	(968,584)	(952,996)	(982,131)
Administrative expense	(2,259)	(3,011)	(3,011)	(1,211)	(351)	(122,889)
Net change in plan fiduciary net position	825,613	727,521	756,626	(14,516)	489,018	1,620,723
Fiduciary net position, beginning	12,902,587	12,175,066	11,418,440	11,432,956	10,943,938	9,323,215
Fiduciary net position, ending (b)	13,728,200	12,902,587	12,175,066	11,418,440	11,432,956	10,943,938
Net pension liability, ending = (a) - (b)	\$ 7,937,678	\$ 8,223,185	\$ 8,043,057	\$ 8,032,362	\$ 7,025,626	\$ 6,845,467
Fiduciary net position as a % of total pension liability	63.36%	61.08%	60.22%	58.70%	61.94%	61.52%
Covered payroll	\$ 1,574,484	\$ 2,290,000	\$ 2,130,000	\$ 1,910,000	\$ 1,880,000	\$ 2,062,000
Net pension liability as a % of covered payroll	504.14%	359.09%	377.61%	420.54%	373.70%	331.98%

* Note: This schedule is intended to show ten years of information. Additional information will be added as it becomes available.

Required Supplementary Information - Unaudited
Schedule of Investment Returns - Police Pension Plan
Last Six Fiscal Years *

	2019	2018	2017	2016	2015	2014
Annual money-weighted rate of return, net of investment expense	6.67%	6.78%	7.44%	-0.51%	3.28%	15.72%

* Note: This schedule is intended to show ten years of information. Additional information will be added as it becomes available.

Required Supplementary Information - Unaudited
Schedule of Changes in Net Pension Liability and Related Ratios - Board of Education Noncertified
Personnel Pension Plan
Last Six Fiscal Years*

Retirement Pension Trust	2019	2018	2017	2016	2015	2014
Changes in Net Pension Liability						
Total pension liability:						
Service cost	\$ 266,106	\$ 268,759	\$ 210,040	\$ 207,198	\$ 209,221	\$ 203,970
Interest	574,316	538,295	495,999	479,608	463,913	420,324
Effect of plan changes	-	-	-	(405)	-	-
Effect of economic/demographic gains or losses	(264,680)	83,394	233,092	(114,250)	105,599	-
Effect of assumption changes or inputs	(280,109)					
Benefit payments, including refunds of member contributions	(303,317)	(440,753)	(348,066)	(559,329)	(112,752)	(112,021)
Net change in total pension liability	(7,684)	449,695	591,065	12,822	665,981	512,273
Total pension liability, beginning	8,087,509	7,637,814	7,046,749	7,033,927	6,367,946	5,855,673
Total pension liability, ending (a)	8,079,825	8,087,509	7,637,814	7,046,749	7,033,927	6,367,946
Plan fiduciary net position:						
Contributions, employer	475,883	388,123	343,307	348,370	330,777	320,033
Contributions, member	33,289	36,012	35,515	34,712	34,457	25,247
Net investment income	631,785	305,061	445,752	55,529	50,464	326,477
Benefit payments, including refunds of member contributions	(303,317)	(440,753)	(348,066)	(559,329)	(112,752)	(112,021)
Administrative expense	-	-	-	-	-	(26,488)
Net change in plan fiduciary net position	837,640	288,443	476,508	(120,718)	302,946	533,248
Fiduciary net position, beginning	5,655,669	5,367,226	4,890,718	5,011,436	4,708,490	4,175,242
Fiduciary net position, ending (b)	6,493,309	5,655,669	5,367,226	4,890,718	5,011,436	4,708,490
Net pension liability, ending = (a) - (b)	\$ 1,586,516	\$ 2,431,840	\$ 2,270,588	\$ 2,156,031	\$ 2,022,491	\$ 1,659,456
Fiduciary net position as a % of total pension liability	80.36%	69.93%	70.27%	69.40%	71.25%	73.94%
Covered payroll	\$ 3,254,796	\$ 2,635,586	\$ 2,479,000	\$ 2,521,878	\$ 2,441,982	\$ 2,540,000
Net pension liability as a % of covered payroll	48.74%	92.27%	91.59%	85.49%	82.82%	65.33%

* Note: This schedule is intended to show ten years of information. Additional information will be added as it becomes available.

Required Supplementary Information - Unaudited
Schedule of Investment Returns - Board of Education Noncertified
Personnel Pension Plan
Last Six Fiscal Years *

	2019	2018	2017	2016	2015	2014
Annual money-weighted rate of return, net of investment expense	10.92%	5.61%	8.91%	1.11%	1.02%	6.75%

* Note: This schedule is intended to show ten years of information. Additional information will be added as it becomes available.

Required Supplementary Information - Unaudited
Schedule of Changes in Net Pension Liability and Related Ratios -
Volunteer Firefighters' Pension Fund
Last Three Fiscal Years*

Retirement Pension Trust	2019	2018	2017
Changes in Net Pension Liability			
Total pension liability:			
Service cost	\$ 12,107	\$ 11,817	\$ 11,501
Interest	64,161	62,440	60,417
Changes of assumptions	32,383	-	-
Differences between expected and actual experience	(29,183)	-	-
Benefit payments, including refunds of member contributions	(52,800)	(47,200)	(39,600)
Net change in total pension liability	26,668	27,057	32,318
Total pension liability, beginning	930,441	903,384	871,066
Total pension liability, ending (a)	957,109	930,441	903,384
Plan fiduciary net position:			
Contributions, employer	77,746	77,421	77,105
Net investment income	3,765	3,578	-
Benefit payments, including refunds of member contributions	(52,800)	(47,200)	(39,600)
Net change in plan fiduciary net position	28,711	33,799	37,505
Fiduciary net position, beginning	71,304	37,505	-
Fiduciary net position, ending (b)	100,015	71,304	37,505
Net pension liability, ending = (a) - (b)	\$ 857,094	\$ 859,137	\$ 865,879
Fiduciary net position as a % of total pension liability	10.45%	7.66%	4.15%
Covered payroll	N/A	N/A	N/A
Net pension liability as a % of covered payroll	N/A	N/A	N/A

Required Supplementary Information - Unaudited
Schedule of Investment Returns - Volunteer Firefighters' Pension Fund
Last Three Fiscal Years *

	2019	2018	2017
Annual money-weighted rate of return, net of investment expense	5.17%	4.77%	0.00%

* Note: This schedule is intended to show ten years of information. Additional information will be added as it becomes available.

**Required Supplementary Information - Unaudited
Schedules of Employer Contributions - Police Pension Plan
Last Ten Fiscal Years**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Actuarially determined contribution	\$ 561,524	\$ 681,644	\$ 700,749	\$ 836,845	\$ 969,323	\$ 1,023,233	\$ 904,253	\$ 888,373	\$ 939,773	\$ 989,650
Contributions in relation to the actuarially determined contribution	561,524	681,644	700,749	836,845	969,323	975,000	904,253	888,373	939,773	989,650
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 48,233	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 2,028,254	\$ 1,807,100	\$ 1,868,000	\$ 1,973,000	\$ 2,062,000	\$ 1,880,000	\$ 1,880,000	\$ 2,130,000	\$ 2,290,000	\$ 1,574,484
Contributions as a percentage of covered payroll	27.69%	37.72%	37.51%	42.41%	47.01%	51.86%	48.10%	41.71%	41.04%	62.86%

Notes to Schedule

Valuation date: July 1, 2018

Measurement date: June 30, 2019

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method:	Projected Unit Credit
Amortization method:	Level percentage of payroll, open
Remaining amortization period:	20 years
Asset valuation method:	5-year period at 20% per year
Inflation:	2.60%
Salary increases:	4.1%, average, including inflation
Investment rate of return:	7.35%, net of pension plan investment expense, including inflation
Retirement age:	The later of the attainment of age 50 or the completion of 25 years of service, but no later than age 65.
Mortality:	RP-2014 Adjusted to 2006 Blue Collar Mortality Table projected to the valuation date with MP-2018.

Required Supplementary Information - Unaudited
Schedules of Employer Contributions - Board of Education Noncertified Personnel Pension Plan
Last Ten Fiscal Years

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Actuarially determined contribution	\$ 272,725	\$ 299,083	\$ 295,024	\$ 305,861	\$ 320,033	\$ 330,777	\$ 348,370	\$ 343,307	\$ 388,123	\$ 475,883
Contributions in relation to the actuarially determined contribution	300,000	300,000	300,000	305,861	320,033	330,777	348,370	343,307	388,123	475,883
Contribution deficiency (excess)	\$ (27,275)	\$ (917)	\$ (4,976)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 2,147,266	\$ 2,133,017	\$ 2,152,690	\$ 2,292,629	\$ 2,539,661	\$ 2,441,982	\$ 2,521,878	\$ 2,479,191	\$ 2,635,586	\$ 3,254,796
Contributions as a percentage of covered payroll	13.97%	14.06%	13.94%	13.34%	12.60%	13.55%	13.81%	13.85%	14.73%	14.62%

Notes to Schedule

Valuation date: July 1, 2018

Measurement date: June 30, 2019

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method:	Entry age normal
Amortization method:	Level percent, closed
Remaining amortization period:	11 years
Asset valuation method:	5-year Non-asymptotic
Inflation:	2.75%
Salary increases:	4.0%, average, including inflation
Investment rate of return:	6.50%
Retirement age:	65
Mortality:	RP-2000 Combined Healthy Mortality Table with generational projection per Scale AA

Required Supplementary Information - Unaudited
Schedules of Employer Contributions - Volunteer Firefighters' Pension Fund
Last Three Fiscal Years

	2017	2018	2019
Actuarially determined contribution	\$ 77,105	\$ 77,421	\$ 77,746
Contributions in relation to the actuarially determined contribution	77,105	77,421	77,746
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Covered payroll	N/A	N/A	N/A
Contributions as a percentage of covered payroll	N/A	N/A	N/A

* Note: This schedule is intended to show ten years of information. Additional information will be added as it becomes available.

Required Supplementary Information - Unaudited
Schedule of the Town's Proportionate Share of Net Pension Liability - Teachers' Retirement Plan
Last Five Fiscal Years*

	2019	2018	2017	2016	2015
Town's proportion of the net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%
Town's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the Town	\$ 51,355,496	\$ 54,241,013	\$ 57,224,684	\$ 44,023,030	\$ 40,690,469
Total	\$ 51,355,496	\$ 54,241,013	\$ 57,224,684	\$ 44,023,030	\$ 40,690,469
Town's covered payroll	\$ 16,859,355	\$ 16,571,050	\$ 16,571,050	\$ 16,363,597	\$ 15,884,701
Town's proportionate share of the net pension liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	57.69%	55.93%	52.26%	59.50%	61.51%

* Note: This schedule is intended to show ten years of information. Additional information will be added as it becomes available.

Notes to Schedule

Changes in benefit terms:

None

Changes of assumptions:

In 2018, inflation, real estate rate of return, and assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience. These assumptions were recommended as part of the Experience Study for the System for the five year period ended June 30, 2015 in combination with current economic conditions.

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 percent

Salary increase

3.25-6.50 percent, including inflation

Investment rate of return

8.00 percent, net of investment related expense

Required Supplementary Information - Unaudited
Schedule of the Town's Proportionate Share of Net Pension Liability
Municipal Employees' Retirement System
Last Five Fiscal Years*

	2019	2018	2017	2016	2015
Town's proportion of the net pension liability	0.00%	1.27%	1.27%	1.21%	1.19%
Town's proportionate share of the net pension liability	\$ 4,380,989	\$ 2,106,396	\$ 2,501,124	\$ 1,655,702	\$ 1,224,011
Town's covered payroll	3,224,309	2,953,153	3,033,381	2,683,572	2,923,589
Town's proportionate share of the net pension liability as a percentage of its covered payroll	135.87%	71.33%	82.45%	61.70%	41.87%
Plan fiduciary net position as a percentage of the total pension liability	73.60%	91.68%	92.72%	92.72%	90.48%

* Note: This schedule is intended to show ten years of information. Additional information will be added as it becomes available.

Required Supplementary Information - Unaudited
Schedules of Employer Contributions - Municipal Employees' Retirement System
Last Ten Fiscal Years

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Actuarially determined contribution	\$ 181,476	\$ 228,275	\$ 267,632	\$ 350,237	\$ 396,915	\$ 350,246	\$ 404,001	\$ 427,538	\$ 422,399	\$ 420,481
Contributions in relation to the actuarially determined contribution	181,476	228,275	267,632	350,237	396,915	350,246	404,001	427,538	422,399	420,481
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 2,419,680	\$ 2,402,895	\$ 2,315,156	\$ 2,970,628	\$ 3,313,147	\$ 2,923,589	\$ 2,683,572	\$ 3,033,381	\$ 2,953,153	\$ 3,224,309
Contributions as a percentage of covered payroll	7.50%	9.50%	11.56%	11.79%	11.98%	11.98%	15.05%	14.09%	14.30%	13.04%

Notes to Schedule

Valuation date: June 30, 2018

Measurement date: June 30, 2018

Actuarially determined contribution rates are calculated as of June 30, each biennium for the fiscal years ending two and three years after the valuation date.

Methods and assumptions used to determine contribution rates:

Actuarial cost method: Entry age

Amortization method: Level dollar, closed

Single equivalent amortization period: 21 years

Inflation: 2.50%

Salary increases: 3.50% - 10%, including inflation

Investment rate of return: 7%, net of investment related expense

Changes in assumptions: The actuarial assumption and methods were review and changes were adopted and are included in this report. Most material were the changes to the discount rate from 8.00% to 7.00% and post-retirement mortality assumptions.

Required Supplementary Information - unaudited
Schedule of Contributions - OPEB Plans
Last Ten Fiscal Years

	Schedule of Contributions - Town OPEB Plan									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Actuarially determined contribution	\$ 185,800	\$ 184,200	\$ 174,500	\$ 172,700	\$ 179,500	\$ 177,600	\$ 173,400	\$ 171,700	\$ 146,600	\$ 145,100
Contributions in relation to the actuarially determined contribution	219,012	173,005	141,055	104,300	92,000	70,200	98,700	98,500	107,500	118,300
Contribution deficiency (excess)	\$ (33,212)	\$ 11,195	\$ 33,445	\$ 68,400	\$ 87,500	\$ 107,400	\$ 74,700	\$ 73,200	\$ 39,100	\$ 26,800
Covered payroll	\$ 5,420,900	\$ 6,145,312	\$ 5,989,583	\$ 4,963,900	\$ 4,963,900	\$ 5,138,900	\$ 5,138,900	\$ 4,743,900	\$ 4,743,900	\$ 4,276,800
Contributions as a percentage of covered payroll	4.04%	2.82%	2.36%	2.10%	1.85%	1.37%	1.92%	2.08%	2.27%	2.77%

	Schedule of Contributions - Board of Education OPEB Plan									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Actuarially determined contribution	\$ 631,574	\$ 577,120	\$ 538,138	\$ 752,499	\$ 702,599	\$ 577,000	\$ 542,000	\$ 621,000	\$ 586,000	\$ 553,000
Contributions in relation to the actuarially determined contribution	220,414	183,915	245,502	251,799	237,753	235,000	220,000	323,000	320,000	278,000
Contribution deficiency (excess)	\$ 411,160	\$ 393,205	\$ 292,636	\$ 500,700	\$ 464,846	\$ 342,000	\$ 322,000	\$ 298,000	\$ 266,000	\$ 275,000
Covered payroll	\$ 17,629,659	\$ 18,486,186	\$ 18,486,186	N/A	N/A	\$ 16,557,662	\$ 16,557,662	N/A	N/A	N/A
Contributions as a percentage of covered payroll	1.25%	0.99%	1.33%	N/A	N/A	1.42%	1.33%	N/A	N/A	N/A

Required Supplementary Information - unaudited
Schedule of Changes in the Town's and Board of Education's OPEB Liability and Related Ratios
Last Three Fiscal Years*

	Town Plan			Board of Education Plan		
Changes in Net OPEB Liability	2019	2018	2017	2019	2018	2017
Total pension liability:						
Service cost	\$ 53,141	\$ 58,178	\$ 51,515	\$ 313,060	\$ 324,721	\$ 408,686
Interest	83,526	83,315	90,271	287,768	247,474	208,902
Differences between expected and actual experience	515,048	66,970	9,178	-	482,719	-
Changes in assumptions	132,667	(176,655)	59,221	429,198	(318,125)	(771,273)
Benefit payments, including refunds of member contributions	(219,012)	(173,005)	(111,055)	(220,414)	(183,915)	(175,502)
Net change in total OPEB liability	565,370	(141,197)	99,130	809,612	552,874	(329,187)
Total pension liability, beginning	2,213,621	2,354,818	2,255,688	7,231,986	6,679,112	7,008,299
Total OPEB liability, ending (a)	2,778,991	2,213,621	2,354,818	8,041,598	7,231,986	6,679,112
Fiduciary net position:						
Employer contributions	219,012	173,005	141,055	220,414	183,915	245,502
Member contributions	-	-	-	-	-	-
Investment (loss) income net of investment expenses	483	1,555	313	4,978	7,448	730
Benefit payments, including refunds of member contributions	(219,012)	(173,005)	(111,055)	(220,414)	(183,915)	(175,502)
Administrative expenses	-	-	-	(3,849)	(3,821)	-
Other	-	-	-	-	-	-
Net change in plan fiduciary net position	483	1,555	30,313	1,129	3,627	70,730
Fiduciary net position, beginning	31,868	30,313	-	74,357	70,730	-
Fiduciary net position, ending (b)	32,351	31,868	30,313	75,486	74,357	70,730
Net OPEB liability, ending = (a) - (b)	\$ 2,746,640	\$ 2,181,753	\$ 2,324,505	\$ 7,966,112	\$ 7,157,629	\$ 6,608,382
Fiduciary net position as a % of total OPEB liability	1.16%	1.44%	1.29%	0.94%	1.03%	1.06%
Covered payroll	\$ 5,420,900	\$ 6,145,312	\$ 5,989,583	\$ 17,629,659	\$ 18,486,186	\$ 18,486,000
Net OPEB liability as a % of covered payroll	50.67%	35.50%	38.81%	45.19%	38.72%	35.75%

*Note: This schedule is intended to show ten years of information. Additional information will be added as it becomes available.

Required Supplementary Information - Unaudited
Schedule of Investment Returns - OPEB
Last Three Fiscal Years *

	Town Plan			Board of Education Plan		
	2019	2018	2017	2019	2018	2017
Annual money-weighted rate of return, net of investment expense	1.51%	5.13%	1.04%	6.88%	10.82%	6.30%

*Note: This schedule is intended to show ten years of information. Additional information will be added as it becomes available.

Required Supplementary Information - unaudited
Schedule of the Town's Proportionate Share of the Net OPEB Liability - Teachers Retiree Health Plan
Last Two Fiscal Years*

	2019	2018
Town's proportion of the net OPEB liability	0.00%	0.00%
Town's proportionate share of the net OPEB liability	-	-
State's proportionate share of the net OPEB liability associated with the Town	\$ 10,266,282	\$ 13,961,013
Total	\$ 10,266,282	\$ 13,961,013
Town's covered payroll	\$ 15,901,012	\$ 17,192,461
Town's proportionate share of the net OPEB liability as a percentage of its covered payroll	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	1.49%	1.79%

Required Supplementary Information – unaudited
Notes to Schedule of the Town's Proportionate Share of the Net OPEB Liability –
Teachers Retiree Health Plan

Notes to Schedule

Changes in benefit terms	<p>The Plan was amended by the Board, effective July 1, 2018, during the January 11, 2018 meeting. The Board action added the Anthem Medicare Advantage Plan to the available options under the Plan, changed the "base plan" to the Medicare Advantage Plan for the purposes of determining retiree subsidies and/or cost sharing amount(s), and introduced a two year waiting period for re-enrollment in a System sponsored healthcare plan for those who cancel their coverage or choose not to enroll in a healthcare coverage option on or after the effective date. These changes were communicated to retired members during the months leading up to a special open enrollment period that preceded the July 1, 2018 implementation date.</p>
Changes of assumptions	<p>The expected rate of return on assets was changed from 2.75% to 3.00% to better reflect the anticipated returns on cash and other high quality short-term fixed income investments.</p> <p>Based on the procedure described in GASB 75, the discount rate used to measure Plan obligations for financial accounting purposes as of June 30, 2018 was updated to equal the Municipal Bond Index Rate as of June 30, 2018. The System selected the 3.87% discount rate used to measure the TOL as of the June 30, 2018 measurement date.</p> <p>Expected annual per capita claims costs were updated to better reflect anticipated medical and prescription drug claim experience both before and after the plan change that became effective on July 1, 2018.</p> <p>The assumed age related annual percentage increases in expected annual per capita healthcare claim costs were updated to better reflect the expected differences between the Medicare Supplement and Medicare Advantage Plan amounts as part of the plan change that became effective on July 1, 2018.</p> <p>Long-term healthcare cost trend rates were updated to better reflect the anticipated impact of changes in medical inflation, utilization, leverage in the plan design, improvements in technology, and fees and charges on expected claims and retiree contributions in future periods.</p> <p>The percentage of retired members who are not currently participating in the Plan, but are expected to elect coverage for themselves and their spouses under a System-sponsored healthcare plan option in the future, was updated to better reflect anticipated plan experience.</p> <p>The participating retirees who are expected to enroll in the Medicare Supplement Plan and the Medicare Advantage Plan options, as well as the portion who are expected to migrate to the Medicare Advantage Plan over the next several years, were updated to better reflect anticipated plan experience after the plan change that became effective on July 1, 2018.</p> <p>The post-disablement mortality table was updated to extend the period of projected mortality improvements from 2017 to 2020. This change was made to better reflect anticipated post-disablement plan experience.</p> <p>The percentages of deferred vested members who will become ineligible for future healthcare benefits because they are expected to withdraw their contributions from the System was updated to better reflect anticipated plan experience.</p>
Actuarial cost method	Entry age
Amortization method	Level percent of payroll
Remaining amortization period	30 years, open
Asset valuation method	Market value of assets
Investment rate of return	4.25%, net of investment related expense including price inflation

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

**Combining and Individual Fund Financial
Statements and Supplemental Schedules**

General Fund

General Fund

The general fund is the principal fund of the Town and is used to account for all activities of the Town, except those required to be accounted for in another fund. The general fund accounts for the normal recurring activities of the Town (i.e., general government, public safety, public works, planning and development, health and welfare, culture and recreation, education, etc.) These activities are funded principally by property taxes, user fees and grants from other governmental units.

**Schedule of Property Taxes Levied, Collected and Outstanding
For the Year Ended June 30, 2019**

Grand List Year	Balance Uncollected July 1, 2018	Lawful Corrections		Transfers to Suspense	Adjusted Taxes Collectible	Collections	Balance Uncollected June 30, 2019
		Additions	Deletions				
2017	\$ 46,849,098	\$ 53,572	\$ 109,194	-	\$ 46,793,476	\$ 46,529,988	\$ 263,488
2016	311,683	18,505	8,413	-	321,775	169,366	152,409
2015	104,613	9,237	991	-	112,859	21,939	90,920
2014	92,628	14,203	198	-	106,633	11,432	95,201
2013	93,701	-	243	44,195	49,263	8,677	40,586
2012	47,091	140	-	-	47,231	6,927	40,304
2011	45,311	1	-	-	45,312	6,728	38,584
2010	23,172	17	-	-	23,189	-	23,189
2009	12,694	-	-	-	12,694	-	12,694
2008	13,794	-	-	-	13,794	-	13,794
2007	4,779	-	-	-	4,779	-	4,779
2006	4,673	-	-	-	4,673	-	4,673
2005	2,589	-	-	-	2,589	-	2,589
2004	1,792	-	-	-	1,792	-	1,792
2003	1,687	-	-	-	1,687	-	1,687
	<u>\$ 47,609,305</u>	<u>\$ 95,675</u>	<u>\$ 119,039</u>	<u>\$ 44,195</u>	<u>\$ 47,541,746</u>	<u>46,755,057</u>	<u>\$ 786,689</u>

Interest and liens	160,440
Suspense collections	7,409
Total collections	<u>46,922,906</u>

Property taxes receivable considered available:	
June 30, 2018	(135,972)
June 30, 2019	<u>129,833</u>

Total property tax revenue \$ 46,916,767

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Nonmajor Governmental Funds

Nonmajor Governmental Funds

Special Revenue Funds

Fund	Funding Source	Function
Adult Education	State Grant	Adult education programs
School Cafeteria	Sale of food and grants	School lunch and breakfast program
Education Grant	Federal and state grants	Special education programs
Activities Revolving	Receipt of fees	Park and recreation programs
Shellfish Commission	Fees and donations	Improvements to the shellfish beds
Miscellaneous	Grants	Various town projects and programs
Federally Seized Assets	Federal program	Account for monies received from sale of assets acquired during drug related arrests
DCF	Grant	Youth services programs
Historical Preservation	Grant	Town Clerk's preservation program
Grimm Scholarship	Contribution and investment income	College scholarships
Social Services	Donations	Social services assistance programs
Youth Recreation Center	Contribution and investment income	Youth Recreation Center construction
Charlotte B. Dowd Scholarship	Contribution and investment income	College scholarships
Parks and Recreation Donations	Donations	Park and Recreation programs
Edward Hidek Scholarship	Contribution and investment income	College scholarships
Community Development Grant	Grants	Community improvement program
Animal Shelter	Fees	Repairs and improvements to the animal shelter.
Firing Range	Fees	Repairs and improvements to the firing range.
Bequeathment Fund	Donation	Scholarship and purchase supplies for students pursuing culinary careers

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Town of Clinton, Connecticut

**Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2019**

	Special Revenue Funds			
	Adult Education	School Cafeteria	Education Grant	Activities Revolving
Assets				
Cash and cash equivalents	\$ -	\$ 83,444	\$ 372,010	\$ 216,074
Receivables:				
Intergovernmental receivables	-	42,489	-	-
Accounts receivable	-	-	-	995
Loans receivable	-	-	-	-
Due from other funds	95,751	-	-	-
Inventories	-	12,873	-	-
Total assets	\$ 95,751	\$ 138,806	\$ 372,010	\$ 217,069
Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)				
Liabilities:				
Accounts and other payables	\$ -	\$ -	\$ 471	\$ 9,294
Due to other funds	-	33,897	336,265	-
Unearned revenue	-	-	11,410	12,031
Total liabilities	-	33,897	348,146	21,325
Deferred inflows of resources:				
Unavailable revenue - loans receivable	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund balances (deficits):				
Nonspendable	-	12,873	-	-
Restricted	95,751	92,036	23,864	-
Committed	-	-	-	195,744
Unassigned	-	-	-	-
Total fund balances	95,751	104,909	23,864	195,744
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$ 95,751	\$ 138,806	\$ 372,010	\$ 217,069

Schedule 2

Special Revenue Funds								
Shellfish Commission	Miscellaneous	Federally Seized Assets	DCF	Historical Preservation	Grimm Scholarship	Social Services	Youth Recreation Center	
\$ 32,907	\$ 485,860	\$ 13,167	\$ 111,833	\$ 12,356	\$ 21,837	\$ 2,503	\$ 12,517	
-	38,876	-	4,187	197	-	-	-	
-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	
<u>\$ 32,907</u>	<u>\$ 524,736</u>	<u>\$ 13,167</u>	<u>\$ 116,020</u>	<u>\$ 12,553</u>	<u>\$ 21,837</u>	<u>\$ 2,503</u>	<u>\$ 12,517</u>	
\$ -	\$ 21,952	\$ -	\$ 14,840	\$ -	\$ -	\$ -	\$ -	
-	-	-	-	-	-	-	-	
-	229,996	-	40,717	-	-	-	-	
-	251,948	-	55,557	-	-	-	-	
-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	
32,907	272,788	13,167	60,463	12,553	21,837	-	-	
-	-	-	-	-	-	2,503	12,517	
-	-	-	-	-	-	-	-	
<u>32,907</u>	<u>272,788</u>	<u>13,167</u>	<u>60,463</u>	<u>12,553</u>	<u>21,837</u>	<u>2,503</u>	<u>12,517</u>	
<u>\$ 32,907</u>	<u>\$ 524,736</u>	<u>\$ 13,167</u>	<u>\$ 116,020</u>	<u>\$ 12,553</u>	<u>\$ 21,837</u>	<u>\$ 2,503</u>	<u>\$ 12,517</u>	

(Continued)

Town of Clinton, Connecticut

**Combining Balance Sheet
Nonmajor Governmental Funds (Continued)
June 30, 2019**

	Special Revenue Funds		
	Charlotte B. Dowd Scholarship	Parks and Recreation Donations	Edward Hidek Scholarship
Assets			
Cash and cash equivalents	\$ 327,824	\$ 26,744	\$ 1,010
Receivables:			
Intergovernmental receivables	-	-	-
Accounts receivable	-	-	-
Loans receivable	-	-	-
Due from other funds	-	-	-
Inventories	-	-	-
Total assets	\$ 327,824	\$ 26,744	\$ 1,010
Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)			
Liabilities:			
Accounts and other payables	\$ -	\$ -	\$ -
Due to other funds	-	-	-
Unearned revenue	-	-	-
Total liabilities	-	-	-
Deferred inflows of resources:			
Unavailable revenue - loans receivable	-	-	-
Total deferred inflows of resources	-	-	-
Fund balances (deficits):			
Nonspendable	-	-	-
Restricted	327,824	26,744	1,010
Committed	-	-	-
Unassigned	-	-	-
Total fund balances	327,824	26,744	1,010
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$ 327,824	\$ 26,744	\$ 1,010

Schedule 2

Special Revenue Funds					
Community Development Grant	Animal Shelter	Firing Range	Bequeathment Fund	Interfund Elimination	Total Nonmajor Funds
\$ 21,868	\$ 10,949	\$ 15,000	\$ 112,706	\$ -	\$ 1,880,609
-	-	-	-	-	85,749
-	-	-	-	-	995
260,163	-	-	-	-	260,163
-	-	-	-	(31,767)	63,984
-	-	-	-	-	12,873
<u>\$ 282,031</u>	<u>\$ 10,949</u>	<u>\$ 15,000</u>	<u>\$ 112,706</u>	<u>\$ (31,767)</u>	<u>\$ 2,304,373</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 46,557
-	-	-	-	(31,767)	338,395
-	-	-	-	-	294,154
-	-	-	-	(31,767)	679,106
282,031	-	-	-	-	282,031
282,031	-	-	-	-	282,031
-	-	-	-	-	12,873
-	10,949	15,000	112,706	-	1,119,599
-	-	-	-	-	210,764
-	-	-	-	-	-
-	10,949	15,000	112,706	-	1,343,236
<u>\$ 282,031</u>	<u>\$ 10,949</u>	<u>\$ 15,000</u>	<u>\$ 112,706</u>	<u>\$ (31,767)</u>	<u>\$ 2,304,373</u>

Town of Clinton, Connecticut

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2019**

	Special Revenue Funds			
	Adult Education	School Cafeteria	Education Grant	Activities Revolving
Revenues:				
Intergovernmental revenues	\$ 32,902	\$ 322,890	\$ 853,111	\$ -
Charges for services	-	260,395	-	169,489
Investment income	-	-	-	-
Other	91,999	8,241	-	-
Total revenues	124,901	591,526	853,111	169,489
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Planning and development	-	-	-	-
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	142,550
Education	124,901	550,091	835,431	-
Capital outlay	-	-	-	-
Total expenditures	124,901	550,091	835,431	142,550
Excess (deficiency) of revenues over expenditures	-	41,435	17,680	26,939
Other financing sources:				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources	-	-	-	-
Net change in fund balances	-	41,435	17,680	26,939
Fund balances (deficits), beginning of year	95,751	63,474	6,184	168,805
Fund balances, end of year	\$ 95,751	\$ 104,909	\$ 23,864	\$ 195,744

Schedule 3

Special Revenue Funds								
Shellfish Commission	Miscellaneous	Federally Seized Assets	DCF	Historical Preservation	Grimm Scholarship	Social Services	Youth Recreation Center	
\$ -	\$ 281,869	\$ 504	\$ 193,075	\$ 3,316	\$ -	\$ -	\$ -	
1,010	2,119	-	-	3,618	-	7,886	-	
-	-	-	-	-	33	-	76	
-	-	-	11,780	-	-	-	-	
1,010	283,988	504	204,855	6,934	33	7,886	76	
-	53,032	-	-	1,918	-	-	-	
-	6,338	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	
-	-	-	197,752	-	-	10,665	-	
-	-	-	-	-	-	-	500	
-	-	-	-	-	-	-	-	
-	266,980	-	-	-	-	-	-	
-	326,350	-	197,752	1,918	-	10,665	500	
1,010	(42,362)	504	7,103	5,016	33	(2,779)	(424)	
-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	
1,010	(42,362)	504	7,103	5,016	33	(2,779)	(424)	
31,897	315,150	12,663	53,360	7,537	21,804	5,282	12,941	
\$ 32,907	\$ 272,788	\$ 13,167	\$ 60,463	\$ 12,553	\$ 21,837	\$ 2,503	\$ 12,517	

(Continued)

Town of Clinton, Connecticut

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2019

	Special Revenue Funds		
	Charlotte B. Dowd Scholarship	Parks and Recreation Donations	Edward Hidek Scholarship
Revenues:			
Intergovernmental revenues	\$ -	\$ -	\$ -
Charges for services	-	-	-
Investment income	30,045	-	-
Other	-	7,412	-
Total revenues	30,045	7,412	-
Expenditures:			
Current:			
General government	-	-	-
Public safety	-	-	-
Health and welfare	-	-	-
Culture and recreation	-	11,306	-
Education	9,696	-	300
Capital outlay	-	-	-
Total expenditures	9,696	11,306	300
Excess (deficiency) of revenues over expenditures	20,349	(3,894)	(300)
Net change in fund balances	20,349	(3,894)	(300)
Fund balances (deficits), beginning of year	307,475	30,638	1,310
Fund balances, end of year	<u>\$ 327,824</u>	<u>\$ 26,744</u>	<u>\$ 1,010</u>

Schedule 3

Special Revenue Funds					
Community Development Grant	Animal Shelter	Firing Range	Bequeathment Fund	Total Nonmajor Funds	
\$ -	\$ -	\$ -	\$ -	\$ 1,687,667	
-	-	-	-	444,517	
-	-	-	856	31,010	
-	2,000	6,000	-	127,432	
-	2,000	6,000	856	2,290,626	
-	-	-	-	54,950	
-	1,050	-	-	7,388	
-	-	-	-	208,417	
-	-	-	-	154,356	
-	-	-	10,000	1,530,419	
-	-	-	-	266,980	
-	1,050	-	10,000	2,222,510	
-	950	6,000	(9,144)	68,116	
-	950	6,000	(9,144)	68,116	
-	9,999	9,000	121,850	1,275,120	
\$ -	\$ 10,949	\$ 15,000	\$ 112,706	\$ 1,343,236	

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Agency Funds

Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2019

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
Student Activities Fund				
Assets:				
Cash and cash equivalents	\$ 391,041	\$ 1,060,696	\$ 951,597	\$ 500,140
Liabilities:				
Due to other funds	\$ 15,243	\$ 12,108	\$ -	\$ 27,351
Due to student groups	375,798	1,048,588	951,597	472,789
	<u>\$ 391,041</u>	<u>\$ 1,060,696</u>	<u>\$ 951,597</u>	<u>\$ 500,140</u>
Performance Bond Fund				
Assets:				
Cash and cash equivalents	\$ 476,590	\$ 40,332	\$ 24,532	\$ 492,390
Total assets	<u>\$ 476,590</u>	<u>\$ 40,332</u>	<u>\$ 24,532</u>	<u>\$ 492,390</u>
Liabilities:				
Performance bond deposits	\$ 476,590	\$ 40,332	\$ 24,532	\$ 492,390
Total Agency Funds				
Assets:				
Cash and cash equivalents	\$ 867,631	\$ 1,101,028	\$ 976,129	\$ 992,530
Total assets	<u>\$ 867,631</u>	<u>\$ 1,101,028</u>	<u>\$ 976,129</u>	<u>\$ 992,530</u>
Liabilities:				
Due to student groups	\$ 375,798	\$ 1,048,588	\$ 951,597	\$ 472,789
Accounts Payable	15,243	12,108	-	27,351
Performance bond deposits	410,372	40,332	24,532	426,172
	<u>\$ 801,413</u>	<u>\$ 1,101,028</u>	<u>\$ 976,129</u>	<u>\$ 926,312</u>

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Supplemental Schedules

Capital Projects

Schedule of Expenditures and Encumbrances Compared with Appropriations

Capital Projects

For the Year Ended June 30, 2019

	Uncommitted Balance June 30, 2018	Appropriations				Balance June 30, 2019	Expenditures Current Year	Uncommitted Balance June 30, 2019
		Current Year						
		New	Transfers	Closed				
Capital Improvements:								
WSAM Paint/Furniture	\$ 8,900	\$ -	\$ -	\$ -	\$ 8,900	\$ 4,551	\$ 4,349	
Document Management System FY17	18,487	-	-	-	18,487	11,204	7,283	
GIS Implementation FY17	34,884	-	-	-	34,884	3,239	31,645	
Document Management System FY18	27,082	-	-	-	27,082	-	27,082	
GIS Implementation FY18	5,500	-	-	-	5,500	-	5,500	
WSAM Electric FY9	-	20,000	-	-	20,000	2,840	17,160	
Doc Mgt Land Use FY19	-	25,000	-	-	25,000	500	24,500	
20 \$1.2 Revaluation	-	240,000	-	-	240,000	-	240,000	
EDC Website Devel FY 15	(11,928)	-	-	11,928	-	-	-	
Printer/Copiers/Fax FY17	7,083	-	-	(7,083)	-	-	-	
PD-CO-AX Camera FY17	(3,300)	-	-	3,300	-	-	-	
Computer Replacement FY18	4,561	-	-	(4,561)	-	-	-	
Laptop Replacement FY18	199	-	-	(199)	-	-	-	
Police Car Tech FY18	900	-	-	(900)	-	-	-	
PD/CAD RMS System FY18	25	-	-	(25)	-	-	-	
Dispatch Monitor RC FY18	608	-	-	(608)	-	-	-	
Computer Replace FY19	-	12,000	-	-	12,000	10,972	1,028	
Police Car Tech FY19	-	16,245	-	-	16,245	16,245	-	
Townwide Security FY19	-	16,280	-	-	16,280	14,987	1,293	
PD CAD/RMS Replace FY19	-	53,975	-	-	53,975	53,975	-	
Park Rec Software FY19	-	20,000	-	-	20,000	-	20,000	
Amendment 7B	5,434	-	-	-	5,434	5,374	60	
13 Amendment 7A	1,312	-	-	-	1,312	-	1,312	
CDM Testing Adm 8 FY 12	23	-	-	(23)	-	-	-	
FY19 Amendment 7C	-	80,000	-	-	80,000	-	80,000	
Vehicle FY17	-	-	-	-	-	-	-	
New Cruiser Equipment FY17	-	-	-	-	-	-	-	
Police Marine Boat FY18	-	-	-	-	-	-	-	
PD Vehicle Lease FY18	40,799	-	-	-	40,799	19,564	21,235	
Police Vehicle #2 FY19	-	155,046	-	-	155,046	122,874	32,172	
Radar Replacement	-	10,500	-	-	10,500	6,175	4,325	
Repl Supply Hose FY 15	158	-	-	(158)	-	-	-	
Fire Truck FY17	1	-	-	(1)	-	-	-	
Hazmat Trailer FY 16	203	-	-	(203)	-	-	-	
Water Supply Upgrade Study FY16	2	-	-	(2)	-	-	-	
IP Telephone System FY16	690	-	424	(1,115)	(1)	-	(1)	

Schedule of Expenditures and Encumbrances Compared with Appropriations (Continued)

Capital Projects

For the Year Ended June 30, 2019

	Uncommitted Balance June 30, 2018	Appropriations				Balance June 30, 2018	Expenditures Current Year	Uncommitted Balance June 30, 2019
		Current Year						
		New	Transfers	Closed				
Personal Protection Gear FY17	\$ 2,698	\$ -	\$ -	\$ -	\$ 2,698	\$ 2,696	\$ 2	
Water Supply Implem FY17	2,516	-	-	-	2,516	595	1,921	
Replacement Hose FY17	1,179	-	-	-	1,179	1,153	26	
Thermal Imaging Camera	11	-	-	(11)	-	-	-	
Personal Protection Gear FY18	4,508	-	-	-	4,508	2,631	1,877	
Water Supply Upgrade Study FY18	70,000	-	-	-	70,000	-	70,000	
Zodiac Boat 922 FY18	17,000	-	-	-	17,000	-	17,000	
Pers Protect Gear FY19	-	26,000	-	-	26,000	-	26,000	
Water Supply Upgrade Study FY19	-	80,000	-	-	80,000	-	80,000	
Brush Truck Skid FY19	-	15,000	-	-	15,000	14,995	5	
Chief Vehicle Upfit FY19	-	60,000	-	-	60,000	59,708	292	
Rescue Tool Upgrade FY19	-	20,000	-	-	20,000	20,000	-	
DPW-Engineering Bridge Fees	45,193	1,497	-	-	46,690	26,586	20,104	
Paint Exterior FY17	705	-	-	(705)	-	-	-	
DPW Utility Veh FY17	1,447	-	-	(1,447)	-	-	-	
DPW Rocky Ledge Water Main Project FY16	2,535	-	-	(2,535)	-	-	-	
DPW Morgan Sidewalk Survey FY16	2,245	-	-	(2,245)	-	-	-	
DPW-Engineering Bridge Study	3,460	-	-	(3,460)	-	-	-	
DPW Town Infrastructure FY17	469	-	-	(469)	-	(1,000)	1,000	
DPW Replace Plows	3,096	-	-	(3,096)	-	-	-	
DPW Diesel Farm Eng FY17	25,507	3	-	-	25,510	25,510	-	
2018 Flash Flood Recovery	-	750,000	-	-	750,000	593,615	156,385	
DPW Paint Machine FY18	1,675	-	-	-	1,675	-	1,675	
DPW Town Infrastructure FY18	5,528	-	-	(135)	5,393	5,393	-	
DPW Cream Pot Bridge	4,976	-	-	-	4,976	2,500	2,476	
DPW Leased Truck	209,704	201,258	-	-	410,962	209,660	201,302	
20 \$1.2 Paving	-	160,000	-	-	160,000	-	160,000	
20 \$1.2 Crack Sealing	-	32,000	-	-	32,000	-	32,000	
20 \$1.2 Drainage Repair	-	12,500	-	-	12,500	-	12,500	
20 \$1.2 Sidewalks	-	40,475	-	-	40,475	-	40,475	
20 \$1.2 Walnut / Marine	-	12,000	-	-	12,000	-	12,000	
20 \$1.2 Marine Ave Drain	-	18,025	-	-	18,025	-	18,025	
20 \$1.2 Heavy Duty Dump Truck	-	200,000	-	-	200,000	-	200,000	
Heavy Equipment Trailer FY19	-	25,000	-	-	25,000	20,902	4,098	
Mower Grounds FY19	-	17,500	-	-	17,500	13,381	4,119	
Town Infrastructure FY19	-	334,922	-	-	334,922	306,678	28,244	

Schedule of Expenditures and Encumbrances Compared with Appropriations (Continued)

Capital Projects

For the Year Ended June 30, 2019

	Uncommitted	Appropriations					Uncommitted
	Balance	Current Year			Balance	Expenditures	Balance
	June 30, 2018	New	Transfers	Closed	June 30, 2018	Current Year	June 30, 2019
Field Refurbish Plan15/16	\$ 603	\$ -	\$ -	\$ -	\$ 603	\$ -	\$ 603
Replace Fencing FY 17	1,600	2,250	-	-	3,850	2,251	1,599
Track Reseal FY18	35,000	-	-	(35,000)	-	-	-
Track Reseal FY19	-	70,000	-	-	70,000	-	70,000
BOE Pierson Slate FY17	16,720	-	-	-	16,720	7,200	9,520
BOE LCD Mounting/Replace FY7	262	-	-	-	262	261	1
BOE Whiteboard Replacement	31	-	-	(31)	-	-	-
BOE HVAC Cleaning Replacement FY16	6,091	-	(1,113)	(4,978)	-	-	-
BOE Levered Hardware FY16	260	-	-	(260)	-	-	-
BOE Door Replacements FY16	316	-	-	(316)	-	-	-
BOE Steam Trap Replacements FY16	1,512	-	-	(1,512)	-	-	-
BOE Floor Covering FY17	1,997	-	-	-	1,997	1,997	-
BOE Furniture Replacement FY17	18,220	-	-	-	18,220	16,006	2,214
BOE Seal/Paint Exterior Walls FY17	22,500	-	-	-	22,500	14,350	8,150
BOE Repair/Seal/Stripe FY17	7,500	-	-	-	7,500	5,500	2,000
BOE HVAC Cleaning Replacement FY17	224	-	-	-	224	224	-
BOE Electric Upgrades FY17	6,933	-	-	-	6,933	6,933	-
BOE Musical Instr FY18	8,000	-	-	-	8,000	7,776	224
BOE Computer Upgrade FY18	723	-	-	-	723	723	-
BOE LCD Projector FY18	7,473	-	-	-	7,473	7,473	-
BOE Security Upgrade FY18	4,400	-	-	-	4,400	2,829	1,571
BOE Floor Cover FY18	13,500	-	-	-	13,500	13,305	195
BOE Equip Replace FY18	2,295	-	-	-	2,295	2,295	-
BOE Maint Equipment FY18	12,329	-	-	-	12,329	12,329	-
BOE Electric Upgrade FY18	20,000	-	-	-	20,000	20,000	-
BOE Lav Upgrades FY18	12,131	-	-	-	12,131	12,131	-
19 Computer Tech Upgrade	-	64,000	-	-	64,000	63,990	10
19 LCD Prgt Mounting	-	40,000	-	-	40,000	40,000	-
19 Floor Covering	-	40,000	-	-	40,000	39,897	103
19 Equipment	-	35,000	-	-	35,000	25,130	9,870
19 Maint Equip Replacement	-	8,000	-	-	8,000	3,920	4,080
19 HVAC Replacement	-	25,000	-	-	25,000	10,440	14,560
19 Steam Heat Trap Replacement	-	8,000	-	-	8,000	-	8,000
19 Elec Power Upgrade	-	15,000	-	-	15,000	7,611	7,389
19 Lav/Sink Upgrades	-	15,000	-	-	15,000	12,265	2,735
20 \$1.2 Eliot Water Pipe	-	556,200	-	-	556,200	-	556,200
	746,695	3,533,676	(689)	(55,850)	4,223,832	1,914,339	2,309,493

Schedule of Expenditures and Encumbrances Compared with Appropriations (Continued)

Capital Projects

For the Year Ended June 30, 2019

	Uncommitted Balance June 30, 2018	Appropriations			Balance June 30, 2018	Expenditures Current Year	Uncommitted Balance June 30, 2019
		New	Current Year Transfers	Closed			
<u>2015-2016 Capital Bonding Projects:</u>							
Debt-Related Expend/Expense	\$ (221,451)	\$ 189,802	\$ -	\$ 221,451	\$ 189,802	\$ 189,802	\$ -
Bulkhead Supplemental	194,778	4,990	-	-	199,768	199,768	-
Road Projects 2015	13,656	-	-	-	13,656	-	13,656
Streetscape Phase III	10,105	-	-	(10,105)	-	-	-
Breathing Apparatus-FD	52,768	-	-	-	52,768	680	52,088
	49,857	194,792	-	211,346	455,995	390,250	65,745
<u>2010-2011 Bonding Projects:</u>							
Infrastructure - Buildings	325	-	-	(325)	-	-	-
Bulkheads & Uplands	161,541	-	-	(26,494)	135,047	135,047	-
Eliot Wind, Septic, Parking & Joel A/C	47,065	-	-	-	47,065	-	47,065
	208,931	-	-	(26,819)	182,112	135,047	47,065
New Morgan High School	(1,021,026)	68,328	-	1,021,026	68,328	(35,680)	104,008
<u>2017 Capital Bonding Projects:</u>							
Pleasant Valley Road	\$ 1,573,187	\$ -	\$ -	\$ -	\$ 1,573,187	\$ 11,341	\$ 1,561,846
Engineering Carter Hill	301,923	-	-	-	301,923	123,243	178,680
Engineering Kelseytown Road	353,248	-	-	-	353,248	224,140	129,108
Small Bridge Repairs	1,172,165	-	(348,584)	2,393	825,974	129,776	696,198
Morgan Sidewalks	701,647	-	348,584	(15,450)	1,034,781	972,849	61,932
DPW Fuel Farm	352,153	-	5,000	-	357,153	326,232	30,921
Dredging Town Dock	107,219	-	-	(3,039)	104,180	1,149	103,031
Ramp Town Dock	221,789	-	-	-	221,789	-	221,789
Tank Removal	197,357	-	-	(178)	197,179	160,712	36,467
Joel School Roof Phase I	461,829	-	-	2,356	464,185	293,319	170,866
Eilot Roof Phase IV	557,177	-	-	1,995	559,172	353,767	205,405
	5,999,693	-	5,000	(11,923)	5,992,770	2,596,528	3,396,242
Total Capital Outlay	\$ 5,984,149	\$ 3,796,796	\$ 4,311	\$ 1,137,780	\$ 10,923,036	\$ 5,000,484	\$ 5,922,552

Schedule of Debt Limitation
June 30, 2019

Tax collections for the year ended June 30, 2019 (including interest and lien fees)	\$ 46,961,358
Property tax relief elderly - Freeze	2,000
Base	\$ 46,963,358

	General Purpose	Schools	Sewers	Urban Renewal	Pension Deficit
Debt limitation:					
2-1/4 times base	\$ 105,667,556	\$ -	\$ -	\$ -	\$ -
4-1/2 times base	-	211,335,111	-	-	-
3-3/4 times base	-	-	176,112,593	-	-
3-1/4 times base	-	-	-	152,630,914	-
3 times base	-	-	-	-	140,890,074
Total debt limitation	105,667,556	211,335,111	176,112,593	152,630,914	140,890,074
Indebtedness:					
Bonds authorized-unissued	12,701,079	5,308,143	-	-	-
Bonds and notes payable	16,349,000	36,576,000	-	-	-
Bond anticipation notes	2,288,000	2,712,000	-	-	-
School building grants	-	(2,990,689)	-	-	-
Total indebtedness	31,338,079	41,605,454	-	-	-
Total	\$ 74,329,477	\$ 169,729,657	\$ 176,112,593	\$ 152,630,914	\$ 140,890,074

Note: In no case shall total indebtedness exceed \$328,743,506 or seven times annual receipts from taxation. It is estimated that the Town will receive State of Connecticut School Construction grant progress payments in the amount of \$27,686,467 for the new high school. To date, the Town has received \$24,695,778.

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Statistical Section

Statistical Section

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

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

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

Town of Clinton, Connecticut

Table 1

**Net Position by Component
Last Ten Fiscal Years - Unaudited
(In Thousands)**

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Governmental activities:										
Net Investment in capital assets	\$ 65,560	\$ 65,221	\$ 65,925	\$ 61,628	\$ 28,461	\$ 20,416	\$ 35,994	\$ 37,625	\$ 35,918	\$ 40,366
Unrestricted (deficit)	(17,472)	(18,698)	(15,947)	(11,290)	9,711	18,867	3,965	4,857	7,953	3,859
Total governmental activities net position	\$ 48,088	\$ 46,523	\$ 49,978	\$ 50,338	\$ 38,172	\$ 39,283	\$ 39,959	\$ 42,482	\$ 43,871	\$ 44,225

Notes:

(1) Schedule prepared on the accrual basis of accounting.

Town of Clinton, Connecticut

Table 2

**Changes in Net Position
Last Ten Fiscal Years - Unaudited
(In Thousands)**

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Expenses:										
Governmental activities:										
General government	\$ 7,610	\$ 7,295	\$ 7,176	\$ 6,554	\$ 6,019	\$ 6,392	\$ 6,231	\$ 6,059	\$ 5,880	\$ 5,990
Public Safety	5,419	5,204	6,109	5,268	4,537	4,857	4,777	4,879	3,625	3,968
Public Works	3,545	3,435	3,814	3,919	3,325	2,925	5,471	3,479	2,506	2,675
Planning and development	875	787	812	363	351	361	276	252	238	294
Health and Welfare	695	561	738	675	960	821	858	1,698	1,031	725
Culture and recreation	491	521	679	1,416	1,530	1,497	1,490	1,341	1,519	1,500
Education	37,869	41,874	39,980	39,397	37,134	36,855	35,613	35,242	35,113	32,991
Interest and fiscal charges	1,915	1,636	1,748	747	857	1,174	694	653	789	743
Total governmental activities expenses	58,419	61,314	61,055	58,339	54,713	54,882	55,410	53,603	50,701	48,886
Program revenues:										
Governmental activities:										
Charges for services:										
General government	758	732	627	508	359	368	449	370	337	400
Public Safety	197	164	133	179	134	165	150	136	138	125
Public Works	77	84	76	63	74	94	85	89	88	80
Planning and development	15	14	15	85	78	96	37	11	14	12
Health and welfare	10	16	12	13	16	11	23	21	30	-
Culture and recreation	190	180	253	216	240	213	215	239	205	187
Education	260	271	337	269	430	434	351	433	468	416
	1,507	1,461	1,453	1,333	1,331	1,381	1,310	1,299	1,280	1,220
Operating grants and contributions	10,295	14,897	15,080	12,433	12,459	13,371	12,504	12,625	10,913	10,957
Capital grants and contributions	333	326	1,793	15,434	9,160	370	496	281	377	110
Total governmental activities program revenues	12,135	16,684	18,326	29,200	22,950	15,122	14,310	14,205	12,570	12,287
Total primary government net expense	(46,284)	(44,630)	(42,729)	(29,139)	(31,763)	(39,760)	(41,100)	(39,398)	(38,131)	(36,599)
General revenues and other changes in net position:										
Governmental activities:										
Property taxes	47,055	45,883	41,449	40,152	39,393	38,363	37,704	37,363	37,160	36,279
Grants and contributions not restricted to specific programs	518	310	368	380	548	513	713	443	468	656
Unrestricted investment earnings	121	43	22	38	41	30	39	66	92	96
Miscellaneous	155	290	530	736	388	178	121	138	57	27
Transfers	-	-	-	-	-	-	-	-	-	-
Total governmental activities	47,849	46,526	42,369	41,306	40,370	39,084	38,577	38,010	37,777	37,058
Changes in net position:										
Governmental activities	1,565	1,896	(360)	12,167	8,607	(676)	(2,523)	(1,388)	(354)	459
Total primary government	\$ 1,565	\$ 1,896	\$ (360)	\$ 12,167	\$ 8,607	\$ (676)	\$ (2,523)	\$ (1,388)	\$ (354)	\$ 459

Notes:

(1) Schedule prepared on the accrual basis of accounting.

Town of Clinton, Connecticut

Table 3

Fund Balances - Governmental Funds
Last Ten Fiscal Years - Unaudited
(In Thousands)

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General fund:										
Nonspendable	\$ 135	\$ 134	\$ 108	\$ 7	\$ -	\$ -	\$ -	\$ 48	\$ 70	\$ -
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	350	-	350	350	418	350	350	350	350	-
Assigned	321	-	-	239	245	364	472	875	845	-
Unassigned	9,157	11,964	6,766	6,184	6,512	7,012	7,169	7,175	7,350	-
Reserved	-	-	-	-	-	-	-	-	-	505
Unreserved	-	-	-	-	-	-	-	-	-	6,429
Total general fund	\$ 9,963	\$ 12,098	\$ 7,224	\$ 6,780	\$ 7,175	\$ 7,726	\$ 7,991	\$ 8,448	\$ 8,615	\$ 6,934
All other governmental funds:										
Nonspendable	\$ 13	\$ 11	\$ 14	\$ 12	\$ 18	\$ 22	\$ 15	\$ 15	\$ 16	\$ -
Restricted	1,119	-	789	625	510	1,285	538	464	472	-
Committed	211	-	189	149	251	251	189	1,655	3,425	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	(5,396)	(2,115)	(5,058)	(14,542)	(6,553)	(8)	(2,846)	(4,862)	-	-
Reserved	-	-	-	-	-	-	-	-	-	17
Unreserved, reported in:										
Special Revenue Funds	-	-	-	-	-	-	-	-	-	1,412
Capital Projects Funds	-	-	-	-	-	-	-	-	-	(92)
Total all other governmental funds	\$ (4,053)	\$ (2,104)	\$ (4,066)	\$ (13,756)	\$ (5,774)	\$ 1,550	\$ (2,104)	\$ (2,728)	\$ 3,913	\$ 1,337

Note: (1) Schedule prepared on the modified accrual basis of accounting.

(2) GASB 54 was implemented in Fiscal Year 2011.

Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years - Unaudited
(In Thousands)

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Revenues:										
Property taxes	\$ 46,961	\$ 45,804	\$ 41,500	\$ 40,510	\$ 39,563	\$ 38,123	\$ 37,634	\$ 37,169	\$ 37,135	\$ 36,325
System benefit charge	-	-	-	-	-	-	-	-	-	-
Intergovernmental	11,134	15,470	18,277	25,787	22,089	13,706	13,556	13,307	11,706	11,566
Assessments and connections	1,507	1,450	1,476	1,426	1,359	1,539	1,431	1,314	1,307	1,360
Licenses and permits	-	-	-	-	-	-	-	-	-	-
Fines, penalties and charges for services	-	-	-	-	-	-	-	-	-	-
Income on investments	121	43	22	38	41	30	39	66	92	99
Miscellaneous	154	298	545	785	153	245	163	171	107	77
Total revenues	59,877	63,065	61,820	68,546	63,205	53,643	52,823	52,027	50,347	49,427
Expenditures:										
Current:										
General government	7,103	6,872	6,821	6,341	6,131	5,880	5,940	5,734	5,739	5,409
Public Safety	4,375	4,229	4,400	4,362	4,208	4,178	3,998	4,107	3,619	3,642
Public Works	1,860	1,850	1,816	1,647	2,211	1,829	2,745	2,814	1,530	1,497
Planning and development	875	787	812	363	351	362	276	252	238	294
Health and welfare	673	580	699	657	729	826	1,150	663	675	681
Culture and recreation	392	401	533	1,302	1,311	1,311	1,232	1,097	1,290	1,276
Education	35,953	39,913	39,515	36,629	35,598	35,419	34,378	33,854	33,719	31,772
Debt service:										
Principal	4,600	2,416	1,780	1,480	1,315	1,285	1,240	1,250	1,185	1,185
Interest	-	1,586	1,750	1,547	1,131	873	698	775	635	627
Capital outlay	5,077	3,949	9,334	38,326	23,451	5,522	7,088	8,393	2,628	3,868
Total expenditures	60,908	62,583	67,460	92,654	76,436	57,485	58,745	58,939	51,258	50,251
Excess (deficiency) of revenues over expenditures	(1,031)	482	(5,640)	(24,108)	(13,231)	(3,842)	(5,922)	(6,912)	(911)	(824)
Other financing sources (uses):										
Issuance of refunding bonds	12,015	-	-	3,600	-	-	-	-	-	-
Payment to escrow	(13,457)	-	-	(3,811)	-	-	-	-	-	-
Premium on refunding bonds	1,442	-	-	303	-	-	-	-	-	-
Lease proceeds	311	123	355	632	-	-	-	-	-	-
Bond issue	-	2,800	14,000	14,300	5,000	6,995	5,709	(119)	4,748	-
Premium on bonds and notes issued	55	13	281	708	356	236	380	223	421	-
Transfers in	3,219	1,605	2,918	1,927	2,339	1,915	1,849	2,139	1,283	1,283
Transfers out	(3,219)	(1,605)	(1,781)	(1,927)	(2,339)	(1,915)	(1,849)	(2,139)	(1,283)	(1,283)
Total other financing sources (uses)	366	2,936	15,773	15,732	5,356	7,231	6,089	104	5,169	-
Net change in fund balance	\$ (665)	\$ 3,418	\$ 10,133	\$ (8,376)	\$ (7,875)	\$ 3,389	\$ 167	\$ (6,808)	\$ 4,258	\$ (824)
Debt service as a percentage of noncapital expenditures	8.15%	6.39%	5.97%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Town of Clinton, Connecticut

Table 5

**Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years - Unaudited
(Amounts Expressed in Thousands)**

Fiscal Year	Real Property			Personal Property	Motor Vehicle	Less Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate (Mill Rate)	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential	Commercial	Industrial							
2019	\$ 1,164,938	\$ 173,132	\$ 39,739	\$ 65,589	\$ 99,951	\$ 10,349	\$ 1,533,000	\$ 30.54	\$ 2,190,000	70%
2018	1,165,423	167,237	39,934	65,215	98,160	10,500	1,525,469	29.91	2,179,241	70%
2017	1,158,295	169,273	40,575	67,084	97,869	10,947	1,522,149	27.14	2,174,499	70%
2016	1,182,353	137,317	40,482	64,536	95,916	10,945	1,509,659	26.77	2,156,656	70%
2015	1,179,612	133,439	43,942	62,414	95,216	9,141	1,505,482	26.27	2,150,689	70%
2014	1,175,719	134,251	46,801	59,830	92,309	9,210	1,499,700	25.43	2,142,429	70%
2013	1,167,573	138,567	48,170	75,786	92,342	25,607	1,496,831	25.18	2,138,330	70%
2012	1,163,222	143,666	48,386	69,351	88,269	22,486	1,490,408	24.92	2,129,154	70%
2011	1,309,915	156,276	57,103	71,210	84,524	21,831	1,657,197	22.41	2,367,424	70%
2010	1,304,884	156,072	57,670	73,112	83,353	21,769	1,653,322	21.88	2,361,889	70%

Source: Assessor's Office - Town of Clinton

Notes:

- (1) Revaluations October 1, 2015 and October 1, 2010.
- (2) Public Utilities Recorded in Industrial Classification as Opposed to Commercial Classification.

Town of Clinton, Connecticut

Table 6

**Principal Property Taxpayers
Current Year and Nine Years Ago - Unaudited
(In Thousands)**

	2019			2010		
	Taxable Assessed Value	Rank	Percentage of Net Taxable Assessed Grand List	Taxable Assessed Value	Rank	Percentage of Net Taxable Assessed Grand List
Chelsea GCA Realty Partnership	\$ 49,727	1	3.24%	\$ 42,444	1	2.57%
CT Water Company	19,231	2	1.25%	18,736	3	1.13%
JMH Associates	13,162	3	0.86%	8,955	5	0.54%
Eversource (CT Light and Power)	10,846	4	0.71%	7,700	6	0.47%
NPNC, LLC	8,794	5	0.57%	9,094	4	0.55%
CIM LLC	5,284	6	0.34%	5,265	8	0.32%
Cheeseborough-Ponds Conopco, CTO, Unilever	4,331	7	0.28%	22,814	2	1.38%
MJM Self Storage	3,790	8	0.25%	-	n/a	n/a
MGF, Inc.	3,711	9	0.24%	-	n/a	n/a
114 East Main Street	2,997	10	0.20%	-	n/a	n/a
Hammocks Development	-	n/a	n/a	5,580	7	0.34%
Kent Home Assoc. LLC	-	n/a	n/a	4,568	9	0.28%
Stanley Bostich	-	n/a	n/a	4,159	10	0.25%
	<u>\$ 121,873</u>		<u>7.95%</u>	<u>\$ 129,315</u>		<u>7.83%</u>

Source: Town of Clinton, Office of Tax Assessor

Town of Clinton, Connecticut

Table 7

Property of Tax Levies and Collections
Last Ten Fiscal Years - Unaudited
(In Thousands)

Fiscal Year Ended June 30,	Tax Rate In Mills	Taxes Levied for the Fiscal Year	Tax Levy Adjustment	Adjusted Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
					Amount	Percentage of Levy		Amount	Percentage of Levy
2019	30.54	\$ 1,533,002	\$ (1,486,209)	\$ 46,793	\$ 46,530	99.44%	\$ 225	\$ 46,755	99.92%
2018	29.91	1,525,469	(1,480,013)	45,456	45,144	99.31%	185	45,329	99.72%
2017	27.14	1,522,148	(1,483,807)	38,341	38,097	99.36%	242	38,339	99.99%
2016	26.77	1,509,658	(1,469,434)	40,224	39,951	99.32%	177	40,128	99.76%
2015	26.27	1,505,483	(1,466,120)	39,363	39,070	99.26%	145	39,215	99.62%
2014	25.43	1,499,700	(1,461,547)	38,153	37,810	99.10%	164	37,974	99.53%
2013	25.18	1,496,831	(1,459,257)	37,574	37,297	99.26%	175	37,472	99.73%
2012	24.92	1,490,408	(1,453,323)	37,085	36,792	99.21%	195	36,987	99.74%
2011	22.41	1,657,197	(1,620,194)	37,003	36,806	99.47%	195	37,001	99.99%
2010	21.88	1,653,321	(1,617,197)	36,124	35,878	99.32%	225	36,103	99.94%

Source: Tax Collector's Report; Comprehensive Annual Financial Report

Ratio of Outstanding Debt by Type
Last Ten Fiscal Years - Unaudited
(In Thousands, Except Ratio of Debt to Assessed Value per Capita)

Fiscal Year	General Obligation Bonds	Capital Leases	Total Primary Government	Percentage of Personal Income	Ratio of Debt to Taxable Assessed Value	Debt Per Capita
2019	\$ 52,925	\$ 815	\$ 53,740	10.38%	3.52%	4,121
2018	57,876	726	59,810	11.68%	3.93%	4,575
2017	57,356	794	58,150	11.73%	3.78%	4,333
2016	44,994	592	45,586	9.37%	3.02%	3,462
2015	32,194	-	32,194	6.55%	2.14%	2,453
2014	45,546	-	45,546	9.22%	3.04%	3,454
2013	22,422	-	22,422	4.47%	1.50%	1,691
2012	17,651	-	17,651	3.51%	1.18%	1,331
2011	18,824	-	18,824	3.71%	1.14%	1,420
2010	14,573	-	14,573	2.96%	0.88%	1,099

Notes:

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

N/A - Information not available.

Schedule of Debt Limitation
June 30, 2019 - Unaudited
(In Thousands)

Total tax collections (including interest and lien fees) received
by Treasurer for current fiscal year

\$ 46,961

Reimbursement for revenue loss from:
Property tax relief

2

Base

\$ 46,963

	General Purpose	Schools	Sewer	Urban Renewal	Pension Deficit
Debt Limitation					
2-1/4 times base	\$ 105,668	\$ -	\$ -	\$ -	\$ -
4-1/2 times base	-	211,335	-	-	-
3-3/4 times base	-	-	176,113	-	-
3-1/4 times base	-	-	-	152,631	-
3 times base	-	-	-	-	140,890
Total debt limitation	<u>105,668</u>	<u>211,335</u>	<u>176,113</u>	<u>152,631</u>	<u>140,890</u>
Indebtedness					
Bonds payable	16,349	36,576	-	-	-
Bond anticipation notes	2,288	2,712	-	-	-
School building grants	-	(2,991)	-	-	-
Authorized but unissued	12,701	5,308	-	-	-
Total indebtedness	<u>31,338</u>	<u>41,605</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt limitation in excess of outstanding and authorized debt	<u>\$ 74,329</u>	<u>\$ 169,730</u>	<u>\$ 176,113</u>	<u>\$ 152,631</u>	<u>\$ 140,890</u>

Note 1: In no case shall total indebtedness exceed seven times annual receipts from taxation \$328,743,506, or seven times annual receipts from taxation.

**Legal Debt Margin Information
Last Ten Fiscal Years - Unaudited
(Dollars in Thousands)**

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Debt limit	\$ 328,744	\$ 320,645	\$ 269,400	\$ 281,936	\$ 266,946	\$ 276,762	\$ 263,420	\$ 259,986	\$ 260,308	\$ 254,156
Total net debt applicable to limit	72,944	72,510	58,815	75,673	58,273	61,893	67,951	90,228	18,524	14,739
Legal debt margin	\$ 255,800	\$ 248,135	\$ 210,585	\$ 206,263	\$ 208,673	\$ 214,869	\$ 195,469	\$ 169,758	\$ 241,784	\$ 239,417
Total net debt applicable to the limit as a percentage of debt limit	22.19%	22.61%	21.83%	26.84%	21.83%	22.36%	25.80%	34.70%	7.12%	5.80%

(1) In no case shall total indebtedness exceed seven times annual receipts from taxation.

Source: Comprehensive Annual Financial Report - Statement of Debt Limitation.

Note: See Schedule of Debt Limitation on prior page for calculation of current year debt limitation.

Town of Clinton, Connecticut

Table 11

**Direct and Overlapping Governmental Activities Debt
As of June 30, 2019 (unaudited)**

	Amount Applicable to Primary Government
Town direct debt	\$ 53,740
Total direct and overlapping debt	\$ 53,740

Demographic and Economic Statistics - Unaudited
Last Ten Calendar Years - Unaudited

Calendar Year	Population ¹	Per Capital Income ¹	Total Personal Income ¹	Median Age ¹	School Enrollment ²	Unemployment Rate ¹
2019	13,041	\$ 39,713	\$ 517,897,233	46	1,742	3.5%
2018	13,072	39,178	512,134,816	47	1,764	4.1%
2017	13,167	36,954	486,573,318	47	1,787	4.7%
2016	13,125	37,449	491,518,125	47	1,840	5.1%
2015	13,125	37,449	491,518,125	47	1,900	5.1%
2014	13,188	37,449	493,877,412	47	1,967	5.6%
2013	13,260	37,847	501,851,220	47	1,994	6.6%
2012	13,260	37,941	503,097,660	46	2,019	7.0%
2011	13,260	38,219	506,783,940	47	2,036	6.5%
2010	13,260	37,177	492,967,020	46	2,039	7.5%

¹ **Source:** U.S. Census Bureau and 2012-2016 American Community survey

² **Source:** Clinton Board of Education

Town of Clinton, Connecticut

Table 13

Principal Employers
Current Year and Nine Years Ago - Unaudited

		2019			2010		
				Percentage of Total Town Employment			Percentage of Total Town Employment
	Nature of Business	Employees	Rank		Employees	Rank	
Clinton Crossing	Discount Shopping Mall	1,000	1	10.03%	1,000	1	10.07%
Town of Clinton	Local Government	406	2	4.07%	408	2	4.11%
Stop & Shop	Supermarket	130	3	1.30%	110	6	n/a
Connecticut Water Company	Water Utility	118	4	1.18%	118	5	1.19%
ShopRite	Supermarket	110	5	1.10%	-	n/a	n/a
Bausch Advanced Technologies	Manufacturer Specialized Packaging	83	6	0.83%	-	n/a	n/a
Ocean State Job Lot	Retail	37	7	0.37%	-	n/a	n/a
Cedar Island	Marina	35	8	0.35%	35	8	0.35%
TJMaxx	Clothing	34	9	0.34%	34	9	0.34%
Sound Petroleum Inc.	Oil/Propane	25	10	0.25%	-	n/a	n/a
Clinton Nursery	Nursery Supplier	-	n/a	n/a	90	7	0.91%
Unilever Home and Personal Care	Health/Beauty aids	-	n/a	n/a	300	3	3.02%
Shaw's Supermarket	Supermarket	-	n/a	n/a	125	4	1.26%
Total		1,978		20%	2,220		21%

Source: Community Development Department and Bond Official Statement Telephone Survey

**Full-Time Equivalent Government Employees by Function/Program
Last Ten Fiscal Years - Unaudited**

Function/Program	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General Government	23	25	25	25	24	24	22	21	21	25
Police	34	36	36	36	36	33	33	34	34	35
Other Public Works	15	15	14	14	14	14	14	14	14	14
Recreation and Parks	2	2	2	2	2	2	2	2	2	2
Health and Well Being	4	3	4	4	4	4	4	3	4	5
Education	328	333	349	338	344	348	336	340	330	325
Total	406	414	430	419	424	425	411	414	405	406

Source: Town and Board of Education Human Resources Departments.

Town of Clinton, Connecticut

Table 15

**Operating Indicators by Function/Program
Last Ten Fiscal Years - Unaudited**

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General Government:										
Building Permits Issued	1,079	1,072	909	977	877	1,034	1,037	958	736	643
Building Inspections Conducted	1,400	1,530	1,414	*	*	*	*	*	*	*
Police:										
Physical Arrests	445	491	529	538	724	741	632	732	761	747
Parking Violations	62	88	2	10	50	58	19	21	20	25
Traffic Violations	1,728	1,712	2,163	2,135	3,092	2,351	2,257	2,275	2,886	1,927
Fire:										
Emergency Responses	2,088	2,207	2,130	1,758	1,829	1,616	1,606	1,680	1,683	1,626
Fires Extinguished	73	70	61	54	64	55	68	75	75	74
Other Public Works:										
Street Resurfacing (Miles)	-	-	-	14	*	*	*	*	*	*
Potholes Repaired	200	275	275	110	*	*	*	*	*	*
Recreation and Parks:										
Athletic Field Permits Issued	2,012	2,600	2,600	2,334	2,134	2,257	2,412	2,371	2,296	1,975
Community Center Admissions	282	269	476	302	309	314	296	285	295	312
Number of Program Registrations	3,195	3,756	4,087	3,776	3,542	3,489	3,647	3,142	3,363	3,256
Program Fees	169,489	160,386	226,924	220,959	*	*	*	*	*	*
Number of Senior Citizen participants	1,662	482	324	317	302	324	295	287	299	303
Human Services										
Number of Program Participants	848	1,038	1,005	1,105	352	322	304	167	133	55
Library:										
Volumes in Collection	74,546	74,680	78,358	81,122	84,243	84,800	85,153	86,420	87,887	87,144
Total Volumes Borrowed	138,125	172,246	175,186	215,679	236,277	247,873	264,313	280,001	325,205	309,358
Total Programs	1,160	908	991	858	840	541	322	*	*	*
Total Program Attendance	155,856	142,069	131,551	126,858	125,665	110,805	108,742	*	*	*
Computer Usage (1/2 hr sessions)	128,314	120,659	116,649	112,163	102,060	101,967	97,200	*	*	*

Source: Directors of each Department

* Information not available

Town of Clinton, Connecticut

Table 16

Capital Assets Statistics by Function/Program
Last Ten Fiscal Years - Unaudited

Function/Program	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	11	11	11	11	11	11	11	11	11	10
Fire Stations	2	2	2	2	2	2	2	2	2	2
Other Public Works:										
Streets (Miles)	77.33	77.33	77.33	76.49	76.49	76.49	75.99	75.99	75.99	75.99
Catch Basin Structures	1,728.00	1,728.00	1,728.00	*	*	*	*	*	*	*
Storm Drain (Miles)	30.00	30.00	30.00	*	*	*	*	*	*	*
Streetlights	694.00	685.00	695.00	*	*	*	*	*	*	*
Recreation and Parks:										
Acreage	108.00	108.00	108.00	108.00	108.00	108.00	108.00	108.00	108.00	108.00
Playgrounds	3	3	3	3	3	3	3	3	3	3
Baseball/Softball Diamonds	7	7	7	7	7	7	7	7	7	7
Soccer/Football Fields	12	12	12	12	12	12	12	12	12	12
Community Centers	-	-	-	1	1	1	1	1	1	1
Town Beach	1	1	1	1	1	1	1	1	1	1
Glenwood Rd/Passive Recreation	1	1	1	1	1	1	1	1	1	1
Hesers Pond/Passive Recreation	1	1	1	1	1	1	1	1	1	1

Source: Various Municipal Department Directors

* Information not available

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