

Town of Clinton, Connecticut

Annual Comprehensive Financial Report



For the Year Ended June 30, 2021

**Annual Comprehensive Financial Report
of the
Town of Clinton, Connecticut**



For the Year Ended June 30, 2021

**Prepared By
Department of Finance**

**Sue Cunningham
Finance Director**

Town of Clinton, Connecticut

**Annual Comprehensive Financial Report
For the Year Ended June 30, 2021**

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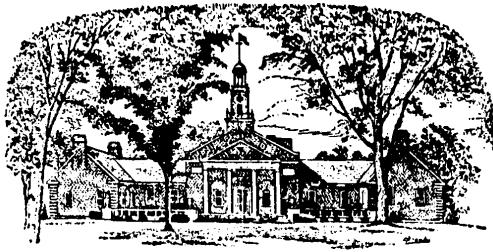
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Introductory Section



TOWN OF CLINTON, CONNECTICUT

December 6, 2021

Residents of the Town of Clinton
Town Manager, Karl Kilduff
Town Treasurer, Mr. Todd Pozefsky
Members of the Town Council

We are pleased to provide the fiscal year 2020-2021 annual comprehensive financial report of the Town of Clinton for the fiscal year ended June 30, 2021. 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 management of the Town. Management of the Town is responsible for establishing and maintaining internal controls designed to ensure that the assets of the Town are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with GAAP. The internal controls are 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 calculation of costs and benefits requires estimates and judgments by management. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner that presents fairly the financial position and results of operations as measured by the financial activity of its various funds. All disclosures necessary to enable the reader to gain an understanding of the Town's financial activities have been included.

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 and fiduciary 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.

PKF O'Connor Davies, LLP, a public accounting firm fully licensed and qualified to perform audits of municipalities within the State of Connecticut, has audited the financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town of Clinton, Connecticut for the fiscal year ended June 30, 2021, are free from material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Town of Clinton's financial statements for the fiscal year ended June 30, 2021, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the Town was part of a broader, federal and state mandated "Single Audit" designed to meet the special needs of grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited Town's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal and state awards. These reports are available in the Town's separately issued Single Audit Report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The Town's MD&A can be found immediately following the independent auditor's report.

Profile of the Town of Clinton

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, and New York. In addition, Bradley International Airport, Connecticut's busiest commercial airport and the second-busiest airport in New England is located 53 miles north of Clinton in Windsor Locks, Connecticut and is serviced by over 12 major airlines. 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, as well as the Nine Town Transit Services providing transportation locally as well as to New London and Middletown.

Clinton is a balanced community of residential, waterfront, commercial, retail development, industrial/manufacturing and rural areas. Employee opportunities in Clinton are multifaceted with Healthcare, Manufacturing, Education and Retail accounting for 50% of the employment opportunities. Clinton is the home of the Clinton Premium Outlets. With over 70 retail spaces and approximately 1,000 full and part time employees, it continues to be one of the major attractions and employers in Town.

The Clinton Public Schools provide a comprehensive education consisting of a balanced, rigorous curriculum and social emotional learning and support to over 1,500 students in grades PK-12. In addition to the newly constructed Morgan School, which opened in 2016, Clinton high school students have access to area vocational, agricultural and magnet school options within Middlesex, New Haven and New London counties.

The Town's location adjacent to Long Island Sound provides residents with a public beach, two public launch ramps, and 6 marinas that provide approximately two hundred mooring and seven hundred boat slips. The Town beach includes a pavilion and recreation facilities. In addition, the Town maintains a Town Marina with a second smaller public beach facility as well as docking for approximately 56 boats.

The majority of Town government offices are housed in the historic William Stanton Andrews Memorial Town Hall. Because of its character and magnificent setting overlooking Long Island Sound and located on Route 1, the historic auditorium in addition to other historic rooms throughout the building are always in high demand for rental by theatrical, musical and cultural groups.

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's municipal government operates under a Town Charter. The voters of the Town of Clinton in November 2019, voted to change its Town Charter and form of government from a Board of Selectmen/First Selectman governing body to a Town Council/Town Manager form of Government. This change became effective November 19, 2019 and the Town hired a Town Manager January 6, 2020, for term not to exceed three years.

The Town Council consists of seven members serving four year staggered terms. The Town Manager is appointed by the Town Council and is responsible for supervising and coordinating all matters pertaining to the delivery of Town programs and services. The Town Council is the legislative body of the Town.

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

Local economy and major Initiatives

The Town's position as a residential community is illustrated by the fact that approximately 85% of the October 2019 grand list was residential. The Town has several subdivisions in various stages of completion.

The economic base of the Town is diverse. In the current tax period, retail is in the lead with the Clinton Premium Outlets generating \$1,548,033 in revenues, Connecticut Water Company \$634,833, Eversource (utility) \$468,658, and Jerome Property LLC-a shopping plaza including a grocery store and retail tenants, generates \$334,366 of total tax revenues for the Town. Also within the top ten is Cedar Island Marina, which paid \$163,550 in property taxes. These top tax payers are examples of the mix in economic enterprises within the Town.

According to the Connecticut Department of Labor, at June 2021, Clinton's unemployment rate decreased to 5.0% from a high of 9.0%, caused by the COVID-19 pandemic a year ago, and is comparable with the area and overall State rates. The Town's Per Capita income was \$43,929 and the Median Family Income was \$79,554 as reported by the State of Connecticut Economic Digest Report and the U.S. Census Bureau.

The Town of Clinton has adopted a Plan of Conservation and Development which outlines various elements to stimulate new economic activity and draw new residents to Town. A new campus style high school, The Morgan School, was completed in August of 2016 on a new site. The sale of the old Morgan School property was completed in October 2020 to a commercial developer for \$2,200,000. Phase 1 of this project which includes a grocery store and other retail shops is scheduled to be completed in the fall of 2021. The 37-acre development will also include walking trails and a park area. The property is located off of the I-95 exit 63 interstate, across from the Clinton Premium Outlets.

In July 2019, a developer purchased the former Unilever property which had been vacant for over 10 years. The site has received approvals from the Town of Clinton's Planning and Zoning Commission to construct 47 residential apartment units, which represents the first phase of a master plan for a large, mixed-use redevelopment of the 300,000+ square foot facility. Work on this site commenced December 2020. The former Unilever property is one of the premier development sites due to its proximity to the new Clinton Train Station, Clinton Town center, and the I-95 corridor.

The Clinton Train Station is receiving a \$12.5 million facelift funded by the Connecticut Department of Transportation and should be completed by winter 2021/spring 2022. The expanded 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 signage and parking and will be fully ADA compliant.

Some other recently approved commercial projects have included the development of four different sites within the Town offering various combinations of commercial, residential and retail use. A plant nursery and garden center and the redevelopment of an open commercial space as a veterinary clinic and boarding facility have also been approved. Other development opportunities throughout the Town are also available and are actively being marketed.

In fiscal 2021, the Town received a \$128,205 grant from the State of Connecticut to be used as a financial incentive to assist property owners and tenants of commercial buildings with grants to reimburse renovation expenses that improve the exterior conditions of their facilities, including facades or site improvements.

Long-term financial planning

The Town, as part of the annual budget preparation process, updates its five-year capital improvement plan (the "Plan"). The Plan is a systematic program to add or replace capital items for each department within the General Government and Board of Education. The 2022-2026 Plan projects a total of approximately \$54.2 million in capital improvement projects.

The Town's long-term financial planning is focused on continued funding of necessary improvements to the Town's overall infrastructure while balancing the impact to the taxpayer and on the general fund balance.

Relevant policies and practices

The Town's financial policies have been applied consistently with the prior year and had no notable current year effect on the financial statements. To insure the Town maintains a prudent level of financial resources to protect against reducing service levels or raising taxes and fees due to unanticipated revenue shortfalls or one-time expenditures, the Town Council in fiscal 2021 updated its fund balance policy and established a minimum undesignated/unassigned fund balance of no less than 15% of budgeted expenditures. 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 and in accordance with prudent budgeting practices the unassigned fund balance will not be used to offset normal operating expenditures.

Whistleblower and Anti-Fraud Policies

The Town has a whistle blower policy that establishes the guidelines of reporting any behavior that would not be in the best interest of the Town.

The Town is committed to protecting its assets against the risk of loss or misuse, and in fiscal 2021, adopted an anti-fraud policy that outlines principles to which the Town is committed to preventing, reporting and managing fraud, theft, waste, abuse, or other dishonest conduct.

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 annual comprehensive financial report for the fiscal year ended June 30, 2020. This was the third consecutive year that the Town of Clinton has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial 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 annual comprehensive 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 S&P Global Ratings division of Standard and Poors, reaffirmed the AA+ rating for the Town of Clinton on October 1, 2020.

The preparation of the Town's annual comprehensive financial report could not have been accomplished without the efficient and dedicated services of the entire staff of the Town's Finance Department with support from many departments. 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 Town Manager, Town Council, and Board of Education, for their support and guidance through this process along with 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

Town of Clinton, Connecticut

Principal Officials As of June 30, 2021

Town Council

Chris Aniskovich, Chairman	Carol Walter
Dennis Donovan	Mark Richards
Timothy Guerra	Christine Goupil
Eric Bergman	

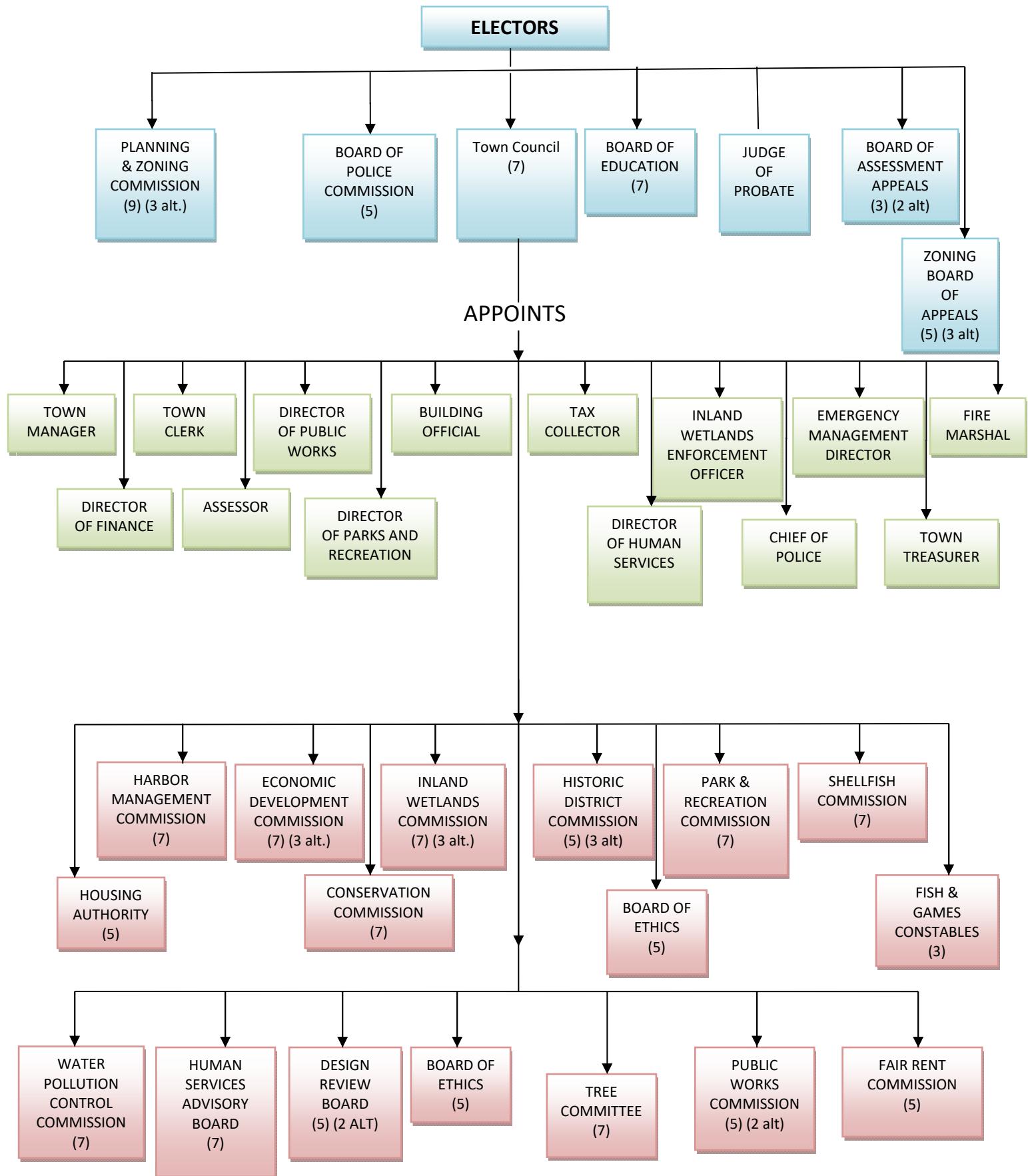
Board Of Education

Erica Gelven, Chairman	Catherine Staunton
Kimberly Russo	Michael Hornyak
Jason Adler	Chris Passante
Peter Nye	

Administration

Town Manager	Karl Kilduff
Assessor	Donna Sempey
Building Official	Edward Smith
Chief of Police	Vincent DeMaio
Director of Finance	Sue Cunningham
Director of Human Services	David Melillo
Director of Public Works	Todd Hajek
Director of Recreation	Robert Potter
Library Director	Maribeth Breen
Tax Collector	Lisa Bibbiani
Town Clerk	Sharon Uricchio
Treasurer	Todd Pozefsky
Zoning Officer	Kathy King

Town of Clinton, Connecticut Organizational Chart





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, 2020

Christopher P. Monell

Executive Director/CEO

Financial Section

Independent Auditors' Report

**Town Council
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 ("Town"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers 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.

**Town Council
Town of Clinton, Connecticut**

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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, as of June 30, 2021, 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 other post-employment benefit schedules as listed in the table of contents, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The introductory section, supplemental schedules and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The 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 supplemental schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

**Town Council
Town of Clinton, Connecticut**

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The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2021, on our consideration of the Town'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'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's internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP

Wethersfield, Connecticut
December 6, 2021



TOWN OF CLINTON, CONNECTICUT

Management's Discussion and Analysis For the Year Ended June 30, 2021

As management of the Town of Clinton, Connecticut ("Town"), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2021. Please read it in conjunction with the Town's financial statements immediately following this section.

Financial highlights

- On a government-wide basis, the assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year as follows:

Change in net position	\$ 7,660,193
Total net position	53,642,252
Unrestricted net position	(11,200,906)

Governmental activities:

- Significant factors for the increase in net position are as follows:

➤ positive operations of the general fund of	5,753,376
➤ deficit operations of the capital projects fund of	(2,942,145)

Conversion to accrual basis on Exhibit E:

➤ capital outlay net of depreciation expense of	1,890,714
➤ net principal debt activity of	2,852,002
➤ change in pension liability of	3,219,252
➤ change in pension related deferred outflows/inflows of	(670,921)
➤ change in OPEB related deferred outflows/inflows of	(2,890,725)

- The Town's long-term debt decreased by \$2,419,493 during the current fiscal year due to \$23,755,000 issuance of refunding bonds, refunded bonds of \$22,799,000 and scheduled principal payments of \$3,682,774.

Governmental funds:

- As of the close of the current fiscal year, the Town's governmental funds reported a combined ending fund balance of \$18,664,132, an increase of \$2,780,890 in comparison with the prior year. The majority of the increase is due to positive operations of the general fund of \$5,753,376 offset by negative operations of the capital projects fund of \$2,942,145.
- The general fund has positive operations of \$5,753,376 substantially due to revenues in excess of budget of \$3,395,732 due to greater than anticipated property taxes collections, charges for services and unbudgeted grants. In addition there were budget savings of \$2,417,697, led by the education budget savings of \$942,978. The Town ended the year with an unassigned fund balance of \$15,406,058.
- The capital projects fund has negative operations of \$2,942,145 due to the timing of capital project expenditures, financing and grant revenues.

Overview of the basic financial statements

This discussion and analysis is intended to serve as an introduction to the Town of Clinton's basic financial statements. The Town's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to financial statements. The statement of fiduciary net position is used to present financial information about activities for which the Town acts solely as an agent for the benefit of employees and others

Government-wide financial statements

The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business.

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

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

The government-wide financial statements present the functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the Town include general government, public safety, public works, planning and development, culture and recreation, health and welfare, and education.

Fund financial statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the Town's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements.

By doing so, readers may better understand the long-term impact of the Town's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund and capital projects fund, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these other governmental funds is provided in the form of combining statements on Schedules 4 and 5.

Proprietary funds

The Town maintains one type of proprietary fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the Town's various functions. The Town's Internal Service fund is the only proprietary fund and captures the risk financing activity for heart and hypertension. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financials.

Fiduciary funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the Town. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Town's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required supplementary information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information as follows:

- A budgetary comparison schedule for the General Fund to demonstrate compliance with this budget.
- Schedules to demonstrate the Town's progress in funding its obligation to provide pension benefits.
- Schedules to demonstrate the Town's progress in funding its obligation to provide other post-employment benefits.

Other information

The combining statements referred to earlier in connection with other governmental funds are presented immediately following the required supplementary information.

Government-wide financial analysis

The analysis below focuses on the net position and the changes in net position. Unrestricted net position at year end totaled \$(11,200,906).

Summary Statement of Net Position
June 30

	2021	2020
		(as restated)
Current and other assets	\$ 34,592,429	\$ 27,902,075
Capital assets (net)	<u>120,539,840</u>	<u>118,659,126</u>
 Total assets	<u>155,132,269</u>	<u>146,561,201</u>
 Deferred outflows of resources	<u>6,210,379</u>	<u>6,193,714</u>
 Current liabilities outstanding	14,662,131	10,244,597
Long-term liabilities outstanding	<u>83,252,280</u>	<u>89,045,418</u>
 Total liabilities	<u>97,914,411</u>	<u>99,290,015</u>
 Deferred inflows of resources	<u>9,785,985</u>	<u>7,482,841</u>
 Net position:		
Net investment in capital assets	62,384,767	57,602,087
Restricted	2,458,391	548,280
Unrestricted	<u>(11,200,906)</u>	<u>(12,168,308)</u>
 Total net position	<u>\$ 53,642,252</u>	<u>\$ 45,982,059</u>

By far, the largest portion of the Town's net position reflects its investment in capital assets (e.g., land, construction in progress, land improvements, buildings and improvements, machinery and equipment and infrastructure), less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A portion of the Town's net position, 4.6%, represents resources that are subject to external restrictions on how they may be used.

Statement of Changes in Net Position
For the Years Ended June 30

	2021	2020
Revenues:		
Program revenues:		
Charges for services	\$ 1,938,869	\$ 1,452,762
Operating grants and contributions	12,299,941	14,280,439
Capital grants and contributions	2,851,881	722,886
General revenues:		
Property taxes	48,845,243	48,335,196
Grants and contributions not restricted to specific programs	332,635	331,193
Income from investments	139,564	116,708
Special item - gain on sale of capital assets	<u>2,190,000</u>	-
 Total revenues	 <u>68,598,133</u>	 <u>65,239,184</u>
 Expenses:		
General government	7,868,576	8,245,654
Public safety	4,975,906	5,582,342
Public works	3,959,179	3,555,356
Planning and development	342,665	377,370
Culture and Recreation	1,223,195	1,304,400
Health and welfare	814,477	789,877
Education	40,413,261	40,869,332
Interest	<u>1,340,681</u>	<u>1,423,036</u>
 Total expenses	 <u>60,937,940</u>	 <u>62,147,367</u>
 Change in net position	 7,660,193	 3,091,817
 Net position - July 1	 45,982,059	 42,154,135
 Restatements (Note VI)	 -	 736,107
 Net position - June 30	 <u>\$ 53,642,252</u>	 <u>\$ 45,982,059</u>

The Town's net position increased by \$7,660,193. The major factors for the increase are as follows:

Revenues

- Operating grants and contributions decreased by \$1,980,498 primarily due to \$916,539 of FEMA grants received in the prior year for Storm Sandy, a decrease in the on-behalf amounts for teachers' pension and OPEB of \$657,402 and a decrease in the ECS funding of \$276,040.
- Capital grants and contributions increased by \$2,128,995 primarily due to state and federal grants for bridge projects and school construction.
- The Town recognized a \$2,190,000 gain on sale of the old Morgan School property.

Expenses

- The decrease of \$606,436 in public safety expense is primarily due to a decrease in the pension expense.
- The increase of \$403,823 in public works expense is primarily due to an increase in salaries and benefits and additional repairs and maintenance related projects.
- The decrease of \$456,071 in education expense is due to COVID-19, school closures and less associated expenses for tuition and transportation services during the year.

Financial analysis of the Town's funds

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

Governmental funds

The focus of the Town's governmental funds is to provide information on near-term inflows, outflows and balances of expendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the Town's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Town's governmental funds reported a combined ending fund balance of \$18,664,132, an increase of \$2,780,890 in comparison with the prior year.

Certain components of fund balance were as follows:

Nonspendable	\$ 125,583
Restricted	2,458,391
Committed	2,156,853
Assigned	2,912,016
Unassigned	<u>11,011,289</u>
Total	<u>\$ 18,664,132</u>

General Fund. The general fund is the operating fund of the Town. At the end of the current fiscal year, the total fund balance of the general fund was \$19,108,597. Of this balance, \$125,583 was nonspendable, \$957,156 was committed and \$2,619,800 was assigned. The unassigned fund balance represents 28.60% of actual budgetary expenditures and transfers out.

During the current fiscal year, the fund balance of the Town's general fund increased by \$5,753,376. The increase was substantially attributable to revenues and other financing sources higher than the budget by \$3,395,732 and the expenditures budget was underspent by \$2,417,697. See General Fund budgetary highlights section for a more detailed discussion.

Capital Projects Fund. The fund accounts for financial resources to be used for various construction projects. During the year, the fund had expenditures of \$6,411,948. Funding sources primarily include state and federal grants for school construction and bridge projects of \$1,869,045 and transfers in from the general fund of \$1,368,706. This net activity decreased fund balance from \$525,928 in the prior year to a deficit fund balance of \$(2,416,217) at year end. This is a result of the timing of the financing as compared to expenditures for various projects.

Internal Service Fund. The internal service fund is used to account for heart and hypertension claims. The internal service net position remained the same as prior year as the only activity was payment of claims liability of \$4,734. The internal service fund has an unrestricted net position deficit of \$(83,928) at year end.

General Fund budgetary highlights

Revenues

- Property taxes were in excess of the amount budgeted by \$844,178 due to conservation budgeting during the pandemic
- Intergovernmental revenues were in excess of the amount budgeted due to unbudgeted FEMA grants totaling \$374,962
- Charges for services for real estate conveyance taxes and building permits were in excess of the amount budgeted by \$236,165 and \$207,282, respectively
- The sale of the former Morgan School site for \$2,200,000 was not budgeted for.

Significant departments that were underspent/overspent during the year were as follows:

- General government was underspent by \$1,039,439 primarily due to:
 - Underspent health and life insurance of \$537,391 – The Town switched to State Partnership Plan July 1, 2020, budget reflected out-of-pocket costs.
 - Underspent other of \$186,775 – The variance is primarily due to an unused budgeted contingency of \$182,356.
- Public works was underspent by \$91,844 primarily due to the mild winter and less spent for overtime for snow/ice removal and snow plowing/sanding.
- Education was underspent by \$942,978 due to continued school closures and remote learning as a result of the COVID-19 pandemic. Cost saving were related to special education, lower transportation and utilities costs.

Capital assets and debt administration

Capital assets

The Town's investment in capital assets amounts to \$120,539,840 (net of accumulated depreciation). This investment in capital assets is as follows:

Capital Assets (Net)
June 30

	2021	2020
Land	\$ 6,058,110	\$ 6,068,110
Construction in progress	2,802,222	1,242,127
Land improvements	2,412,718	2,834,620
Buildings and improvements	80,052,841	79,982,507
Machinery and equipment	4,451,520	4,791,622
Infrastructure	<u>24,762,429</u>	<u>23,740,140</u>
 Total	 <u>\$ 120,539,840</u>	 <u>\$ 118,659,126</u>

The capital assets (net of depreciation) increased in the current year by \$1,880,714. The increase is due to capital asset additions exceeding depreciation expense. In the current year, the Town had capital asset additions totaling \$8,105,355. Major capital asset additions consisted of the following:

Construction in progress:

➤ Kelseytown Road	\$ 1,163,158
➤ Pleasant Valley Bridge	470,296

Buildings and improvements:

➤ Elliot and Joel school roofs	1,628,698
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Machinery and equipment:

➤ Dump truck	105,618
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Infrastructure

➤ Various road paving	1,216,421
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Additional information on the Town's capital assets can be found in Note III D.

Long-term debt

At the end of the fiscal year, the Town had total long-term debt outstanding of \$53,708,787. All debt is backed by the full faith and credit of the Town.

Long-Term Debt June 30

	2021	2020
General obligation bonds	\$ 53,055,000	\$ 55,520,000
Notes payable	<u>653,787</u>	<u>608,280</u>
Total	<u>\$ 53,708,787</u>	<u>\$ 56,128,280</u>

During the current fiscal year, the Town's total debt decreased by \$2,419,493 due to scheduled principal and refunding payments of \$26,481,774 exceeding issuance of debt of \$24,062,281.

The Town maintains a "AA+" credit rating from Standard and Poor's Investor Service.

State Statutes limit the amount of general obligation debt a governmental entity may issue to seven times total prior year tax collections including interest and lien fees and the tax relief for elderly freeze grant. The current debt limitation for the Town is \$337,537,599, which is significantly in excess of the Town's outstanding general obligation debt.

Additional information on the Town's long-term debt can be found in Note III G.

Economic factors and next year's budgets and rates

The 2021-2022 general fund adopted budget totaled \$58,499,763. The following economic factors currently affect the Town of Clinton and were considered in developing the 2021-2022 fiscal year budget:

- As of June 2021, the unemployment rate for the State was 7.7%, which is a decrease from a rate of 10.1% a year ago. The Town's unemployment rate was 5.0% as compared to 9.0% in the prior year. The decreases are due to the job market recovery subsequent to the coronavirus pandemic.
- The potential impact of the pandemic on the local economy, businesses and Town revenues is being continually monitored. For fiscal year 2021, there was a negative impact on income from investments, but other revenues such as building permits and conveyance taxes were positively impacted. The Town did not see any impact on tax collections for prior fiscal year and there is no indication that there will be an impact on 2022 collections.

Requests for information

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Town of Clinton, Finance Department, 54 Main Street, Clinton, Connecticut 06413.

**Basic
Financial
Statements**

Town of Clinton, Connecticut

Statement of Net Position
Governmental Activities
June 30, 2021

Assets

Current assets:

Cash	\$ 3,797,818
Investments	24,592,946
Receivables (net):	
Property taxes	389,389
Intergovernmental	2,646,173
Loans	5,100
Other	305,942
Prepays	125,583
Other	<u>18,805</u>
Total current assets	<u>31,881,756</u>

Noncurrent assets:

Restricted assets:	
Temporarily restricted:	
Cash	83,142
Investments	<u>461,502</u>
Total restricted assets	<u>544,644</u>
Receivables (net):	
Property taxes	622,166
Loans	244,863
Intergovernmental	<u>1,299,000</u>
Total receivables (net)	<u>2,166,029</u>

Capital assets (net of accumulated depreciation):

Land	6,058,110
Construction in progress	2,802,222
Land improvements	2,412,718
Buildings and improvements	80,052,841
Machinery and equipment	4,451,520
Infrastructure	<u>24,762,429</u>

Total capital assets (net of accumulated depreciation)

Total noncurrent assets	<u>123,250,513</u>
Total assets	<u>155,132,269</u>

Deferred Outflows of Resources

Deferred charge on refunding	1,124,742
Pension related	3,769,260
OPEB related	<u>1,316,377</u>
Total deferred outflows of resources	<u>6,210,379</u>

The notes to financial statements are an integral part of this statement.

(Continued)

Town of Clinton, Connecticut

**Statement of Net Position
Governmental Activities
June 30, 2021**

Liabilities

Liabilities:

Current liabilities:

Accounts payable	\$ 2,423,133
Retainage payable	84,807
Accrued payroll and related liabilities	525,167
Unearned revenue	2,202,465
Bond anticipation notes	4,000,000
Other	39,281
Accrued interest payable	898,347
Bonds and notes payable	3,668,777
Compensated absences	712,404
Heart and hypertension	4,750
Landfill closure	<u>103,000</u>
Total current liabilities	<u>14,662,131</u>

Total current liabilities

Noncurrent liabilities:

Performance bonds	544,644
Bonds, notes and related liabilities	51,526,231
Compensated absences	1,508,552
Net pension liability	12,941,136
Net OPEB liability	9,503,063
Heart and hypertension	75,654
Landfill closure and post closure	<u>7,153,000</u>
Total noncurrent liabilities	<u>83,252,280</u>
Total liabilities	<u>97,914,411</u>

Deferred Inflows of Resources

Advance property tax collections	3,806,869
Pension related	3,991,247
OPEB related	<u>1,987,869</u>
Total deferred inflows of resources	<u>9,785,985</u>

Net Position

Net investment in capital assets	62,384,767
Restricted for:	
Historical preservation	21,532
Public safety programs	5,389
Residential housing rehabilitation	282,031
Food service programs	170,887
Construction contracts	1,978,552
Unrestricted	<u>(11,200,906)</u>
Total net position	<u>\$ 53,642,252</u>

(Concluded)

The notes to financial statements are an integral part of this statement.

Town of Clinton, Connecticut

Statement of Activities
Governmental Activities
For the Year Ended June 30, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
General government	\$ 7,868,576	\$ 1,119,561	\$ 69,940	\$ -	\$ (6,679,075)
Public safety	4,975,906	223,532	6,910	-	(4,745,464)
Public works	3,959,179	74,872	-	2,787,335	(1,096,972)
Planning and development	342,665	28,393	-	-	(314,272)
Culture and recreation	1,223,195	271,834	500	64,546	(886,315)
Health and welfare	814,477	23,698	283,100	-	(507,679)
Education	40,413,261	196,979	11,939,491	-	(28,276,791)
Interest	1,340,681	-	-	-	(1,340,681)
Total	\$ 60,937,940	\$ 1,938,869	\$ 12,299,941	\$ 2,851,881	\$ (43,847,249)
General revenues:					
Property taxes					48,845,243
Grants and contributions not restricted to specific programs					332,635
Income from investments					139,564
Special item - gain on sale of capital assets					2,190,000
Total general revenues and special items					51,507,442
Change in net position					7,660,193
Net position - July 1, 2020 (as restated)					45,982,059
Net position - June 30, 2021					\$ 53,642,252

The notes to financial statements are an integral part of this statement.

Town of Clinton, Connecticut

Balance Sheet
Governmental Funds
June 30, 2021

	<u>General</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets				
Cash	\$ 799,676	\$1,151,464	\$ 1,850,202	\$ 3,801,342
Restricted cash	83,142	-	-	83,142
Investments	22,679,879	1,500,000	413,067	24,592,946
Restricted investments	461,502	-	-	461,502
Receivables (net):				
Property taxes	1,011,555	-	-	1,011,555
Intergovernmental	445,292	1,988,564	212,317	2,646,173
Loans	-	-	255,063	255,063
Other	256,685	-	49,257	305,942
Due from other funds	419,768	-	34,287	454,055
Prepays	125,583	-	-	125,583
Other	-	-	18,805	18,805
Total assets	\$ 26,283,082	\$4,640,028	\$ 2,832,998	\$ 33,756,108
Liabilities				
Accounts payable	\$ 1,263,523	\$1,058,857	\$ 100,753	\$ 2,423,133
Retainage payable	-	84,807	-	84,807
Accrued payroll and related liabilities	508,613	-	16,554	525,167
Due to other funds	-	-	454,055	454,055
Unearned revenue	-	1,912,581	289,884	2,202,465
Bond anticipation notes	-	4,000,000	-	4,000,000
Performance bonds	544,644	-	-	544,644
Other	39,281	-	-	39,281
Total liabilities	2,356,061	7,056,245	861,246	10,273,552
Deferred Inflows of Resources				
Unavailable revenue:				
Property taxes	1,011,555	-	-	1,011,555
Advance property tax collections	3,806,869	-	-	3,806,869
Total deferred inflows of resources	4,818,424	-	-	4,818,424
Fund Balances				
Nonspendable	125,583	-	-	125,583
Restricted	-	1,978,552	479,839	2,458,391
Committed	957,156	-	1,199,697	2,156,853
Assigned	2,619,800	-	292,216	2,912,016
Unassigned	15,406,058	(4,394,769)	-	11,011,289
Total fund balances	19,108,597	(2,416,217)	1,971,752	18,664,132
Total liabilities, deferred inflows of resources and fund balances	\$ 26,283,082	\$4,640,028	\$ 2,832,998	\$ 33,756,108

(Continued)

The notes to financial statements are an integral part of this statement.

Town of Clinton, Connecticut
Reconciliation of Fund Balance
to Net Position of Governmental Activities
June 30, 2021

Amounts reported in the statement of net position (Exhibit A) are different from the governmental fund balance sheet due to:

Total fund balance (Exhibit C, Page 1)	<u>\$ 18,664,132</u>
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Beginning capital assets	118,659,126
Current year additions (net of construction in progress)	5,849,669
Depreciation expense	(3,958,955)
Disposal of assets	<u>(10,000)</u>
Total	<u>120,539,840</u>

Other long-term assets and deferred outflows of resources are not available resources and therefore, are not reported in the funds:

Allowance for doubtful accounts	(5,100)
Deferred outflows related to pensions	3,769,260
Deferred outflows related to OPEB	<u>1,316,377</u>
Total	<u>5,080,537</u>

Other long-term assets are not available to pay for current period expenditures and therefore, are unavailable in the funds:

Property tax receivable - accrual basis change	1,011,555
Intergovernmental receivable - accrual basis change	<u>1,299,000</u>
Total	<u>2,310,555</u>

Internal service funds are used by management to account for heart and hypertension claims and the assets and liabilities of the internal service fund are included in the statement of net position

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

Bonds, notes and related liabilities	(55,195,008)
Deferred charge on refunding	1,124,742
Compensated absences	(2,220,956)
Landfill closure and post closure liability	(7,256,000)
Net pension liability	(12,941,136)
Net OPEB liability	(9,503,063)
Accrued interest payable	(898,347)
Deferred inflows related to pensions	(3,991,247)
Deferred inflows related to OPEB	<u>(1,987,869)</u>
Total	<u>(92,868,884)</u>

Net position (Exhibit A)	<u>\$ 53,642,252</u>
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The notes to financial statements are an integral part of this statement.

(Concluded)

Town of Clinton, Connecticut

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2021

	General	Capital Projects	Other Governmental Funds	Total Governmental Funds
Revenues:				
Property taxes	\$48,819,588	\$ -	\$ -	\$48,819,588
Intergovernmental	11,417,679	1,869,045	2,184,445	15,471,169
Charges for services	1,580,199	-	358,670	1,938,869
Income from investments	47,968	-	14,854	62,822
Net change in fair value	-	-	76,742	76,742
Contributions	-	-	13,288	13,288
 Total revenues	 61,865,434	 1,869,045	 2,647,999	 66,382,478
 Expenditures:				
Current:				
General government	6,877,295	75,431	235,633	7,188,359
Public safety	4,471,926	-	19,101	4,491,027
Public works	1,865,073	-	-	1,865,073
Planning and development	342,665	-	-	342,665
Culture and recreation	1,032,866	-	66,859	1,099,725
Health and welfare	462,855	-	301,033	763,888
Education	36,839,417	-	1,922,489	38,761,906
Debt service	5,184,480	204,386	-	5,388,866
Capital outlay	-	6,132,131	-	6,132,131
 Total expenditures	 57,076,577	 6,411,948	 2,545,115	 66,033,640
 Excess (deficiency) of revenues over expenditures	 4,788,857	 (4,542,903)	 102,884	 348,838
 Other financing sources (uses):				
Issuance of refunding debt	-	23,755,000	-	23,755,000
Payments to bond escrow agents	-	(24,033,258)	-	(24,033,258)
Premium (refunding)	-	510,310	-	510,310
Transfers in	133,225	1,368,706	31,768	1,533,699
Transfers out	(1,368,706)	-	(164,993)	(1,533,699)
 Net other financing sources (uses)	 (1,235,481)	 1,600,758	 (133,225)	 232,052
 Special item				
Sale of former school property	2,200,000	-	-	2,200,000
 Net change in fund balances	 5,753,376	 (2,942,145)	 (30,341)	 2,780,890
 Fund balances - July 1, 2020 (as restated)	 13,355,221	 525,928	 2,002,093	 15,883,242
 Fund balances - June 30, 2021	 \$19,108,597	 \$(2,416,217)	 \$ 1,971,752	 \$18,664,132

The notes to financial statements are an integral part of this statement.

Town of Clinton, Connecticut

**Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to Statement of Activities
For the Year Ended June 30, 2021**

Amounts reported in the statement of activities (Exhibit B) are different due to:

Net change in fund balances - total governmental funds (Exhibit D) \$ 2,780,890

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

Capital outlay	5,849,669
Depreciation expense	<u>(3,958,955)</u>
Total	<u>1,890,714</u>

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins and donations) is to increase/decrease net position. In the statement of activities, only the *loss* on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the capital assets sold:

Disposal of capital assets	<u>(10,000)</u>
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:

Change in property tax receivable - accrual basis change	<u>25,655</u>
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The issuance of long-term debt (e.g., bonds, notes) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The details of these differences in the treatment of long-term debt and related items are as follows:

Debt issued or incurred:	
General obligation bonds and notes	(24,062,281)
Premium	(510,310)
Deferred charge on refunding	<u>915,000</u>

Principal repayments:	
General obligation bonds and notes	26,481,774
Capital lease	<u>27,819</u>
Total	<u>2,852,002</u>

(Continued)

The notes to financial statements are an integral part of this statement.

Town of Clinton, Connecticut

**Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to Statement of Activities
For the Year Ended June 30, 2021**

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

Amortization of premium	\$ 1,036,491
Change in:	
Compensated absences	(136,968)
Net pension liability	3,219,252
Net OPEB liability	12,160
Accrued interest payable	(134,394)
Landfill closure and post closure liability	(382,275)
Deferred outflows related to pension	(51,720)
Deferred inflows related to pension	(619,201)
Deferred outflows related to OPEB	(2,663,311)
Deferred inflows related to OPEB	(227,414)
Amortization of deferred charges	<u>68,312</u>
Total	<u>120,932</u>
Change in net position (Exhibit B)	<u>\$ 7,660,193</u>

(Concluded)

The notes to financial statements are an integral part of this statement.

Town of Clinton, Connecticut

Statement of Net Position
Proprietary Funds
June 30, 2021

	Internal Service Funds
<u>Liabilities</u>	
Current liability:	
Cash overdraft	\$ 3,524
Claims payable	<u>4,750</u>
Total current liabilities	<u>8,274</u>
Noncurrent liability:	
Claims payable	<u>75,654</u>
Total liabilities	<u>83,928</u>
<u>Net Position</u>	
Unrestricted	<u>\$ (83,928)</u>

The notes to financial statements are an integral part of this statement.

Town of Clinton, Connecticut

**Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2021**

	<u>Internal Service Funds</u>
Change in net position	\$ -
Total net position - July 1, 2020	<u>(83,928)</u>
Total net position - June 30, 2021	<u>\$ (83,928)</u>

The notes to financial statements are an integral part of this statement.

Town of Clinton, Connecticut

Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2021

	<u>Internal Service Funds</u>
Cash flows from (used in) operating activities:	
Cash paid for benefits and claims	\$ (4,734)
Cash - July 1, 2020	<u>1,210</u>
Cash - June 30, 2021	<u><u>\$ (3,524)</u></u>
Reconciliation of operating income (loss) to net cash from (used in) operating activities:	
Adjustments to reconcile operating income (loss) to net cash from (used in) operating activities:	
Increase (decrease) in:	
Claims payable	<u>\$ (4,734)</u>
Net cash from (used in) operating activities	<u><u>\$ (4,734)</u></u>

The notes to financial statements are an integral part of this statement.

Town of Clinton, Connecticut

Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2021

	Pension and OPEB Trust Funds	Private- Purpose Trust Fund
<u>Assets</u>		
Cash	\$ 239,905	\$ 450
Investments:		
Mutual funds:		
Equity	5,955,995	-
Fixed income	5,657,871	-
Bank money market	629,586	21,418
U.S. government obligations	756,786	-
Common stock	11,236,371	-
Corporate bonds	745,639	-
Total investments	24,982,248	21,418
Total assets	25,222,153	21,868
<u>Net Position</u>		
Restricted for:		
Pensions	25,085,415	-
OPEB	136,738	-
Individuals and organizations	-	21,868
Total net position	\$ 25,222,153	\$ 21,868

The notes to financial statements are an integral part of this statement.

Town of Clinton, Connecticut

Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2021

	Pension and OPEB Trust Funds	Private- Purpose Trust Fund
Additions:		
Contributions:		
Employer	\$ 2,015,266	\$ -
Plan members	<u>164,390</u>	<u>-</u>
Total contributions	<u>2,179,656</u>	<u>-</u>
Investment income (loss):		
Net change in fair value of investments	5,401,448	-
Interest and dividends	<u>153,489</u>	<u>12</u>
Total investment income (loss)	<u>5,554,937</u>	<u>12</u>
Less investment expenses	<u>149,159</u>	<u>-</u>
Net investment income (loss)	<u>5,405,778</u>	<u>12</u>
Total additions	<u>7,585,434</u>	<u>12</u>
Deductions:		
Benefits	2,487,364	-
Administration	<u>14,401</u>	<u>-</u>
Total deductions	<u>2,501,765</u>	<u>-</u>
Changes in net position	<u>5,083,669</u>	<u>12</u>
Net position - July 1, 2020	<u>20,138,484</u>	<u>21,856</u>
Net position - June 30, 2021	<u>\$ 25,222,153</u>	<u>\$ 21,868</u>

The notes to financial statements are an integral part of this statement.

Town of Clinton, Connecticut**Notes to Financial Statements
As of and for the Year Ended June 30, 2021****History and organization**

The Town of Clinton, Connecticut (“Town”) operates under a Town Manager-Council form of government established by a charter adopted in November 2019. The Town offers a full range of services authorized by the charter, including general government, public safety, public works, planning and development, culture and recreation, health and welfare and education to its residents.

The accompanying financial statements present the Town and its component units, entities for which the Town is considered to be financially accountable. The Town is financially accountable for the pension and OPEB trust funds and therefore, are considered fiduciary component units. The financial statements of the fiduciary component units they are reported as pension and OPEB trust funds in the fiduciary fund financial statements. The pension and OPEB trust funds do not issue separate financial statements.

I. Summary of significant accounting policies**A. Government-wide and fund financial statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Town. *Governmental activities* are normally supported by taxes and intergovernmental revenues.

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.

B. 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 using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Town of Clinton, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021**B. Measurement focus, basis of accounting and financial statement presentation (continued)**

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 reimbursement grants to be available if they are collected within one year of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, pension and OPEB benefits, certain other employee benefits, and certain other long-term liabilities are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in the governmental funds.

Expenditure reimbursement type grants, certain intergovernmental revenues, charges for services, transfers and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the Town.

The Town reports the following major governmental funds:

General Fund	The Town's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
Capital Projects Fund	Accounts for and reports resources and expenditures that are restricted, committed or assigned for the acquisition and construction of capital facilities, including those that are financed through special assessments.

Additionally, the Town reports the following fund types:

Special Revenue Funds	Accounts for and reports the proceeds of specific revenue resources that are restricted, committed or assigned to expenditures for specified purposes other than debt.
Internal Service Fund	Accounts for risk financing activities for heart and hypertension as allowed by GASB Statement No. 10.
Pension Trust Fund	Accounts for the activities of the Police, Board of Education Noncertified and Volunteer Firefighters Retirement Plans, which accumulates resources for pension benefit payments to qualified employees.
OPEB Trust Fund	Accounts for the activities of the OPEB Plan, which accumulates resources for OPEB benefits.
Private-Purpose Trust Fund	Accounts for the receipt of private donations to be used for student awards.

Town of Clinton, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021**B. Measurement focus, basis of accounting and financial statement presentation (continued)**

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions are charges between certain Town functions because 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. The principal operating revenues of the Town's internal service fund are charges to other funds for heart and hypertension claims.

For purposes of measuring the net pension and OPEB liability, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, and pension and OPEB expense, information about the fiduciary net position and additions to/deductions from fiduciary net position of the Town pension plans and OPEB, the Connecticut Municipal Employees Retirement Systems ("MERS") and the Connecticut State Teachers' Retirement System ("TRS"), and the Connecticut State Retiree Health Insurance Plan ("RHIP") have been determined on the same basis as they are reported by the Town's pension and OPEB plans, MERS, TRS, and RHIP. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms.

C. Assets, liabilities, deferred outflows/inflows of resources and equity**1. Cash and investments****a. Cash**

The Town considers cash as cash on hand and demand deposits.

For cash flow purposes the Town considers cash equivalents money market accounts and short-term investments with original maturities of three months or less from the date of acquisition.

b. Investments

In general, State of Connecticut Statutes allow the Town to invest in obligations of the United States of America or United States government sponsored corporations, in shares or other interests in any custodial arrangement, pool or no-load, open-end management type investment company or investment trust (as defined), in obligations of any State or political subdivision rated within the top two rating categories of any nationally recognized rating service, or in obligations of the State of Connecticut or political subdivision rated within the top three rating categories of any nationally recognized rating service. For the capital nonrecurring fund, not more than 31% can be invested in equity securities. Investment income is recorded in the fund in which it was earned.

Town of Clinton, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)

State Treasurers 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 - 3-27e. Investment guidelines are adopted by the State Treasurer. The fair value of the position in the pool is the same as the value of the pool shares.

The Education Noncertified pension plan has adopted a formal investment policy that defines allowable investments, prohibited investments, prohibited transactions, asset allocation guidelines, diversification guidelines and fixed income and cash guidelines.

The investment guidelines are as follows:

Target Allocation

Equities	50-75%
Fixed income	20-50%
Cash	0-20%
Real estate or alternative	0-10%

c. Method used to value investments

Investments for the Town are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

Fair value of investments

The Town measures and records its investments using fair value measurement guidelines established by accounting principles generally accepted in the United States of America (GAAP). These guidelines recognize a three-tiered fair value hierarchy, as follows:

Level 1	Quoted prices for identical investments in active markets
Level 2	Quoted prices for identical investments in markets that are not active
Level 3	Unobservable inputs

d. Risk policies

Interest rate risk	Interest rate risk is the risk that the government will incur losses in fair value caused by changing interest rates. The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.
Credit risk	Credit risk is the risk that an issuer or other counterparty will not fulfill its specific obligation even without the entity's complete failure. The Town has no investment policy that would limit its investment choices due to credit risk other than State Statutes governing investments in obligations of any State or political subdivision or in obligations of the State of Connecticut or political subdivision.

Town of Clinton, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)

Concentration of credit risk	Concentration of credit risk is the risk attributed to the magnitude of an entity's investments in a single issuer. The Town follows the limitations specified in the Connecticut General Statutes. Generally, the Town's deposits cannot be 75% or more of the total capital in any one depository.
Custodial credit risk	Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The Town does not have a formal policy with respect to custodial credit risk.
Foreign currency risk	Foreign currency risk is the risk that the value of the investment may be affected by changes in the rate of exchange. The Town does not have a formal policy with respect to foreign currency risk.

2. Receivables and payables

a. 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 non-current portion of interfund loans).

b. Property taxes and other receivables

In the fund financial and government-wide financial statements, all trade and property tax receivables are shown net of an allowance for uncollectibles. Allowance percentages range from 2% to 39% of outstanding receivable balances and are calculated based upon prior collections.

In the fund financial statements, property tax revenues are recognized when they become available. Only taxes collected during the fiscal year are recorded as revenue.

Property taxes are assessed on property as of October 1. Taxes are billed in the following July and are due in two installments, July 1, and January 1. Personal property and motor vehicle taxes are billed in July and are due in one installment, on July 1, and supplemental motor vehicle taxes are due in full January 1. Liens are effective on the assessment date and are continued by filing before the end of the year following the due date.

3. Prepaid items

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

Town of Clinton, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021**C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)****4. Restricted assets**

The restricted assets for the Town are restricted for performance bonds. Performance bonds are restricted until the monies are returned to the vendor after satisfactory completion of contract or the Town calls the bond for nonperformance.

5. Capital assets

Capital assets, which include construction in progress, property, plant, equipment, and infrastructure assets 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 the capitalization threshold for that asset type and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Property, plant and equipment of the Town are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years	Capitalization Threshold
Land improvements	5-10	\$ 5,000
Buildings and improvements	10-50	5,000
Machinery and equipment	5-25	5,000
Infrastructure	20-70	5,000

6. 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 that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

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 that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

The Town reports deferred outflows and inflows of resources related to pensions and OPEB in the government-wide statements for differences between expected and actual experience, changes in assumptions, net difference between projected and actual earnings on plan investments, changes in proportional share and contributions subsequent to the measurement date. The deferred outflow or inflow related to differences between expected and actual experience, changes in assumptions, and changes in proportional share will be amortized over the average remaining service life of all plan members. The deferred outflow or inflow related to the net difference between projected and actual earnings on plan investments will be amortized over a five-year period. Contributions subsequent to the measurement date will be recognized in the subsequent year.

Town of Clinton, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021**C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)**

Deferred outflows of resources also include deferred outflows relating to advance refunding of debt. These amounts are deferred and are amortized over the shorter of the life of the old or new debt.

Advance tax collections represent taxes associated with a future period. This amount is recognized during the period in which the revenue is associated.

For governmental funds, the Town reports unavailable revenue, which arises only under the modified accrual basis of accounting. Accordingly, unavailable revenue is reported only in the governmental funds' balance sheet. The governmental funds report unavailable revenues from property taxes (including advance collections, if any). These amounts are recognized as an inflow of resources in the period that the amounts become available.

7. Compensated absences

Town employees accumulate vacation and sick leave hours for subsequent use or for payment upon termination or retirement. Sick leave and vacation leave expenditures are recognized in the governmental funds in the current year to the extent they are paid during the year or the vested amount is expected to be paid with available resources. A liability for these amounts has been recorded in the government-wide financial statements.

8. Long-term obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities' statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenses.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

9. Net position and fund balances

In the government-wide financial statements, net position is classified into the following categories:

Net Investment in Capital Assets	This category presents the net position that reflects capital assets net of depreciation and net of only the debt applicable to the acquisition or construction of these assets. Debt issued for non-capital purposes, and unspent bond proceeds, are excluded.
Restricted Net Position	This category presents the net position restricted by external parties (creditors, grantors, contributors or laws and regulations).
Unrestricted Net Position	This category presents the net position of the Town which is not classified in the preceding two categories.

Town of Clinton, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)

Sometimes the Town will fund outlays for a particular purpose from both restricted (e.g. restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

In the fund financial statements, fund balances are classified into the following categories:

Nonspendable	This category presents amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
Restricted	This category presents amounts that can be spent only for specific purposes because of enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors or the laws or regulations of other governments.
Committed	This category presents amounts that can be used only for specific purposes determined by a formal action at the highest level of decision-making authority for the Town. Commitments may be established, modified or rescinded only through resolutions approved by the Town Council.
Assigned	This category presents amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the Town's fund balance policy, the Town Council has by resolution authorized the Finance Director to assign fund balance. Intent is also expressed by a properly approved purchase order (encumbrance).
Unassigned	This category presents amounts that do not meet the criteria above and are available for any purpose. This category is only reported in the general fund for positive amounts and in any other fund that has a fund balance deficit.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Town considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned or unassigned fund balances are available, the Town considers amounts to have been spent first out of committed funds, then assigned funds and finally unassigned funds, as needed, unless Town Council has provided otherwise in its commitment or assignment actions.

Town of Clinton, Connecticut**Notes to Financial Statements
As of and for the Year Ended June 30, 2021****C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)****Minimum fund balance policy**

The Town Council has adopted a minimum fund balance policy for the General Fund. The policy establishes the intent to maintain a level of unassigned fund balance of an amount no less than 10% of the Town's general fund budget.

10. Use of estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, deferred outflows and inflows of resources including disclosures of contingent assets and liabilities and reported revenues, expenses and expenditures during the fiscal year. Actual results could differ from those estimates.

11. Reclassifications

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

II. Stewardship, compliance and accountability**A. Basis of budgeting**

The Town has a legally adopted annual budget for the General Fund. The legal level of control is the department level.

The Town uses the budgetary basis of accounting under which purchase orders for contracts or other commitments are recorded in order to reserve that portion of the applicable appropriation. Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order, contract or other commitment is issued and, accordingly, encumbrances outstanding at year end are reported in the budgetary statements included as required supplementary information.

B. Donor-restricted endowments

The Town has received certain endowments for student awards. The amounts are reflected in fiduciary net position as restricted for individuals. Investment income is approved for disbursement by the Trustee. At year end, there was no appreciation available for appropriation.

The Town allocates investment income of donor-restricted endowments in accordance with donor restrictions and Connecticut law, which has adopted the provisions of the Uniform Prudent Management of Institutional Funds Act ("UPMIFA"). Under UPMIFA, investment income earned on donor-restricted endowment funds is considered to be unrestricted in the absence of explicit donor restrictions. Further, in the absence of explicit donor restrictions regarding investment appreciation, such appreciation is treated the same as the related investment income. Investment losses that reduce the value of endowment investments below the original principal amount serve to reduce restricted net position or unrestricted net position, depending upon the applicable donor's stipulations regarding the treatment of investment income and appreciation.

Town of Clinton, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

II. Stewardship, compliance and accountability (continued)

C. Capital projects authorizations

The following is a summary of certain capital projects:

Project	Project Authorization	Cumulative Expenditures	Balance
Underground Water Tanks	\$ 1,200,000	\$ -	\$ 1,200,000
Carter Hill Road Bridge - Construction	2,230,570	-	2,230,570
Kelseytown Road Bridge - Construction	2,899,460	2,781,963	117,497
2018 Flash Flood Recovery	750,000	716,770	33,230
Eliot Water Pipe	556,200	178,489	377,711
Pleasant Valley Road	1,591,624	195,946	1,395,678
Small Bridge Repairs	892,815	230,438	662,377
Morgan Sidewalks	1,113,620	1,073,787	39,833
Joel School Roof Phase I	2,847,499	531,740	2,315,759
Eliot Roof Phase IV	1,114,252	368,298	745,954
Totals	\$ 15,196,040	\$ 6,077,431	\$ 9,118,609

III. Detailed notes

A. Cash and investments

1. Deposits – custodial credit risk

At year end, the Town's bank balance was \$25,747,630 and was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 17,926,867
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name	<u>6,320,952</u>
Total amount subject to custodial credit risk	<u>\$ 24,247,819</u>

Financial instruments that potentially subject the Town to significant concentrations of credit risk consist primarily of cash. From time to time, the Town's cash account balances exceeded the Federal Deposit Insurance Corporation limit. The Town reduces its credit risk by maintaining its cash deposits with major financial institutions and monitoring their credit ratings.

Town of Clinton, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

A. Cash and investments (continued)

2. Investments

a. The Town's investments consisted of the following types and maturities. Specific identification was used to determine maturities:

Type of Investment	Fair Value	Investment Maturities (In Years)			
		N/A	Less Than 1	1-5 Years	5-10 Years
Mutual funds					
Equity	\$ 5,955,995	\$ 5,955,995	\$ -	\$ -	\$ -
Fixed income funds	5,657,871	-	-	5,485,987	171,884
Pooled fixed income	3,225,829	-	3,225,829	-	-
Certificates of deposit	17,069	-	17,069	-	-
Bank money markets	22,088,450	-	22,088,450	-	-
U.S. government obligations	756,786	-	-	756,786	-
Common stock	11,610,475	11,610,475	-	-	-
Corporate bonds	745,639	-	-	-	745,639
Total	\$50,058,114	\$ 17,566,470	\$25,331,348	\$6,242,773	\$ 917,523

b. The Town had the following recurring fair value measurements:

	Amount	Quoted Market Prices in Active Markets	Significant Observable Inputs
		Level 1	Level 2
Investments by fair value level			
Mutual funds			
Equity	\$ 5,955,995	\$ 5,955,995	\$ -
Fixed income funds	5,657,869	5,657,869	-
U.S. government obligations	756,786	756,786	-
Common stock	11,610,475	11,610,475	-
Corporate bonds	745,639	-	745,639
Total investments by fair value level	24,726,764	\$ 23,981,125	\$ 745,639
Other investments			
Pooled fixed income	3,225,829		
Certificates of deposit	17,069		
Bank money markets	22,088,452		
Total other investments	25,331,350		
Total investments	\$ 50,058,114		

Town of Clinton, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

A. Cash and investments (continued)

Level 1: Quoted prices for identical investments in active markets;

Level 2: Observable inputs other than quoted prices for identical securities in markets that are not active. The fair value was determined based on quoted prices in less active, dealer or broker markets. Fair values are primarily obtained from third party pricing services for identical or comparable assets.

c. The Town's investments subject to credit risk had average ratings by Standard & Poor's as follows:

Type of Investment	Ratings					
	AAA	AA	BBB	BB	B	Total
Mutual funds						
Fixed income funds	\$ 97,881	\$ 298,735	\$ 135,223	\$ 4,978,925	\$ 147,105	\$ 5,657,869
Pooled fixed income	3,225,829	-	-	-	-	3,225,829
Corporate bonds	-	745,639	-	-	-	745,639
Total	<u>\$ 3,323,710</u>	<u>\$ 1,044,374</u>	<u>\$ 135,223</u>	<u>\$ 4,978,925</u>	<u>\$ 147,105</u>	<u>\$ 9,629,337</u>

d. Certain investments are covered by the Securities Investor Protection Corporation ("SIPC") up to \$500,000, including \$250,000 of cash from sale or for purchase of investments, but not cash held solely for the purpose of earning interest. SIPC protects securities such as notes, stocks, debentures, certificates of deposit and money funds.

The following Town investments are held by the counterparty's trust department or agent but not in the Town's name and, therefore, are subject to custodial credit risk.

	Total	Less Insured Amounts	Amount Subject to Custodial Credit Risk
U.S. government obligations	\$ 756,786	\$ 1,350	\$ 755,436
Common stock	11,610,475	874,104	10,736,371
Corporate bonds	<u>745,639</u>	<u>500,000</u>	<u>245,639</u>
Total	<u>\$ 13,112,900</u>	<u>\$ 1,375,454</u>	<u>\$ 11,737,446</u>

Town of Clinton, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021**B. Receivables**

Receivable balances have been disaggregated by type and presented separately in the financial statements. Only receivables with allowances for uncollectible accounts, including the applicable allowances for uncollectible accounts, are presented below.

	Property Taxes			
	Taxes	Interest and Lien Fees	Total	CDBG Loans
Current portion	<u>\$ 313,811</u>	<u>\$ 75,577</u>	<u>\$ 389,389</u>	<u>\$ 5,100</u>
Long-term portion	<u>\$ 723,239</u>	<u>\$ 173,928</u>	<u>\$ 897,166</u>	<u>\$ 249,963</u>
Less allowance for uncollectibles	<u>(175,000)</u>	<u>(100,000)</u>	<u>(275,000)</u>	<u>(5,100)</u>
Net long-term portion	<u><u>\$ 548,239</u></u>	<u><u>\$ 73,928</u></u>	<u><u>\$ 622,166</u></u>	<u><u>\$ 244,863</u></u>

C. Interfund accounts**1. Interfund payables and receivables**

A summary of interfund balances is as follows:

	Corresponding Fund	Due From	Due To
General fund			
School cafeteria fund	N/A	\$ 20,883	\$ -
Education grant fund	N/A	340,625	-
School activity fund	N/A	58,260	-
Total general fund		<u>419,768</u>	<u>-</u>
Other governmental funds			
School cafeteria fund	General fund	-	20,883
Education grant fund	School activity fund	-	34,287
Education grant fund	General fund	-	340,625
School activity fund	General Fund	-	58,260
School activity fund	Education grant fund	<u>34,287</u>	<u>-</u>
Total other governmental funds		<u>34,287</u>	<u>454,055</u>
Total		<u><u>\$ 454,055</u></u>	<u><u>\$ 454,055</u></u>

Town of Clinton, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

C. Interfund accounts (continued)

All interfund balances resulted from the time lag between the dates payments occurred between funds for interfund goods, payroll and services provided or in instances where certain funds do not have a cash account.

2. Interfund transfers

A summary of interfund transfers for the fiscal year is as follows:

	Corresponding Fund	Transfers In	Transfers Out
General fund	Capital projects fund	\$ -	\$ 1,368,706
General fund	Adult education fund	63,983	-
General fund	School activity fund	69,242	-
Total general fund		<u>133,225</u>	<u>1,368,706</u>
Capital projects fund	General fund	<u>1,368,706</u>	-
Other governmental funds			
Adult education fund	General fund	-	63,983
Adult education fund	School activity fund	-	31,768
School activity fund	Adult education fund	<u>31,768</u>	<u>69,242</u>
Total other governmental funds		<u>31,768</u>	<u>164,993</u>
Total		<u><u>\$ 1,533,699</u></u>	<u><u>\$ 1,533,699</u></u>

Transfers are used to move budgeted appropriations from the general fund for funding of capital projects.

Town of Clinton, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

D. Capital assets

Capital asset activity for the fiscal year was as follows:

	Balance July 1, 2020	Increases	Decreases	Balance June 30, 2021
<u>Capital Assets, Not Being Depreciated:</u>				
Land	\$ 6,068,110	\$ -	\$ 10,000	\$ 6,058,110
Construction in progress	1,242,127	3,815,781	2,255,686	2,802,222
Total Capital Assets, Not Being Depreciated	<u>7,310,237</u>	<u>3,815,781</u>	<u>2,265,686</u>	<u>8,860,332</u>
<u>Capital Assets, Being Depreciated:</u>				
Land improvements	12,296,709	49,403	-	12,346,112
Buildings and improvements	104,038,261	1,732,945	24,404	105,746,802
Machinery and equipment	13,321,890	677,104	257,734	13,741,260
Infrastructure	41,084,660	1,830,122	-	42,914,782
Total Capital Assets, Being Depreciated	<u>170,741,520</u>	<u>4,289,574</u>	<u>282,138</u>	<u>174,748,956</u>
Total Capital Assets	<u>178,051,757</u>	<u>8,105,355</u>	<u>2,547,824</u>	<u>183,609,288</u>
<u>Less Accumulated Depreciation For:</u>				
Land improvements	9,462,089	471,305	-	9,933,394
Buildings and improvements	24,055,754	1,662,611	24,404	25,693,961
Machinery and equipment	8,530,268	1,017,206	257,734	9,289,740
Infrastructure	17,344,520	807,833	-	18,152,353
Total Accumulated Depreciation	<u>59,392,631</u>	<u>3,958,955</u>	<u>282,138</u>	<u>63,069,448</u>
Total Capital Assets, Being Depreciated, Net	<u>111,348,889</u>	<u>330,619</u>	<u>-</u>	<u>111,679,508</u>
Capital Assets, Net	<u>\$118,659,126</u>	<u>\$ 4,146,400</u>	<u>\$2,265,686</u>	<u>\$120,539,840</u>

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

General government	\$ 254,979
Public safety	833,309
Public works	1,031,983
Culture and recreation	49,426
Education	<u>1,789,258</u>
Total depreciation expense	<u>\$ 3,958,955</u>

Town of Clinton, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021**Special item**

The land disposal above is for the sale of the former school property that resulted in \$2,200,000 of proceeds and a gain on sale of \$2,190,000.

E. Construction commitments

The Town has the following construction commitments:

Pleasant Valley Road Bridge	\$ 792,332
Kelseytown Road Bridge	<u>1,186,220</u>
Total commitments	<u>\$ 1,978,552</u>

F. Short-term obligations – bond anticipation notes

The Town uses bond anticipation notes during the construction period of various projects prior to the issuance of the bonds at the completion of the project.

Short-term obligation activity for the fiscal year was as follows:

Description	Date of Issue	Date of Maturity	Interest Rate	Balance July 1, 2020	Additions	Deductions	Balance June 30, 2021
Infrastructure Improvements	2/5/2020	2/4/2021	2.00%	\$ 3,150,000	\$ -	\$ 3,150,000	\$ -
Infrastructure Improvements	2/4/2021	2/3/2022	1.50%	<u>-</u>	<u>4,000,000</u>	<u>-</u>	<u>4,000,000</u>
Total				<u>\$ 3,150,000</u>	<u>\$ 4,000,000</u>	<u>\$ 3,150,000</u>	<u>\$ 4,000,000</u>

Town of Clinton, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

G. Changes in long-term obligations

1. Summary of changes

Description	Original Amount	Date of Issue	Date of Maturity	Interest Rate	Balance July 1, 2020	Additions	Refunding and Deductions**	Balance June 30, 2021	Current Portion	Long-Term Portion
Bonds:										
General purpose:										
Refunding bonds	\$ 2,996,000	02/15/13	08/01/23	3.0-4.0%	\$ 1,202,000	\$ -	\$ 603,000	\$ 599,000	\$ 299,000	\$ 300,000
Bonds	2,300,000	01/26/16	02/01/36	2.0-5.0%	2,070,000	-	1,380,000	690,000	115,000	575,000
Refunding bonds	3,015,000	02/11/16	07/15/30	2.0-5.0%	2,534,000	-	235,000	2,299,000	230,000	2,069,000
Bonds	2,800,000	01/24/18	02/01/38	2.0-5.0%	2,800,000	-	1,315,000	1,485,000	120,000	1,365,000
Refunding bonds	6,690,000	03/27/19	08/01/33	3.0-5.0%	6,480,000	-	520,000	5,960,000	548,000	5,412,000
Bonds	3,710,000	01/22/20	02/01/40	2.0-5.0%	3,215,359	-	-	3,215,359	-	3,215,359
Refunding bonds*	2,930,000	11/22/20	06/30/37	0.4-2.25%	-	2,930,000	169,000	2,761,000	-	2,761,000
Total general purpose	24,441,000				18,301,359	2,930,000	4,222,000	17,009,359	1,312,000	15,697,359
School bonds:										
Refunding bonds	804,000	02/15/13	08/01/23	3.0-4.0%	323,000	-	162,000	161,000	81,000	80,000
School bond	5,000,000	01/29/15	02/01/35	2.0-3.0%	4,175,000	-	4,175,000	-	-	-
School building	12,000,000	01/26/16	02/01/36	2.0-5.0%	11,050,000	-	6,850,000	4,200,000	700,000	3,500,000
Refunding bonds	585,000	02/11/16	07/15/30	2.0-5.0%	491,000	-	45,000	446,000	45,000	401,000
School bond	14,000,000	01/25/17	02/01/37	3.0-5.0%	13,425,000	-	10,375,000	3,050,000	650,000	2,400,000
Refunding bonds	5,440,000	03/27/19	08/01/33	3.0-5.0%	5,260,000	-	345,000	4,915,000	327,000	4,588,000
School bond	2,000,000	01/22/20	02/01/40	2.0-5.0%	2,494,641	-	-	2,494,641	-	2,494,641
Refunding bonds	3,515,000	11/22/20	06/30/35	3.0-4.0%	-	3,515,000	-	3,515,000	370,000	3,145,000
Refunding bonds*	17,310,000	11/22/20	06/30/37	0.4-2.25%	-	17,310,000	46,000	17,264,000	-	17,264,000
Total school bonds	60,654,000				37,218,641	20,825,000	21,998,000	36,045,641	2,173,000	33,872,641
Total bonds	85,095,000				55,520,000	23,755,000	26,220,000	53,055,000	3,485,000	49,570,000
Notes: (direct borrowings)										
Equipment financing notes					608,280	307,281	261,774	653,787	183,777	470,010
Total bonds and notes					56,128,280	24,062,281	26,481,774	53,708,787	3,668,777	50,040,010
Premium					2,012,402	-	526,181	1,486,221	-	1,486,221
Total bonds, notes and related					58,140,682	24,062,281	27,007,955	55,195,008	3,668,777	51,526,231
Capital lease payable					27,819	-	27,819	-	-	-
Compensated absences					2,083,988	487,573	350,605	2,220,956	712,404	1,508,552
Landfill closure and post closure liability					6,873,725	496,029	113,754	7,256,000	103,000	7,153,000
Net pension liability					16,160,388	5,025,712	8,244,964	12,941,136	-	12,941,136
Net OPEB liability					9,515,223	613,236	625,396	9,503,063	-	9,503,063
Heart and hypertension					85,138	-	4,734	80,404	4,750	75,654
Total long-term obligations	\$92,886,963	\$30,684,831	\$36,375,227	\$87,196,567	\$4,488,931	\$82,707,636				

*Taxable

** Includes \$22,799,000 of refunded bonds

All long-term liabilities are generally liquidated by the general fund except for heart and hypertension which is liquidated from the internal service fund.

Town of Clinton, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

G. Changes in long-term obligations (continued)

2. The following is a summary of principal and interest amounts of bond and note maturities:

Year Ended June 30,	Governmental Activities		
	Bond Principal	Note Principal	Total Interest
2022	\$ 3,485,000	\$ 183,777	\$ 1,485,797
2023	3,520,000	158,445	1,329,091
2024	3,600,000	120,659	1,181,419
2025	3,470,000	58,266	1,056,616
2026	3,490,000	59,653	934,693
2027	3,620,000	34,889	839,250
2028	3,655,000	22,620	729,612
2029	3,650,000	15,478	636,833
2030	3,645,000	-	546,621
2031	3,650,000	-	455,385
2032	3,380,000	-	371,458
2033	3,405,000	-	292,803
2034	3,055,000	-	216,963
2035	2,590,000	-	153,656
2036	2,275,000	-	95,640
2037	1,380,000	-	51,159
2038	515,000	-	27,819
2039	335,000	-	15,075
2040	335,000	-	7,538
Total	<u>\$ 53,055,000</u>	<u>\$ 653,787</u>	<u>\$ 10,427,428</u>

3. Assets pledged as collateral

The Town's outstanding equipment financing notes of \$653,787 are secured with collateral of the equipment purchased.

Town of Clinton, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

G. Changes in long-term obligations (continued)

4. Statutory debt limitations

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

Category	Debit Limit	Net Indebtedness	Balance
General purpose	\$ 108,494,228	\$ 21,009,359	\$ 87,484,869
Schools	216,988,457	36,045,641	180,942,816
Sewers	180,823,714	-	180,823,714
Urban renewal	156,713,885	-	156,713,885
Pension deficit	144,658,971	-	144,658,971

The total overall statutory debt limit for the Town is equal to seven times annual receipts from prior year taxation, \$337,537,599.

The indebtedness reflected above includes bonds outstanding in addition to the amount of bonds authorized and unissued against which bond anticipation notes are issued and outstanding.

5. Authorized/unissued bonds

The amount of authorized, unissued bonds are as follows:

General purpose	\$ 11,747,641
Schools	5,206,647
Total	<u>\$ 16,954,288</u>

6. Current year advance refunding

In November of 2020, the Town issued general obligation bonds of \$3,515,000 and \$20,240,000 with an interest rate of 3.0% to 4.0% and 0.4% to 2.25% respectively. These refunding bonds were issued to defease bonds issued in 2013 to 2019. The refunding resulted in an economic gain of \$1,282,828 and a total savings of \$1,430,578.

7. Capital leases

The Town has entered into a lease agreement to finance the acquisition of computer equipment. The equipment is included in the capital assets as follows:

	Cost	Accumulated Depreciation	Depreciation Expense
Machinery and equipment	<u>\$ 111,276</u>	<u>\$ 110,743</u>	<u>\$ 27,800</u>

Town of Clinton, Connecticut**Notes to Financial Statements
As of and for the Year Ended June 30, 2021****G. Changes in long-term obligations (continued)****8. Landfill closure and post-closure care costs**

State and Federal laws and regulations require that the Town place a cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the landfill site for 30 years after closure. The cost of landfill closure and post closure care is allocated based on landfill capacity used to date. The landfill has been converted to a transfer station facility for residents.

The Town is in the process of closing its landfill in accordance with the requirements of the State of Connecticut Department of Energy and Environmental Protection and the Federal Environmental Protection Agency. The estimated total current costs of landfill closure is \$6,656,000, which is based on what it would cost to perform all closure at 2021 prices with a third party performing the closure work.

Estimated total current costs of landfill post-closure care is \$600,000, which is based on the amount estimated to be paid for all equipment, facilities and services required to monitor and maintain the landfill. However, the actual cost of closure and monitoring and other post-closure care may be higher due to inflation, deflation, changes in technology or changes in landfill laws and regulations.

The Town has established \$350,000 of committed fund balance in the General Fund to partially fund the closure.

Town of Clinton, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

H. Fund balances and restricted net position

Fund balances are composed of the following:

Fund Balance Component	General Fund	Capital Projects	Other Governmental Funds	Total
<u>Nonspendable:</u>				
Prepays	\$ 125,583	\$ -	\$ -	\$ 125,583
<u>Restricted:</u>				
Historical preservation	-	-	21,532	21,532
Housing rehabilitation	-	-	282,031	282,031
Public safety programs	-	-	5,389	5,389
Food service program	-	-	170,887	170,887
Construction contracts	-	1,978,552	-	1,978,552
Total restricted	-	1,978,552	479,839	2,458,391
<u>Committed:</u>				
Public safety programs	-	-	5,496	5,496
Culture and recreation programs	-	-	317,473	317,473
Social service programs	-	-	82,322	82,322
Education programs	607,156	-	794,406	1,401,562
Landfill closure	350,000	-	-	350,000
Total committed	957,156	-	1,199,697	2,156,853
<u>Assigned:</u>				
Subsequent year's budget - capital	2,269,800	-	-	2,269,800
Subsequent year's budget - operations	350,000	-	-	350,000
Town projects and programs	-	-	292,216	292,216
Total assigned	2,619,800	-	292,216	2,912,016
<u>Unassigned</u>	<u>15,406,058</u>	<u>(4,394,769)</u>	<u>-</u>	<u>11,011,289</u>
Total	\$ 19,108,597	\$ (2,416,217)	\$ 1,971,752	\$ 18,664,132

The amount of restricted net position, which was restricted by enabling legislation, totaled \$193,228.

Town of Clinton, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

IV. Other information

A. Risk management

The Town is exposed to various risks of loss including torts, theft of, damage to and destruction of assets; errors or omissions; injuries to employees and natural disasters. Generally, the Town obtains commercial insurance for these risks, but has chosen to retain limited risks for heart and hypertension claims. The Town contracts with outside organizations to pay claims and provide administrative services. Additionally, insurance coverage has been purchased to limit the Town's liability for worker's compensation, general liability and medical claims. Settled claims have not exceeded commercial coverage in any of the past three years, and there has not been any significant reductions in insurance coverage from amounts held in prior years.

The Town is a member of Connecticut Interlocal Risk Management Association ("CIRMA"). CIRMA is a public entity risk pool established under the provisions of the Connecticut General Statutes Section 7-479a et. seq. The Town is liable only for contributions to the pool. Members do not retain the risk of loss, as they have transferred the risk by purchasing pool coverage with no deductible retention. A separate agreement limits the member's obligation to pay indemnification obligations and expenses should CIRMA be unable to do so.

The Town is also a member of CIRMA's Workers' Compensation Pool, a risk sharing pool. 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 a payroll audit at the close of the coverage period. CIRMA's Workers' Compensation Pool retains \$1,000,000 per occurrence and purchases reinsurance about that amount to the limit of liability of \$10,000,000 per occurrence.

The Town is a self-insured provider of claims under C.G.S. 7-433c, the Heart and Hypertension Act. The death benefits liability is adjusted annually to reflect cost of living increases. The present value of benefits was computed at an assumed rate of return of three percent. The plan is funded monthly by budget appropriations and employee contributions, as required.

The Town utilizes a risk management fund (the Internal Service Fund) to account for and finance its uninsured risks of loss for heart and hypertension. The fund records all claim expenditures and liabilities when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Town departments are charged premiums by the Internal Service Fund, which are included in department expenditures, to cover the estimated cost of claims payment based on historical cost estimates of the amounts needed to pay prior and current year claims.

	Current year					
	Claims Payable July 1	Claims and Changes in Estimates	Claims Paid	Claims		
				Payable June 30	Current Portion	Long-Term Portion
<u>Heart and hypertension</u>						
2019-2020	\$ 87,529	\$ 555	\$ 2,946	\$ 85,138	\$ 2,463	\$ 82,675
2020-2021	85,138	-	4,734	80,404	4,750	75,654

Town of Clinton, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

B. Commitments and litigation

Amounts received or receivable from Federal and State grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the Town expects such amounts, if any, to be immaterial.

The Town is a defendant in various lawsuits and the outcome of these lawsuits is not presently determinable. In the opinion of the Town attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the Town.

C. Tax abatements

The Town is authorized by Connecticut State Statutes to enter into property tax abatement agreements for the purpose of economic development, competitiveness and to encourage business investment.

There is currently one company participating in the economic development tax incentive program.

The amount of the tax abatement under this program was \$51,442.

D. Contingencies

Coronavirus

In March 2020, the United States declared the outbreak of Coronavirus a national emergency. Similarly, the Governor of the State of Connecticut declared a state of emergency. Although the national shut down has ended, the Coronavirus continues to have an impact on the economy including effects on the Town's economically sensitive revenues such as park and recreation program fees, interest earnings and certain other charges for services. This has been offset to varying degrees by increases in building permit fees and conveyance taxes. In addition, the supply chain has been disrupted and prices have increased for various type of items, including construction costs. The pandemic has also resulted in labor shortages.

In response to the pandemic and the economic impact on local governments, the federal government has provided the following funding beginning in April 2020 and April 2021. The Town had received grants from the federal government for the costs and impact of the pandemic as follows:

Grant Name	Amount
Coronavirus Relief Fund ("CRF")	\$ 240,735
Education Stabilization Fund ("ESF")	166,618
American Rescue Plan Act ("ARPA")	<u>1,912,581</u>
 Total	 <u>\$ 2,319,934</u>

The second payment of the ARPA grant of \$1,912,581 is to be received in fiscal year 2022.

The Town is continuously monitoring its financial condition and will take proactive measures as necessary to maintain operations and meet its obligations. Given this level of uncertainty, management cannot reasonably estimate the complete impact on the Town's future financial position at this time.

Town of Clinton, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021**V. Pensions and other post-employment benefit (“OPEB”) plans****A. Town pension plans****1. Plan description****a. Plan administration**

The Town of Clinton is the administrator of three single-employer public employee retirement systems established and administered by the town to provide benefits that cover the police employees, education noncertified employees and volunteer firefighters of the Town (“Plans”). All other Town employees are covered by the State of Connecticut Municipal Employees Retirement Fund except for certified teachers who are covered by the State of Connecticut Teachers’ Retirement System. The plans are considered to be part of the Town financial reporting entity and are included in the Town’s financial reports as a pension trust fund. The Plans were established by Town Meeting. The plans do not issue a standalone report. Benefits and refunds of post-employment defined plans are recognized when due and payable in accordance with the terms of the Plan. The Town’s General Fund contributes an amount as recommended by their Actuary to fund the net pension obligations.

Benefits and contributions are established by the Town, via negotiated contracts, and may be amended only by the approval of the Town Council, and as agreed upon with the appropriate bargaining unit.

The Police Plan is closed to new non-union entrants as of July 1, 2018. The Volunteer Firefighters’ Plan is closed to new entrants as of June 1, 2015.

Management of the Police Plan rests with the Police Retirement Board, which consists of three elected members. Management of the Board of Education Plan rests with the Education Retirement Board, which consists of four members. Management of the Volunteer Firefighters Plan rests with the Town Council.

b. Plan membership

As of July 1, 2020, the memberships in the Plans are comprised of the following:

	<u>Police</u>	<u>Education Noncertified</u>	<u>Volunteer Firefighters</u>
Retirees and beneficiaries receiving benefits	26	31	12
Terminated employees entitled to benefits	1	16	3
Active members	<u>27</u>	<u>83</u>	<u>24</u>
Total	<u><u>54</u></u>	<u><u>130</u></u>	<u><u>39</u></u>

Town of Clinton, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

A. Town pension plans (continued)

2. Benefit provisions

	Police	Education Noncertified	Volunteer Firefighters
Normal retirement	Age 55 with 10 years of continuous service (15 years if non-continuous) or 25 years of service	Age 65 with 10 years of service	Age 65 with 20 years of service
Benefit calculation	<p><u>Union:</u> 2.00% of final average annual earnings multiplied by years of service, not to exceed 75% of final average annual earnings</p> <p><u>Non-Union:</u> 3.00% of final average annual earnings multiplied by years of service, not to exceed 75% of final average annual earnings</p>	<p><u>Secretaries and central office staff:</u> 2.00% of average annual earnings multiplied by years of service</p> <p><u>All others:</u> 1.20%</p>	\$400 per month
Final average compensation	<p><u>Union:</u> Hired before May 1, 1998: average annual compensation for 3 highest years. Hired after May 1, 1998: average annual compensation for last 3 years</p> <p><u>Non-Union:</u> Highest annual compensation</p>	Average annual compensation of 5 highest plan years in final ten years	N/A - volunteer plan

Town of Clinton, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

A. Town pension plans (continued)

	Police	Education Noncertified	Volunteer Firefighters
Early retirement requirement	<u>Union:</u> 10 years of service <u>Non-Union:</u> None	Age 55 and 10 years of service	None
Early retirement benefit	<u>Union:</u> Accrued benefit as of early retirement date <u>Non-Union:</u> None	Benefit reduced by 1/15th for first 5 years and 1/30th for next 5 years until normal retirement date	None
Vesting - service	10 years continuous service, 15 years non-continuous	40% with 4 years of service increasing annually to 100% with 11 years of service	None
Cost of living adjustments	<u>Union:</u> Hired before May 1, 1998, 1-3%. Hired after May 1, 1998, none <u>Non-Union:</u> 4.00%	None	None

Town of Clinton, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

A. Town pension plans (continued)

3. Contributions

Each participant is required to contribute the following percentage of their salary to the plan.

	Police	Education Noncertified	Volunteer Firefighters
Participants - active member contribution rate of annual base compensation	6.0%	Secretaries - 2.0% All others - 1.0%	None
Town - average contribution rate of covered payroll	59.77%	17.37%	N/A - Actuarially determined amount

4. Investments

a. Investment policy

The pension plans' policy in regard to the allocation of invested assets is established and may be amended by the Retirement Board by a majority vote of its members. It is the policy of the Town's Retirement 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 following is the Board's adopted asset allocation policy for the plans:

Asset Class	Target Allocation		
	Police	Education Noncertified	Volunteer Firefighters
Large Cap	31.00%	30.00%	22.00%
Mid Cap	13.50%	9.00%	10.00%
Small Cap	5.50%	4.00%	0.00%
International Equity	8.00%	9.00%	10.00%
Emerging Markets Equity	0.00%	9.00%	4.00%
REIT Equity	2.00%	2.00%	0.00%
Fixed Income	35.00%	28.00%	0.00%
Intermediate Corporate	0.00%	0.00%	12.00%
Intermediate Government	0.00%	0.00%	8.00%
High-Yield Bonds	0.00%	0.00%	5.00%
International Bonds	0.00%	0.00%	5.00%
Short Term Bonds	0.00%	0.00%	20.00%
Cash	5.00%	5.00%	0.00%
Commodities	0.00%	4.00%	0.00%
Real Estate (Core)	0.00%	0.00%	4.00%
Total	100.00%	100.00%	100.00%

Town of Clinton, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

A. Town pension plans (continued)

b. Concentrations

There were no investments in any one organization that represented 5% or more of the pension plan's net position.

c. Rate of return

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 plans' target asset allocation (see the discussion of the pension plans' investment policy) are as follows:

Asset Class	Long-Term Expected Real Rate of Return		
	Police	Education Noncertified	Volunteer Firefighters
Large Cap	6.40%	4.55%	5.25%
Mid Cap	7.30%	5.09%	5.75%
Small Cap	7.80%	6.17%	0.00%
International Equity	6.40%	6.35%	5.75%
Emerging Markets Equity	9.00%	8.40%	7.75%
REIT Equity	0.00%	5.35%	0.00%
Fixed Income	0.70%	1.36%	0.00%
Intermediate Corporate	0.00%	0.00%	1.75%
Intermediate Government	0.00%	0.00%	0.75%
High-Yield Bonds	0.00%	0.00%	4.00%
International Bonds	0.00%	0.00%	0.75%
Short Term Bonds	0.00%	0.00%	-0.25%
Cash	0.00%	-0.07%	-0.75%
Commodities	0.00%	2.91%	0.00%
Real Estate (Core)	0.00%	0.00%	5.75%
Alternatives	0.00%	0.00%	0.00%
Long-Term Inflation Expectation	2.50%	2.75%	2.40%
Long-Term Expected Nominal Return	6.84%	6.76%	5.62%

d. Annual money-weighted rate of return

The annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was as follows:

	Police	Board of Education Noncertified	Volunteer Firefighters
Rate of Return	26.39%	26.11%	20.95%

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Town of Clinton, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

A. Town pension plans (continued)

5. Net pension liability

The components of the net pension liability were as follows:

	Police	Education Noncertified	Volunteer Firefighters
Total pension liability	\$ 23,643,116	\$ 8,515,444	\$ 973,547
Plan fiduciary net position	<u>17,349,244</u>	<u>7,570,934</u>	<u>165,237</u>
Net pension liability	<u>\$ 6,293,872</u>	<u>\$ 944,510</u>	<u>\$ 808,310</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>73.38%</u>	<u>88.91%</u>	<u>16.97%</u>

6. Actuarial methods and significant assumptions

The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	Police	Education Noncertified	Volunteer Firefighters
Valuation date	July 1, 2020	July 1, 2020	July 1, 2020
Actuarial cost method	Entry age normal	Entry age normal	Entry age normal
Asset valuation method	Fair value	Fair value	Fair value
Investment rate of return	7.15%	6.50%	6.50%
Inflation	2.50%	2.75%	2.40%
Salary increases	4.00%	4.00%	N/A
Cost of living adjustments	Union: Hired before May 1, 1998, 1-3%. Hired after May 1, 1998, none Non-Union: 4.00%	None	None
Mortality rates	RP-2014 Adjusted to 2006 Blue Collar Mortality Tables projected to valuation date with Scale MP-2019	PubG-2010 Mortality Table with generational projection per the MP-Ultimate scale	RP-2014 Adjusted to 2006 Blue Collar Mortality Table projected to valuation date with Scale MP-2018

Town of Clinton, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

A. Town pension plans (continued)**7. Changes from prior year****a. Changes in assumptions**

Police Plan

- The investment rate of return decreased from 7.25% to 7.15%.

Board of Education Noncertified Plan

- There were no changes in assumptions.

Volunteer Firefighters' Plan

- The investment rate of return decreased from 6.75% to 6.50%.
- The mortality assumption was updated from RP-2014 Adjusted to 2006 Blue Collar Mortality Table projected to valuation date with Scale MP-2019 to RP-2014 Adjusted to 2006 Blue Collar Mortality Table projected valuation date with Scale MP-2020.

b. Changes in benefit terms

There were no changes in benefit terms.

8. Discount rate

The discount rate used to measure the total pension liability was as follows:

	Police	Education Noncertified	Volunteer Firefighters
Discount rate	7.15%	6.50%	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 projected fiduciary net position will be sufficient to cover projected benefit payments and administrative expenses indefinitely. Therefore, the long-term expected rate of return on pension plan investments was used to discount plan liabilities.

Town of Clinton, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

A. Town pension plans (continued)

9. Changes in the net pension liability

The Town's net pension liability was measured at June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020 for the Plans. The changes in net pension liability were as follows:

Police	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at July 1, 2020	\$ 22,334,014	\$ 13,865,092	\$ 8,468,922
Service cost	328,596	-	328,596
Interest	1,591,149	-	1,591,149
Differences between expected and actual experience	288,675	-	288,675
Changes in assumptions	537,645	-	537,645
Contributions - employer	-	1,032,780	(1,032,780)
Contributions - member	-	133,561	(133,561)
Net investment income	-	3,754,774	(3,754,774)
Benefit payments, including refunds of member contributions	(1,436,963)	(1,436,963)	-
Administration	-	(8,900)	8,900
Net change	1,309,102	3,475,252	(2,166,150)
Balance at June 30, 2021	\$ 23,643,116	\$ 17,340,344	\$ 6,302,772

Town of Clinton, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

A. Town pension plans (continued)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Education Noncertified			
Balance at July 1, 2020	<u>\$ 8,218,051</u>	<u>\$ 6,042,867</u>	<u>\$ 2,175,184</u>
Service cost	277,975	-	277,975
Interest	533,830	-	533,830
Differences between expected and actual experience	61,126	-	61,126
Changes in assumptions	-	-	-
Contributions - employer	-	491,221	(491,221)
Contributions - member	-	30,829	(30,829)
Net investment income	-	1,581,555	(1,581,555)
Benefit payments, including refunds of member contributions	<u>(575,538)</u>	<u>(575,538)</u>	<u>-</u>
Net change	<u>297,393</u>	<u>1,528,067</u>	<u>(1,230,674)</u>
Balance at June 30, 2021	<u>\$ 8,515,444</u>	<u>\$ 7,570,934</u>	<u>\$ 944,510</u>
Volunteer Firefighters			
Balance at July 1, 2020	<u>\$ 976,459</u>	<u>\$ 113,892</u>	<u>\$ 862,567</u>
Service cost	12,859	-	12,859
Interest	64,734	-	64,734
Differences between expected and actual experience	(39,949)	-	(39,949)
Changes in assumptions	21,044	-	21,044
Contributions - employer	-	78,002	(78,002)
Net investment income	-	34,943	(34,943)
Benefit payments, including refunds of member contributions	<u>(61,600)</u>	<u>(61,600)</u>	<u>-</u>
Net change	<u>(2,912)</u>	<u>51,345</u>	<u>(54,257)</u>
Balance at June 30, 2021	<u>\$ 973,547</u>	<u>\$ 165,237</u>	<u>\$ 808,310</u>

Town of Clinton, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

A. Town pension plans (continued)

10. Sensitivity of the net pension liability to changes in the discount rate

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

Net pension liability	1% Decrease	Current Discount Rate	1% Increase
Police	\$ 9,063,445	\$ 6,302,772	\$ 4,001,978
Education Noncertified	\$ 1,859,551	\$ 944,510	\$ 164,105
Volunteer Firefighters	\$ 926,277	\$ 808,310	\$ 708,590

11. Pension expense and deferred outflows and inflows of resources

The Town recognized pension expense for the plans of:

	Police	Education Noncertified	Volunteer Firefighters
Pension expense	\$ 662,583	\$ 196,841	\$ 63,598

The Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description of Outflows/Inflows	Police	Deferred Outflows of Resources	Deferred Inflows of Resources	Net
Differences between expected and actual experience	\$ 238,903	\$ 113,845	\$ 125,058	
Changes in assumptions		780,040	88,768	691,272
Net difference between projected and actual earnings on pension plan investments		-	1,738,214	(1,738,214)
Total	\$ 1,018,943	\$ 1,940,827	\$ (921,884)	

Town of Clinton, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

A. Town pension plans (continued)

Education Noncertified Description of Outflows/Inflows	Deferred Outflows of Resources	Deferred Inflows of Resources	Net
Differences between expected and actual experience	\$ 191,143	\$ 171,591	\$ 19,552
Changes in assumptions	309,141	160,061	149,080
Net difference between projected and actual earnings on pension plan investments	-	898,872	(898,872)
Total	\$ 500,284	\$ 1,230,524	\$ (730,240)
Volunteer Firefighters Description of Outflows/Inflows	Deferred Outflows of Resources	Deferred Inflows of Resources	Net
Differences between expected and actual experience	\$ -	\$ 57,463	\$ (57,463)
Changes in assumptions	42,956	-	42,956
Net difference between projected and actual earnings on pension plan investments	-	16,710	(16,710)
Total	\$ 42,956	\$ 74,173	\$ (31,217)

Actual investment earnings below (or above) projected earnings are amortized over 5 years. Changes of assumptions and experience losses (gains) are amortized over the average remaining service period of actives and inactive employees, which was:

Plan	Years
Police	5.8
Education Noncertified	6.7
Volunteer Firefighters	9.4

Town of Clinton, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021**A. Town pension plans (continued)**

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

Year Ending June 30,	Police	Education Noncertified	Volunteer Firefighters
2022	\$ (140,937)	\$ (187,695)	\$ (5,418)
2023	(223,710)	(195,197)	(5,438)
2024	(279,547)	(174,293)	(5,852)
2025	(393,288)	(227,207)	(6,962)
2026	115,598	47,764	(1,740)
Thereafter	-	6,388	(5,807)
Total	<u>\$ (921,884)</u>	<u>\$ (730,240)</u>	<u>\$ (31,217)</u>

B. Defined contribution retirement savings plan

Volunteer Firefighters are eligible to participate in a defined contribution plan administered by the Town, known as the Length of Service Awards Program 457E plan ("Plan"). The benefits and contribution requirements are established by approval of the Town Council. The Plan requires the Town to contribute \$1,000 per eligible member. The Town contributions for each member (and interest allocated to the members' account) are vested after five years of service. No member contributions are allowed. During the year, the employer contributions were \$28,000.

C. Connecticut municipal employees' retirement system**1. Plan description**

The Connecticut Municipal Employees' Retirement System ("MERS") is the public pension plan offered by the State of Connecticut for municipal employees in participating municipalities. MERS is a cost-sharing defined benefit pension plan administered by the Connecticut State Retirement Commission.

Municipalities may designate which departments (including elective officers if so specified) are to be covered under the Connecticut Municipal Employees' Retirement System ("MERS"). This designation may be the result of collective bargaining. Only employees covered under the State Teachers' Retirement System may not be included. There are no minimum age or service requirements. Membership is mandatory for all regular full time employees of participating departments except Police and Fire hired after age 60.

The plan has 4 sub plans as follows:

- General employees with social security
- General employees without social security
- Policemen and firemen with social security
- Policemen and firemen without social security

Town of Clinton, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

C. Connecticut municipal employees' retirement system (continued)

2. Benefit provisions

Normal retirement	
General Employees	Age 55 with 5 years of continuous service, or 15 years of active aggregate service or 25 years of aggregate service
Police and Firemen	Compulsory retirement age is age 65
Benefit calculation	The maximum benefit is 100% of average final compensation and the minimum benefit is \$1,000 annually. Both the minimum and the maximum include workers' compensation and social security benefits
With social security	1.50% of the average final compensation not in excess of the year's breakpoint plus 2.00% of average final compensation in excess of the year's breakpoint, times years of service. If any member covered by social security retires before age 62, the benefit until age 62 is reached or a social security disability award is received, is computed as if the member is not under social security.
Without social security	2.00% of average final compensation, times years of service
Final average compensation	Average of the three highest paid years of service
Early retirement	
Early retirement amount	5 years of continuous service or 15 years of active aggregate service
Service connected disability amount	Calculated on the basis of average final compensation and service to date of termination. Deferral to normal retirement age, or an actuarially reduced allowance may begin at the time of separation.
Non-service connected disability service requirement	Calculated based on compensation and service to the date of the disability with a minimum benefit (including workers' compensation benefits) of 50% of compensation at the time of disability.
Non-service connected disability service amount	10 years of service
Pre-retirement death benefit amount	Calculated based on compensation and service to the date of the disability
Cost of living increases	Lump-sum return of contributions with interest of if vested and married, the surviving spouse will receive a lifetime benefit.
	2.50% - 6.00% depending on retirement date and increase in CPI

Town of Clinton, Connecticut

**Notes to Financial Statements
As of and for the Year Ended June 30, 2021**

C. Connecticut municipal employees' retirement system (continued)

3. Contributions

Employer

Participating municipalities 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 the system not met by member contributions.

Employees

For employees not covered by social security, each person is required to contribute 6.00% of compensation.

For employees covered by social security, each person is required to contribute 3.25% of compensation up to the social security taxable wage base plus 6.00% of compensation, if any, in excess of such base.

4. Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions

The Town reported \$4,885,544 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020. The Town's proportionate share of the net pension liability was based upon the Town's 2020 actuarial (expected) payroll relative to the payroll of all the participating employers as of that date. The Town's proportionate share was 1.244084% for the general employees with social security sub plan. The Town's proportionate share decreased 0.019219% from the prior year.

Subsequent to the measurement date, there were no changes in benefit terms or any expected changes that will have an impact on the measurement of the net pension liability.

Town of Clinton, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

C. Connecticut municipal employees' retirement system (continued)

For the fiscal year, the Town recognized pension expense of \$733,344. The Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description of outflows/inflows	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows and Inflows
Net difference between projected and actual earnings on pension plan investments	\$ 512,695	\$ -	\$ 512,695
Change in assumptions	804,400	-	804,400
Change in proportional share	125,289	121,131	4,158
Difference between expected and actual experience	323,681	624,592	(300,911)
Contributions subsequent to measurement date	<u>441,012</u>	-	<u>441,012</u>
Total	<u>\$ 2,207,077</u>	<u>\$ 745,723</u>	1,461,354
Contributions subsequent to the measurement date to be recognized as a reduction of the net pension liability in the subsequent year			<u>(441,012)</u>
Net amortized amount of deferred inflows and outflows			<u>\$ 1,020,342</u>
Other amounts reported as deferred outflows (inflows) of resources related to pensions will be recognized in pension expense as follows:			
Year Ending June 30,			
2022	\$ 459,874		
2023	534,872		
2024	(15,335)		
2025	<u>40,931</u>		
Total	<u>\$ 1,020,342</u>		

Town of Clinton, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

C. Connecticut municipal employees' retirement system (continued)

5. Actuarial assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2020, using the following actuarial assumptions, applied to all periods included in the measurement:

Investment rate of return	7.00%
Inflation	2.50%
Salary increases	3.50-10.00%, including inflation
Cost of living adjustments	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 6.00%. The minimum annual COLA is 2.50%, the maximum is 6.00%
Mortality rates	Mortality rates were based on 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 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 actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2017.

Long-term expected rate of return

The long-term expected rate of return on pension plan investments was determined using a statistical 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:

Town of Clinton, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

C. Connecticut municipal employees' retirement system (continued)

Asset Class	Target Allocation	Long-Term Target 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	<u>100.00%</u>	

6. Discount rate

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer 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.

7. Sensitivity of the net pension liability to changes in the discount rate

The following presents the Town's proportional share of the net pension (asset) liability of MERS, calculated using the discount rate, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate of 7.00%:

	1% Decrease	Current Discount Rate	1% Decrease
Town's proportional share of the net pension liability	<u>\$ 6,836,044</u>	<u>\$ 4,885,544</u>	<u>\$ 3,240,847</u>

Town of Clinton, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

C. Connecticut municipal employees' retirement system (continued)**8. Plan fiduciary net position**

Detailed information about the MERS plan's fiduciary net position is available in the separately issued State of Connecticut Annual Comprehensive Financial Report as of and for the year ended June 30, 2020.

D. Connecticut state teachers' retirement system**1. Plan description**

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

2. Benefit provisions

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
Benefit calculation	2.00% of the average annual salary times the years of credited service (maximum benefit is 75% of average annual salary during the 3 years of highest salary)
Early retirement	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
Early retirement amount	Benefit amounts are reduced by 6.00% per year for the first 5 years preceding normal retirement age and 4.00% per year for the next 5 years preceding the normal retirement age. Effective July 1, 1999, the reduction for individuals with 30 or more years of service is 3.00% per year by which retirement precedes normal retirement date
Service connected disability amount	2.00% of average annual salary times credited service to date of disability, but not less than 15% of average annual salary, nor more than 50% of average annual salary. In addition, disability benefits under this plan (without regard to cost-of-living adjustments) plus any initial award of social security benefits and workers' compensation cannot exceed 75% of annual average salary

Town of Clinton, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

D. Connecticut state teachers' retirement system (continued)

Non-service connected disability service requirement	Five years of credited service
Vesting - service	10 years of service
Vesting - amount	100%
Pre-retirement death benefit amount	Lump-sum return of contributions with interest or surviving spouse benefit depending on length of service

3. Contributions**State of Connecticut**

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 amended and certified by the State Teachers' Retirement Board and appropriated by the General Assembly. The contributions are actuarially determined as an amount that, when combined with employee contributions and investment earnings, 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.

Employer (school districts)

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

Employees

Each teacher is required to contribute 7.00% of their salary for the pension benefit.

4. Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions

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

Town's proportionate share of the net pension liability	\$ -
State's proportionate share of the net pension liability associated with the Town	<u>68,838,171</u>
Total	<u><u>\$ 68,838,171</u></u>

Town of Clinton, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021**D. Connecticut state teachers' retirement system (continued)**

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

During the year, the Town recognized pension expense and revenue of \$4,415,392 for on-behalf amounts for contributions to the plan by the State.

5. Actuarial assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2020, using the following actuarial assumptions, applied to all periods included in the measurement:

Investment rate of return	6.90%
Inflation	2.50%
Salary increases	3.25-6.50%, including inflation
Mortality rates	Mortality rates were based on the RP-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.

Future cost-of-living increases - For teachers who retired prior to September 1, 1992, pension benefit adjustments are made in accordance with increases in the Consumer Price Index, with a minimum of 3.00% and a maximum of 5.00% 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 6.00% per annum. If the return on assets in the previous year was less than 8.50%, the maximum increase is 1.50%. 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 5.00% per annum. If the return on assets in the previous year was less than 11.50%, the maximum increase is 3.00%, and if the return on the assets in the previous year was less than 8.50%, the maximum increase is 1.00%.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the 5-year period ending June 30, 2019.

Changes in assumptions and inputs

- The salary increases assumption was decreased from 3.25% to 3.00%.
- The mortality tables were changed from the RPH-2014 White Collar Table, projected to the year 2020 using the BB improvement scale to the PubT-2010 Table, projected generationally with MP-2019.

Town of Clinton, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

D. Connecticut state teachers' retirement system (continued)

Long-term expected rate of return

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 geometric 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	21.0%	5.8%
Developed non-U.S. equities	18.0%	6.6%
Emerging markets (non-U.S.)	9.0%	8.3%
Real estate	7.0%	5.1%
Private equity	11.0%	7.6%
Alternative investments	8.0%	4.1%
Core fixed income	7.0%	1.3%
High yield bonds	5.0%	3.9%
Emerging market bond	5.0%	3.7%
Inflation linked bond fund	3.0%	1.0%
Cash	6.0%	0.4%
 Total	 100.0%	

6. Discount rate

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that State contributions will be made at 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
As of and for the Year Ended June 30, 2021

D. Connecticut state teachers' retirement system (continued)

7. 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.

8. Plan fiduciary net position

Detailed information about the Connecticut State Teachers' Retirement Plan fiduciary net position is available in the separately issued State of Connecticut Annual Comprehensive Financial Report as of and for the year ended June 30, 2020.

E. Total pension plans

	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
Police	\$ 6,302,772	\$ 1,018,943	\$ 1,940,827	\$ 662,583
Education Noncertified	944,510	500,284	1,230,524	196,841
Volunteer Firefighters	808,310	42,956	74,173	63,598
MERS	4,885,544	2,207,077	745,723	733,344
Total	<u>\$ 12,941,136</u>	<u>\$ 3,769,260</u>	<u>\$ 3,991,247</u>	<u>\$ 1,656,366</u>

F. Other post-employment benefit plan

1. Plan description

a. Plan administration

The Town administers one single-employer defined benefit, post-retirement healthcare plan for the Town and Board of Education through the Town of Clinton Other Post-Employment Benefit ("OPEB") trust fund ("Plan"). The plan provides health and life insurance benefits to eligible retirees and their spouses. The plan does not issue standalone financial reports.

b. Plan membership

As of July 1, 2020 for the Town and July 1, 2019 for the Education, the plans' membership consisted of:

	Town	Education
Retirees and beneficiaries receiving benefits	48	26
Active members	78	267
Total	<u>126</u>	<u>293</u>

Town of Clinton, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

F. Other post-employment benefit plan (continued)

2. Benefit provisions

In addition to providing pension benefits, various Town employee agreements provide for a portion of health insurance coverage or subsidized coverage to retired employees. These benefits are negotiated through union contracts, personnel policies, and/or individual employment agreements.

3. Contributions

Employees	0%
Town retirees	<p><u>Police:</u> Age 55 and 10 years of continuous service or 15 years of noncontinuous service or 25 years of service - access to a major medical plan up to age 62. Town pays 100% of cost</p> <p><u>All other retirees:</u> Age 55 and 10-15 years of service on retiring (dependent on bargaining unit), up to age 65. Retiree pays 100% of the cost</p>
Noncertified education retirees	Retiree pays 100% of the cost up to age 65
Teachers and administrators	Teachers who no longer work for the Board of Education are allowed by State Statute to participate in the Town's group medical insurance plan until they formally begin receiving benefits from the State Teachers' Retirement Plan. These retirees are required to contribute the cost of the insurance to the Town
Employer	Actuarially determined on a bi-annual basis

Town of Clinton, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

F. Other post-employment benefit plan (continued)

4. Investments

a. Investment policy

The OPEB plans' policy in regard to the allocation of invested assets is established and may be amended by the Retirement Board. It is the policy of the Town's Retirement 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 following was the Board's adopted asset allocation policy.

Asset Class	Target Allocation	
	Town	Education
Large Cap	44.00%	20.00%
Mid/Small Cap	12.00%	12.00%
Large Growth	0.00%	12.00%
Large Value	0.00%	12.00%
International	15.00%	10.00%
Intermediate Bond	23.00%	0.00%
Short Term Bond/Cash	1.00%	1.00%
Fixed Income	0.00%	28.00%
Emerging Markets Equity	0.00%	5.00%
Specialty/Alternatives	5.00%	0.00%
Total	100.00%	100.00%

Town of Clinton, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

F. Other post-employment benefit plan (continued)

b. Concentrations

There were no investments in any one organization that represents 5% or more of the OPEB plans' net position.

c. Rate of return

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB 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 geometric real rates of return for each major asset class included in the OPEB plan's target asset allocation (see the discussion of the OPEB plan's investment policy) are as follows:

Asset Class	Long-Term Expected Real Rate of Return	
	Town	Education
Large Cap	5.25%	3.42%
Mid/Small Cap	5.75%	3.47%
Large Growth	0.00%	3.28%
Large Value	0.00%	3.67%
International	5.75%	4.84%
Intermediate Bond	1.25%	0.00%
Short Term Bond/Cash	-0.25%	-0.06%
Fixed Income	0.00%	1.28%
Emerging Markets Equity	0.00%	5.53%
Specialty/Alternatives	3.00%	0.00%
Long-Term Inflation Expectation	2.00%	2.75%
Long-Term Expected Rate of Return	6.30%	6.25%

d. The annual money-weighted rate of return on OPEB plan investments, net of investment expense was:

	Town	Education
Rate of Return	26.92%	32.94%

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Town of Clinton, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

F. Other post-employment benefit plan (continued)

5. Net OPEB liability

The components of the net OPEB liability were measured as of June 30, 2021 and were as follows:

	Town	Education
Total OPEB liability	\$ 2,926,380	\$ 6,713,421
Plan fiduciary net position	<u>40,731</u>	<u>96,007</u>
Net OPEB liability	<u><u>\$ 2,885,649</u></u>	<u><u>\$ 6,617,414</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>1.39%</u>	<u>1.43%</u>

6. Actuarial methods and significant assumptions

The total OPEB liability was determined using the following actuarial assumptions, applied to all periods included in the measurement.

	Town	Education
Valuation date	July 1, 2020	July 1, 2019
Actuarial cost method	Entry age normal	Entry age normal
Asset valuation method	Fair value	Fair value
Investment rate of return	2.16%	3.50%
Salary increases	2.50%	Graded by age for teachers and administrators, 4.00% for all others
Inflation	2.50%	2.75%
Healthcare cost trend rates:		
Initial medical trend rate	7.00%	5.70%
Ultimate medical trend rate	4.50%	4.10%
Mortality rates	RP-2014 Adjusted to 2006 Blue Collar Mortality Table projected to valuedate with Scale MP-2020	RPH-2014 White Collar Mortality table projected to the year 2020 using the BB improvement scale

Town of Clinton, Connecticut**Notes to Financial Statements
As of and for the Year Ended June 30, 2021****F. Other post-employment benefit plan (continued)****7. Changes from prior year****a. Changes in assumptions**Town

- The discount rate and investment rate of return decreased from 2.21% to 2.16%.
- The rate of compensation decreased from 2.60% to 2.50%.
- The healthcare cost trend rate changed from 7.60% to a final 4.60% for 2024 and later to 7.00% to an ultimate rate of 4.50% for 2025 and later.
- The mortality assumption changed from RP-2014 Adjusted to 2006 Blue Collar Mortality Table projected to valuation date with Scale MP-2017 to RP-2014 Adjusted to 2006 Total Dataset (Blue Collar for Police) Mortality Table projected to valuation date with Scale MP-2020.

Education

- The discount rate decreased from 2.21% to 2.16%.
- The investment rate of return decreased from 3.50% to 6.25%.

b. Changes in benefit terms

There were no changes in benefit terms in the current year.

8. Discount rate

The discount rate used to measure the total OPEB liability was:

	<u>Town</u>	<u>Education</u>
Discount Rate	2.16%	2.16%

The discount rate was based on the Bond Buyer municipal bond 20-year high grade index as of the measurement date.

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 OPEB plan's fiduciary net position was not projected to be available to make all projected future benefit payments of current plan members. Therefore, the municipal bond rate was applied to all periods of projected benefit payments to determine the total OPEB liability.

Town of Clinton, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

F. Other post-employment benefit plan (continued)

9. Changes in the net OPEB liability

The Town's OPEB liability was measured at June 30, 2021 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2020 for the Town and July 1, 2019 for the Board of Education.

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Town			
Balance at July 1, 2020	\$ 3,168,592	\$ 32,320	\$ 3,136,272
Service cost	67,308	-	67,308
Interest	69,314	-	69,314
Differences between expected and actual experience	(179,278)	-	(179,278)
Changes in assumptions	589	-	589
Contributions - employer	-	200,145	(200,145)
Net investment income	-	10,006	(10,006)
Benefit payments, including refunds of member contributions	(200,145)	(200,145)	-
Administrative expenses	-	(1,595)	1,595
Net change	(242,212)	8,411	(250,623)
Balance at June 30, 2021	\$ 2,926,380	\$ 40,731	\$ 2,885,649
Education			
Balance at July 1, 2020	\$ 6,454,364	\$ 75,413	\$ 6,378,951
Service cost	283,265	-	283,265
Interest	146,560	-	146,560
Changes in assumptions	42,350	-	42,350
Contributions - employer	-	213,118	(213,118)
Net investment income	-	24,500	(24,500)
Benefit payments, including refunds of member contributions	(213,118)	(213,118)	-
Administrative expenses	-	(3,906)	3,906
Net change	259,057	20,594	238,463
Balance at June 30, 2021	\$ 6,713,421	\$ 96,007	\$ 6,617,414

Town of Clinton, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

F. Other post-employment benefit plan (continued)

10. Sensitivity of the OPEB liability to changes in the discount rate

The following presents the OPEB liability, as well as what the OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate of 2.16%:

Net OPEB Liability	1% Decrease	Current Discount Rate	1% Increase
Town	\$ 3,250,882	\$ 2,885,649	\$ 2,581,963
Education	\$ 7,552,393	\$ 6,617,414	\$ 5,838,275

11. Sensitivity of the OPEB liability to changes in the healthcare cost trend rate

The following presents the OPEB liability, as well as what the OPEB liability would be if it were calculated using trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current trend rates of 7.00% decreasing to 4.50% for the Town plan and 5.70% to 4.10% for the Education plan as follows:

Net OPEB Liability	1% Decrease	Current Trend Rate	1% Increase
Town	\$ 2,648,285	\$ 2,885,649	\$ 3,167,335
Education	\$ 5,550,874	\$ 6,617,414	\$ 7,978,110

12. OPEB expense and deferred outflows/inflows of resources related to OPEB

For the fiscal year, the Town recognized OPEB expense of:

	Town	Education
OPEB expense	\$ 248,118	\$ 312,087

Town of Clinton, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

F. Other post-employment benefit plan (continued)

The Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Town Description of Outflows/Inflows	Deferred Outflows of Resources	Deferred Inflows of Resources	Net
Differences between expected and actual experience	\$ 354,370	\$ 155,051	\$ 199,319
Changes in assumptions	378,811	83,679	295,132
Net difference between projected and actual earnings on OPEB plan investments	- 	5,483 	(5,483)
Total	\$ 733,181	\$ 244,213	\$ 488,968

Education Description of Outflows/Inflows	Deferred Outflows of Resources	Deferred Inflows of Resources	Net
Differences between expected and actual experience	\$ 260,779	\$ 1,357,419	\$(1,096,640)
Changes in assumptions	322,417	366,730	(44,313)
Net difference between projected and actual earnings on OPEB plan investments	- 	19,507 	(19,507)
Total	\$ 583,196	\$ 1,743,656	\$(1,160,460)

Actual investment earnings below (or above) projected earnings are amortized over 5 years for both plans. Experience losses (gains) are amortized over the average remaining service period of actives and inactives, which was:

Plan	Years
Town	7.4
Board of Education	9.5

Town of Clinton, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

F. Other post-employment benefit plan (continued)

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

Year Ending June 30,	Town	Board of Education
2021	\$ 112,210	\$ (119,016)
2022	112,304	(118,079)
2023	112,156	(117,677)
2024	117,690	(117,514)
2025	55,985	(118,872)
Thereafter	(21,377)	(569,303)
Total	\$ 488,968	<u>\$(1,160,460)</u>

G. Connecticut state teachers' retirement board retiree health insurance plan

1. Plan description

Teachers, principals, superintendents or supervisors engaged in service of public schools that are currently receiving a retirement or disability benefit through the Connecticut Teachers' Retirement System 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"). Chapter 167a Section 10-183t 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.

2. Benefit provisions

The Plan provides for retiree health insurance benefits. Eligibility is as follows:

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
Service connected disability service requirement	No service requirement
Non-service connected disability service requirement	Five years of credited service
Vesting - service	10 years of service

Town of Clinton, Connecticut**Notes to Financial Statements
As of and for the Year Ended June 30, 2021****G. Connecticut state teachers' retirement board retiree health insurance plan (continued)****Retiree health care coverage**

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

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.

Town of Clinton, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

G. Connecticut state teachers' retirement board retiree health insurance plan (continued)**3. Contributions****State of Connecticut**

Per Connecticut General Statutes Section 10-183z, contribution requirements of active employees and the State of Connecticut are 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 pays for one third of plan costs through an annual appropriation in the General Fund.

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.

4. OPEB liabilities, OPEB expense, deferred outflows of resources and deferred inflows of resources related to OPEB

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 amounts 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 were as follows:

Town's proportionate share of the net OPEB liability	\$ -
State's proportionate share of the net OPEB liability associated with the Town	<u>10,267,216</u>
Total	<u><u>\$ 10,267,216</u></u>

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

The Town recognized OPEB expense and revenue of \$106,559 for on-behalf amounts for contributions to the plan by the State.

Town of Clinton, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

G. Connecticut state teachers' retirement board retiree health insurance plan (continued)

5. Actuarial assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2020, using the following actuarial assumptions, applied to all periods included in the measurement:

Investment rate of return	3.00%
Inflation	2.50%
Health care cost trend rate	
Pre-Medicare	5.95% decreasing to 4.75% by 2025
Medicare	5.00% decreasing to 4.75% by 2028
Salary increases	3.25-6.50%, including inflation
Mortality rates	Mortality rates were based on the RP-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
Year fund net position will be depleted	2020

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the 5-year period ending June 30, 2019.

Changes in assumptions and inputs

- The Medicare health care cost trend rate changed from 5.00% decreasing to 4.75% by 2028 to 5.125% decreasing to 4.50% by 2023.
- The salary increases assumption was decreased from 3.25% to 3.00%.
- The mortality tables were changed from the RPH-2014 White Collar Table, projected to the year 2020 using the BB improvement scale to the PubT-2010 Table, projected generationally with MP-2019.
- The discount rate was decreased from 3.50% 2.21% to reflect the change in the Municipal Bond Index rate.

Additionally, 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 January 1, 2019. Further, the expected rate of inflation was decreased and the real wage growth assumption was increased.

Town of Clinton, Connecticut**Notes to Financial Statements
As of and for the Year Ended June 30, 2021****G. Connecticut state teachers' retirement board retiree health insurance plan (continued)****Long-term expected rate of return**

The long-term expected rate of return on OPEB 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 OPEB 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 weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

All the plan assets are assumed to be invested in cash equivalents due to the need for liquidity. The expected rate of return is 2.00%. Since there have not been any changes to the asset allocation and the recent economic downturn is expected to be temporary, the funding rate of 3.00% continues to be used for the long-term investment rate of return as of June 30, 2020.

6. Discount rate

The discount rate used to measure the total OPEB liability was 2.21%. The Municipal Bond Index Rate was used in the determination in the discount rate. 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 annual State contributions will equal the most recent 5-year average of state contributions.

7. Sensitivity of the OPEB liability to changes in the discount rate and the health care cost trend rate

The Town's proportionate share of the net OPEB liability is \$0 and, therefore, the change in the discount rate and health care cost trend rates would only impact the amount recorded by the State of Connecticut.

8. Plan fiduciary net position

Detailed information about the Connecticut State Teachers' OPEB Plan fiduciary net position is available in the separately issued State of Connecticut Annual Comprehensive Financial Report as of and for the year ended June 30, 2020.

Town of Clinton, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

H. Total OPEB plans

	Net OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
Town Education	\$ 2,885,649 6,617,414	\$ 733,181 583,196	\$ 244,213 1,743,656	\$ 248,118 312,087
Total	<u>\$ 9,503,063</u>	<u>\$ 1,316,377</u>	<u>\$ 1,987,869</u>	<u>\$ 560,205</u>

I. Pension and other post-employment benefit plan statements

Pension and OPEB Trust Funds
Combining Statement of Fiduciary Net Position
June 30, 2021

	Police Pension Plan	Education Noncertified Pension Plan	Fire Pension Plan	OPEB Plan	Total
<u>Assets</u>					
Cash	\$ 239,905	\$ -	\$ -	\$ -	\$ 239,905
Investments:					
Mutual funds:					
Equity	550,738	5,301,872	-	103,385	5,955,995
Fixed income	5,032,047	453,940	140,764	31,120	5,657,871
Bank money market	308,862	286,468	33,373	883	629,586
U.S. government obligations	-	755,436	-	1,350	756,786
Common stock	11,208,792	27,579	-	-	11,236,371
Corporate bonds	-	745,639	-	-	745,639
Total investments	<u>17,100,439</u>	<u>7,570,934</u>	<u>174,137</u>	<u>136,738</u>	<u>24,982,248</u>
Total assets	<u>17,340,344</u>	<u>7,570,934</u>	<u>174,137</u>	<u>136,738</u>	<u>25,222,153</u>
<u>Net Position</u>					
Restricted for:					
Pension benefits	17,340,344	7,570,934	174,137	-	25,085,415
OPEB benefits	-	-	-	136,738	136,738
Total net position	<u>\$17,340,344</u>	<u>\$ 7,570,934</u>	<u>\$ 174,137</u>	<u>\$ 136,738</u>	<u>\$ 25,222,153</u>

Town of Clinton, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

I. Pension and other post-employment benefit plan statements (continued)

Pension and OPEB Trust Funds
Combining Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2021

	Police Pension Plan	Noncertified Pension Plan	Fire Pension Plan	OPEB Plan	Total
Additions:					
Contributions:					
Employer	\$ 1,032,780	\$ 491,221	\$ 78,002	\$ 413,263	\$ 2,015,266
Plan members	133,561	30,829	-	-	164,390
Total contributions	1,166,341	522,050	78,002	413,263	2,179,656
Investment income (loss):					
Net change in fair value of investments	3,821,352	1,519,777	30,842	29,477	5,401,448
Interest and dividends	33,979	110,380	4,101	5,029	153,489
Total investment income (loss)	3,855,331	1,630,157	34,943	34,506	5,554,937
Less investment expenses	100,557	48,602	-	-	149,159
Net investment income (loss)	3,754,774	1,581,555	34,943	34,506	5,405,778
Total additions	4,921,115	2,103,605	112,945	447,769	7,585,434
Deductions:					
Benefits	1,436,963	575,538	61,600	413,263	2,487,364
Administration	8,900	-	-	5,501	14,401
Total deductions	1,445,863	575,538	61,600	418,764	2,501,765
Changes in net position	3,475,252	1,528,067	51,345	29,005	5,083,669
Net position - July 1, 2020	13,865,092	6,042,867	122,792	107,733	20,138,484
Net position - June 30, 2021	\$ 17,340,344	\$ 7,570,934	\$ 174,137	\$ 136,738	\$ 25,222,153

Town of Clinton, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2021

VI. Prior period adjustment and fund reclassification

The government-wide and custodial funds net position and special revenue fund balance were restated as a result of the implementation of GASB 84 as follows:

	Governmental Activities	Other Governmental Funds
Net position as previously reported at June 30, 2020	\$ 45,245,952	\$ 1,265,986
Reclassification of agency funds	<u>736,107</u>	<u>736,107</u>
Net position as restated at July 1, 2020	<u><u>\$ 45,982,059</u></u>	<u><u>\$ 2,002,093</u></u>

Required Supplementary Information

Type	Description
Budgetary	Schedule of Revenues and Other Financing Sources - Budget and Actual - General Fund
	Schedule of Expenditures and Other Financing Uses - Budget and Actual - General Fund
	Notes to Required Supplementary Information - Budgets and Budgetary Accounting
<u>Pension Plans</u> Police Education Noncertified Volunteer Firefighters Municipal Employees' Retirement System State Teachers' Retirement System	Schedule of Changes in Net Pension Liability and Related Ratios and Schedule of Investment Returns
	Schedule of Proportionate Share of the Net Pension Liability
	Schedule of Contributions
	Notes to Required Supplementary Information
<u>Other Post-Employment Benefits Plans</u> Town Education State Teacher's Retirement Board Retiree Health Insurance Plan	Schedule of Changes in Net OPEB Liability and Related Ratios and Schedule of Investment Returns
	Schedule of Proportionate Share of the Net OPEB Liability
	Schedule of Contributions
	Notes to Required Supplementary Information

Town of Clinton, Connecticut

Required Supplementary Information

General Fund
Schedule of Revenues and Other Financing Sources -
Budget and Actual
For the Year Ended June 30, 2021

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Property taxes:					
Current taxes	\$ 47,605,410	\$ -	\$ 47,605,410	\$ 47,931,211	\$ 325,801
Tax interest/liens/fees	100,000	-	100,000	181,962	81,962
Prior years' levies	120,000	-	120,000	291,481	171,481
Supplemental motor vehicle	150,000	-	150,000	390,052	240,052
Telephone access lines	-	-	-	24,882	24,882
Total property taxes	47,975,410	-	47,975,410	48,819,588	844,178
Intergovernmental revenues:					
General government:					
State of Connecticut and federal government:					
Town aid road	267,253	-	267,253	267,671	418
Totally disabled persons	950	-	950	1,088	138
Tax relief elderly	2,000	-	2,000	2,000	-
Property tax relief veterans	20,000	-	20,000	24,125	4,125
State miscellaneous	3,000	-	3,000	18,759	15,759
Grants for municipal projects	191,674	-	191,674	191,674	-
Local capital improvement	84,033	-	84,033	83,983	(50)
State property grant	16,949	-	16,949	16,949	-
Municipal stabilization grant	288,473	-	288,473	288,473	-
Coronavirus relief act	-	-	-	26,337	26,337
FEMA flash flood 918	-	-	-	314,344	314,344
FEMA Isaias grant	-	-	-	60,618	60,618
Total general government	874,332	-	874,332	1,296,021	421,689
Education:					
State of Connecticut and federal government:					
Education cost sharing	5,192,084	-	5,192,084	5,191,919	(165)
Special education	370,000	-	370,000	407,788	37,788
Total education	5,562,084	-	5,562,084	5,599,707	37,623
Total intergovernmental revenues	6,436,416	-	6,436,416	6,895,728	459,312
Charges for services:					
General government:					
WSAM trust	38,000	-	38,000	54,729	16,729
WSAM rentals	3,000	-	3,000	-	(3,000)
Boat moorings/launch pass	100,000	-	100,000	123,878	23,878
Z.B.A. fees	4,000	-	4,000	7,223	3,223
Planning and zoning fees	12,000	-	12,000	28,393	16,393
Park and recreation passes	18,000	-	18,000	42,037	24,037
Real estate conveyance tax	170,000	-	170,000	406,165	236,165
Building fees	175,000	-	175,000	382,282	207,282
Town property rentals	15,000	-	15,000	4,367	(10,633)
Transfer station	53,000	-	53,000	74,872	21,872

(Continued)

Town of Clinton, Connecticut

Required Supplementary Information

General Fund
Schedule of Revenues and Other Financing Sources -
Budget and Actual
For the Year Ended June 30, 2021

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Charges for services (continued):					
Scrap metal fees	\$ 10,000	\$ -	\$ 10,000	\$ 16,022	\$ 6,022
Dog boarding fees	150	-	150	145	(5)
Inland/wetland fees	2,000	-	2,000	2,721	721
Miscellaneous	16,000	-	16,000	48,812	32,812
Police miscellaneous	11,000	-	11,000	18,977	7,977
Contracted police services	25,000	-	25,000	184,365	159,365
Town Clerk fees	80,000	-	80,000	169,376	89,376
Vitals	12,000	-	12,000	15,835	3,835
 Total charges for services	 744,150	 -	 744,150	 1,580,199	 836,049
 Income from investments	 50,000	 -	 50,000	 47,968	 (2,032)
 Total revenues	 55,205,976	 -	 55,205,976	 57,343,483	 2,137,507
 Other financing sources:					
Appropriation of fund balance	1,075,000	-	1,075,000	-	(1,075,000)
Sale of capital assets	-	-	-	2,200,000	2,200,000
Transfers in	-	-	-	133,225	133,225
 Total other financing sources	 1,075,000	 -	 1,075,000	 2,333,225	 1,258,225
 Total revenues and other financing sources	 \$ 56,280,976	 \$ -	 \$ 56,280,976	 \$ 59,676,708	 \$ 3,395,732

(Concluded)

Town of Clinton, Connecticut

Required Supplementary Information

General Fund
Schedule of Expenditures and Other Financing Uses -
Budget and Actual
For the Year Ended June 30, 2021

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
General government:					
Town manager	\$ 262,010	\$ 4,319	\$ 266,329	\$ 263,802	\$ 2,527
Secretarial for boards/commissions	14,000	-	14,000	8,018	5,982
Town counsel	57,000	(5,000)	52,000	51,848	152
Insurance	400,000	(11,931)	388,069	387,873	196
Worker's compensation	421,298	-	421,298	378,407	42,891
Audit and accounting	62,000	-	62,000	50,910	11,090
Annual town report	7,500	-	7,500	2,063	5,437
Social security	531,000	-	531,000	523,557	7,443
Copy equipment and supplies	2,000	3,000	5,000	3,582	1,418
Holiday activities	500	-	500	-	500
Electricity	224,000	-	224,000	194,947	29,053
Heat/hot water	140,000	-	140,000	130,092	9,908
Health/life insurance	2,022,923	(15,955)	2,006,968	1,469,577	537,391
Unemployment compensation	5,000	304	5,304	5,303	1
Miscellaneous administrative	9,000	(650)	8,350	4,135	4,215
Pension plan police	1,100,000	-	1,100,000	1,052,035	47,965
Pension plan other	525,820	3,633	529,453	529,453	-
Pension plan fire	125,000	4,000	129,000	124,424	4,576
Union negotiator	20,000	(1,562)	18,438	1,048	17,390
Land records index audit	1,400	260	1,660	1,655	5
Employee life insurance	600	-	600	469	131
Other legal fees	80,000	-	80,000	24,776	55,224
Legal ads	25,000	(2,110)	22,890	16,291	6,599
Special events	7,000	(3,950)	3,050	3,019	31
Bank fees	18,000	10,427	28,427	28,426	1
Board of assessment appeals	300	-	300	217	83
Pierson costs	28,600	3,262	31,862	31,862	-
Finance	332,566	-	332,566	315,315	17,251
Elections and meetings	35,215	1,008	36,223	36,209	14
Town clerk	145,750	4,674	150,424	146,062	4,362
Assessor	205,918	10,952	216,870	213,232	3,638
Tax collector	163,932	1,357	165,289	165,289	-
Probate	4,524	-	4,524	4,139	385
WSAM maintenance	191,659	-	191,659	167,641	24,018
Technology	390,194	4,039	394,233	381,446	12,787
Other	413,092	(66,144)	346,948	160,173	186,775
Total general government	<u>7,972,801</u>	<u>(56,067)</u>	<u>7,916,734</u>	<u>6,877,295</u>	<u>1,039,439</u>
Public safety:					
Communications	646,395	442	646,837	617,963	28,874
Fire department	337,500	-	337,500	325,051	12,449
Fire marshal	58,500	-	58,500	54,985	3,515
Police	2,858,061	-	2,858,061	2,807,638	50,423
Animal control	61,455	1,630	63,085	55,645	7,440
Civil preparedness	13,500	9,486	22,986	16,369	6,617
Water and hydrants	511,161	-	511,161	476,539	34,622
Street lighting	126,000	-	126,000	117,736	8,264
Total public safety	<u>4,612,572</u>	<u>11,558</u>	<u>4,624,130</u>	<u>4,471,926</u>	<u>152,204</u>

(Continued)

See Notes to Required Supplementary Information.

Town of Clinton, Connecticut

Required Supplementary Information

General Fund
Schedule of Expenditures and Other Financing Uses -
Budget and Actual
For the Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Additional Appropriations and Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Public works	<u>\$ 1,956,917</u>	<u>\$ -</u>	<u>\$ 1,956,917</u>	<u>\$ 1,865,073</u>	<u>\$ 91,844</u>
Planning and development:					
Economic development	10,400	-	10,400	10,000	400
Inland/wetland	81,204	1,644	82,848	82,758	90
Planning and zoning	164,064	1,951	166,015	120,105	45,910
Zoning board of appeals	2,700	(750)	1,950	579	1,371
Building department	127,653	3,119	130,772	129,223	1,549
Total planning and development	<u>386,021</u>	<u>5,964</u>	<u>391,985</u>	<u>342,665</u>	<u>49,320</u>
Culture and recreation:					
Parks and recreation department	224,317	4,927	229,244	203,542	25,702
Harbor commission	46,440	166	46,606	44,978	1,628
Shellfish commission	14,376	724	15,100	15,100	-
Library	769,246	-	769,246	769,246	-
Total culture and recreation	<u>1,054,379</u>	<u>5,817</u>	<u>1,060,196</u>	<u>1,032,866</u>	<u>27,330</u>
Health and welfare:					
Water pollution control	69,087	-	69,087	36,196	32,891
Regional health district	147,755	-	147,755	147,755	-
Human services	276,253	10,878	287,131	278,904	8,227
Total health and welfare	<u>493,095</u>	<u>10,878</u>	<u>503,973</u>	<u>462,855</u>	<u>41,118</u>
Education	<u>33,200,391</u>	<u>-</u>	<u>33,200,391</u>	<u>32,257,413</u>	<u>942,978</u>
Debt service	<u>5,240,199</u>	<u>-</u>	<u>5,240,199</u>	<u>5,184,480</u>	<u>55,719</u>
Total expenditures	<u>54,916,375</u>	<u>(21,850)</u>	<u>54,894,525</u>	<u>52,494,573</u>	<u>2,399,952</u>
Other financing uses:					
Transfers to other funds:					
Capital projects fund	1,364,601	21,850	1,386,451	1,368,706	17,745
Total expenditures and other financing uses	<u><u>\$ 56,280,976</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 56,280,976</u></u>	<u><u>\$ 53,863,279</u></u>	<u><u>\$ 2,417,697</u></u>

(Concluded)

Town of Clinton, Connecticut

**Notes to Required Supplementary Information
For the Year Ended June 30, 2021**

Budgets and Budgetary Accounting

The Town adheres to the following procedures in establishing the budgetary data included in the general fund financial statements. The operating budget, which is prepared by function and department, includes proposed expenditures and the means of financing them.

Formal budgetary integration is employed as a management control device during the year.

This budget is adopted on a basis consistent with generally accepted accounting principles (modified accrual basis) with the following exceptions:

1. The Town does not budget for as revenue or expenditures payments made for the State Teachers' pension and OPEB by the State of Connecticut on the Town's behalf.
2. Encumbrances are recognized as valid and proper charges against budget appropriations in the year in which the purchase order is issued and, accordingly, encumbrances outstanding at year-end are reflected in budgetary reports as expenditures in the current year but are shown as an assigned fund balance on a GAAP basis.
3. Certain funds that are required to be reported as part of the general fund under the requirement of GASB No. 54.

<u>Reconciliation to Exhibit D</u>	Revenues	Expenditures
Budgetary Basis - RSI-1	\$ 57,343,483	\$ 52,494,573
Education nonlapsing fund	-	60,053
State Teachers' pension on behalf amount	4,415,392	4,415,392
State Teachers' OPEB on behalf amount	<u>106,559</u>	<u>106,559</u>
GAAP Basis - Exhibit D	<u><u>\$ 61,865,434</u></u>	<u><u>\$ 57,076,577</u></u>

Every department, office, board, commission, agency or authority shall present to the Town Manager an itemized estimate of the expenditures to be made, and all revenues, other than Town appropriation to be received during the ensuing fiscal year. The Town Manager shall hold a hearing with each department, office, board, commission or agency on the proposed budget. The Town Manager shall then present the proposed budget to the Town Council. The Town Council shall then revise the estimates as it deems desirable and shall complete the proposed budget for the ensuing fiscal year and its report. The Town Council shall hold one or more public hearings on the proposed budget not less than fourteen (14) days before the Annual Budget Meeting.

The Annual Budget Meeting shall be held no later than the first Wednesday in May. The Annual Budget Meeting shall be adjourned to referendum.

The legal level of control (the level at which expenditures may not legally exceed appropriations) is at the department level.

The Town Manager may make special appropriations from cash surplus or the contingency account in the amounts not to exceed in total for that department, office board, commission or agency, fifty thousand (\$50,000) dollars. Any request which shall exceed the \$50,000 shall require a vote of the Town Meeting after the approval of the Town Council. Special appropriations other than those from cash surplus or from the contingency account may be acted upon only by a Town Meeting, after the approval of the Town Council. The Town Manager, upon appropriate request, and recommendation of the Town Council, may transfer unexpended balances from one appropriation to another. Transfer of appropriations of amounts up to \$500 within a department can be done by Department Heads with the approval of the Finance Director. A referendum shall be required for any resolution appropriating an amount over \$300,000.

The Board of Education is authorized under state law to make any transfers required within their budget at their discretion. Any additional appropriations must have Board of Education and Town Council approval and, if over \$50,000, Town Meeting approval.

There were no additional appropriations during the year.

Town of Clinton, Connecticut

Required Supplementary Information

Police Pension Plan
Last Eight Years (1)

	2021	2020	2019	2018	2017	2016	2015	2014
Schedule of Changes in Net Pension Liability and Related Ratios								
Total pension liability:								
Service cost	\$ 328,596	\$ 275,916	\$ 304,942	\$ 285,054	\$ 256,440	\$ 252,737	\$ 241,854	\$ 175,184
Interest	1,591,149	1,566,046	1,554,696	1,513,585	1,455,432	1,421,707	1,369,272	1,339,105
Differences between expected and actual experience	288,675	(54,966)	(7,512)	(52,663)	(238,824)	(82,608)	(302,810)	-
Changes in assumptions	537,645	153,963	(187,402)	336,844	407,900	368,968	313,857	-
Benefit payments, including refunds of member contributions	(1,436,963)	(1,272,823)	(1,124,618)	(1,175,171)	(1,113,627)	(968,584)	(952,996)	(982,131)
Net change in total pension liability	1,309,102	668,136	540,106	907,649	767,321	992,220	669,177	532,158
Total pension liability - July 1	<u>22,334,014</u>	<u>21,665,878</u>	<u>21,125,772</u>	<u>20,218,123</u>	<u>19,450,802</u>	<u>18,458,582</u>	<u>17,789,405</u>	<u>17,257,247</u>
Total pension liability - June 30 (a)	<u>\$23,643,116</u>	<u>\$22,334,014</u>	<u>\$21,665,878</u>	<u>\$21,125,772</u>	<u>\$20,218,123</u>	<u>\$19,450,802</u>	<u>\$18,458,582</u>	<u>\$17,789,405</u>
Plan fiduciary net position:								
Contributions - employer	\$ 1,032,780	\$ 968,500	\$ 989,650	\$ 939,773	\$ 888,373	\$ 904,253	\$ 975,000	\$ 969,323
Contributions - member	133,561	105,260	109,844	114,400	112,111	111,878	110,416	99,909
Net investment income (loss)	3,754,774	341,869	852,996	851,530	872,780	(60,852)	356,949	1,656,511
Benefit payments, including refunds of member contributions	(1,436,963)	(1,272,823)	(1,124,618)	(1,175,171)	(1,113,627)	(968,584)	(952,996)	(982,131)
Administration expenses	(8,900)	(5,914)	(2,259)	(3,011)	(3,011)	(1,211)	(351)	(122,889)
Net change in plan fiduciary net position	3,475,252	136,892	825,613	727,521	756,626	(14,516)	489,018	1,620,723
Plan fiduciary net position - July 1	<u>13,865,092</u>	<u>13,728,200</u>	<u>12,902,587</u>	<u>12,175,066</u>	<u>11,418,440</u>	<u>11,432,956</u>	<u>10,943,938</u>	<u>9,323,215</u>
Plan fiduciary net position - June 30 (b)	<u>\$17,340,344</u>	<u>\$13,865,092</u>	<u>\$13,728,200</u>	<u>\$12,902,587</u>	<u>\$12,175,066</u>	<u>\$11,418,440</u>	<u>\$11,432,956</u>	<u>\$10,943,938</u>
Net pension liability (asset) - June 30 (a)-(b)	<u>\$ 6,302,772</u>	<u>\$ 8,468,922</u>	<u>\$ 7,937,678</u>	<u>\$ 8,223,185</u>	<u>\$ 8,043,057</u>	<u>\$ 8,032,362</u>	<u>\$ 7,025,626</u>	<u>\$ 6,845,467</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>73.34%</u>	<u>62.08%</u>	<u>63.36%</u>	<u>61.08%</u>	<u>60.22%</u>	<u>58.70%</u>	<u>61.94%</u>	<u>61.52%</u>
Covered payroll	<u>\$ 1,738,946</u>	<u>\$ 1,453,045</u>	<u>\$ 1,574,484</u>	<u>\$ 2,290,000</u>	<u>\$ 2,130,000</u>	<u>\$ 1,910,000</u>	<u>\$ 1,880,000</u>	<u>\$ 2,062,000</u>
Net pension liability as a percentage of covered payroll	<u>362.45%</u>	<u>582.84%</u>	<u>504.14%</u>	<u>359.09%</u>	<u>377.61%</u>	<u>420.54%</u>	<u>373.70%</u>	<u>331.98%</u>

Schedule of Investment Returns

Annual money weighted rate of return, net of investment expense	26.39%	2.23%	6.67%	6.78%	7.44%	(0.51%)	3.28%	15.72%
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(1) These schedules are intended to present information for 10 years. Additional years will be presented as they become available.

Town of Clinton, Connecticut

Required Supplementary Information

Police Pension Plan
Schedule of Contributions
Last Ten Years

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Actuarially determined contributions	\$ 1,032,780	\$ 968,500	\$ 989,650	\$ 939,773	\$ 888,373	\$ 904,253	\$ 1,023,233	\$ 969,323	\$ 836,845	\$ 700,749
Contributions in relation to the actuarially determined contribution	1,032,780	968,500	989,650	939,773	888,373	904,253	975,000	969,323	836,845	700,749
Contribution excess (deficiency)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (48,233)	\$ -	\$ -	\$ -
Covered payroll	\$ 1,738,946	\$ 1,453,045	\$ 1,574,484	\$ 2,290,000	\$ 2,130,000	\$ 1,880,000	\$ 1,880,000	\$ 2,062,000	\$ 1,973,000	\$ 1,868,000
Contributions as a percentage of covered payroll	59.39%	66.65%	62.86%	41.04%	41.71%	48.10%	51.86%	47.01%	42.41%	37.51%

Town of Clinton, Connecticut

Notes to Required Supplementary Information

Police Pension Plan
Schedule of Contributions
Last Ten Years

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Changes of Benefit Terms	None									
The actuarially determined contribution rates are calculated as of	July 1, 2019	July 1, 2018	July 1, 2018	July 1, 2017	July 1, 2016	July 1, 2014	July 1, 2013	July 1, 2013	July 1, 2012	July 1, 2010
Actuarial methods and assumptions used to determine contribution rates:										
Actuarial Cost Method	Projected unit credit									
Amortization Method	Level percent, open	Level dollar, open	Level dollar, open							
Asset Valuation Method	5 year smoothing									
Inflation	2.50%	2.60%	2.60%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Salary Increases	4.00%	4.10%	4.10%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%
Investment Rate of Return (Net)	7.15%	7.35%	7.35%	7.45%	7.60%	7.60%	7.90%	7.90%	8.00%	8.00%
Cost of Living Adjustments	0.00%-3.00% for bargaining participants, 4% for nonbargaining participants	0.00%-3.00% for bargaining participants, 4% for nonbargaining participants	0.00%-3.00% for bargaining participants, 4% for nonbargaining participants	0.00%-3.00% for bargaining participants, 4% for nonbargaining participants	0.00%-3.00% for bargaining participants, 4% for nonbargaining participants	0.00%-3.00% for bargaining participants, 4% for nonbargaining participants	0.00%-3.00% for bargaining participants, 4% for nonbargaining participants	0.00%-3.00% for bargaining participants, 4% for nonbargaining participants	0.00%-3.00% for bargaining participants, 4% for nonbargaining participants	0.00%-3.00% for bargaining participants, 4% for nonbargaining participants
Mortality	RP-2000 Mortality Table projected to the valuation date with MP-2019	RP-2000 Mortality Table projected to the valuation date with MP-2018	RP-2000 Mortality Table projected to the valuation date with MP-2017	RP-2000 Healthy Annuitant						

Town of Clinton, Connecticut

Required Supplementary Information

Education Noncertified Pension Plan
Last Eight Years (1)

	2021	2020	2019	2018	2017	2016	2015	2014
<u>Schedule of Changes in Net Pension Liability and Related Ratios</u>								
Total pension liability:								
Service cost	\$ 277,975	\$ 249,985	\$ 266,106	\$ 268,759	\$ 210,040	\$ 207,198	\$ 209,221	\$ 203,970
Interest	533,830	505,619	574,316	538,295	495,999	479,608	463,913	420,324
Differences between expected and actual experience	61,126	55,796	(264,680)	83,394	233,092	(114,655)	105,599	-
Changes in assumptions	-	446,537	(280,109)	-	-	-	-	-
Benefit payments, including refunds of member contributions	(575,538)	(1,119,711)	(303,317)	(440,753)	(348,066)	(559,329)	(112,752)	(112,021)
Net change in total pension liability	297,393	138,226	(7,684)	449,695	591,065	12,822	665,981	512,273
Total pension liability - July 1	8,218,051	8,079,825	8,087,509	7,637,814	7,046,749	7,033,927	6,367,946	5,855,673
Total pension liability - June 30 (a)	<u>\$8,515,444</u>	<u>\$8,218,051</u>	<u>\$8,079,825</u>	<u>\$8,087,509</u>	<u>\$7,637,814</u>	<u>\$7,046,749</u>	<u>\$7,033,927</u>	<u>\$6,367,946</u>
Plan fiduciary net position:								
Contributions - employer	\$ 491,221	\$ 455,549	\$ 475,883	\$ 388,123	\$ 343,307	\$ 348,370	\$ 330,777	\$ 320,033
Contributions - member	30,829	30,077	33,289	36,012	35,515	34,712	34,457	25,247
Net investment income (loss)	1,581,555	183,643	631,785	305,061	445,752	55,529	50,464	326,477
Benefit payments, including refunds of member contributions	(575,538)	(1,119,711)	(303,317)	(440,753)	(348,066)	(559,329)	(112,752)	(112,021)
Administration expenses	-	-	-	-	-	-	-	(26,488)
Net change in plan fiduciary net position	1,528,067	(450,442)	837,640	288,443	476,508	(120,718)	302,946	533,248
Plan fiduciary net position - July 1	6,042,867	6,493,309	5,655,669	5,367,226	4,890,718	5,011,436	4,708,490	4,175,242
Plan fiduciary net position - June 30 (b)	<u>\$7,570,934</u>	<u>\$6,042,867</u>	<u>\$6,493,309</u>	<u>\$5,655,669</u>	<u>\$5,367,226</u>	<u>\$4,890,718</u>	<u>\$5,011,436</u>	<u>\$4,708,490</u>
Net pension liability - June 30 (a)-(b)	<u>\$ 944,510</u>	<u>\$2,175,184</u>	<u>\$1,586,516</u>	<u>\$2,431,840</u>	<u>\$2,270,588</u>	<u>\$2,156,031</u>	<u>\$2,022,491</u>	<u>\$1,659,456</u>
Plan fiduciary net position as a percentage of the total pension liability	88.91%	73.53%	80.36%	69.93%	70.27%	69.40%	71.25%	73.94%
Covered payroll	<u>\$2,828,743</u>	<u>\$3,097,677</u>	<u>\$3,254,796</u>	<u>\$2,635,586</u>	<u>\$2,479,000</u>	<u>\$2,521,878</u>	<u>\$2,441,982</u>	<u>\$2,540,000</u>
Net pension liability as a percentage of covered payroll	<u>33.39%</u>	<u>70.22%</u>	<u>48.74%</u>	<u>92.27%</u>	<u>91.59%</u>	<u>85.49%</u>	<u>82.82%</u>	<u>65.33%</u>
<u>Schedule of Investment Returns</u>								
Annual money weighted rate of return, net of investment expense	<u>26.11%</u>	<u>3.05%</u>	<u>10.92%</u>	<u>5.61%</u>	<u>8.91%</u>	<u>1.11%</u>	<u>1.02%</u>	<u>6.75%</u>

(1) These schedules are intended to present information for 10 years. Additional years will be presented as they become available.

Town of Clinton, Connecticut

Required Supplementary Information

Education Noncertified Pension Plan
Schedule of Contributions
Last Ten Years

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Actuarially determined contributions	\$ 491,221	\$ 455,549	\$ 475,883	\$ 388,123	\$ 343,307	\$ 348,370	\$ 330,777	\$ 320,033	\$ 305,861	\$ 295,024
Contributions in relation to the actuarially determined contribution	491,221	455,549	475,883	388,123	343,307	348,370	330,777	320,033	305,861	300,000
Contribution excess (deficiency)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,976
Covered payroll	\$ 2,828,743	\$ 3,097,677	\$ 3,254,796	\$ 2,635,586	\$ 2,479,191	\$ 2,521,878	\$ 2,441,982	\$ 2,539,661	\$ 2,292,629	\$ 2,152,690
Contributions as a percentage of covered payroll	17.37%	14.71%	14.62%	14.73%	13.85%	13.81%	13.55%	12.60%	13.34%	13.94%

Town of Clinton, Connecticut

Notes to Required Supplementary Information

Education Noncertified Pension Plan
Schedule of Contributions
Last Ten Years

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Changes of Benefit Terms	None	None	None	None	None	None	None	None	None	None
The actuarially determined contribution rates are calculated as of	July 1, 2019	July 1, 2018	July 1, 2018	July 1, 2016	July 1, 2016	July 1, 2015	July 1, 2014	July 1, 2012	July 1, 2011	July 1, 2010
Actuarial methods and assumptions used to determine contribution rates:										
Actuarial Cost Method	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal
Amortization Method	Level percent, closed	Level percent, closed	Level percent, closed	Level percent, closed	Level percent, closed	Level percent, closed	Level percent, closed	Level percent, closed	Level percent, closed	Level percent, closed
Asset Valuation Method	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing
Inflation	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%
Salary Increases	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Investment Rate of Return (Net)	6.50%	6.50%	6.50%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%
Mortality	PubG-2010 Mortality Table with generational projection per the MP-Ultimate scale	RP-2000 Combined Healthy Mortality Table with generational projection per Scale AA	RP-2000 Combined Healthy Mortality Table with generational projection per Scale AA	RP-2000 Combined Healthy Mortality Table with generational projection per Scale AA	RP-2000 Combined Healthy Mortality Table with generational projection per Scale AA	RP-2000 Combined Healthy Mortality Table with generational projection per Scale AA	RP-2000 Combined Healthy Mortality Table with generational projection per Scale AA	RP-2000 Healthy Annuitant	RP-2000 Healthy Annuitant	RP-2000 Healthy Annuitant

Town of Clinton, Connecticut

Required Supplementary Information

Volunteer Firefighters' Pension Plan

Last Five Years (1)

	2021	2020	2019	2018	2017
<u>Schedule of Changes in Net Pension Liability and Related Ratios</u>					
Total pension liability:					
Service cost	\$ 12,859	\$ 12,582	\$ 12,107	\$ 11,817	\$ 11,501
Interest	64,734	63,568	64,161	62,440	60,417
Differences between expected and actual experience	(39,949)	-	(29,183)	-	-
Changes in assumptions	21,044	-	32,383	-	-
Benefit payments, including refunds of member contributions	<u>(61,600)</u>	<u>(56,800)</u>	<u>(52,800)</u>	<u>(47,200)</u>	<u>(39,600)</u>
Net change in total pension liability	(2,912)	19,350	26,668	27,057	32,318
Total pension liability - July 1	<u>976,459</u>	<u>957,109</u>	<u>930,441</u>	<u>903,384</u>	<u>871,066</u>
Total pension liability - June 30 (a)	<u>\$ 973,547</u>	<u>\$ 976,459</u>	<u>\$ 957,109</u>	<u>\$ 930,441</u>	<u>\$ 903,384</u>
Plan fiduciary net position:					
Contributions - employer	\$ 78,002	\$ 77,675	\$ 77,746	\$ 77,421	\$ 77,105
Net investment income (loss)	34,943	1,902	3,765	3,578	-
Benefit payments, including refunds of member contributions	<u>(61,600)</u>	<u>(56,800)</u>	<u>(52,800)</u>	<u>(47,200)</u>	<u>(39,600)</u>
Net change in plan fiduciary net position	51,345	13,877	28,711	33,799	37,505
Plan fiduciary net position - July 1	<u>113,892</u>	<u>100,015</u>	<u>71,304</u>	<u>37,505</u>	<u>-</u>
Plan fiduciary net position - June 30 (b)	<u>\$ 165,237</u>	<u>\$ 113,892</u>	<u>\$ 100,015</u>	<u>\$ 71,304</u>	<u>\$ 37,505</u>
Net pension liability - June 30 (a)-(b)	<u>\$ 808,310</u>	<u>\$ 862,567</u>	<u>\$ 857,094</u>	<u>\$ 859,137</u>	<u>\$ 865,879</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>16.97%</u>	<u>11.66%</u>	<u>10.45%</u>	<u>7.66%</u>	<u>4.15%</u>
Covered payroll	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Net pension liability as a percentage of covered payroll	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
<u>Schedule of Investment Returns</u>					
Annual money weighted rate of return, net of investment expense	<u>20.95%</u>	<u>1.31%</u>	<u>5.17%</u>	<u>4.77%</u>	<u>0.00%</u>

(1) These schedules are intended to present information for 10 years. The Plan was established July 1, 2016.

Additional years will be presented as they become available.

N/A - Not applicable, all participants are are volunteers

See Notes to Required Supplementary Information.

Town of Clinton, Connecticut

Required Supplementary Information

Volunteer Firefighters' Pension Plan
Schedule of Contributions
Last Five Years (1)

	2021	2020	2019	2018	2017
Actuarially determined contributions	\$ 78,002	\$ 77,675	\$ 77,746	\$ 77,421	\$ 77,105
Contributions in relation to the actuarially determined contribution	<u>78,002</u>	<u>77,675</u>	<u>77,746</u>	<u>77,421</u>	<u>77,105</u>
Contribution excess (deficiency)	<u>\$ -</u>				
Covered payroll	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Contributions as a percentage of covered payroll	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

(1) These schedules are intended to present information for 10 years. The Plan was established July 1, 2016. Additional years will be presented as they become available.

N/A - Not applicable, all participants are volunteers

Town of Clinton, Connecticut

Notes to Required Supplementary Information

Volunteer Firefighters' Pension Plan
Schedule of Contributions
Last Five Years (1)

	2021	2020	2019	2018	2017
Changes of Benefit Terms	None	None	None	None	None
The actuarially determined contribution rates are calculated as of	July 1, 2018	July 1, 2018	July 1, 2017	July 1, 2017	July 1, 2016
Actuarial methods and assumptions used to determine contribution rates:					
Actuarial Cost Method	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal
Amortization Method	Level percent, closed	Level percent, closed	Level percent, closed	Level percent, closed	Level percent, closed
Asset Valuation Method	Fair value	Fair value	Fair value	Fair value	Fair value
Inflation	2.40%	2.60%	2.60%	2.75%	2.75%
Investment Rate of Return (Net)	6.55%	6.75%	6.75%	7.00%	7.00%
Mortality	RP-2014 Adjusted to 2006 Blue Collar Mortality Table projected to valuation date with Scale MP-2018	RP-2014 Adjusted to 2006 Blue Collar Mortality Table projected to valuation date with Scale MP-2018	RP-2014 Adjusted to 2006 Blue Collar Mortality Table projected to valuation date with Scale MP-2018	RP-2000 Healthy Annuitant Mortality Table for Males or Females, with adjustments for mortality improvements based on Scale AA	RP-2000 Healthy Annuitant Mortality Table for Males or Females, with adjustments for mortality improvements based on Scale AA

(1) These schedules are intended to present information for 10 years. The Plan was established July 1, 2016. Additional years will be presented as they become available.

Town of Clinton, Connecticut

Required Supplementary Information

Connecticut Municipal Employees' Retirement System
General Employees With Social Security Sub Plan
Last Seven Years (1)

2021	2020	2019	2018	2017	2016	2015
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Schedule of Proportionate Share of the Net Pension Liability

Town's proportion of the net pension liability	1.244084%	1.263303%	1.145480%	1.274280%	1.274280%	1.209329%	1.209329%
Town's proportionate share of the net pension liability	<u>\$4,885,544</u>	<u>\$4,662,615</u>	<u>\$4,380,989</u>	<u>\$2,106,396</u>	<u>\$2,501,124</u>	<u>\$1,655,702</u>	<u>\$1,224,011</u>
Town's covered payroll	<u>\$3,186,113</u>	<u>\$3,247,597</u>	<u>\$3,224,309</u>	<u>\$3,033,381</u>	<u>\$3,033,381</u>	<u>\$2,923,589</u>	<u>\$2,923,589</u>
Town's proportionate share of the net pension liability as a percentage of its covered payroll	<u>153.34%</u>	<u>143.57%</u>	<u>135.87%</u>	<u>69.44%</u>	<u>82.45%</u>	<u>56.63%</u>	<u>41.87%</u>
60 Total plan fiduciary net position as a percentage of the total pension liability	<u>71.18%</u>	<u>72.69%</u>	<u>73.60%</u>	<u>91.68%</u>	<u>88.29%</u>	<u>92.72%</u>	<u>90.48%</u>

Schedule of Contributions

Contractually required contribution	\$ 395,324	\$ 420,481	\$ 422,399	\$ 427,538	\$ 404,001	\$ 350,246	\$ 396,915
Contributions in relation to the contractually required contribution	<u>395,324</u>	<u>420,481</u>	<u>422,399</u>	<u>427,538</u>	<u>404,001</u>	<u>350,246</u>	<u>396,915</u>
Contribution deficiency (excess)	<u>\$ -</u>						
Town's covered payroll	<u>\$2,644,308</u>	<u>\$2,956,969</u>	<u>\$3,597,947</u>	<u>\$3,641,721</u>	<u>\$3,550,097</u>	<u>\$3,077,733</u>	<u>\$3,313,147</u>
Contributions as a percentage of covered payroll	<u>14.95%</u>	<u>14.22%</u>	<u>11.74%</u>	<u>11.74%</u>	<u>11.38%</u>	<u>11.38%</u>	<u>11.98%</u>

(1) This schedule is intended to present information for 10 years. Additional years will be presented as the information becomes available.

N/A - Not available.

Town of Clinton, Connecticut

Notes to Required Supplementary Information

Connecticut Municipal Employees' Retirement System
Schedule of Contributions
Last Seven Years (1)

	2021	2020	2019	2018	2017	2016	2015
Changes of Benefit Terms	None	None	None	None	None	None	None
The actuarially determined contribution rates are calculated as of	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2016	June 30, 2016	June 30, 2014	June 30, 2014
Actuarial methods and assumptions used to determine contribution rates:							
Actuarial Cost Method	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age
Amortization Method	Level dollar, closed	Level dollar, closed	Level dollar, closed	Level dollar, closed	Level dollar, closed	Level dollar, closed	Level dollar, closed
Remaining Amortization Period	19 years	20 years	21 years	23 years	23 years	27 years	27 years
Asset Valuation Method	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing
Inflation	2.50%	2.50%	2.50%	3.25%	3.25%	3.25%	3.25%
Salary Increases	3.50%-10.00%, average, including inflation	3.50%-10.00%, average, including inflation	3.50%-10.00%, average, including inflation	4.25%-11.00%, average, including inflation	4.25%-11.00%, average, including inflation	4.25%-11.00%, average, including inflation	4.25%-11.00%, average, including inflation
Cost-of-Living Adjustments	After January 1, 2002, 2.5% minimum Prior to January 1, 2002, 2.5% up to age 65. 3.25% afterwards	After January 1, 2002, 2.5% minimum Prior to January 1, 2002, 2.5% up to age 65. 3.25% afterwards	After January 1, 2002, 2.5% minimum Prior to January 1, 2002, 2.5% up to age 65. 3.25% afterwards	After January 1, 2002, 2.5% minimum Prior to January 1, 2002, 2.5% up to age 65. 3.25% afterwards	After January 1, 2002, 2.5% minimum Prior to January 1, 2002, 2.5% up to age 65. 3.25% afterwards	After January 1, 2002, 2.5% minimum Prior to January 1, 2002, 2.5% up to age 65. 3.25% afterwards	After January 1, 2002, 2.5% minimum Prior to January 1, 2002, 2.5% up to age 65. 3.25% afterwards
Social Security Wage Base	3.00%	3.00%	3.00%	3.50%	3.50%	3.50%	3.50%
Investment Rate of Return (Net)	7.00%	7.00%	7.00%	8.00%	8.00%	8.00%	8.00%
Mortality	General Employees: RP-2014 Combined Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB Police and Fire: RP-2014 Blue Collar Mortality Table adjusted to 2006 projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB	General Employees: RP-2014 Combined Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB Police and Fire: RP-2014 Blue Collar Mortality Table adjusted to 2006 projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB	General Employees: RP-2014 Combined Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB Police and Fire: RP-2014 Blue Collar Mortality Table adjusted to 2006 projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB	RP-2000 Combined Mortality Table projected 19 years using scale AA, with a two year setback for males and females for the period after service retirement and for dependent beneficiaries	RP-2000 Combined Mortality Table projected 19 years using scale AA, with a two year setback for males and females for the period after service retirement and for dependent beneficiaries	RP-2000 Combined Mortality Table projected 19 years using scale AA, with a two year setback for males and females for the period after service retirement and for dependent beneficiaries	RP-2000 Combined Mortality Table projected 19 years using scale AA, with a two year setback for males and females for the period after service retirement and for dependent beneficiaries

(1) This schedule is intended to present information for 10 years. Additional years will be presented as the information becomes available

Town of Clinton, Connecticut

Required Supplementary Information

Connecticut State Teachers' Retirement System
Last Seven Years (3)

	2021	2020	2019	2018	2017	2016	2015
<u>Schedule of Proportionate Share of the Net Pension Liability</u>							
Town's proportion of the net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Town's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State of Connecticut's proportionate share of the net pension liability associated with the Town	68,838,171	66,603,926	51,355,496	54,241,013	57,224,684	44,023,030	40,690,469
Total	\$ 68,838,171	\$ 66,603,926	\$ 51,355,496	\$ 54,241,013	\$ 57,224,684	\$ 44,023,030	\$ 40,690,469
Town's covered payroll	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Town's proportionate share of the net pension liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	49.24%	52.00%	57.69%	55.93%	52.26%	59.50%	61.51%
<u>Schedule of Contributions</u>							
Contractually required contribution (1)	-	-	-	-	-	-	-
Contributions in relation to the contractually required contribution	-	-	-	-	-	-	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered payroll	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

(1) Local employers are not required to contribute to the plan

(2) Not applicable since 0% proportional share of the net pension liability

(3) These schedules are intended to present information for 10 years. Additional years will be presented as they become available.

Town of Clinton, Connecticut

Notes to Required Supplementary Information

Connecticut State Teachers' Retirement System
 Schedule of Contributions
 Last Seven Years (1)

	2021	2020	2019	2018	2017	2016	2015
Changes of Benefit Terms	None	None	None	None	None	None	None
The actuarially determined contribution rates are calculated as of	June 30, 2020	June 30, 2018	June 30, 2018	June 30, 2016	June 30, 2016	June 30, 2014	June 30, 2014
Actuarial methods and assumptions used to determine contribution rates:							
Actuarial Cost Method	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age
Amortization Method	Level percent of salary, closed, grading to a level dollar	Level percent of salary, closed, grading to a level dollar	Level percent of salary, closed, grading to a level dollar	Level percent of salary, closed	Level percent of salary, closed	Level percent of salary, closed	Level percent of salary, closed
Remaining Amortization Period	27.8 years	30 years	30 years	23 years	20.4 years	21.4 years	22.4 years
Asset Valuation Method	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing
Inflation	2.50%	2.50%	2.75%	2.75%	2.75%	3.00%	3.00%
Salary Increases	3.00%-6.50%, average, including inflation	3.25%-6.50%, average, including inflation	3.25%-6.50%, average, including inflation	3.25%-6.50%, average, including inflation	3.25%-6.50%, average, including inflation	3.75%-7.00%, average, including inflation	3.75%-7.00%, average, including inflation
Cost-of-Living Adjustments	1.75%-3.00% based on retirement date	1.75%-3.00% based on retirement date	1.75%-3.00% based on retirement date	1.75%-3.00% based on retirement date	1.75%-3.00% based on retirement date	2.00%-3.00% based on retirement date	2.00%-3.00% based on retirement date
Investment Rate of Return (Net)	6.90%	6.90%	8.00%	8.00%	8.00%	8.50%	8.50%
Mortality	PubT-2010 Table projected generationally with MP-2019	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2000 Combined Mortality Table projected 19 years using scale AA	RP-2000 Combined Mortality Table projected 19 years using scale AA

(1) This schedule is intended to present information for 10 years. Additional years will be presented as they become available.

Town of Clinton, Connecticut

Town Other Post-Employment Benefit (OPEB) Plan
Last Five Years (1)

	2021	2020	2019	2018	2017
<u>Schedule of Changes in Net OPEB Liability and Related Ratios</u>					
Total OPEB liability:					
Service cost	\$ 67,308	\$ 49,276	\$ 53,141	\$ 58,178	\$ 51,515
Interest	69,314	95,744	83,526	83,315	90,271
Differences between expected and actual experience	(179,278)	30,740	515,048	66,970	9,178
Changes in assumptions	589	416,649	132,667	(176,655)	59,221
Benefit payments, including refunds of member contributions	(200,145)	(202,808)	(219,012)	(173,005)	(111,055)
Net change in total OPEB liability	(242,212)	389,601	565,370	(141,197)	99,130
Total OPEB liability - July 1	<u>3,168,592</u>	<u>2,778,991</u>	<u>2,213,621</u>	<u>2,354,818</u>	<u>2,255,688</u>
Total OPEB liability - June 30 (a)	<u>\$2,926,380</u>	<u>\$ 3,168,592</u>	<u>\$ 2,778,991</u>	<u>\$ 2,213,621</u>	<u>\$ 2,354,818</u>
→ Plan fiduciary net position:					
Contributions - employer	\$ 200,145	\$ 202,808	\$ 219,012	\$ 173,005	\$ 141,055
Net investment income (loss)	10,006	(31)	483	1,555	313
Benefit payments, including refunds of member contributions	(200,145)	(202,808)	(219,012)	(173,005)	(111,055)
Administration expenses	(1,595)	-	-	-	-
Net change in plan fiduciary net position	8,411	(31)	483	1,555	30,313
Plan fiduciary net position - July 1	<u>32,320</u>	<u>32,351</u>	<u>31,868</u>	<u>30,313</u>	<u>-</u>
Plan fiduciary net position - June 30 (b)	<u>\$ 40,731</u>	<u>\$ 32,320</u>	<u>\$ 32,351</u>	<u>\$ 31,868</u>	<u>\$ 30,313</u>
Net OPEB liability - June 30 (a)-(b)	<u>\$2,885,649</u>	<u>\$ 3,136,272</u>	<u>\$ 2,746,640</u>	<u>\$ 2,181,753</u>	<u>\$ 2,324,505</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>1.39%</u>	<u>1.02%</u>	<u>1.16%</u>	<u>1.44%</u>	<u>1.29%</u>
Covered payroll	<u>\$5,186,139</u>	<u>\$ 5,561,843</u>	<u>\$ 5,420,900</u>	<u>\$ 6,145,312</u>	<u>\$ 5,989,583</u>
Net OPEB liability as a percentage of covered payroll	<u>55.64%</u>	<u>56.39%</u>	<u>50.67%</u>	<u>35.50%</u>	<u>38.81%</u>
<u>Schedule of Investment Returns</u>					
Annual money weighted rate of return, net of investment expense	<u>26.92%</u>	<u>-0.10%</u>	<u>1.51%</u>	<u>5.13%</u>	<u>1.04%</u>

(1) These schedules are intended to present information for 10 years. The plan was established July 1, 2016. Additional years will be presented as they become available.

Town of Clinton, Connecticut

Required Supplementary Information

Town Other Post-Employment Benefit (OPEB) Plan
Schedule of Contributions
Last Ten Years

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Actuarially determined contributions	\$ 203,300	\$ 201,100	\$ 185,800	\$ 184,200	\$ 174,500	\$ 172,700	\$ 179,500	\$ 177,600	\$ 173,400	\$ 171,700
Contributions in relation to the actuarially determined contribution	200,145	202,808	219,012	173,005	141,055	104,300	92,000	70,200	98,700	98,500
Contribution excess (deficiency)	\$ (3,155)	\$ 1,708	\$ 33,212	\$ (11,195)	\$ (33,445)	\$ (68,400)	\$ (87,500)	\$ (107,400)	\$ (74,700)	\$ (73,200)
Covered payroll	\$ 5,186,139	\$ 5,561,843	\$ 5,420,900	\$ 6,145,312	\$ 5,989,583	\$ 4,963,900	\$ 4,963,900	\$ 5,138,900	\$ 5,138,900	\$ 4,743,900
Contributions as a percentage of covered payroll	3.86%	3.65%	4.04%	2.82%	2.36%	2.10%	1.85%	1.37%	1.92%	2.08%

Town of Clinton, Connecticut

Notes to Required Supplementary Information

Town Other Post-Employment Benefit (OPEB) Plan
Schedule of Contributions
Last Ten Years

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Changes of Benefit Terms	None	None	None	None	None	None	None	None	None	None
The actuarially determined contribution rates are calculated as of	July 1, 2019	July 1, 2018	July 1, 2016	July 1, 2016	July 1, 2014	July 1, 2014	July 1, 2012	July 1, 2012	July 1, 2010	July 1, 2010
Actuarial methods and assumptions used to determine contribution rates:										
Actuarial Cost Method	Entry age normal	Projected unit credit								
Amortization Method	Level dollar, open	Level dollar, open	Level dollar, open	Level dollar, open	Level dollar, open	Level dollar, open				
Asset Valuation Method	Fair value	N/A	N/A	N/A	N/A	N/A				
Inflation Rate	2.50%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%
Salary Increases	2.50%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%
Healthcare Inflation Rate	Initial 7.00% decreasing to 4.50% (ultimate) by 2025	Initial 7.60% decreasing to 4.60% (ultimate) by 2024	Initial 7.60% decreasing to 4.60% (ultimate) by 2024	Initial 7.50% decreasing to 4.60% (ultimate) by 2022	Initial 7.50% decreasing to 4.60% (ultimate) by 2022	N/A	N/A	N/A	N/A	N/A
Investment Rate of Return (Net)	4.00%	3.87%	3.87%	3.58%	3.58%	4.00%	4.00%	4.00%	4.00%	4.00%
Mortality	RP- 2014 Adjusted to 2006 Blue Collar Mortality Table projected to valuated date with Scale MP-2020	RP- 2014 Adjusted to 2006 Blue Collar Mortality Table projected to valuated date with Scale MP-2017	RP- 2014 Adjusted to 2006 Blue Collar Mortality Table projected to valuated date with Scale MP-2017	RP- 2014 Adjusted to 2006 Blue Collar Mortality Table projected to valuated date with Scale MP-2016	RP- 2014 Adjusted to 2006 Blue Collar Mortality Table projected to valuated date with Scale MP-2016	N/A	N/A	N/A	N/A	N/A

N/A - Not applicable or not available. The plan was established July 1, 2016.

Town of Clinton, Connecticut

Education Other Post-Employment Benefit (OPEB) Plan
Last Five Years (1)

	2021	2020	2019	2018	2017
Schedule of Changes in Net OPEB Liability and Related Ratios					
Total OPEB liability:					
Service cost	\$ 283,265	\$ 265,583	\$ 313,060	\$ 324,721	\$ 408,686
Interest	146,560	286,970	287,768	247,474	208,902
Differences between expected and actual experience	-	(1,680,612)	-	482,719	-
Changes in assumptions	42,350	(241,267)	429,198	(318,125)	(771,273)
Benefit payments, including refunds of member contributions	<u>(213,118)</u>	<u>(217,908)</u>	<u>(220,414)</u>	<u>(183,915)</u>	<u>(175,502)</u>
Net change in total OPEB liability	259,057	(1,587,234)	809,612	552,874	(329,187)
Total OPEB liability - July 1	<u>6,454,364</u>	<u>8,041,598</u>	<u>7,231,986</u>	<u>6,679,112</u>	<u>7,008,299</u>
Total OPEB liability - June 30 (a)	<u>\$ 6,713,421</u>	<u>\$ 6,454,364</u>	<u>\$ 8,041,598</u>	<u>\$ 7,231,986</u>	<u>\$ 6,679,112</u>
Plan fiduciary net position:					
Contributions - employer	\$ 213,118	\$ 217,908	\$ 220,414	\$ 183,915	\$ 245,502
Net investment income (loss)	24,500	5,425	4,978	7,448	730
Benefit payments, including refunds of member contributions	<u>(213,118)</u>	<u>(217,908)</u>	<u>(221,665)</u>	<u>(183,915)</u>	<u>(175,502)</u>
Administration expenses	(3,906)	(4,247)	(3,849)	(3,821)	-
Net change in plan fiduciary net position	20,594	1,178	(122)	3,627	70,730
Plan fiduciary net position - July 1	<u>75,413</u>	<u>74,235</u>	<u>74,357</u>	<u>70,730</u>	<u>-</u>
Plan fiduciary net position - June 30 (b)	<u>\$ 96,007</u>	<u>\$ 75,413</u>	<u>\$ 74,235</u>	<u>\$ 74,357</u>	<u>\$ 70,730</u>
Net OPEB liability - June 30 (a)-(b)	<u>\$ 6,617,414</u>	<u>\$ 6,378,951</u>	<u>\$ 7,967,363</u>	<u>\$ 7,157,629</u>	<u>\$ 6,608,382</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>1.43%</u>	<u>1.17%</u>	<u>0.92%</u>	<u>1.03%</u>	<u>1.06%</u>
Covered payroll	<u>\$ 17,671,673</u>	<u>\$ 17,629,659</u>	<u>\$ 17,629,659</u>	<u>\$ 18,486,186</u>	<u>\$ 18,486,000</u>
Net pension liability as a percentage of covered payroll	<u>37.45%</u>	<u>36.18%</u>	<u>45.19%</u>	<u>38.72%</u>	<u>35.75%</u>
Schedule of Investment Returns					
Annual money weighted rate of return, net of investment expense	<u>32.94%</u>	<u>5.14%</u>	<u>6.88%</u>	<u>10.82%</u>	<u>6.30%</u>

(1) These schedules are intended to present information for 10 years. The plan was established July 1, 2016. Additional years will be presented as they become available.

Town of Clinton, Connecticut

Required Supplementary Information

Education Other Post-Employment Benefit (OPEB) Plan
Schedule of Contributions
Last Ten Years

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Actuarially determined contributions	\$ 486,309	\$ 679,650	\$ 631,574	\$ 577,120	\$ 538,138	\$ 752,499	\$ 702,599	\$ 577,000	\$ 542,000	\$ 621,000
Contributions in relation to the actuarially determined contribution	213,118	217,908	220,414	183,915	245,502	251,799	237,753	235,000	220,000	323,000
Contribution excess (deficiency)	\$ (273,191)	\$ (461,742)	\$ (411,160)	\$ (393,205)	\$ (292,636)	\$ (500,700)	\$ (464,846)	\$ (342,000)	\$ (322,000)	\$ (298,000)
Covered payroll	\$ 17,671,673	\$ 17,629,659	\$ 17,629,659	\$ 18,486,186	\$ 18,486,186	N/A	N/A	\$ 16,557,662	\$ 16,557,662	N/A
Contributions as a percentage of covered payroll	1.21%	1.24%	1.25%	0.99%	1.33%	N/A	N/A	1.42%	1.33%	N/A

N/A - Not applicable

Town of Clinton, Connecticut

Notes to Required Supplementary Information

Education Other Post-Employment Benefit (OPEB) Plan
Schedule of Contributions
Last Ten Years

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Changes of Benefit Terms	None	None	None	None	None	None	None	None	None	None
The actuarially determined contribution rates are calculated as of	July 1, 2019	July 1, 2017	July 1, 2017	July 1, 2015	July 1, 2015	July 1, 2013	July 1, 2013	July 1, 2011	July 1, 2011	July 1, 2009
Actuarial methods and assumptions used to determine contribution rates:										
Actuarial Cost Method	Entry age normal	Entry age normal	Entry age normal	Projected unit credit	Projected unit credit	Projected unit credit	Projected unit credit	Projected unit credit	Projected unit credit	Projected unit credit
Amortization Method	Level dollar, closed	Level dollar, closed	Level dollar, closed	Level dollar, closed	Level percent, closed	Level percent, closed	Level percent, closed	Level percent, closed	Level percent, closed	Level percent, closed
Asset Valuation Method	Fair value	Fair value	Fair value	Fair value	Fair value	N/A	N/A	N/A	N/A	N/A
Inflation rate	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%
Salary Increases	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Healthcare Inflation Rate	5.70% - 4.10% over 55 years	5.70% - 4.10% over 55 years	5.70% - 4.10% over 55 years	6.30% - 4.50% over 57 years	6.30% - 4.50% over 57 years	N/A	N/A	N/A	N/A	N/A
Investment Rate of Return (Net)	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Mortality	RP-2000 Combined Healthy Mortality Table with generational projection per Scale AA	RP-2000 Combined Healthy Mortality Table with generational projection per Scale AA	RP-2000 Combined Healthy Mortality Table with generational projection per Scale AA	N/A	N/A	N/A	N/A	N/A	N/A	N/A

N/A - Not applicable or not available. The plan was established July 1, 2016.

Town of Clinton, Connecticut

Required Supplementary Information

Connecticut State Teachers' Retirement Board Retiree Health Insurance Plan
Last Four Years (3)

	2021	2020	2019	2018
<u>Schedule of Proportionate Share of the Net OPEB Liability</u>				
Town's proportion of the net OPEB liability	0.00%	0.00%	0.00%	0.00%
Town's proportionate share of the collective net OPEB liability	\$ -	\$ -	\$ -	\$ -
State of Connecticut's proportionate share of the net OPEB liability associated with the Town	10,267,216	10,387,258	10,266,282	13,961,013
Total	<u>\$10,267,216</u>	<u>\$10,387,258</u>	<u>\$10,266,282</u>	<u>\$13,961,013</u>
Town's covered payroll	(2)	(2)	(2)	(2)
Town's proportionate share of the net OPEB liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	2.50%	2.08%	1.49%	1.79%
<u>Schedule of Contributions</u>				
Contractually required contribution (1)	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	-	-	-	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Town's covered payroll	(2)	(2)	(2)	(2)
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%

(1) Local employers are not required to contribute to the plan

(2) Not applicable since 0% proportional share of the net OPEB liability

(3) These schedules are intended to present information for 10 years. Additional years will be presented as they become available.

Town of Clinton, Connecticut

Notes to Required Supplementary Information

Connecticut State Teachers' Retirement Board Retiree Health Insurance Plan
Schedule of Contributions
Last Four Years (1)

	2021	2020	2019	2018
Changes of Benefit Terms	None	None	None	None
The actuarially determined contribution rates are calculated as of	June 30, 2020	June 30, 2018	June 30, 2018	June 30, 2016
Actuarial methods and assumptions used to determine contribution rates:				
Actuarial Cost Method	Entry age	Entry age	Entry age	Entry age
Amortization Method	Level percentage, closed	Level percent of payroll	Level percent of payroll	Level percentage, open
Amortization Period	30 years	30 years	30 years	30 years
Asset Valuation Method	Fair Value	Fair Value	Fair Value	Fair Value
Inflation	2.50%	2.75%	2.75%	2.75%
Healthcare Inflation Rate	Initial 5.125% decreasing to 4.50% (ultimate) by 2023	Initial 5.95% decreasing to 4.75% (ultimate) by 2025	Initial 5.95% decreasing to 4.75% (ultimate) by 2025	Initial 7.25% decreasing to 5.00% (ultimate) by 2022
Salary Increases	3.00% to 6.50%, including inflation	3.25% to 6.50%, including inflation	3.25% to 6.50%, including inflation	3.25% to 6.50%, including inflation
Investment Rate of Return (Net)	3.00%	3.00%	3.00%	4.25%
Mortality	PubT-2010 Table projected generationally with MP-2019	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale

(1) These schedules are intended to present information for 10 years. Additional years will be presented as they become available.

**Supplemental
Schedules**

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. These activities are funded principally by property taxes, user fees and grants from other governmental units.

For reporting in accordance with generally accepted accounting principles, the general fund includes certain funds that are required to be reported as part of the general fund under the requirements of GASB No. 54.

Town of Clinton, Connecticut

General Fund
Combining Balance Sheet
June 30, 2021

	General Fund	Education Nonlapsing Fund	Total
<u>Assets</u>			
Cash	\$ 192,520	\$ 607,156	\$ 799,676
Restricted cash	83,142	-	83,142
Investments	22,679,879	-	22,679,879
Restricted investments	461,502	-	461,502
Receivables (net):			
Property taxes	1,011,555	-	1,011,555
Intergovernmental	445,292	-	445,292
Other	256,685	-	256,685
Due from other funds	419,768	-	419,768
Prepays	125,583	-	125,583
Total assets	<u>\$ 25,675,926</u>	<u>\$ 607,156</u>	<u>\$ 26,283,082</u>
<u>Liabilities</u>			
Accounts payable	\$ 1,263,523	\$ -	\$ 1,263,523
Accrued payroll and related liabilities	508,613	-	508,613
Performance bonds	544,644	-	544,644
Other	39,281	-	39,281
Total liabilities	<u>2,356,061</u>	<u>-</u>	<u>2,356,061</u>
<u>Deferred Inflows of Resources</u>			
Unavailable revenue:			
Property taxes	1,011,555	-	1,011,555
Advance property tax collections	3,806,869	-	3,806,869
Total deferred inflows of resources	<u>4,818,424</u>	<u>-</u>	<u>4,818,424</u>
<u>Fund Balances</u>			
Nonspendable	125,583	-	125,583
Committed	350,000	607,156	957,156
Assigned	2,619,800	-	2,619,800
Unassigned	15,406,058	-	15,406,058
Total fund balances	<u>18,501,441</u>	<u>607,156</u>	<u>19,108,597</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 25,675,926</u>	<u>\$ 607,156</u>	<u>\$ 26,283,082</u>

Town of Clinton, Connecticut

General Fund
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2021

	General Fund	Education Nonlapsing Fund	Total
Revenues:			
Property taxes	\$ 48,819,588	\$ -	\$ 48,819,588
Intergovernmental	11,417,679	-	11,417,679
Charges for services	1,580,199	-	1,580,199
Income from investments	<u>47,968</u>	<u>-</u>	<u>47,968</u>
Total revenues	<u>61,865,434</u>	<u>-</u>	<u>61,865,434</u>
Expenditures:			
Current:			
General government	6,877,295	-	6,877,295
Public safety	4,471,926	-	4,471,926
Public works	1,865,073	-	1,865,073
Planning and development	342,665	-	342,665
Culture and recreation	1,032,866	-	1,032,866
Health and welfare	462,855	-	462,855
Education	36,779,364	60,053	36,839,417
Debt service	<u>5,184,480</u>	<u>-</u>	<u>5,184,480</u>
Total expenditures	<u>57,016,524</u>	<u>60,053</u>	<u>57,076,577</u>
Excess (deficiency) of revenues over expenditures	<u>4,848,910</u>	<u>(60,053)</u>	<u>4,788,857</u>
Other financing sources (uses):			
Transfers in	133,225	-	133,225
Transfers out	<u>(1,368,706)</u>	<u>-</u>	<u>(1,368,706)</u>
Net other financing sources (uses)	<u>(1,235,481)</u>	<u>-</u>	<u>(1,235,481)</u>
Special item			
Sale of former school property	<u>2,200,000</u>	<u>-</u>	<u>2,200,000</u>
Net change in fund balances	<u>5,813,429</u>	<u>(60,053)</u>	<u>5,753,376</u>
Fund balances - July 1, 2020 (as restated)	<u>12,688,012</u>	<u>667,209</u>	<u>13,355,221</u>
Fund balances - June 30, 2021	<u>\$ 18,501,441</u>	<u>\$ 607,156</u>	<u>\$ 19,108,597</u>

Town of Clinton, Connecticut

Report of Tax Collector
For the Year Ended June 30, 2021

Grand List Year	Uncollected Taxes July 1, 2020	Current Year Levy	Lawful Corrections		Transfers To Suspense	Adjusted Taxes Collectible	Collections			Uncollected Taxes June 30, 2021
			Additions	Deductions			Net Taxes Collected	Interest and Liens	Total	
2004	\$ 1,792	\$ -	\$ -	\$ 1,792	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2005	2,589	-	-	-	-	2,589	-	-	-	2,589
2006	2,680	-	-	-	-	2,680	-	-	-	2,680
2007	2,770	-	-	-	-	2,770	-	-	-	2,770
2008	11,445	-	-	-	-	11,445	3,255	463	3,718	8,190
2009	10,467	-	-	-	-	10,467	-	-	-	10,467
2010	18,818	-	-	-	-	18,818	3,229	460	3,689	15,589
2011	36,174	-	-	-	-	36,174	3,281	467	3,748	32,893
2012	37,930	-	-	-	-	37,930	3,227	460	3,687	34,703
2013	38,061	-	-	-	-	38,061	3,347	476	3,823	34,714
2014	47,119	-	-	-	-	47,119	3,484	491	3,975	43,635
2015	97,563	-	-	-	58,775	38,788	4,828	2,032	6,860	33,960
2016	129,720	-	-	-	10,744	118,976	10,904	5,565	16,469	108,072
2017	142,905	-	12,136	21,915	10,863	122,263	11,571	12,399	23,970	110,692
2018	421,859	-	9,069	22,286	10,883	397,759	214,221	55,643	269,864	183,538
Total Prior Years	1,001,892	-	21,205	45,993	91,265	885,839	261,347	78,456	339,803	624,492
2019	-	48,869,359	50,169	148,009	10,035	48,761,484	48,348,926	89,362	48,438,288	412,558
Total	\$ 1,001,892	\$ 48,869,359	\$ 71,374	\$ 194,002	\$ 101,300	\$ 49,647,323	\$ 48,610,273	\$ 167,818	\$ 48,778,091	\$ 1,037,050
								Interest and liens receivable Allowance for doubtful accounts		249,505 (275,000)
								Net taxes receivable		\$ 1,011,555

Other Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are restricted, committed, or assigned to expenditures for particular purposes.

Fund	Funding Source	Function
Historical Preservation Fund	Grants and fees	Town Clerk's preservation program
Miscellaneous Fund	Grants, fees and donations	Various town projects and programs
Community Development Grant Fund	Grants	Community improvement programs
Public Safety Fund	Federal grants and donations	Public safety programs
Culture and Recreation Fund	Fees and donations	Park and recreation programs
Health and Welfare Fund	Federal grants, fees and donations	Health and welfare programs
Adult Education Fund	State grant	Adult education programs
School Cafeteria Fund	State/federal grants and fees	School lunch and breakfast program
Education Grant Fund	State/federal grants	Special education programs
School Activity Fund	Activity fees and contributions	Student activity funds and school scholarships

Town of Clinton, Connecticut

Combining Balance Sheet
Other Governmental Funds
June 30, 2021

	Special Revenue Funds				
	Historical Preservation Fund	Miscellaneous Fund	Community Development Grant Fund	Public Safety Fund	Culture and Recreation Fund
<u>Assets</u>					
Cash	\$ 20,810	\$ 476,853	\$ 26,968	\$ 5,496	\$ 343,166
Investments	-	-	-	5,389	10,391
Receivables (net):					
Intergovernmental	-	-	-	-	-
Loans	-	-	255,063	-	-
Other	722	-	-	-	36
Due from other funds	-	-	-	-	-
Other	-	-	-	-	-
Total assets	<u>\$ 21,532</u>	<u>\$ 476,853</u>	<u>\$ 282,031</u>	<u>\$ 10,885</u>	<u>\$ 353,593</u>
<u>Liabilities</u>					
124 Accounts payable	\$ -	\$ 85	\$ -	\$ -	\$ 5,606
Accrued payroll and related liabilities	-	-	-	-	-
Due to other funds	-	-	-	-	-
Unearned revenue	-	<u>184,552</u>	-	-	<u>30,514</u>
Total liabilities	<u>-</u>	<u>184,637</u>	<u>-</u>	<u>-</u>	<u>36,120</u>
<u>Fund Balances</u>					
Restricted	21,532	-	282,031	5,389	-
Committed	-	-	-	5,496	317,473
Assigned	-	<u>292,216</u>	-	-	-
Total fund balances	<u>21,532</u>	<u>292,216</u>	<u>282,031</u>	<u>10,885</u>	<u>317,473</u>
Total liabilities and fund balances	<u>\$ 21,532</u>	<u>\$ 476,853</u>	<u>\$ 282,031</u>	<u>\$ 10,885</u>	<u>\$ 353,593</u>

(Continued)

Town of Clinton, Connecticut

Combining Balance Sheet
Other Governmental Funds
June 30, 2021

	Special Revenue Funds				Total Other Governmental Funds
	Health and Welfare Fund	School Cafeteria Fund	Education Grant Fund	School Activity Fund	
Assets					
Cash	\$ 74,303	\$ 82,082	\$ 409,647	\$ 410,877	\$ 1,850,202
Investments	-	-	-	397,287	413,067
Receivables (net):					
Intergovernmental	-	111,282	101,035	-	212,317
Loans	-	-	-	-	255,063
Other	48,499	-	-	-	49,257
Due from other funds	-	-	-	34,287	34,287
Other	-	18,805	-	-	18,805
Total assets	\$ 122,802	\$ 212,169	\$ 510,682	\$ 842,451	\$ 2,832,998
Liabilities					
Accounts payable	\$ 6,033	\$ -	\$ 87,598	\$ 1,431	\$ 100,753
Accrued payroll and related liabilities	6,474	3,402	5,468	1,210	16,554
Due to other funds	-	20,883	374,912	58,260	454,055
Unearned revenue	27,973	16,997	27,754	2,094	289,884
Total liabilities	40,480	41,282	495,732	62,995	861,246
Fund Balances					
Restricted	-	170,887	-	-	479,839
Committed	82,322	-	14,950	779,456	1,199,697
Assigned	-	-	-	-	292,216
Total fund balances	82,322	170,887	14,950	779,456	1,971,752
Total liabilities and fund balances	\$ 122,802	\$ 212,169	\$ 510,682	\$ 842,451	\$ 2,832,998

(Concluded)

Town of Clinton, Connecticut

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Other Governmental Funds
For the Year Ended June 30, 2021

	Special Revenue Funds				
	Historical Preservation Fund	Miscellaneous Fund	Community Development Grant Fund	Public Safety Fund	Culture and Recreation Fund
Revenues:					
Intergovernmental	\$ 5,500	\$ 141,082	\$ -	\$ 820	\$ -
Charges for services	12,029	20,045	-	-	105,919
Income from investments	-	-	-	-	2
Net change in fair value	-	-	-	-	-
Contributions	-	1,000	-	-	500
Other	-	-	-	-	-
Total revenues	<u>17,529</u>	<u>162,127</u>	<u>-</u>	<u>820</u>	<u>106,421</u>
Expenditures:					
Current:					
General government	7,749	224,302	-	-	-
Public safety	-	-	-	19,101	-
Culture and recreation	-	-	-	-	66,859
Health and welfare	-	-	-	-	-
Education	-	-	-	-	-
Total expenditures	<u>7,749</u>	<u>224,302</u>	<u>-</u>	<u>19,101</u>	<u>66,859</u>
Excess (deficiency) of revenues over expenditures	<u>9,780</u>	<u>(62,175)</u>	<u>-</u>	<u>(18,281)</u>	<u>39,562</u>
Other financing sources (uses):					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>9,780</u>	<u>(62,175)</u>	<u>-</u>	<u>(18,281)</u>	<u>39,562</u>
Fund balances - July 1, 2020 (as restated)	<u>11,752</u>	<u>354,391</u>	<u>282,031</u>	<u>29,166</u>	<u>277,911</u>
Fund balances - June 30, 2021	<u>\$ 21,532</u>	<u>\$ 292,216</u>	<u>\$ 282,031</u>	<u>\$ 10,885</u>	<u>\$ 317,473</u>

(Continued)

Town of Clinton, Connecticut

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Other Governmental Funds
For the Year Ended June 30, 2021

	Special Revenue Funds					Total Other Governmental Funds
	Health and Welfare Fund	Adult Education Fund	School Cafeteria Fund	Education Grant Fund	School Activity Fund	
Revenues:						
Intergovernmental	\$ 271,312	\$ -	\$ 485,243	\$ 1,280,488	\$ -	\$ 2,184,445
Charges for services	23,698	-	8,873	669	187,437	358,670
Income from investments	-	-	-	-	14,852	14,854
Net change in fair value	-	-	-	-	76,742	76,742
Contributions	<u>11,788</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,288</u>
Total revenues	<u>306,798</u>	<u>-</u>	<u>494,116</u>	<u>1,281,157</u>	<u>279,031</u>	<u>2,647,999</u>
Expenditures:						
Current:						
General government	-	-	-	3,582	-	235,633
Public safety	-	-	-	-	-	19,101
Culture and recreation	-	-	-	-	-	66,859
Health and welfare	301,033	-	-	-	-	301,033
Education	-	<u>-</u>	<u>443,793</u>	<u>1,280,488</u>	<u>198,208</u>	<u>1,922,489</u>
Total expenditures	<u>301,033</u>	<u>-</u>	<u>443,793</u>	<u>1,284,070</u>	<u>198,208</u>	<u>2,545,115</u>
Excess (deficiency) of revenues over expenditures	<u>5,765</u>	<u>-</u>	<u>50,323</u>	<u>(2,913)</u>	<u>80,823</u>	<u>102,884</u>
Other financing sources (uses):						
Transfers in	-	-	-	-	31,768	31,768
Transfers out	-	<u>(95,751)</u>	<u>-</u>	<u>-</u>	<u>(69,242)</u>	<u>(164,993)</u>
Net other financing sources (uses)	<u>-</u>	<u>(95,751)</u>	<u>-</u>	<u>-</u>	<u>(37,474)</u>	<u>(133,225)</u>
Net change in fund balances	5,765	(95,751)	50,323	(2,913)	43,349	(30,341)
Fund balances - July 1, 2020 (as restated)	<u>76,557</u>	<u>95,751</u>	<u>120,564</u>	<u>17,863</u>	<u>736,107</u>	<u>2,002,093</u>
Fund balances - June 30, 2021	<u>\$ 82,322</u>	<u>\$ -</u>	<u>\$ 170,887</u>	<u>\$ 14,950</u>	<u>\$ 779,456</u>	<u>\$ 1,971,752</u>

(Concluded)

Statistical Section

This part of the Town'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 Town's overall financial health.

Table	Description
Financial Trend (Tables 1-4)	These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.
Revenue Capacity (Tables 5-7)	These schedules contain information to help the reader assess the Town's most significant local revenue source, the property tax.
Debt Capacity (Tables 8-10)	These schedules present information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.
Demographic and Economic Information (Tables 11-13)	These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place.
Operating Information (Tables 14-15)	These schedules contain service and infrastructure data to help the reader understand how the information in the Town's financial report relates to the services the Town provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the fiscal year.

Town of Clinton, Connecticut

Net Position by Component
Last Ten Years
(Unaudited)

	June 30,									
	2021	2020 (As restated)	2019	2018	2017	2016	2015	2014	2013	2012
Net investment in capital assets	\$ 62,384,767	\$ 57,602,087	\$ 60,777,536	\$ 65,221,000	\$ 65,925,000	\$ 61,628,000	\$ 28,461,000	\$ 20,416,000	\$ 35,994,000	\$ 37,625,000
Restricted for:										
Historical preservation	21,532	11,752	12,553	7,537	13,728	9,646	7,312	6,512	4,995	5,254
Public safety programs	5,389	20,319	13,167	12,663	38,173	27,186	36,570	44,950	26,004	26,004
Community development programs	282,031	282,031	282,031	-	-	-	-	-	-	-
Education	-	113,614	95,357	611,664	593,112	422,396	428,970	437,085	385,588	438,925
Food service programs	170,887	120,564	104,909	-	-	-	-	-	-	-
Construction contracts	1,978,552	-	-	-	-	-	-	-	-	-
Unrestricted	(11,200,906)	(12,904,415)	(19,131,418)	(19,329,864)	(16,592,013)	(11,749,228)	9,238,148	18,378,453	3,548,413	4,386,817
Total net position	<u>\$ 53,642,252</u>	<u>\$ 45,245,952</u>	<u>\$ 42,154,135</u>	<u>\$ 46,523,000</u>	<u>\$ 49,978,000</u>	<u>\$ 50,338,000</u>	<u>\$ 38,172,000</u>	<u>\$ 39,283,000</u>	<u>\$ 39,959,000</u>	<u>\$ 42,482,000</u>

Source: Current and prior financial statements.

Table 2

Town of Clinton, Connecticut

Changes in Net Position
Last Ten Years
(Unaudited)

For the Year Ended June 30,

	2021	2020 (As restated)	2019	2018	2017	2016	2015	2014	2013	2012
Expenses:										
General government	\$ 7,868,576	\$ 8,245,654	\$ 7,373,000	\$ 7,295,000	\$ 7,176,000	\$ 6,554,000	\$ 6,019,000	\$ 6,392,000	\$ 6,231,000	\$ 6,059,000
Public safety	4,975,906	5,582,342	5,419,000	5,204,000	6,109,000	5,268,000	4,537,000	4,857,000	4,777,000	4,879,000
Public works	3,959,179	3,555,356	3,545,000	3,435,000	3,814,000	3,919,000	3,325,000	2,925,000	5,471,000	3,479,000
Planning and development	342,665	377,370	391,000	787,000	812,000	363,000	351,000	361,000	276,000	252,000
Culture and recreation	1,223,195	1,304,400	1,212,000	521,000	679,000	1,416,000	1,530,000	1,497,000	1,490,000	1,341,000
Health and welfare	814,477	789,877	695,000	561,000	738,000	675,000	960,000	821,000	858,000	1,698,000
Education	40,413,261	40,869,332	40,617,000	41,874,000	39,980,000	39,397,000	37,134,000	36,855,000	35,613,000	35,242,000
Interest	1,340,681	1,423,036	1,915,000	1,636,000	1,748,000	747,000	857,000	1,174,000	694,000	653,000
Total expenses	60,937,940	62,147,367	61,167,000	61,313,000	61,056,000	58,339,000	54,713,000	54,882,000	55,410,000	53,603,000
Program revenues:										
Charges for services:										
General government	1,119,561	820,125	758,000	732,000	627,000	508,000	359,000	368,000	449,000	370,000
Public safety	223,532	101,362	197,000	164,000	133,000	179,000	134,000	165,000	150,000	136,000
Public works	74,872	61,258	77,000	84,000	76,000	63,000	74,000	94,000	85,000	89,000
Planning and development	28,393	6,680	15,000	14,000	15,000	85,000	78,000	96,000	37,000	11,000
Culture and recreation	271,834	272,868	190,000	180,000	253,000	216,000	240,000	213,000	215,000	239,000
Health and welfare	23,698	23,254	10,000	16,000	12,000	13,000	16,000	11,000	23,000	21,000
Education	196,979	167,215	260,000	271,000	337,000	269,000	430,000	434,000	351,000	433,000
Operating grants and contributions	12,299,941	14,280,439	13,043,000	14,897,000	15,080,000	12,433,000	12,459,000	13,371,000	12,504,000	12,625,000
Capital grants and contributions	2,851,881	722,886	333,000	326,000	1,793,000	15,434,000	9,160,000	370,000	496,000	281,000
Total program revenues	17,090,691	16,456,087	14,883,000	16,684,000	18,326,000	29,200,000	22,950,000	15,122,000	14,310,000	14,205,000
Net expenses	(43,847,249)	(45,691,280)	(46,284,000)	(44,629,000)	(42,730,000)	(29,139,000)	(31,763,000)	(39,760,000)	(41,100,000)	(39,398,000)
General revenues:										
Property taxes	48,845,243	48,335,196	47,055,000	45,883,000	41,449,000	40,152,000	39,393,000	38,363,000	37,704,000	37,363,000
Grants and contributions not restricted to specific programs	332,635	331,193	518,000	310,000	368,000	380,000	548,000	513,000	713,000	443,000
Income from investments	139,564	116,708	121,000	43,000	22,000	38,000	41,000	30,000	39,000	66,000
Special item -gain on sale of capital assets	2,190,000	-	2,190,000	-	-	-	-	-	-	-
Other	-	-	155,000	290,000	530,000	736,000	388,000	178,000	121,000	138,000
Total general revenues	51,507,442	48,783,097	50,039,000	46,526,000	42,369,000	41,306,000	40,370,000	39,084,000	38,577,000	38,010,000
Change in net position	\$ 7,660,193	\$ 3,091,817	\$ 3,755,000	\$ 1,897,000	\$ (361,000)	\$ 12,167,000	\$ 8,607,000	\$ (676,000)	\$ (2,523,000)	\$ (1,388,000)

Source: Current and prior financial statements.

Table 3

Town of Clinton, Connecticut

Fund Balances - Governmental Funds
Last Ten Years
(Modified Accrual Basis of Accounting)
(Unaudited)

	June 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
	(As restated)									
General fund:										
Nonspendable	\$ 125,583	\$ 120,789	\$ 135,000	\$ 134,000	\$ 108,000	\$ 7,000	\$ -	\$ -	\$ -	\$ 48,000
Committed	957,156	1,017,209	350,000	-	350,000	350,000	418,000	350,000	350,000	350,000
Assigned	2,619,800	1,075,000	321,000	-	-	239,000	245,000	364,000	472,000	875,000
Unassigned	15,406,058	11,142,223	9,157,000	11,964,000	6,766,000	6,184,000	6,512,000	7,012,000	7,169,000	7,175,000
Total general fund	19,108,597	13,355,221	9,963,000	12,098,000	7,224,000	6,780,000	7,175,000	7,726,000	7,991,000	8,448,000
All other governmental funds:										
Nonspendable	-	-	-	11,000	14,000	12,000	18,000	22,000	15,000	15,000
Restricted	2,458,391	548,280	565,000	-	789,000	625,000	510,000	1,285,000	538,000	464,000
Committed	1,199,697	889,243	324,000	-	189,000	149,000	251,000	251,000	189,000	1,655,000
Assigned	292,216	354,391	273,000	-	-	-	-	-	-	-
Unassigned	(4,394,769)	-	(5,396,000)	(2,115,000)	(5,058,000)	(14,542,000)	(6,553,000)	(8,000)	(2,846,000)	(4,862,000)
Total all other governmental funds	(444,465)	1,791,914	(4,234,000)	(2,104,000)	(4,066,000)	(13,756,000)	(5,774,000)	1,550,000	(2,104,000)	(2,728,000)
Grand total	<u>\$ 18,664,132</u>	<u>\$ 15,147,135</u>	<u>\$ 5,729,000</u>	<u>\$ 9,994,000</u>	<u>\$ 3,158,000</u>	<u>\$ (6,976,000)</u>	<u>\$ 1,401,000</u>	<u>\$ 9,276,000</u>	<u>\$ 5,887,000</u>	<u>\$ 5,720,000</u>

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Source: Current and prior financial statements.

Notes:

General fund:

Assigned
Unassigned

Due to an increase in amount for subsequent years budget.

Due to positive current year operations and sale of land for \$2,200,000.

All other:

Committed
Unassigned

Due to reclassification of student activity fund.

Due to the timing of capital expenditures and use of temporary financing.

Table 4

Town of Clinton, Connecticut

Changes in Fund Balances - Governmental Funds
 Last Ten Years
 (Modified Accrual Basis of Accounting)
 (Unaudited)

	For the Year Ended June 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
	(As restated)									
Revenues:										
Property taxes	\$ 48,819,588	\$ 48,222,539	\$ 46,961,357	\$ 45,804,000	\$ 41,500,000	\$ 40,510,000	\$ 39,563,000	\$ 38,123,000	\$ 37,634,000	\$ 37,169,000
Intergovernmental	15,471,169	15,292,288	13,881,548	15,470,000	18,277,000	25,787,000	22,089,000	13,706,000	13,556,000	13,307,000
Charges for services	1,938,869	1,452,762	1,506,780	1,450,000	1,476,000	1,426,000	1,359,000	1,539,000	1,431,000	1,314,000
Income from investments	62,822	116,708	121,113	43,000	22,000	38,000	41,000	30,000	39,000	66,000
Net change in fair value	76,742	-	-	-	-	-	-	-	-	-
Contributions	13,288	55,773	-	-	-	-	-	-	-	-
Other	-	-	153,561	298,000	545,000	785,000	153,000	245,000	163,000	171,000
Total revenues	66,382,478	65,140,070	62,624,359	63,065,000	61,820,000	68,546,000	63,205,000	53,643,000	52,823,000	52,027,000
Expenditures:										
Current:										
General government	7,188,359	7,402,425	6,866,118	6,872,000	6,821,000	6,341,000	6,131,000	5,880,000	5,940,000	5,734,000
Public safety	4,491,027	4,455,442	4,375,016	4,229,000	4,400,000	4,362,000	4,208,000	4,178,000	3,998,000	4,107,000
Public works	1,865,073	1,765,138	1,859,752	1,850,000	1,816,000	1,647,000	2,211,000	1,829,000	2,745,000	2,814,000
Planning and development	342,665	377,370	391,257	787,000	812,000	363,000	351,000	362,000	276,000	252,000
Culture and recreation	1,099,725	1,150,549	1,112,554	401,000	533,000	1,302,000	1,311,000	1,311,000	1,232,000	1,097,000
Health and welfare	763,888	729,425	673,340	580,000	699,000	657,000	729,000	826,000	1,150,000	663,000
Education	38,761,906	38,706,173	38,700,542	39,913,000	39,515,000	36,629,000	35,598,000	35,419,000	34,378,000	33,854,000
Debt service:										
Principal	26,509,593	3,401,317	4,599,790	2,416,000	1,780,000	1,480,000	1,315,000	1,285,000	1,240,000	1,250,000
Interest	(21,120,727)	1,852,376	-	1,586,000	1,750,000	1,547,000	1,131,000	873,000	698,000	775,000
Capital outlay	6,132,131	1,915,141	5,077,663	3,949,000	9,334,000	38,326,000	23,451,000	5,522,000	7,088,000	8,393,000
Total expenditures	66,033,640	61,755,356	63,656,032	62,583,000	67,460,000	92,654,000	76,436,000	57,485,000	58,745,000	58,939,000
Excess (deficiency) of revenues over expenditures	348,838	3,384,714	(1,031,673)	482,000	(5,640,000)	(24,108,000)	(13,231,000)	(3,842,000)	(5,922,000)	(6,912,000)
Other financing sources (uses):										
Issuance of debt	23,755,000	5,710,000	-	2,800,000	14,000,000	14,300,000	5,000,000	6,995,000	5,709,000	(119,000)
Issuance of refunding debt	-	-	12,015,123	-	-	3,600,000	-	-	-	-
Issuance of equipment financing notes	-	-	311,304	123,000	355,000	632,000	-	-	-	-
Payment to refunded bond escrow agent	(24,033,258)	-	(13,457,278)	-	-	(3,811,000)	-	-	-	-
Premium	510,310	318,216	1,497,155	13,000	281,000	1,011,000	356,000	236,000	380,000	223,000
Sale of capital assets	-	5,266	-	-	-	-	-	-	-	-
Transfers in	1,533,699	1,403,001	3,218,700	1,605,000	2,918,000	1,927,000	2,339,000	1,915,000	1,849,000	2,139,000
Transfers out	(1,533,699)	(1,403,001)	(3,218,700)	(1,605,000)	(1,781,000)	(1,927,000)	(2,339,000)	(1,915,000)	(1,849,000)	(2,139,000)
Net other financing sources (uses)	232,052	6,033,482	366,304	2,936,000	15,773,000	15,732,000	5,356,000	7,231,000	6,089,000	104,000
Special item										
Sale of former school property	2,200,000	-	-	-	-	-	-	-	-	-
Net change in fund balances	\$ 2,780,890	\$ 9,418,196	\$ (665,369)	\$ 3,418,000	\$ 10,133,000	\$ (8,376,000)	\$ (7,875,000)	\$ 3,389,000	\$ 167,000	\$ (6,808,000)
Debt service as a percentage of noncapital expenditures	8.95%	8.73%	8.15%	6.39%	5.97%	0.00%	0.00%	0.00%	0.00%	0.00%

Source: Current and prior financial statements.

Table 5

Town of Clinton, Connecticut

Assessed and Estimated Actual Value of Taxable Property
Last Ten Years
(Unaudited)

Year Ended June 30	Real Property				Personal Property				Totals			
	(1)		(2)		(1)		(1)		(1)		(1)	
	Residential	Industrial and Commercial	Real Property Estimated Value	Assessed Value	Motor Vehicle Assessed Value	Personal Property Assessed Value	Total Motor Vehicle and Personal Property Assessed Value	Less Exempt Property	Total Motor Vehicle and Personal Property Estimated Actual Value	Total Assessed Value	Total Estimated Actual Value	Percentage of Total Assessed Value to Total Estimated Actual Value
2021	\$ 1,178,714,593	\$ 216,404,183	\$ 1,993,026,823	\$ 105,284,351	\$ 71,798,803	\$ 177,083,154	\$ 11,678,564	\$ 252,975,934	\$ 1,560,523,366	\$ 2,229,319,094	70.00%	31.25
2020	1,171,999,809	212,494,889	1,977,849,569	102,071,558	68,369,388	170,440,946	11,086,575	243,487,066	1,543,849,069	2,205,498,670	70.00%	31.25
2019	1,164,938,823	212,872,839	1,968,302,374	99,950,860	65,588,989	165,539,849	10,349,000	236,485,499	1,533,002,511	2,190,003,587	70.00%	30.54
2018	1,165,423,259	207,171,459	1,960,849,597	98,160,370	65,214,744	163,375,114	10,500,340	233,393,020	1,525,469,492	2,179,242,131	70.00%	29.91
2017	1,158,295,191	209,847,349	1,954,489,343	97,869,122	67,083,742	164,952,864	10,947,349	235,646,949	1,522,148,055	2,174,497,221	70.00%	27.14
2016	1,182,352,773	177,799,153	1,943,074,180	95,916,190	64,535,941	160,452,131	10,945,220	229,217,330	1,509,658,837	2,156,655,481	70.00%	26.77
2015	1,179,612,477	177,380,113	1,938,560,843	95,216,227	62,414,261	157,630,488	9,141,500	225,186,411	1,505,481,578	2,150,687,969	70.00%	26.27
2014	1,175,718,507	181,052,343	1,938,244,071	92,309,005	59,830,167	152,139,172	9,210,460	217,341,674	1,499,699,562	2,142,427,946	70.00%	25.43
2013	1,167,573,390	186,735,900	1,934,727,557	92,342,420	75,786,176	168,128,596	25,606,800	240,183,709	1,496,831,086	2,138,330,123	70.00%	25.18
2012	1,163,222,040	192,052,426	1,936,106,380	88,269,290	69,350,609	157,619,899	22,486,280	225,171,284	1,490,408,085	2,129,154,407	70.00%	24.92

Source: Office of Tax Assessor.

Notes:

(1) Estimated actual values taken from the Board of Assessment Appeals corrected abstracts for the respective year.

(2) Personal property value based on a 70% assessment ratio.

(3) From Table 7.

Table 6

Town of Clinton, Connecticut

Principal Property Taxpayers
Current Year and Nine Years Ago
(Unaudited)

Name	2021			2012			Percentage Net Taxable Grand List
	Assessed Value	Rank	Percentage Net Taxable Grand List	Assessed Value	Rank		
Chelsea GCA Realty Partnership	\$ 49,537,070	1	3.17%	\$ 38,381,100	1		2.58%
CT Water Company	20,314,670	2	1.30%	15,379,620	2		1.03%
Eversource (CT Light and Power)	15,184,360	3	0.97%	8,754,688	5		0.59%
JMH Associates	10,699,700	4	0.69%	9,094,950	4		0.61%
NPNC, LLC	7,455,700	5	0.48%	8,537,110	6		0.57%
John Street & R&R Clinton Ventures LLC	7,428,700	6	0.48%	-	-		0.00%
CIM LLC	5,233,611	7	0.34%	4,679,000	8		0.31%
Clinton Country Club	3,765,223	8	0.24%	-	-		0.00%
MJM Self Storage	3,318,100	9	0.21%	3,013,100	10		0.00%
114 East Main Street	2,823,210	10	0.00%	-	-		0.00%
Cheeseborough-Ponds Conopco, CTO, Unilever	-	-	0.00%	9,191,620	3		0.62%
Hammocks Development	-	-	0.00%	4,796,400	7		0.32%
Kent Home Assoc. LLC	-	-	0.00%	3,571,600	9		0.24%
Totals	<u>\$ 125,760,344</u>		<u>7.88%</u>	<u>\$ 105,399,188</u>			<u>6.87%</u>
Based on October 1, 2020 and 2011 net taxable grand list of:			<u>\$ 1,560,523,366</u>				<u>\$ 1,490,408,085</u>

Source: Town of Clinton, Office of Tax Assessor.

Table 7

Town of Clinton, Connecticut

Property Tax Rates, Levies and Collections
Last Ten Years
(Unaudited)

Year Ended June 30	(1) Tax Rate in Mills	Grand List of October 1,	Total Adjusted Tax Levy	Net Current Tax Collections	Percent of Current Levy Collected	Total Collections to Date				
						Collections in Subsequent Years	Total Collections	Percentage of Levy Collected	Current Delinquent Balance	
134	2021	31.25	2019	\$ 48,761,484	\$ 48,348,926	99.15%	\$ -	\$ 48,348,926	99.15%	\$ 412,558
	2020	31.25	2018	48,309,034	47,887,175	99.13%	238,321	47,887,175	99.13%	183,538
	2019	30.54	2017	46,793,000	46,530,000	99.44%	152,308	46,682,308	99.76%	110,692
	2018	29.91	2016	45,456,000	45,144,000	99.31%	203,928	45,347,928	99.76%	108,072
	2017	27.14	2015	38,341,000	38,097,000	99.36%	210,040	38,307,040	99.91%	33,960
	2016	26.77	2014	40,224,000	39,951,000	99.32%	229,365	40,180,365	99.89%	43,635
	2015	26.27	2013	39,363,000	39,070,000	99.26%	258,286	39,328,286	99.91%	34,714
	2014	25.43	2012	38,153,000	37,810,000	99.10%	308,297	38,118,297	99.91%	34,703
	2013	25.18	2011	37,574,000	37,297,000	99.26%	244,107	37,541,107	99.91%	32,893
	2012	24.92	2010	37,085,000	36,792,000	99.21%	277,411	37,069,411	99.96%	15,589

Source: Town Tax Collector

Notes:

(1) Tax levy is per \$1,000 of the assessed value of taxable property. There are no overlapping tax rates.

Table 8

Town of Clinton, Connecticut

Ratios of Outstanding Debt by Type
Last Ten Years
(Unaudited)

Year Ended June 30	General Obligation Bonds	Notes	Premium	Total	Percentage of Actual Taxable Value of Property	Percentage of Personal Income	Debt Per Capita	
135	2021	\$ 53,055,000	\$ 653,787	\$ 1,486,221	\$ 55,195,008	2.48%	9.53%	\$ 4,186
	2020	55,520,000	608,280	2,012,402	58,140,682	2.65%	10.83%	4,498
	2019	52,925,000	866,778	2,232,729	56,024,507	2.56%	10.82%	4,296
	2018	57,876,000	726,000	961,000	59,563,000	2.73%	11.63%	4,557
	2017	57,356,000	794,000	1,091,000	59,241,000	2.72%	12.18%	4,499
	2016	44,994,000	592,000	949,000	46,535,000	1.56%	9.47%	3,546
	2015	32,194,000	-	999,000	33,193,000	1.54%	6.75%	2,529
	2014	45,546,000	-	1,035,000	46,581,000	2.17%	9.43%	3,532
	2013	22,422,000	-	896,000	23,318,000	1.09%	4.65%	1,759
	2012	17,651,000	-	587,000	18,238,000	0.86%	3.63%	1,375

Source: Current and prior financial statements.

Town of Clinton, Connecticut
Schedule of Debt Limitation
Connecticut General Statutes, Section 7-374 (b)
For the Year Ended June 30, 2021
(Unaudited)

Tax Base:

Total tax collections (including interest and lien fees) for prior year \$ 48,219,657

	General Purpose	Schools	Sewers	Urban Renewal	Pension Deficit
Debt limitation:					
2 1/4 times base	\$ 108,494,228	\$ -	\$ -	\$ -	\$ -
4 1/2 times base	-	216,988,457	-	-	-
3 3/4 times base	-	-	180,823,714	-	-
3 1/4 times base	-	-	-	156,713,885	-
3 times base	-	-	-	-	144,658,971
Total debt limitation	<u>108,494,228</u>	<u>216,988,457</u>	<u>180,823,714</u>	<u>156,713,885</u>	<u>144,658,971</u>
Indebtedness:					
Bonds payable	17,009,359	36,045,641	-	-	-
Bond anticipation notes - short term	4,000,000	-	-	-	-
Total indebtedness	<u>21,009,359</u>	<u>36,045,641</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt limitation in excess of outstanding debt	<u><u>\$ 87,484,869</u></u>	<u><u>\$ 180,942,816</u></u>	<u><u>\$ 180,823,714</u></u>	<u><u>\$ 156,713,885</u></u>	<u><u>\$ 144,658,971</u></u>
The total net indebtedness above amounts to:					<u><u>\$ 57,055,000</u></u>
In no event shall total indebtedness exceed seven times the base for debt limitation computation:					<u><u>\$ 337,537,599</u></u>

There is no overlapping debt for the Town of Clinton, Connecticut.

Table 10**Town of Clinton, Connecticut****Legal Debt Margin Information
Last Ten Years
(Unaudited)**

Year Ended June 30	Debt Limit	Net Debt Applicable To Limit	Legal Debt Margin	Total Net Debt Applicable
2021	\$ 337,537,599	\$ 57,055,000	\$ 280,482,599	16.90%
2020	328,460,342	58,670,000	269,790,342	17.86%
2019	328,744,000	57,925,000	270,819,000	17.62%
2018	320,645,000	72,510,000	248,135,000	22.61%
2017	269,400,000	58,815,000	210,585,000	21.83%
2016	281,936,000	75,673,000	206,263,000	26.84%
2015	266,946,000	58,273,000	208,673,000	21.83%
2014	276,762,000	61,893,000	214,869,000	22.36%
2013	263,420,000	67,951,000	195,469,000	25.80%
2012	259,986,000	90,228,000	169,758,000	34.70%

Source: Current and prior financial statements.

Table 11

Town of Clinton, Connecticut

Demographic and Economic Statistics
Last Ten Years
(Unaudited)

Year Ended June 30	(1) Population	(1) Per Capita Income	(5) Personal Income	(2) Median Age	(2) Median Household Income	(6) Education Level in Years of Schooling	(3) School Enrollment	(4) Unemployment Percentage
2021	13,185	\$ 43,929	\$ 579,203,865	46	\$ 79,554	39% Bachelors or higher	1,564	5.0%
2020	12,925	41,529	536,762,325	44	76,360	38% Bachelors or higher	1,678	9.0%
2019	13,041	39,713	517,897,233	46	76,509	38% Bachelors or higher	1,742	3.5%
2018	13,072	39,178	512,134,816	47	74,022	36% Bachelors or higher	1,764	4.1%
2017	13,167	36,954	486,573,318	47	71,455	35% Bachelors or higher	1,787	4.7%
2016	13,125	37,449	491,518,125	47	71,028	35% Bachelors or higher	1,840	5.1%
2015	13,125	37,449	491,518,125	47	71,599	N/A	1,900	5.1%
2014	13,188	37,449	493,877,412	47	68,225	N/A	1,967	5.6%
2013	13,260	37,847	501,851,220	47	75,122	N/A	1,994	6.6%
2012	13,260	37,941	503,097,660	46	74,122	N/A	2,019	7.0%

Sources:

- (1) U.S. Department of Commerce, Bureau of Census and American Community Survey
- (2) Connecticut Economic Resource Center based on U.S. Bureau of Census Data
- (3) Clinton Board of Education
- (4) Connecticut Department of Labor June of each year
- (5) Bureau of Economic Analysis September 2007
- (6) Connecticut Economic Resource Center Town Profile

N/A - Not available

Table 12

Town of Clinton, Connecticut

Principal Employers
Current Year and Nine Years Ago
(Unaudited)

Employer	Nature of Business	2021			2012		
		Number of Employees	Rank	Percentage of Total Employment	Number of Employees	Rank	Percentage of Total Employment
Clinton Crossing	Discount Shopping Mall	1,000	1	10.03%	1,000	1	10.07%
Town of Clinton	Local Government	399	2	4.00%	405	2	4.08%
Stop & Shop	Supermarket	130	3	1.30%	130	4	1.31%
Connecticut Water Company	Water Utility	118	4	1.18%	118	6	1.19%
ShopRite	Supermarket	110	5	1.10%	125	5	1.26%
Bausch Advanced Technologies	Manufacturer Specialized Packaging	83	6	0.83%	-	-	-
Ocean State Job Lot	Retail	37	7	0.37%	-	-	-
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%	-	-	-
Unilever Home and Personal Care	Health/Beauty aids	-	-	-	300	3	3.02%
Clinton Nursery	Nursery Supplier	-	-	-	90	7	0.91%
Totals		<u><u>1,971</u></u>		<u><u>19.75%</u></u>	<u><u>2,237</u></u>		<u><u>22.53%</u></u>

Source: Community Development Department and bond official statement telephone survey

Table 13

Town of Clinton, Connecticut

Full-Time Equivalent Employees by Function/Program
Last Ten Years
(Unaudited)

Function/Program	June 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General government	24	23	23	25	25	25	24	24	22	21
Police	36	35	34	36	36	36	36	33	33	34
Other public works	15	15	15	15	14	14	14	14	14	14
Parks and recreation	2	2	2	2	2	2	2	2	2	2
Health and well being	4	4	4	3	4	4	4	4	4	3
Education	<u>322</u>	<u>320</u>	<u>328</u>	<u>333</u>	<u>349</u>	<u>338</u>	<u>344</u>	<u>348</u>	<u>336</u>	<u>340</u>
Total	<u><u>403</u></u>	<u><u>399</u></u>	<u><u>406</u></u>	<u><u>414</u></u>	<u><u>430</u></u>	<u><u>419</u></u>	<u><u>424</u></u>	<u><u>425</u></u>	<u><u>411</u></u>	<u><u>414</u></u>

Source: Town and Board of Education Human Resources Departments.

Table 14

Function / Program	Town of Clinton, Connecticut									
	Operating Indicators by Function/Program									
	Last Ten Years (Unaudited)									
	For the Year Ended June 30,									
Function / Program	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General government:										
Building permits issued	1,159	1,001	1,079	1,072	909	977	877	1,034	1,037	958
Building inspections conducted	1,242	1,328	1,400	1,530	1,414	N/A	N/A	N/A	N/A	N/A
Police:										
Physical arrests	317	311	445	491	529	538	724	741	632	732
Parking violations	53	44	62	88	2	10	50	58	19	21
Traffic violations	963	599	1,728	1,712	2,163	2,135	3,092	2,351	2,257	2,275
Fire:										
Emergency responses	2,179	1,933	2,088	2,207	2,130	1,758	1,829	1,616	1,606	1,680
Fires extinguished	29	31	73	70	61	54	64	55	68	75
Other public works:										
Street resurfacing (miles)	6	5	-	-	-	14	N/A	N/A	N/A	N/A
Potholes repaired	225	250	200	275	275	110	N/A	N/A	N/A	N/A
Parks and recreation:										
Athletic field permits issued	1,769	1,885	2,012	2,600	2,600	2,334	2,134	2,257	2,412	2,371
Community center admissions	41	153	282	269	476	302	309	314	296	285
Number of program registrations	951	3,033	3,195	3,756	4,087	3,776	3,542	3,489	3,647	3,142
Program fees	\$ 105,919	\$ 71,301	\$ 169,489	\$ 160,386	\$ 226,924	\$ 220,959	N/A	N/A	N/A	N/A
Number of senior citizen participants	835	1,095	1,662	482	324	317	302	324	295	287
Human services:										
Number of program participants	1,612	1,442	848	1,038	1,005	1,105	352	322	304	167
Library:										
Volumes in collection	69,502	69,704	74,546	74,680	78,358	81,122	84,243	84,800	85,153	86,420
Total volumes borrowed	91,831	111,262	138,125	172,246	175,186	215,679	236,277	247,873	264,313	280,001
Total programs	403	835	1,160	908	991	858	840	541	322	N/A
Total program attendance	8,726	18,658	24,078	14,852	17,548	14,456	14,949	10,840	6,683	8,886
Annual door count	31,365	123,500	155,856	142,069	131,551	126,858	125,665	110,805	108,742	N/A
Computer usage (1/2 hour sessions)	4,530	96,500	128,314	120,659	116,649	112,163	102,060	101,967	97,200	N/A
Wifi Usage	165,850	128,960	119,600	115,180	108,160	85,020	5,900	6,898	4,992	4,150

Source: Town Departments.
N/A - Not available

Table 15

Town of Clinton, Connecticut

Capital Asset Statistics by Function/Program
Last Ten Years
(Unaudited)

Function / Program	June 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	11	11	11	11	11	11	11	11	11	11
Fire stations	2	2	2	2	2	2	2	2	2	2
Other public works:										
Streets (miles)	77.33	77.33	77.33	77.33	77.33	76.49	76.49	76.49	75.99	75.99
Catch basin structures	1,728	1,728	1,728	1,728	1,728	N/A	N/A	N/A	N/A	N/A
Storm drain (miles)	30	30	30	30	30	N/A	N/A	N/A	N/A	N/A
Streetlights	694	694	694	685	695	N/A	N/A	N/A	N/A	N/A
Park and recreation:										
Acreage	108	108	108	108	108	108	108	108	108	108
Playgrounds	4	4	3	3	3	3	3	3	3	3
Baseball/softball diamonds	7	7	7	7	7	7	7	7	7	7
Basketball courts	2	2	2	2	2	2	2	2	2	2
Pickle ball court	1	1	1	1	1	1	1	1	1	1
Soccer/football fields	14	13	12	12	12	12	12	12	12	12
Skate Park	1	-	1	1	1	1	1	1	1	1
Community centers	-	-	-	-	-	1	1	1	1	1
Town beach	1	1	1	1	1	1	1	1	1	1
Glenwood Road/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
Dog Park	1	1	1	1	1	1	1	1	1	1
Concession stands/restrooms	5	5	5	5	5	5	5	5	5	5
Press booths	4	4	4	4	4	4	4	4	4	4
Pavilions	4	3	3	3	3	3	3	3	3	3
Splash pads	1	1	1	1	1	1	1	1	1	N/A
Administrative/community building	1	1	1	1	1	1	1	1	1	1
Recreation complexes	2	2	2	2	2	2	2	2	2	2
Walking trails	2	2	2	2	2	2	2	2	2	2
Education:										
Number of high schools	1	1	1	1	1	1	1	1	1	1
Number of middle schools	1	1	1	1	1	1	1	1	1	1
Number of elementary schools	1	1	2	2	2	2	2	2	2	2

Source: Various Town Departments.

N/A - Not available