

# TOWN OF ELLINGTON, CONNECTICUT

ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2020

**TOWN OF ELLINGTON, CONNECTICUT  
ANNUAL FINANCIAL REPORT  
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## **Independent Auditors' Report**

To the Board of Finance  
Town of Ellington, Connecticut

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Ellington, Connecticut, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Town of Ellington, Connecticut's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

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

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

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

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Ellington, Connecticut, as of June 30, 2020 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Restatement***

As discussed in Note 7 to the financial statements, the 2019 financial statements have been restated to correct a misstatement. Our opinion is not modified with respect to this matter.

## ***Other Matters***

### ***Required Supplementary Information***

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

### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Ellington, Connecticut's basic financial statements. The combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 27, 2020 on our consideration of the Town of Ellington, Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Ellington, Connecticut's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Ellington, Connecticut's internal control over financial reporting and compliance.

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

West Hartford, Connecticut  
October 27, 2020

**TOWN OF ELLINGTON, CONNECTICUT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 2020**

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The management of the Town of Ellington, Connecticut (the "Town"), offers the readers of its financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2020.

**FINANCIAL HIGHLIGHTS**

- 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 by \$87,054,377 (net position). Of this amount, \$12,980,984 represents the Town's unrestricted net position, which may be used to meet the Town's ongoing obligations to its citizens and creditors.
- The Town's change in net position for the year ended June 30, 2020 amounted to an increase of \$3,202,880.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$18,262,948, an increase of \$2,194,689 in comparison with the prior year.
- At the end of the current fiscal year, the total fund balance of the Town's General Fund was \$14,236,292, an increase of \$2,119,917 in comparison with the prior year.
- The Town's total long-term debt decreased by \$1,750,352 or 9.7% due to scheduled principal repayments, offset by new capital lease financing.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the Town'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 the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the Town'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 and inflows of resources and liabilities, with the difference between these elements 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.

**TOWN OF ELLINGTON, CONNECTICUT**  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

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**OVERVIEW OF THE FINANCIAL STATEMENTS *(Continued)***

**Government-wide Financial Statements *(Continued)***

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

Both of the government-wide financial statements are intended to distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Town include general government, public safety, public works, recreation, library, human services and education. The business-type activities of the Town include sewer and solid waste activities.

The government-wide financial statements can be found on pages 17 and 18 of this report.

**Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town 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.

The Town maintains several individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, the Crystal Lake School Addition/Renovation Fund, and the Small Cities Loan Program Fund, all of which are considered to be major funds. Data from the remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found on pages 19 through 22 of this report.



## **OVERVIEW OF THE FINANCIAL STATEMENTS *(Continued)***

### ***Proprietary Funds***

The Town maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses enterprise funds to account for its sewer and solid waste disposal operations.

The Town maintains four individual enterprise funds. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. Information is presented separately in the proprietary fund financial statements for the Sewer Authority Fund and the Crystal Lake Sewers Fund, both of which are considered to be major funds. Data from the other two enterprise funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor enterprise funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 23 through 25 of this report.

### ***Fiduciary Funds***

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

The basic fiduciary fund financial statements can be found on pages 26 and 27 of this report.

### **Notes to the Financial Statements**

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 28 through 67 of this report.

### **Other Information**

In addition to the basic financial statements and accompanying notes, this report also contains required supplementary information and combining and individual fund statements and schedules that can be found on pages 68 through 101 of this report.

**TOWN OF ELLINGTON, CONNECTICUT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 2020**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**Net Position**

Over time, net position may serve as one measure of a government's financial position. Total net position (governmental and business-type activities combined) of the Town totaled \$87,054,377 and \$83,851,497 as of June 30, 2020 and 2019, respectively, and are summarized below. Certain amounts reported as of June 30, 2019 have been reclassified to conform to the current year presentation.

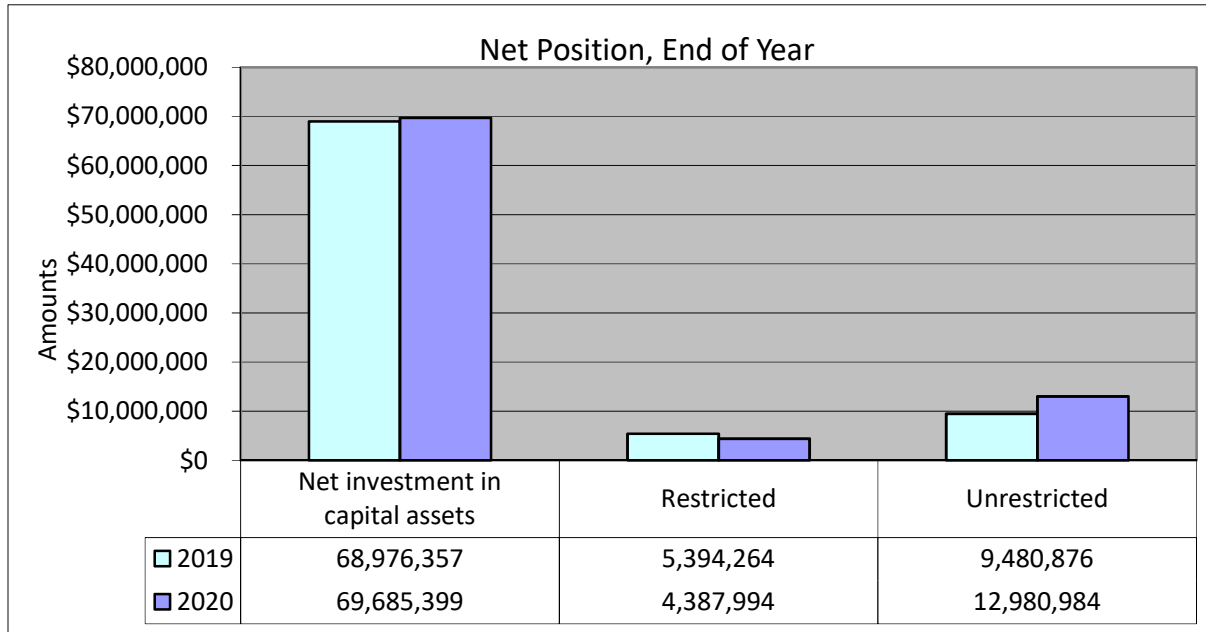
	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2020</b>	<b>2019 (as restated)</b>	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019 (as restated)</b>
Current assets	\$ 23,339,625	\$ 19,401,269	\$ 9,509,229	\$ 8,720,237	\$ 32,848,854	\$ 28,121,506
Capital assets, net of accumulated depreciation	76,818,453	78,021,883	9,389,211	9,266,861	86,207,664	87,288,744
Total assets	<u>100,158,078</u>	<u>97,423,152</u>	<u>18,898,440</u>	<u>17,987,098</u>	<u>119,056,518</u>	<u>115,410,250</u>
Deferred outflows of resources	6,582,913	6,291,875			6,582,913	6,291,875
Current liabilities	5,551,132	2,950,852	643,377	42,755	6,194,509	2,993,607
Long-term liabilities outstanding	30,684,318	33,730,055	600,000	800,000	31,284,318	34,530,055
Total liabilities	<u>36,235,450</u>	<u>36,680,907</u>	<u>1,243,377</u>	<u>842,755</u>	<u>37,478,827</u>	<u>37,523,662</u>
Deferred inflows of resources	1,106,227	326,966			1,106,227	326,966
Net Position:						
Net investments in capital assets	60,996,188	60,509,496	8,689,211	8,466,861	69,685,399	68,976,357
Restricted	4,387,994	5,394,264		-	4,387,994	5,394,264
Unrestricted	<u>4,015,132</u>	<u>803,394</u>	<u>8,965,852</u>	<u>8,677,482</u>	<u>12,980,984</u>	<u>9,480,876</u>
Total Net Position	<u>\$ 69,399,314</u>	<u>\$ 66,707,154</u>	<u>\$ 17,655,063</u>	<u>\$ 17,144,343</u>	<u>\$ 87,054,377</u>	<u>\$ 83,851,497</u>

**TOWN OF ELLINGTON, CONNECTICUT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 2020**

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**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)**

**Net Position (Continued)**



80.0% of the Town's net position reflect its investment in capital assets, 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.

5.0% of the Town's net position are subject to external restrictions on how they may be used and are therefore presented as restricted net position.

The remainder of the Town's net position is considered unrestricted and may be used to meet the Town's ongoing obligations to citizens and creditors.

Overall, net position increased by \$3,202,880 in comparison to the prior year.

**TOWN OF ELLINGTON, CONNECTICUT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 2020**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)**

**Changes in Net Position**

Changes in net position for the years ended June 30, 2020 and 2019 are as follows. Certain amounts reported for the year ended June 30, 2019 have been reclassified to conform to the current year presentation.

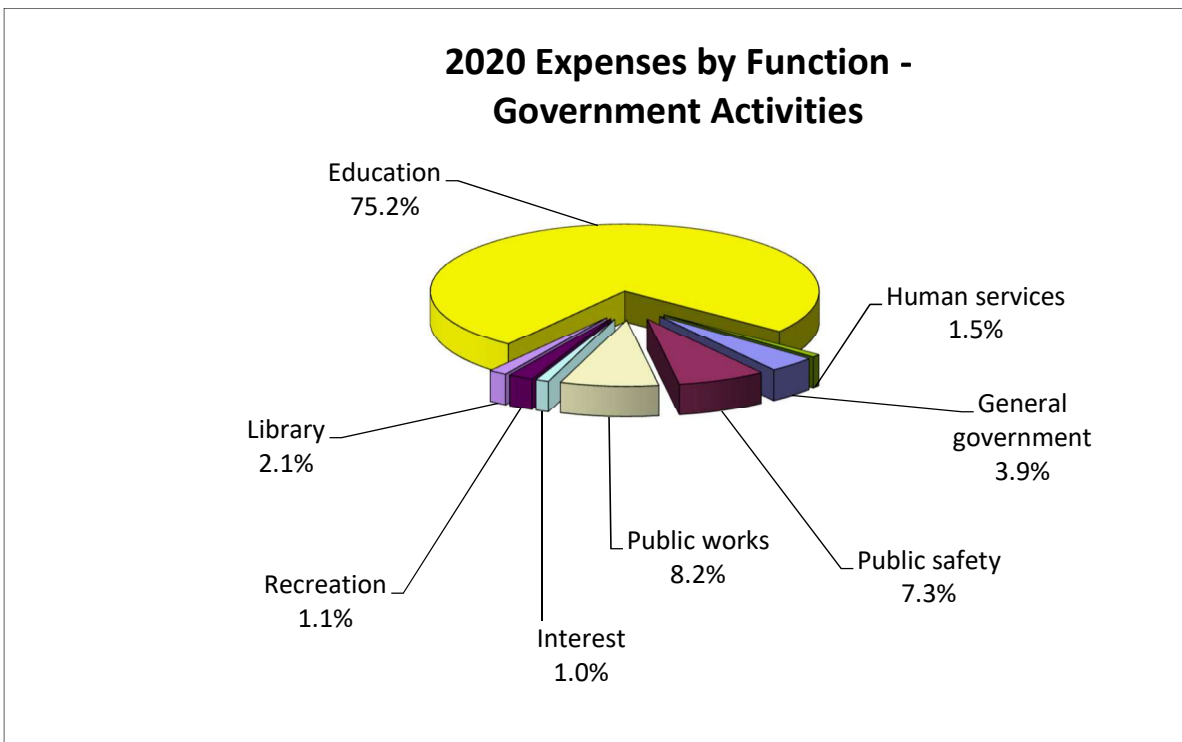
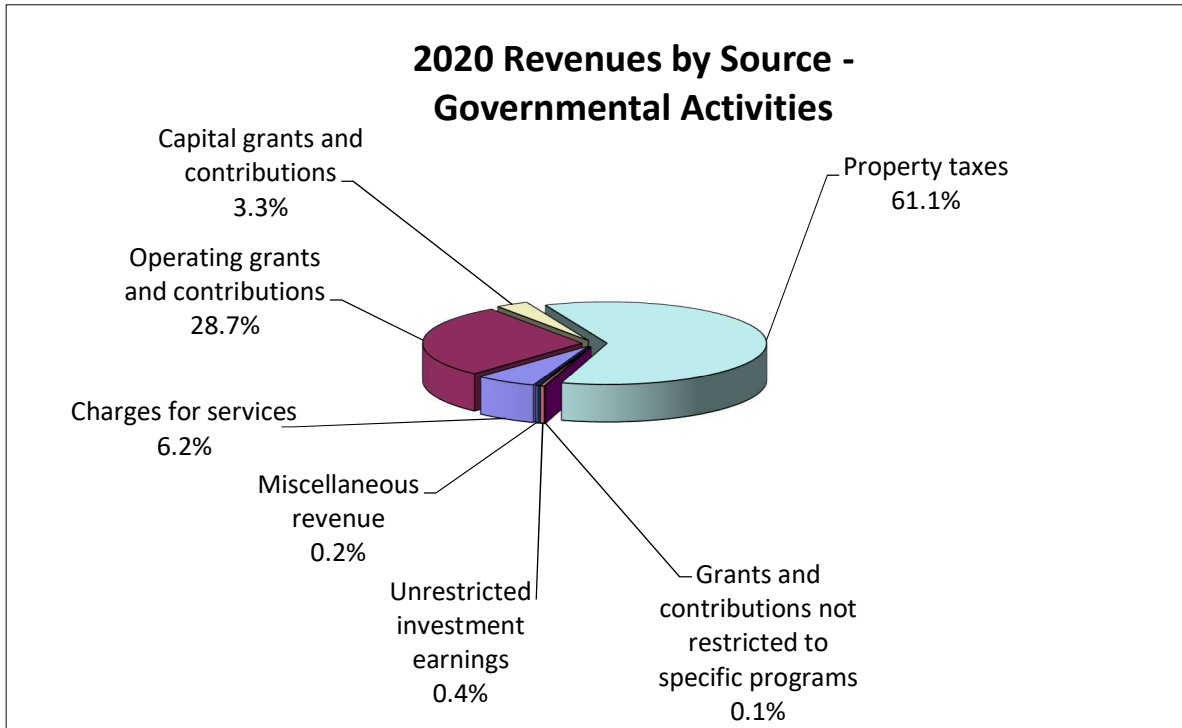
	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2020</b>	<b>2019 (as restated)</b>	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019 (as restated)</b>
Revenues:						
Program revenues:						
Charges for services	\$ 4,738,854	\$ 3,787,561	\$ 3,374,575	\$ 2,933,221	\$ 8,113,429	\$ 6,720,782
Operating grants and contributions	21,839,596	15,242,912			21,839,596	15,242,912
Capital grants and contributions	2,514,966	591,871			2,514,966	591,871
General revenues:						
Property taxes	46,552,654	44,468,447			46,552,654	44,468,447
Grants not restricted to specific programs	50,613	26,898			50,613	26,898
Unrestricted investment earnings	301,052	427,497	125,741	183,999	426,793	611,496
Miscellaneous revenue	175,709				175,709	
Total revenues	<u>76,173,444</u>	<u>64,545,186</u>	<u>3,500,316</u>	<u>3,117,220</u>	<u>79,673,760</u>	<u>67,662,406</u>
Expenses:						
General government	2,892,490	3,488,861			2,892,490	3,488,861
Public safety	5,367,237	4,653,766			5,367,237	4,653,766
Public works	5,997,920	5,355,904			5,997,920	5,355,904
Recreation	806,586	689,235			806,586	689,235
Library	1,518,703	1,209,463			1,518,703	1,209,463
Human services	1,109,667	1,153,003			1,109,667	1,153,003
Education	55,226,175	47,615,905			55,226,175	47,615,905
Interest expense	529,006	668,700			529,006	668,700
Sewer and solid waste			3,023,096	2,917,743	3,023,096	2,917,743
Total expenses	<u>73,447,784</u>	<u>64,834,837</u>	<u>3,023,096</u>	<u>2,917,743</u>	<u>76,470,880</u>	<u>67,752,580</u>
Change in net position before transfers	2,725,660	(289,651)	477,220	199,477	3,202,880	(90,174)
Transfers	(33,500)	(37,500)	33,500	37,500	-	-
Change in net position	<u>2,692,160</u>	<u>(327,151)</u>	<u>510,720</u>	<u>236,977</u>	<u>3,202,880</u>	<u>(90,174)</u>
Net Position at Beginning of Year	<u>66,707,154</u>	<u>67,034,305</u>	<u>17,144,343</u>	<u>16,907,366</u>	<u>83,851,497</u>	<u>83,941,671</u>
Net Position at End of Year	<u>\$ 69,399,314</u>	<u>\$ 66,707,154</u>	<u>\$ 17,655,063</u>	<u>\$ 17,144,343</u>	<u>\$ 87,054,377</u>	<u>\$ 83,851,497</u>

**TOWN OF ELLINGTON, CONNECTICUT**  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

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**GOVERNMENT-WIDE FINANCIAL ANALYSIS *(Continued)***

**Changes in Net Position *(Continued)***



**TOWN OF ELLINGTON, CONNECTICUT**  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

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**GOVERNMENT-WIDE FINANCIAL ANALYSIS *(Continued)***

**Changes in Net Position *(Continued)***

***Governmental Activities***

Governmental activities increased the Town's net position by \$2,692,160 during fiscal year 2020, compared to a prior year decrease of \$327,151.

Overall revenues increased by \$11,628,258 or 18.02% over the prior year. Revenues from operating and capital grants increased by \$8,519,779 primarily due to a \$780,681 increase in Public Works relating to LOTCIP State Grant and Local Capital Improvement Program, an increase of \$7,208,598 due to State Teachers Retirement, State Teachers Retirement OPEB and Excess Cost Grant revenue. Revenues from charges for services increased by \$951,293 or 25.1%. This increase was primarily due to an increase in the ambulance fee program in addition to an increase in charges for police special duty. Revenues from property taxes increased by \$2,084,207 or 4.7%, which was driven by an overall increase in the taxable grand list.

Overall expenses increased by \$8,612,947 or 13.3% over the prior year. Expenses include an increase of \$713,471 for public safety which included Ambulance Fee program expenditures and special duty expenditures. An increase of \$7,610,270 in Education which included an increase of \$135,674 from the Board of Education Dental Self Insurance, insurance and administration costs, an increase of \$5,976,062 in State Teacher Retirement expenses and an increase of \$169,698 from Open Choice Tuition expenditures.

***Business-type Activities***

Business-type activities increased the Town's net position by \$510,720 during fiscal year 2020, compared to a prior year increase of \$236,977.

**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 spendable 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 combined ending fund balances of \$18,262,948, an increase of \$2,194,689 in comparison with the prior year. Of the total governmental fund balances, \$147,709 constitutes unassigned fund balance. This is derived from a deficit within the Crystal Lake School Addition/Renovation Fund in the amount of \$3,195,890, which is expected to be funded by a combination of the remaining school construction grant held by the State of Connecticut pending completion of a project audit and the issuance of long-term debt. The remainder of the Town's fund balance has been classified as either restricted, committed or assigned and is not available for other uses without authorization from the governing bodies of the Town or external parties.

**TOWN OF ELLINGTON, CONNECTICUT**  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

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**FINANCIAL ANALYSIS OF THE TOWN'S FUNDS *(Continued)***

**Governmental Funds *(Continued)***

***General Fund***

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$3,403,758, while total fund balance was \$14,236,292. In addition to unassigned fund balance, the Town maintains a capital reserve pursuant to its Charter in the amount of \$6,478,650. The remaining General Fund fund balance has been committed or assigned for various other purposes, including \$1,767,645, which has been assigned for use in the Town's fiscal year 2021 budget.

The fund balance of the Town's General Fund increased by \$2,119,917 in comparison with the prior year.

***Crystal Lake School Addition/Renovation Fund***

The deficit fund balance in the Town's Crystal Lake School Addition/Renovation Fund remained the same. The current deficit of \$3,195,890 is expected to be funded by a combination of the remaining school construction grant held by the State of Connecticut pending completion of a project audit and the issuance of long-term debt.

***Small Cities Program Income Fund***

The fund balance of the Town's Small Cities Loan Program Fund decreased by \$9,839 to \$3,043,340.

**Proprietary Funds**

Unrestricted net position of the Sewer Authority Fund as of June 30, 2020 totaled \$7,379,024. Unrestricted net position of the Crystal Lake Sewer Fund as of June 30, 2020 totaled \$1,523,685.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The original budget for 2020 planned for the utilization of fund balance of \$1,613,410. The final budget for 2020 included additional appropriations of \$240. The actual net change in fund balance of the General Fund on a budgetary basis was an increase of \$3,771,907. Revenues were higher than budgeted by \$895,243 and expenditures were \$2,876,664 less than budgeted. The Town recognized a favorable variance in tax collections as the percent of collection ended higher than budgeted. Expenditures were generally under budget across all departments. Final budgetary results also reflected continued funding of the Town's Reserve for Other Post-employment Benefits in the amount of \$100,000.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

The Town's investment in capital assets for its governmental and business-type activities as of June 30, 2020 totaled \$86,207,664 (net of accumulated depreciation and amortization). This investment in capital assets includes an art collection, land, property development rights, buildings and improvements, machinery, equipment and vehicles, and infrastructure. The total decrease in the Town's investment in capital assets for the current fiscal year was \$1,081,080 or 1%. The decrease is due to current year depreciation and amortization in the amount of \$4,145,899, offset by current year capital asset additions of \$3,064,819.

**TOWN OF ELLINGTON, CONNECTICUT**  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

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**CAPITAL ASSET AND DEBT ADMINISTRATION *(Continued)***

**Capital Assets *(Continued)***

Significant capital asset additions included the following:

- Town Hall renovation in the amount of \$510,557;
- Town wide sidewalks improvements made in the amount of \$727,003;
- replacement ambulance in the amount of \$211,912;
- DPW snow plow dump truck in the amount of \$199,583;
- infrastructure improvements made to various Town roads;
- infrastructure improvements made to sewer authority

The following table is a two year comparison of the investment in capital assets presented for both governmental and business-type activities:

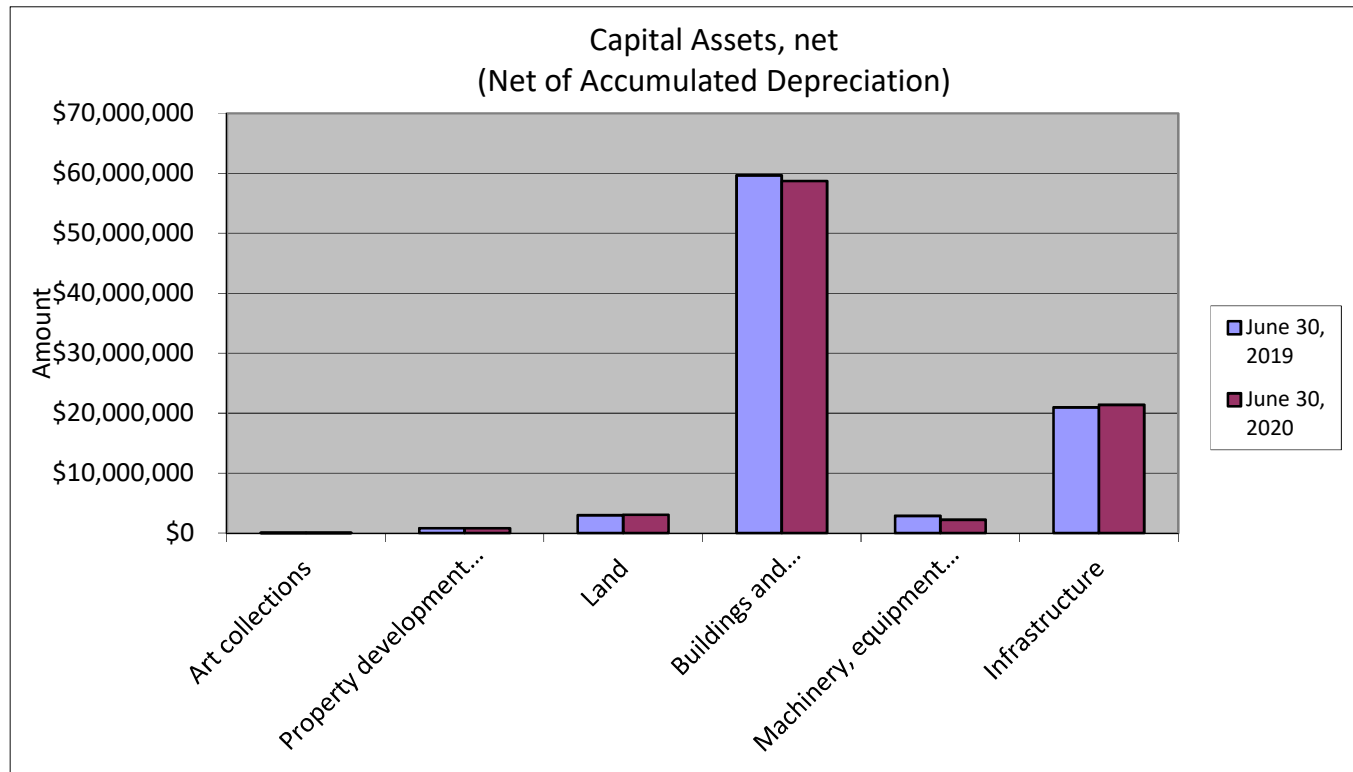
	Governmental Activities		Business-Type Activities		Total	
	2019				2019	
	2020	(as restated)	2020	2019	2020	(as restated)
Art collections	\$ 35,598	\$ 35,598	\$	\$	\$ 35,598	\$ 35,598
Property development rights	817,877	817,877			817,877	817,877
Land	3,056,666	2,961,989			3,056,666	2,961,989
Buildings and improvements	58,704,238	59,639,405			58,704,238	59,639,405
Machinery, equipment and vehicles	2,214,554	2,857,176		17,627	2,214,554	2,874,803
Infrastructure	11,989,520	11,709,838	9,389,211	9,249,234	21,378,731	20,959,072
Total	\$ 76,818,453	\$ 78,021,883	\$ 9,389,211	\$ 9,266,861	\$ 86,207,664	\$ 87,288,744



**TOWN OF ELLINGTON, CONNECTICUT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 2020**

**CAPITAL ASSET AND DEBT ADMINISTRATION (Continued)**

**Capital Assets (Continued)**



Additional information on the Town's capital assets can be found in the notes to the basic financial statements.

**Long-term Debt**

At the end of the current fiscal year, the Town had total general obligation debt outstanding of \$14,935,000. This entire amount is comprised of debt backed by the full faith and credit of the Town. In addition, the Town had capital leases from direct borrowings outstanding of \$1,383,629, which is collateralized by the related capital assets.

The Town's total debt decreased by \$1,750,352 or 9.7% due to scheduled principal repayments of \$2,047,280, offset by new capital lease financing arrangements in the amount of \$396,928.

State statutes limit the amount of general obligation debt the Town may issue to approximately seven times its annual receipts from taxation, as defined by the statutes. The current debt limitation for the Town is significantly in excess of the Town's outstanding general obligation debt.

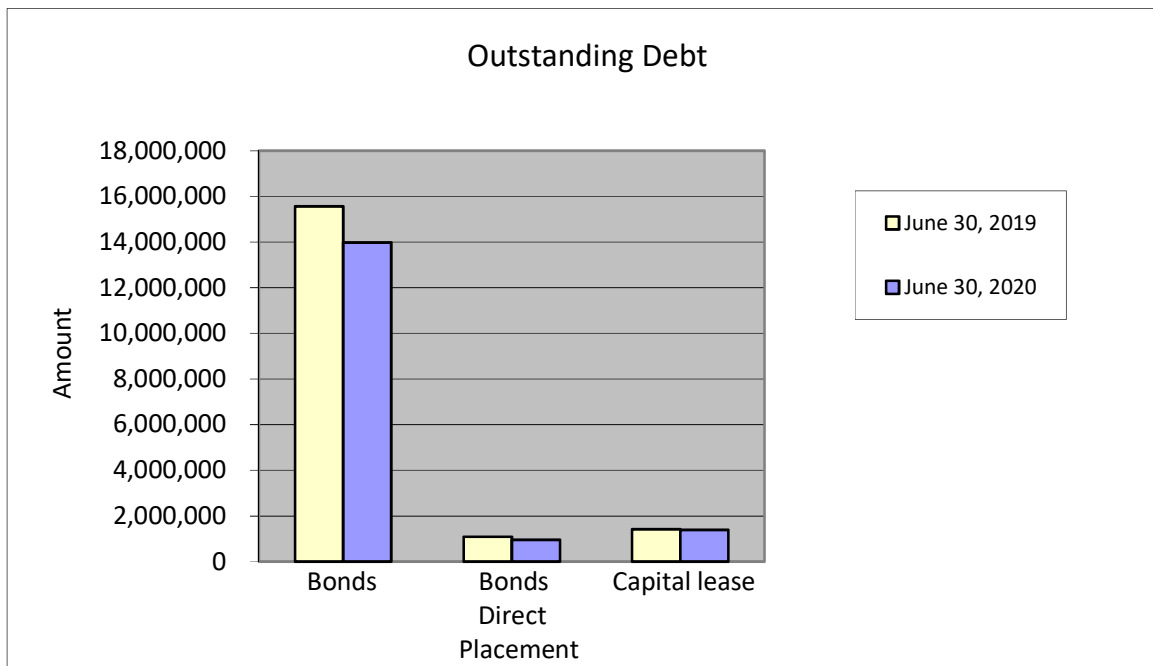
**TOWN OF ELLINGTON, CONNECTICUT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 2020**

**CAPITAL ASSET AND DEBT ADMINISTRATION (Continued)**

**Long-term Debt (Continued)**

The following table is a two-year comparison of long-term debt presented for both governmental and business-type activities:

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
General obligation bonds	\$ 13,280,000	\$ 14,760,000	\$ 700,000	\$ 800,000	\$ 13,980,000	\$ 15,560,000
General obligation bonds - direct placement	955,000	1,095,000			955,000	1,095,000
Capital leases	1,383,629	1,413,981			1,383,629	1,413,981
	<u>\$ 15,618,629</u>	<u>\$ 17,268,981</u>	<u>\$ 700,000</u>	<u>\$ 800,000</u>	<u>\$ 16,318,629</u>	<u>\$ 18,068,981</u>



Additional information on the Town's long-term debt can be found in the notes to the basic financial statements.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

A summary of key economic factors affecting the Town are as follows:

- The Town receives intergovernmental revenues from the State of Connecticut. Connecticut's economy moves in the same general cycle as the national economy, which may affect the amount of intergovernmental revenues the Town will receive in fiscal year 2021 and thereafter.
- The State imposes a cap on municipal spending to limit the budgeted expenditures to 2.5% above the previous year, or the rate of inflation, whichever is greater. The cap includes certain exemptions relating to increases in debt service, special education costs, claims and judgments and costs incurred related to major disaster or emergency declarations. Municipalities that increase their adopted budget expenditures over the previous fiscal year by an amount that exceeds the cap may receive a reduced municipal revenue sharing grant.
- The State has established a minimum budget requirement ("MBR") for budgeted education expenditures. The MBR prohibits towns from budgeting less for education than it did in the previous year unless, and within limits, the Town can demonstrate a decrease in school enrollment or savings through increased efficiencies. Any increases or decreases that the Town receives in its Education Cost Sharing grant will result in a corresponding increase or decrease in the Town's MBR.
- Inflationary trends in the region compare favorably to national indices.
- The financial implications of COVID-19 in which costs have increased and revenue has decreased.

All of these factors were considered in preparing the Town's budget for fiscal year 2021.

## **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 Town's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Office of the Finance Officer, Town of Ellington, 55 Main Street, Ellington, CT 06029.

**TOWN OF ELLINGTON, CONNECTICUT**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2020**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Assets:</b>			
Cash and cash equivalents	\$ 16,596,007	\$ 8,309,544	\$ 24,905,551
Investments	952,883		952,883
Receivables	5,937,250	466,832	6,404,082
Internal balances	(175,082)	175,082	-
Inventories	26,067		26,067
Prepaid items	2,500		2,500
Assessments receivable - long term portion		557,771	557,771
Capital assets, nondepreciable	3,910,141		3,910,141
Capital assets, net of accumulated depreciation	72,908,312	9,389,211	82,297,523
Total assets	<u>100,158,078</u>	<u>18,898,440</u>	<u>119,056,518</u>
<b>Deferred Outflows of Resources:</b>			
Deferred charge on refunding	41,662		41,662
Deferred outflows related to LOSAP	169,231		169,231
Deferred outflows related to MERS	4,678,839		4,678,839
Deferred outflows related to OPEB	1,693,181		1,693,181
Total deferred outflows of resources	<u>6,582,913</u>	<u>-</u>	<u>6,582,913</u>
<b>Liabilities:</b>			
Accounts payable and accrued liabilities	3,063,475	500,000	3,563,475
Due to fiduciary funds	9,707		9,707
Unearned revenue	246,317	43,377	289,694
Noncurrent liabilities:			
Due within one year	2,231,633	100,000	2,331,633
Due in more than one year	30,684,318	600,000	31,284,318
Total liabilities	<u>36,235,450</u>	<u>1,243,377</u>	<u>37,478,827</u>
<b>Deferred Inflows of Resources:</b>			
Deferred inflows related to LOSAP	20,912		20,912
Deferred inflows related to MERS	901,496		901,496
Deferred inflows related to OPEB	183,819		183,819
Total deferred inflows of resources	<u>1,106,227</u>	<u>-</u>	<u>1,106,227</u>
<b>Net Position:</b>			
Net investment in capital assets	60,996,188	8,689,211	69,685,399
Restricted for:			
Housing rehabilitation loan program	3,221,822		3,221,822
Endowments - expendable	1,113,675		1,113,675
Endowments - nonexpendable	52,497		52,497
Unrestricted	4,015,132	8,965,852	12,980,984
Total Net Position	<u>\$ 69,399,314</u>	<u>\$ 17,655,063</u>	<u>\$ 87,054,377</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF ELLINGTON, CONNECTICUT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2020**

Function/Program Activities	Program Revenues				Net Revenue (Expense) and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary Government:							
Governmental activities:							
General government	\$ 2,892,490	\$ 481,078	\$ 385,684	\$ 500,000	\$ (1,525,728)		\$ (1,525,728)
Public safety	5,367,237	1,813,375	28,140		(3,525,722)		(3,525,722)
Public works	5,997,920	125,172	410,069	835,008	(4,627,671)		(4,627,671)
Recreation	806,586	180,212			(626,374)		(626,374)
Library	1,518,703				(1,518,703)		(1,518,703)
Human services	1,109,667	25,579	148,658		(935,430)		(935,430)
Education	55,226,175	2,113,438	20,867,045	1,179,958	(31,065,734)		(31,065,734)
Interest and fiscal charges	529,006				(529,006)		(529,006)
Total governmental activities	<u>73,447,784</u>	<u>4,738,854</u>	<u>21,839,596</u>	<u>2,514,966</u>	<u>(44,354,368)</u>	<u>-</u>	<u>(44,354,368)</u>
Business-type activities:							
Sewer Authority Fund	2,144,828	2,457,611				312,783	312,783
Crystal Lake Sewers Fund	254,322	263,235				8,913	8,913
Nonmajor Enterprise Funds	623,946	653,729				29,783	29,783
Total business-type activities	<u>3,023,096</u>	<u>3,374,575</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>351,479</u>	<u>351,479</u>
	<u>\$ 76,470,880</u>	<u>\$ 8,113,429</u>	<u>\$ 21,839,596</u>	<u>\$ 2,514,966</u>	<u>(44,354,368)</u>	<u>351,479</u>	<u>(44,002,889)</u>
General revenues:							
Property taxes					46,552,654		46,552,654
Grants and contributions not restricted to specific programs					50,613		50,613
Unrestricted investment earnings					301,052	125,741	426,793
Miscellaneous					175,709		175,709
Transfers					(33,500)	33,500	-
Total general revenues and transfers					<u>47,046,528</u>	<u>159,241</u>	<u>47,205,769</u>
Change in net position					2,692,160	510,720	3,202,880
Net Position at Beginning of Year, as Restated					<u>66,707,154</u>	<u>17,144,343</u>	<u>83,851,497</u>
Net Position at End of Year					<u>\$ 69,399,314</u>	<u>\$ 17,655,063</u>	<u>\$ 87,054,377</u>

The accompanying notes are an integral part of the financial statements

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

	<u>General</u>	<u>Crystal Lake School Addition Renovation Fund</u>	<u>Small Cities Program Income Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 13,911,146	\$	\$ 129,805	\$ 2,555,056	\$ 16,596,007
Investments				952,883	952,883
Receivables	1,051,095	1,179,958	2,993,285	591,949	5,816,287
Due from other funds	4,805,436		27,840	1,525,416	6,358,692
Prepaid and other assets				2,500	2,500
Inventories				26,067	26,067
Total Assets	<u>\$ 19,767,677</u>	<u>\$ 1,179,958</u>	<u>\$ 3,150,930</u>	<u>\$ 5,653,871</u>	<u>\$ 29,752,436</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable and accrued liabilities	\$ 2,771,034	\$	\$	\$ 227,347	\$ 2,998,381
Due to other funds	2,209,088	3,195,890	107,590	1,030,913	6,543,481
Unearned revenue	29,912			216,405	246,317
Total liabilities	<u>5,010,034</u>	<u>3,195,890</u>	<u>107,590</u>	<u>1,474,665</u>	<u>9,788,179</u>
Deferred inflows of resources:					
Unavailable revenue - property taxes	452,023				452,023
Unavailable revenue - grants	69,328	1,179,958			1,249,286
Total deferred inflows of resources	<u>521,351</u>	<u>1,179,958</u>	<u>-</u>	<u>-</u>	<u>1,701,309</u>
Fund balances:					
Nonspendable				78,564	78,564
Restricted			3,043,340	1,811,161	4,854,501
Committed	9,008,378			2,349,640	11,358,018
Assigned	1,824,156				1,824,156
Unassigned	3,403,758	(3,195,890)		(60,159)	147,709
Total fund balances	<u>14,236,292</u>	<u>(3,195,890)</u>	<u>3,043,340</u>	<u>4,179,206</u>	<u>18,262,948</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 19,767,677</u>	<u>\$ 1,179,958</u>	<u>\$ 3,150,930</u>	<u>\$ 5,653,871</u>	<u>\$ 29,752,436</u>

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

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Reconciliation of the Balance Sheet - Governmental Funds

to the Statement of Net Position:

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

Fund balances - total governmental funds (Exhibit III)	\$ 18,262,948
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Governmental capital assets	\$ 138,218,706	
Less accumulated depreciation	<u>(61,400,253)</u>	
Net capital assets		76,818,453

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

Property tax receivables greater than 60 days	452,023
Interest receivable on property taxes	120,963
Grant receivable greater than 60 days	1,249,286
Deferred outflows related to MERS	4,678,839
Deferred outflows related to LOSAP	169,231
Deferred outflows related to OPEB	1,693,181

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

Bonds payable	(14,235,000)
Unamortized premium on bonds payable	(245,298)
Deferred charge on refunding	41,662
Obligations under capital lease	(1,383,629)
Interest payable on bonds	(65,094)
Total OPEB liability	(6,555,095)
Compensated absences	(1,119,378)
Total MERS liability	(8,425,498)
Total LOSAP liability	(952,053)
Deferred inflows related to MERS	(901,496)
Deferred inflows related to LOSAP	(20,912)
Deferred inflows related to OPEB	<u>(183,819)</u>

Net Position of Governmental Activities (Exhibit I)	\$ <u><u>69,399,314</u></u>
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The accompanying notes are an integral part of the financial statements

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

	General	Crystal Lake School Addition Renovation Fund	Small Cities Program Income Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:					
Property taxes, interest and lien fees	\$ 46,433,841	\$	\$	\$	\$ 46,433,841
Intergovernmental revenues	18,493,085			1,956,227	20,449,312
Charges for services	1,985,263				1,985,263
Investment income	261,446		1,411		262,857
Other	107,714			2,910,394	3,018,108
Total revenues	<u>67,281,349</u>	<u>-</u>	<u>1,411</u>	<u>4,866,621</u>	<u>72,149,381</u>
Expenditures:					
Current:					
General government	1,483,544			251,197	1,734,741
Boards and agencies	101,470				101,470
Public safety	3,124,346			785,462	3,909,808
Public works	4,666,249				4,666,249
Recreation	435,600				435,600
Library	677,084			2,570	679,654
Human services	698,630		11,250	166,669	876,549
Town properties	749,294				749,294
Education	45,076,799			3,575,727	48,652,526
Other	3,076,672				3,076,672
Debt service:					
Principal payments	2,018,399				2,018,399
Interest and fiscal charges	575,697				575,697
Capital outlay	2,841,076			385	2,841,461
Total expenditures	<u>65,524,860</u>	<u>-</u>	<u>11,250</u>	<u>4,782,010</u>	<u>70,318,120</u>
Excess (Deficiency) of Revenues over Expenditures	<u>1,756,489</u>	<u>-</u>	<u>(9,839)</u>	<u>84,611</u>	<u>1,831,261</u>
Other Financing Sources (Uses):					
Capital lease	396,928				396,928
Transfers out	(33,500)				(33,500)
Total other financing sources (uses)	<u>363,428</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>363,428</u>
Net Change in Fund Balances	2,119,917	-	(9,839)	84,611	2,194,689
Fund Balances at Beginning of Year	<u>12,116,375</u>	<u>(3,195,890)</u>	<u>3,053,179</u>	<u>4,094,595</u>	<u>16,068,259</u>
Fund Balances at End of Year	<u>\$ 14,236,292</u>	<u>\$ (3,195,890)</u>	<u>\$ 3,043,340</u>	<u>\$ 4,179,206</u>	<u>\$ 18,262,948</u>

(Continued on next page)



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

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

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

Net change in fund balances - total governmental funds (Exhibit IV)	\$ 2,194,689
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	2,513,288
Depreciation expense	(3,716,718)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Property taxes collected after 60 days	(2,150)
Change in interest receivable on property taxes	120,963
Grants collected after 60 days	1,249,286
Deferred outflows related to MERS	742,345
Deferred outflows related to LOSAP	(1,264,243)
Deferred outflows related to OPEB	861,154

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Lease proceeds	(396,928)
Principal payments on bonds payable	1,620,000
Principal payments on capital lease payable	427,280

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 deferred charge on refunding	(48,218)
Amortization of premium	87,988
Accrued interest	6,921
Change in total OPEB liability	(1,193,026)
Change in long-term compensated absences	(14,439)
Change in net pension liability - MERS plans	388,946
Change in net pension liability - LOSAP plan	(105,717)
Deferred inflows related to MERS plans	(827,933)
Deferred inflows related to LOSAP plan	630
Deferred inflows related to OPEB	48,042

Change in Net Position of Governmental Activities (Exhibit II)	\$ <u>2,692,160</u>
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The accompanying notes are an integral part of the financial statements

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

	<b>Business-type Activities - Enterprise Funds</b>			
	<b>Sewer Authority Fund</b>	<b>Crystal Lake Sewers Fund</b>	<b>Nonmajor Enterprise Funds</b>	<b>Total</b>
<b>Assets:</b>				
Current assets:				
Cash and cash equivalents	\$ 7,085,067	\$ 1,224,477	\$	\$ 8,309,544
Receivables	336,191	94,037	36,604	466,832
Due from other funds	352,592	203,732	97,897	654,221
Total current assets	<u>7,773,850</u>	<u>1,522,246</u>	<u>134,501</u>	<u>9,430,597</u>
Noncurrent assets:				
Assessments receivable	518,149	1,439	38,183	557,771
Capital assets, net of accumulated depreciation	<u>6,224,531</u>	<u>3,164,680</u>		<u>9,389,211</u>
Total noncurrent assets	<u>6,742,680</u>	<u>3,166,119</u>	<u>38,183</u>	<u>9,946,982</u>
Total assets	<u>14,516,530</u>	<u>4,688,365</u>	<u>172,684</u>	<u>19,377,579</u>
<b>Liabilities:</b>				
Current liabilities:				
Accounts payable and accrued liabilities	500,000			500,000
Bonds payable - current	100,000			100,000
Due to other funds	369,598		109,541	479,139
Unearned revenue	<u>43,377</u>			<u>43,377</u>
Total current liabilities	<u>1,012,975</u>	<u>-</u>	<u>109,541</u>	<u>1,122,516</u>
Noncurrent liabilities:				
Bonds payable after one year	<u>600,000</u>			<u>600,000</u>
Total liabilities	<u>1,612,975</u>	<u>-</u>	<u>109,541</u>	<u>1,722,516</u>
<b>Net Position:</b>				
Net investment in capital assets	5,524,531	3,164,680		8,689,211
Unrestricted	<u>7,379,024</u>	<u>1,523,685</u>	<u>63,143</u>	<u>8,965,852</u>
Total Net Position	<u>\$ 12,903,555</u>	<u>\$ 4,688,365</u>	<u>\$ 63,143</u>	<u>\$ 17,655,063</u>

The accompanying notes are an integral part of the financial statements

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

	<b>Business-type Activities - Enterprise Funds</b>			
	<b>Sewer Authority Fund</b>	<b>Crystal Lake Sewers Fund</b>	<b>Nonmajor Enterprise Funds</b>	<b>Total</b>
Operating Revenues:				
User charges	\$ 2,106,224	\$ 216,055	\$	\$ 2,322,279
Assessments	188,988	8,597		197,585
Permits and fees	6,600			6,600
Solid waste fees			653,729	653,729
Other	155,799	38,583		194,382
Total operating revenues	<u>2,457,611</u>	<u>263,235</u>	<u>653,729</u>	<u>3,374,575</u>
Operating Expenses:				
Town of Vernon fees	1,603,175			1,603,175
Town of Stafford fees		78,435		78,435
Solid waste fees			623,946	623,946
Depreciation and amortization	289,676	139,505		429,181
Salaries and benefits	100,759	19,924		120,683
Utilities	32,858	13,136		45,994
Administration	29,880	3,322		33,202
Engineering	52,286			52,286
Other	2,694			2,694
Total operating expenses	<u>2,111,328</u>	<u>254,322</u>	<u>623,946</u>	<u>2,989,596</u>
Operating Income (Loss)	<u>346,283</u>	<u>8,913</u>	<u>29,783</u>	<u>384,979</u>
Nonoperating revenues (expenses):				
Income on investments	107,212	18,529		125,741
Interest expense	(33,500)			(33,500)
Total nonoperating revenues (expenses)	<u>73,712</u>	<u>18,529</u>	<u>-</u>	<u>92,241</u>
Income (Loss) Before Transfers	419,995	27,442	29,783	477,220
Transfers in	<u>33,500</u>			<u>33,500</u>
Change in Net Position	453,495	27,442	29,783	510,720
Net Position at Beginning of Year	<u>12,450,060</u>	<u>4,660,923</u>	<u>33,360</u>	<u>17,144,343</u>
Net Position at End of Year	<u>\$ 12,903,555</u>	<u>\$ 4,688,365</u>	<u>\$ 63,143</u>	<u>\$ 17,655,063</u>

The accompanying notes are an integral part of the financial statements

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

	<b>Business-type Activities - Enterprise Funds</b>			
	<b>Sewer Authority Fund</b>	<b>Crystal Lake Sewers Fund</b>	<b>Nonmajor Enterprise Funds</b>	<b>Total</b>
Cash Flows from Operating Activities:				
Receipts from customers and users	\$ 2,354,178	\$ 215,981	\$ 648,223	\$ 3,218,382
Payments to suppliers	(1,220,893)	(94,893)	(623,946)	(1,939,732)
Payments to employees	(100,759)	(19,924)		(120,683)
Payments for interfund services used	(380,995)	(101,164)	(24,277)	(506,436)
Net cash provided by (used in) operating activities	<u>651,531</u>	<u>-</u>	<u>-</u>	<u>651,531</u>
Cash Flows from Noncapital Financing Activities:				
Transfers in from other funds	33,500			33,500
Net cash provided by (used in) noncapital financing activities	<u>33,500</u>	<u>-</u>	<u>-</u>	<u>33,500</u>
Cash Flows from Capital and Related Financing Activities:				
Additions to property, plant and equipment	(551,531)			(551,531)
Interest expense	(33,500)			(33,500)
Principal paid on bonds outstanding	(100,000)			(100,000)
Net cash provided by (used in) capital and related financing activities	<u>(685,031)</u>	<u>-</u>	<u>-</u>	<u>(685,031)</u>
Cash Flows from Investing Activities:				
Interest on investments	107,212	18,529		125,741
Net cash provided by (used in) investing activities	<u>107,212</u>	<u>18,529</u>	<u>-</u>	<u>125,741</u>
Net Increase (Decrease) in Cash and Cash Equivalents	107,212	18,529	-	125,741
Cash and Cash Equivalents at Beginning of Year	<u>6,977,855</u>	<u>1,205,948</u>	<u>-</u>	<u>8,183,803</u>
Cash and Cash Equivalents at End of Year	<u>\$ 7,085,067</u>	<u>\$ 1,224,477</u>	<u>\$ -</u>	<u>\$ 8,309,544</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:				
Operating income (loss)	\$ 346,283	\$ 8,913	\$ 29,783	\$ 384,979
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	289,676	139,505		429,181
Change in assets and liabilities:				
(Increase) decrease in accounts receivable	(104,055)	(47,254)	(5,506)	(156,815)
Decrease in due from other funds			(24)	(24,277)
Increase (decrease) in due to other funds	(28,403)			(28,403)
Increase (decrease) in unearned revenue	622			622
Increase (decrease) in accounts payable and accrued items	500,000			500,000
(Increase) decrease in due from other funds	(352,592)	(101,164)		(453,756)
Total adjustments	<u>305,248</u>	<u>(8,913)</u>	<u>(29,783)</u>	<u>266,552</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ 651,531</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 651,531</u>

The accompanying notes are an integral part of the financial statements

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

	<b>Pension Trust Fund (July 31, 2019)</b>	<b>Private Purpose Trust Funds</b>	<b>Agency Funds</b>
Assets:			
Cash and cash equivalents	\$ 45,525	\$ 294,164	\$ 886,926
Insurance contracts	1,086,141	247,660	
Due from other funds		29,451	
Total assets	<u>1,131,666</u>	<u>571,275</u>	<u>\$ 886,926</u>
Liabilities:			
Due to other funds		19,744	\$
Fiduciary deposits			886,926
Total liabilities	<u>-</u>	<u>19,744</u>	<u>\$ 886,926</u>
Net Position:			
Restricted for Pension Benefits and Trust Purposes	<u>\$ 1,131,666</u>	<u>\$ 551,531</u>	

The accompanying notes are an integral part of the financial statements

**TOWN OF ELLINGTON, CONNECTICUT**  
**STATEMENT OF CHANGES IN NET POSITION - FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	<b>Pension Trust Fund (July 31, 2019)</b>	<b>Private Purpose Trust Funds</b>
Additions:		
Contributions:		
Employer	\$	\$ 68,293
Plan members		26,039
Total contributions	-	94,332
Investment earnings:		
Interest	34,972	3,879
Total additions	34,972	98,211
Deductions:		
Benefits	94,420	104,784
Other		2,697
Total deductions	94,420	107,481
Change in Net Position	(59,448)	(9,270)
Net Position at Beginning of Year	1,191,114	560,801
Net Position at End of Year	\$ 1,131,666	\$ 551,531

The accompanying notes are an integral part of the financial statements

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

### **A. Reporting Entity**

The Town of Ellington, Connecticut (the Town) was incorporated in 1786. It operates under an elected, seven-member Board of Selectmen and an elected, six-member Board of Finance form of government and provides the following services: public safety (police and fire), public works, recreation, library, human services, education and general government.

The legislative power of the Town is vested with the Board of Selectmen and Town Meeting. The Board of Selectmen may enact, amend or repeal ordinances and resolutions. The Board of Finance is responsible for financial and taxation matters as prescribed by Connecticut General Statutes, including presenting fiscal operating budgets for Town Meeting approval.

As required by accounting principles generally accepted in the United States of America, these financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations; therefore, data from these units are combined with data of the primary government. Discretely presented component units are presented in a separate column in the government-wide financial statements (see below for description) to emphasize that they are legally separate from the government.

### **Related Organizations**

The Board of Selectmen is responsible for appointing members to the Board of the Housing Authority of the Town of Ellington, but the Town's accountability for the Housing Authority does not extend beyond making the appointments.

The Board of Selectmen is also responsible for appointing a Board member to the Town's regional group for public health, the North Central District Health Department.

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

The financial statements of the Town have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Town's accounting policies are described below.

### **Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Town's primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

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

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

**Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Agency funds, however, have no measurement focus.

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Property taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. In determining when to recognize intergovernmental revenues (grants and entitlements), the legal and contractual requirements of the individual programs are used as guidance. Revenues are recognized when the eligibility requirements have been met. All other revenue items are considered to be measurable and available only when cash is received by the Town.

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

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



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

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

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

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

The Town reports the following major governmental funds:

- The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The *Crystal Lake School Addition/Renovation Fund* accounts for funds to be used for the addition to and renovation of the Crystal Lake School.
- The *Small Cities Loan Program Fund* accounts for activities related to housing rehabilitation loans.

The Town reports the following major enterprise funds:

- The *Sewer Authority Fund* accounts for all sewer use activities and assessments in the Hockanum river section of the Town.
- The *Crystal Lake Sewers Fund* accounts for all sewer use activities and assessments in the Crystal Lake section of the Town.

Additionally, the Town reports the following fund types:

- The *Pension Trust Fund* is used to account for resources held in trust for participants in the Town's volunteer firefighters' Length of Service Awards Program.
- The *Private Purpose Trust Funds* are used to account for trust arrangements under which principal and income benefit individuals, private organizations or other governments.
- The *Agency Funds* account for resources held by the Town in a purely custodial capacity. The Town utilizes these funds to account for assets held for student activities and for performance bonds.

### **C. Cash and Cash Equivalents**

The Town's cash and cash equivalents consist of all cash on hand, checking, savings, money market accounts and certificates of deposit with an original maturity of 90 days or less.

### **D. Investments**

Investments are stated at fair value.

**E. Inventories and Prepaid Items**

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of donated commodities are stated at fair market value. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

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

**F. Receivables and Payables**

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

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade and property tax receivables are shown net of an allowance for uncollectible amounts.

The Town provides low interest loans in connection with the Town's small business and residential housing rehabilitation loan programs. Loans made by the Town under the program bear an interest rate of 0% and repayment of the loans is deferred. These loans become due and payable only upon sale or transfer of the property, the owner's demise, or when the subject property is no longer the applicant's principal place of residence. The Town records loans receivable at the time the loan proceeds are advanced, and such amounts are reported net of an allowance for uncollectible amounts.

**G. Capital Assets**

Capital assets, which include arts collection, property development rights, land, construction in progress, buildings and improvements, equipment, vehicles, and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

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Property, equipment and infrastructure of the Town is depreciated using the straight-line method over the following estimated useful lives.

<u>Assets</u>	<u>Years</u>
Infrastructure	50
Building and improvements	40
Vehicles	5-10
Equipment	3-7

#### **H. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period or periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town reports a deferred charge on refunding and deferred outflows related to pension and OPEB in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. A deferred outflow of resources related to pension and OPEB results from differences between expected and actual experience, changes in assumptions or other inputs, and difference between projected and actual earnings on investments. These amounts are deferred and included in pension and OPEB expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension and OPEB plans (active employees and inactive employees).

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period or periods and so will not be recognized as an inflow of resources (revenue) until that time. The Town reports deferred inflows of resources for pension and OPEB in the government-wide statement of net position. A deferred inflow of resources related to pension and OPEB results from differences between expected and actual experience and changes in assumptions or other inputs. These amounts are deferred and included in pension and OPEB expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension and OPEB plans (active employees and inactive employees). For governmental funds, the Town reports unavailable revenue, which arises only under the modified accrual basis of accounting. The governmental funds report unavailable revenues from property taxes and grants. These amounts are deferred and recognized as an inflow of resources (revenue) in the period in which the amounts become available.

#### **I. Compensated Absences**

Town and Board of Education employees accumulate vacation and sick leave for subsequent use or for payment upon termination or retirement. Compensated absences are accrued when incurred in the government-wide, proprietary or fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

**J. Net Pension Liability**

The net pension liability is measured as the portion of the actuarial present value of projected benefits that is attributed to past periods of employee service (total pension liability), net of the pension plan's fiduciary net position. The pension plan's fiduciary net position is determined using the same valuation methods that are used by the pension plan for purposes of preparing its statement of fiduciary net position. The net pension liability is measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year, consistently applied from period to period.

**K. Total Other Postemployment Benefits Other than Pensions (OPEB) Liability**

The total OPEB liability is measured as the portion of the actuarial present value of projected benefits that is attributed to past periods of employee service. The total OPEB liability is measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year and no later than the end of the current fiscal year, consistently applied from period to period.

**L. Long-Term Obligations**

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

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

**M. Equity**

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

**Net Investment in Capital Assets**

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

**Restricted**

Restrictions are externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

**Unrestricted**

This component of net position consists of amounts that do not meet the definition of "restricted" or "net investment in capital assets."

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

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

**Nonspendable Fund Balance**

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

**Restricted Fund Balance**

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

**Committed Fund Balance**

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

**Assigned Fund Balance**

This includes amounts constrained for the intent to be used for a specific purpose by the Board of Finance that has been delegated authority to assign amounts by the Town Charter.

**Unassigned Fund Balance**

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

**N. Property Taxes**

Property taxes are assessed as of October 1 and are levied on the following July 1. Real estate and personal property taxes are due in two installments, July 1 and the following January 1. Motor vehicle taxes are payable on July 1 and supplemental motor vehicle taxes are payable on January 1. Interest at the rate of 1.5% per month accrues on all overdue taxes. Assessments for real and personal property, excluding motor vehicles, are computed at 70% of appraised market value. A lien is placed on the property if real estate taxes are unpaid as of May 15 following the payable date. The Town establishes an allowance for doubtful accounts based on historical collections, experience and other factors.

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

**O. Sewer User Charges and Assessments**

User charges and assessments are due and payable within thirty days and delinquent amounts are subject to interest at prevailing rates. Upon completion of sewer projects, sewer assessments are levied and assessed to the users. The Town establishes an allowance for doubtful accounts based on historical collections, experience and other factors.

**P. Accounting Estimates**

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

**Q. Subsequent Events Evaluation by Management**

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is October 27, 2020.

**2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgetary Information**

The annual budget is prepared by the Board of Finance and employed for management control of the General Fund.

The budget is adopted via Town Meeting. The Town adheres to the following procedures in establishing the budgetary data included in the General Fund financial statements:

- The Board of finance submits a proposed operating budget for the fiscal year commencing July 1 to a public budget hearing, at which taxpayer comments are obtained. The Board of Finance then prepares the recommended Town budget, which it presents at the annual Town Meeting held on the second Tuesday in May. The operating budget includes proposed expenditures and the means of financing them.
- Expenditures are budgeted by function, department and object. Management may not exceed appropriations at the department level and must seek approval from the Board of Finance to reassign resources within a department, except for the Board of Education. The Board of Education may reassign resources within its department without seeking Board of Finance approval.
- The legal level of budgetary control (the level at which expenditures may not exceed appropriations) is the object level, except for the Board of Education, which is the department level. The Board of Finance is authorized to transfer budgeted amounts within and between departments and objects.
- Additional appropriations of less than one half of one percent of the total annual budget must be approved by the Board of Finance. Appropriations in excess of one half of one percent of the total annual budget must be approved at a Town Meeting. During the year, the Board of Finance and, where required, Town Meeting(s), approved additional appropriations of \$240.
- Formal budgetary integration is employed as a management control device during the year.

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

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- The budget is prepared on the modified accrual basis of accounting. Intergovernmental and other reimbursement for certain special education costs are recorded as reductions to expenditures for budgetary purposes, and “on-behalf” payments made by the State of Connecticut into the State Teachers’ Retirement System are not recorded for budgetary purposes.
- 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 budgetary reports as expenditures of the current year.
- All unexpended appropriations lapse at year end, except capital projects.

**B. Deficit Fund Equity**

For the year ended June 30, 2020, the following funds had deficit balances:

High School Construction	\$	3,195,890
Nonmajor Governmental Funds:		
Permanent Funds:		
Windemere School Alterations Fund		60,159
Nonmajor Enterprise Funds:		
Watermains Tripp and Middle Roads Fund		71,358

These amounts will be funded through bonds, contributions and future revenues.

**C. Expenditures Exceeding Appropriations**

During the year ended June 30, 2020, the following line items had overexpended appropriations:

	<u>Final</u> <u>Appropriations</u>	<u>Expenditures,</u> <u>Encumbrances</u> <u>and Other</u> <u>Financing Uses</u>	<u>Balance</u> <u>Overexpended</u>
Capital Outlays	\$ 2,132,262	\$ 2,248,523	\$ (116,261)

**3. DETAILED NOTES ON ALL FUNDS**

**A. Cash, Cash Equivalents and Investments**

The deposit of public funds is controlled by the Connecticut General Statutes (Section 7-402). Deposits may be made in a “qualified public depository” as defined by the Statutes or, in amounts not exceeding the Federal Deposit Insurance Corporation insurance limit, in an “out of state bank” as defined by the Statutes, which is not a “qualified public depository.”

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

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The Connecticut General Statutes (Section 7-400) permit municipalities to invest in: 1) obligations of the United States and its agencies; 2) highly rated obligations of any state of the United States or of any political subdivision, authority or agency thereof; and 3) shares or other interests in custodial arrangements or pools maintaining constant net asset values and in highly rated no-load open end money market and mutual funds (with constant or fluctuating net asset values) whose portfolios are limited to obligations of the United States and its agencies, and repurchase agreements fully collateralized by such obligations. Other provisions of the Statutes cover specific municipal funds with particular investment authority. The provisions of the Statutes regarding the investment of municipal pension funds do not specify permitted investments. Therefore, investment of such funds is generally controlled by the laws applicable to fiduciaries and the provisions of the applicable plan.

The Statutes (Sections 3-24f and 3-27f) also provide for investment in shares of the State Short-Term Investment Fund (STIF). This investment pool is under the control of the State Treasurer, with oversight provided by the Treasurer's Cash Management Advisory Board, and are regulated under the State Statutes and subject to annual audit by the Auditors of Public Accounts. Investment yields are accounted for on an amortized-cost basis with an investment portfolio that is designed to attain a market-average rate of return throughout budgetary and economic cycles. Investors accrue interest daily based on actual earnings, less expenses and transfers to the designated surplus reserve, and the fair value of the position in the pool is the same as the value of the pool shares.

### **Deposits**

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$1,933,229 of the Town's bank balance of \$2,533,786 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 1,689,906
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name	<u>243,323</u>
Total Amount Subject to Custodial Risk	<u>\$ 1,933,229</u>

### **Cash Equivalents**

Cash equivalents are short-term, highly liquid investments that are both readily convertible to known amounts of cash and purchased within 90 days of maturity. At June 30, 2020, the Town's cash equivalents amounted to \$21,878,607. The following table provides summary of the Town's cash equivalents (excluding U.S. government guaranteed obligations) as rated by nationally recognized statistical rating organizations.

	<b>Standard &amp; Poor's</b>
State of Connecticut Short-Term Investment Fund (STIF)	AAAm
People's Unite Bank	*
Empire Bank	*

\* Not Rated



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

**Investments**

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

Investment Type	Value	Investment Maturities (Years)		
		Less Than 1	1 - 10	More than 10
Interest-bearing investments:				
U.S. Government Securities	\$ 91,962	\$	\$ 91,962	\$
U.S. Government Agencies	112,248		112,248	
Corporate Bonds	202,527	15,316	187,211	
Total	406,737	\$ 15,316	\$ 391,421	\$ -
Other investments:				
Mutual Funds	\$ 547,352			
Common Stock	246,454			
Insurance Contracts	1,086,141			
Total Investments	\$ 2,286,684			

**Investment Custodial Credit Risk**

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value if its investment or collateral securities that are in the possession of an outside party.

**Credit Risk**

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

Average Rating	Corporate Bonds	U.S. Government Securities	U.S. Government Agencies
Aaa	\$ 22,483	\$ 91,962	\$ 112,248
Aa2	21,939		
Aa3	31,789		
A1	21,952		
A2	16,475		
A3	54,759		
Baa1	16,543		
Baa2	16,587		
	\$ 202,527	\$ 91,962	\$ 112,248

**TOWN OF ELLINGTON, CONNECTICUT**  
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**Concentration of Credit Risk**

The Town places no limit on the amount invested in any one issuer. As of June 30, 2020, 100% of the investments of the Volunteer Firefighters' Length of Service Award Program were invested in an insurance contract held with First Security Benefit Life Insurance and Annuity Company of New York. Fully guaranteed insurance contracts totaled \$1,086,141 as of June 30, 2020.

**Interest Rate Risk**

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

The Pension Trust Fund is also authorized to invest in corporate bonds, domestic common stocks, domestic equity real estate and international equities. The investments of this fund are held in trust by a trustee bank, which executes investment transactions under the direction of the pension plan's investment manager.

**Fair Value**

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

The Town has the following recurring fair value measurements as of June 30, 2020:

	<u>June 30, 2020</u>	<u>Fair Value Measurements Using</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments by fair value level:				
U.S. Government Securities	\$ 91,962	\$ 91,962	\$	\$
U.S. Government Agencies	112,248	112,248		
Corporate Bonds	202,527		202,527	
Common Stock	246,454	246,454		
Mutual Funds	547,352	547,352		
Total Investments by Fair Value Level	<u>1,200,543</u>	<u>\$ 998,016</u>	<u>\$ 202,527</u>	<u>\$ -</u>
Investments not recorded at fair value:				
Insurance contracts	<u>1,086,141</u>			
Total Investments	<u>\$ 2,286,684</u>			

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities.

**Donor-Restricted Endowments**

The original principal received remains in the net position on the statement of net position and is restricted for the trust principal, and in nonspendable fund balance on the balance sheet - governmental funds. The net appreciation on investments available for expenditures is included in unrestricted net position on the statement of net position, and in committed fund balance on the balance sheet - governmental funds, and is spent based on the original criteria established by the trust. The Town's policy is to spend only investment income for the purposes of the trust.

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

**B. Receivables**

Receivables by type at year end for the Town's government-wide financial statements, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Crystal Lake School Addition Renovation Fund	Small Cities Program Income Fund	Sewer Authority Fund	Crystal Lake Sewers Fund	Nonmajor and Other Funds	Total
Property taxes receivable	\$ 559,144	\$	\$	\$	\$	\$	\$ 559,144
Sewer usage				141,550	38,894		180,444
Assessments				168,639	48,995		217,634
Solid waste						36,604	36,604
Grants and contracts	205,377	1,179,958				113,020	1,498,355
Loans			2,993,285			199,769	3,193,054
Other	312,943			30,369	7,332	279,160	629,804
Less allowance for uncollectible accounts	(26,369)			(4,367)	(1,184)		(31,920)
Net Accounts Receivable	\$ 1,051,095	\$ 1,179,958	\$ 2,993,285	\$ 336,191	\$ 94,037	\$ 628,553	\$ 6,283,119

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**C. Capital Assets**

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

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
Governmental activities:				
Capital assets not being depreciated:				
Arts collection	\$ 35,598	\$	\$	\$ 35,598
Property development rights	817,877			817,877
Land	2,961,989	94,677		3,056,666
Total capital assets not being depreciated	<u>3,815,464</u>	<u>94,677</u>	<u>-</u>	<u>3,910,141</u>
Capital assets being depreciated:				
Buildings and improvements	100,983,044	1,810,606		102,793,650
Machinery, equipment and vehicles	14,946,719			14,946,719
Infrastructure	15,960,191	608,005		16,568,196
Total capital assets being depreciated	<u>131,889,954</u>	<u>2,418,611</u>	<u>-</u>	<u>134,308,565</u>
Less accumulated depreciation for:				
Buildings and improvements	41,343,639	2,745,773		44,089,412
Machinery, equipment and vehicles	12,089,543	642,622		12,732,165
Infrastructure	4,250,353	328,323		4,578,676
Total accumulated depreciation	<u>57,683,535</u>	<u>3,716,718</u>	<u>-</u>	<u>61,400,253</u>
Total capital assets being depreciated, net	<u>74,206,419</u>	<u>(1,298,107)</u>	<u>-</u>	<u>72,908,312</u>
Governmental Activities Capital Assets, Net	<u>\$ 78,021,883</u>	<u>\$ (1,203,430)</u>	<u>\$ -</u>	<u>\$ 76,818,453</u>
Business-type activities:				
Capital assets being depreciated:				
Equipment - Sewer Authority	222,854			222,854
Infrastructure - Sewer Authority	12,731,152	551,531		13,282,683
Infrastructure - Solid Waste	162,015			162,015
Equipment - Crystal Lake	23,135			23,135
Infrastructure - Crystal Lake	6,962,205			6,962,205
Total capital assets being depreciated	<u>20,101,361</u>	<u>551,531</u>	<u>-</u>	<u>20,652,892</u>
Less accumulated depreciation for:				
Equipment - Sewer Authority	206,861	15,993		222,854
Infrastructure - Sewer Authority	6,784,469	273,683		7,058,152
Infrastructure - Solid Waste	162,015			162,015
Equipment - Crystal Lake	21,501	1,634		23,135
Infrastructure - Crystal Lake	3,659,654	137,871		3,797,525
Total accumulated depreciation	<u>10,834,500</u>	<u>429,181</u>	<u>-</u>	<u>11,263,681</u>
Total capital assets being depreciated, net	<u>9,266,861</u>	<u>122,350</u>	<u>-</u>	<u>9,389,211</u>
Business-type Activities Capital Assets, Net	<u>\$ 9,266,861</u>	<u>\$ 122,350</u>	<u>\$ -</u>	<u>\$ 9,389,211</u>

**TOWN OF ELLINGTON, CONNECTICUT**  
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Depreciation expense was charged to functions/programs of the government as follows:

Governmental activities:	
General government	\$ 297,337
Public safety	557,508
Public works	408,839
Library	111,502
Education	<u>2,341,532</u>
Total Depreciation Expense - Governmental Activities	\$ <u>3,716,718</u>
Business-type activities:	
Sewer	\$ <u>429,181</u>
Total Depreciation Expense - Governmental Activities	\$ <u>429,181</u>

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

The composition of interfund balances as of June 30, 2020 is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Crystal Lake School Addition Renovation Fund	\$ 3,195,890
	Small Cities	107,590
	Sewer Authority	369,598
	Nonmajor Enterprise	109,541
	Private Purpose Trust	19,744
	Nonmajor Governmental Funds	<u>1,003,073</u>
		4,805,436
Small Cities Program Income Fund	Nonmajors Governmental Funds	27,840
Nonmajor Enterprise	General Fund	97,897
Sewer Authority	General Fund	352,592
Crystal Lake Sewers Fund	General Fund	203,732
Private Purpose Trust	General Fund	29,451
Nonmajor Funds	General Fund	<u>1,525,416</u>
Total		\$ <u>7,042,364</u>

The outstanding balances between funds result mainly from the time lag between the dates that: 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system, and 3) payments between funds are made.

**TOWN OF ELLINGTON, CONNECTICUT**  
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The transfers that occurred during the year are as follows:

	<u>Transfers In</u> <u>Nonmajor</u> <u>Business-Type</u> <u>Funds</u>
Transfers out:	
General Fund	\$ <u>33,500</u>

Transfers are used to move funds from the General Fund to the other funds in accordance with budget authorizations. Transfers from the General Fund to the nonmajor business-type funds in the current year were a result of interest payments on long term debt.

**E. Long-Term Debt**

**Changes in Long-Term Liabilities**

Long-term liability activity for the year ended June 30, 2020 was as follows:

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending</u> <u>Balance</u>	<u>Due Within</u> <u>One Year</u>
<b>Governmental Activities:</b>					
Bonds payable:					
General obligation bonds	\$ 14,760,000	\$	\$ 1,480,000	\$ 13,280,000	\$ 1,465,000
General obligation bonds - direct placement	1,095,000		140,000	955,000	140,000
Unamortized premium	<u>333,286</u>		<u>87,988</u>	<u>245,298</u>	
Total bonds payable	16,188,286	-	1,707,988	14,480,298	1,605,000
Capital leases	1,413,981	396,928	427,280	1,383,629	514,633
Compensated absences	1,104,939	124,439	110,000	1,119,378	112,000
Net pension liability - LOSAP	846,336	105,717		952,053	
Net pension liability - MERS	8,814,444		388,946	8,425,498	
Total OPEB liability	<u>5,362,069</u>	<u>1,193,026</u>		<u>6,555,095</u>	
Total Governmental Activities					
Long-Term Liabilities	\$ <u>33,730,055</u>	\$ <u>1,820,110</u>	\$ <u>2,634,214</u>	\$ <u>32,915,951</u>	\$ <u>2,231,633</u>

For the governmental activities, compensated absences, net pension liability and total OPEB liability are generally liquidated by the General Fund.

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending</u> <u>Balance</u>	<u>Due Within</u> <u>One Year</u>
<b>Business-type Activities:</b>					
Bonds payable:					
General obligation bonds	\$ <u>800,000</u>	\$ -	\$ <u>100,000</u>	\$ <u>700,000</u>	\$ <u>100,000</u>

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General obligation bonds currently outstanding are as follows:

<u>Description</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate (%)</u>	<u>Amount of Original Issue</u>	<u>Balance Outstanding June 30, 2020</u>
<b>Governmental Activities</b>					
General obligation	2011	9/15/23	2-4.0%	\$ 8,240,000	\$ 2,440,000
General obligation	2013	9/15/33	2-4.0%	4,205,000	2,885,000
General obligation	2015	6/15/35	2-4.0%	10,630,000	7,955,000
Direct placement:					
General obligation	2017	6/15/27	2.06%	1,375,000	955,000
Total governmental activities					<u>14,235,000</u>
<b>Business-Type Activities</b>					
General obligation	2007	6/15/27	4-5.5%	1,750,000	<u>700,000</u>
Total Outstanding					<u>\$ 14,935,000</u>

Annual debt service requirements to maturity for general obligation bonds are as follows:

**General Obligation**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>General Obligation Bonds</u>		<u>General Obligation Bonds</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 1,465,000	\$ 457,294	\$ 100,000	\$ 29,375
2022	1,455,000	398,794	100,000	25,250
2023	1,445,000	341,844	100,000	21,125
2024	1,045,000	294,119	100,000	17,000
2025	735,000	260,569	100,000	12,750
2026-2030	3,675,000	962,847	200,000	12,750
2031-2035	<u>3,460,000</u>	<u>341,988</u>		
	<u>\$ 13,280,000</u>	<u>\$ 3,057,455</u>	<u>\$ 700,000</u>	<u>\$ 118,250</u>

**TOWN OF ELLINGTON, CONNECTICUT**  
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**Direct Placement**

		<b><u>Governmental Activities</u></b>	
		<b><u>General Obligation Bonds</u></b>	
		<b><u>Principal</u></b>	<b><u>Interest</u></b>
2021	\$	140,000	\$ 16,789
2022		140,000	13,905
2023		135,000	11,124
2024		135,000	8,343
2025		135,000	5,562
2026-2027		270,000	2,781
	\$	<u>955,000</u>	<u>\$ 58,504</u>

The Town is subject to the General Statutes of Connecticut, which limits the amount of debt outstanding at June 30, 2020 to the following:

<b><u>Category</u></b>	<b><u>Debt Limit</u></b>	<b><u>Net Indebtedness</u></b>	<b><u>Balance</u></b>
General purpose	\$ 99,980,462	\$ 4,570,000	\$ 95,410,462
Schools	199,960,925	13,455,658	186,505,267
Sewers	166,634,104	700,000	165,934,104
Urban renewal	144,416,223		144,416,223
Pension deficit	133,307,283		133,307,283

Total debt outstanding may not exceed seven times annual receipts from taxation of \$311,050,327.

**Authorized but Unissued Bonds**

The total of authorized but unissued bonds at June 30, 2020 is \$3,790,658. In most cases, interim financing is obtained through bond anticipation notes or other short-term borrowings until the issuance of long-term debt.



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**Capital Leases**

The Town has entered into a lease agreement as lessee for public safety equipment, public works equipment and Board of Education computers. The lease agreement qualifies as a capital lease for accounting purposes (title transfer at end of lease terms) and therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception.

Asset:		
Machinery, equipment and vehicles	\$	1,760,690
Less accumulated depreciation		<u>595,005</u>
Total	\$	<u><u>2,355,695</u></u>

The following is a schedule of future minimum lease payments under this capital lease and the present value of the net minimum lease payments at June 30, 2020:

<u>Fiscal Year Ending June 30,</u>		
2021	\$	555,930
2022		483,706
2023		256,676
2024		86,919
2025		<u>86,919</u>
Total future minimum lease payments		1,470,150
Less Interest on future lease payments		<u>(86,521)</u>
Principal Balance of Future Minimum Payments	\$	<u><u>1,383,629</u></u>

**TOWN OF ELLINGTON, CONNECTICUT**  
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**F. Fund Balance**

The components of fund balance for the governmental funds at June 30, 2020 are as follows:

	<b>General Fund</b>	<b>Crystal Lake School Addition/ Renovation Fund</b>	<b>Small Cities Program Income Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total</b>
Fund balances:					
Nonspendable:					
Inventory	\$	\$	\$	26,067	\$ 26,067
Endowments				52,497	52,497
Restricted for:					
Small cities rehabilitation loan program			3,043,340	178,482	3,221,822
Education				519,004	519,004
Special reserves - external				1,113,675	1,113,675
Committed to:					
General government				202,846	202,846
Capital reserves	6,478,650				6,478,650
Capital and nonrecurring reserves	994,618				994,618
Road projects				27,322	27,322
OPEB	1,483,774				1,483,774
Land acquisition				500,934	500,934
Road repair and sidewalk				24,146	24,146
Public safety				317,560	317,560
Education				1,063,555	1,063,555
Sanitation	51,336				51,336
Various capital projects				213,277	213,277
Assigned to:					
General government encumbrances	24,611				24,611
Public safety encumbrances	12,500				12,500
Culture and recreation encumbrances	19,400				19,400
Use in subsequent budget	1,767,645				1,767,645
Unassigned	3,403,758	(3,195,890)		(60,159)	147,709
Total Fund Balances	\$ 14,236,292	\$ (3,195,890)	\$ 3,043,340	\$ 4,179,206	\$ 18,262,948

Major encumbrances are reported in the assigned fund balance of the General Fund totaling \$56,511.

#### **4. EMPLOYEE RETIREMENT PLANS**

##### **A. Defined Contribution Money Purchase Plan**

The Town provides retirement benefits for full-time and part-time eligible employees of the Town through a noncontributory money purchase plan. Employees are eligible to participate from the date of employment. The Town's contributions for each employee (and interest allocated to the employee's account) are fully vested from the date of employment. The Town is required to contribute 7.1% of the payroll of active employees. In addition, the Town matches employee contributions up to an additional 4.64% of the employee's salary.

The Town's contribution amounted to \$416,009 the year ended June 30, 2020. All monies contributed are used to purchase insurance contracts on-behalf of the participates, therefore, the assets of the plan are not included in the Town's basic financial statements.

##### **B. Deferred Compensation Plan**

The Town offers its employees a deferred compensation plan in accordance with Internal Revenue Code Section 457. The plan, available to all Town employees, permits them to defer a portion of their salary until future years. Employee deferrals amounted to \$183,631 for the year ended June 30, 2020. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, are held in trust for the exclusive benefit of the plan participants and their beneficiaries. Accordingly, the assets of the trust are not included in the Town's basic financial statements.

##### **C. Volunteer Firefighters' Length of Service Award Program**

The Town sponsors a defined benefit Length of Service Award Program (LOSAP) for active volunteer firefighters of the Crystal Lake Fire Department and the Ellington Fire Department. The program was established pursuant to Connecticut General Statutes and provides municipally-funded pension-like benefits to facilitate the recruitment and retention of active volunteer firefighters.

##### **Plan Description and Benefits Provided**

Active volunteer firefighters who have reached the age of 17 and who have completed 1 year of firefighting service are eligible to participate in the program. Participants acquire a nonforfeitable right to a service award after being credited with 5 years of firefighting service or upon attaining the program's entitlement age. The program's entitlement age is 65.

A participant's benefit under the program is the actuarial equivalent of a monthly payment for life equal to \$8.00 multiplied by the person's total number of years of firefighting service. The number of years of firefighting service used to compute the benefit cannot exceed 35 years. Except in the case of disability or death, benefits are payable when a participant reaches entitlement age. The program also provides certain death and disability benefits on some active participants, which is provided through a group term life insurance policy.

The Town funds the plan based on an actuarial recommended contribution, which includes the current year cost plus a payment to amortize the unfunded liability. The plan actuarial required contribution for the year was \$101,156, and the Town did not contribute any money to the plan for the year ended June 30, 2020.

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

Entitled participants	44
Inactive participants with deferred benefits	89
Active participants	<u>87</u>
Total Participants	<u><u>220</u></u>

**Summary of Significant Accounting Policies**

**Basis of Accounting**

Financial statements are prepared using the accrual basis of accounting for the LOSAP. Employee and employer contributions are recognized as revenues in the period in which employee services are performed. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

**Method Used to Value Investments**

Investments are reported at fair value. Investments in insurance contracts are measured at contract value, which approximates fair value. Investment income is recognized as earned.

**Investment Policy**

The allocation of invested assets for the LOSAP is developed by Town management and the investment advisor. It is the policy of the Town to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes.

**Rate of Return**

For the year ended July 31, 2019, the annual money-weighted rate of return on pension investments, net of pension plan investment expense, was 3.82%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**Net Pension Liability of the Town**

The components of the net pension liability of the Town at July 31, 2019 were as follows:

Total LOSAP liability	\$ 2,083,719
Plan fiduciary net position	<u>1,131,666</u>
Net LOSAP liability	<u><u>\$ 952,053</u></u>
Plan fiduciary net position as a percentage of the total LOSAP liability	54.31%

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**Actuarial Assumptions**

The total pension liability was measured as of July 31, 2019 and it was determined by an actuarial valuation as of August 1, 2019, using the following actuarial assumptions, applied to all periods included in the measurement:

Investment rate of return, including inflation	4.25%
Discount rate	4.21%

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.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Insurance contract	100 %	5.00 %
Total	100 %	

**Changes in the Net Pension Liability**

<u>Volunteer Firefighter's LOSAP</u>			
	<u>Increase (Decrease)</u>		
	<u>Total LOSAP Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net LOSAP Liability</u>
	<u>(a)</u>	<u>(b)</u>	<u>(a)-(b)</u>
Balances as of August 1, 2018	\$ 2,037,450	\$ 1,191,114	\$ 846,336
Changes for the year:			
Service cost	23,340		23,340
Interest on total pension liability	84,438		84,438
Difference between expected and actual experience	(1,974)		(1,974)
Effect of assumption changes or inputs	34,885		34,885
Net investment income		34,972	(34,972)
Benefit payments, including refund to employee contributions	(94,420)	(94,420)	-
Net changes	46,269	(59,448)	105,717
Balances as of July 31, 2019	\$ 2,083,719	\$ 1,131,666	\$ 952,053

**TOWN OF ELLINGTON, CONNECTICUT**  
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**Discount Rate**

The discount rate used to measure the total pension liability was 4.21%. 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 actuarially determined contribution rate. For this purpose, only Town contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the LOSAP's fiduciary net position was projected to be depleted prior to making 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 up to the depletion date and the municipal bond rate was applied to all periods after the depletion date to determine the total pension liability.

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

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

	<b>1% Decrease (3.21%)</b>	<b>Current Discount Rate (4.21%)</b>	<b>1% Increase (5.21%)</b>
Employee's Net Pension Liability	\$ 1,279,000	\$ 952,053	\$ 687,000

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

For the year ended June 30, 2020, the Town recognized pension expense of \$58,800 and reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 11,046	\$ 1,782
Changes of assumptions	31,492	19,130
Net difference between projected and actual earning on pension plan investments	19,012	
Town contributions subsequent to the measurement date	107,681	
Total	\$ <u>169,231</u>	\$ <u>20,912</u>

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

**Year Ending June 30**

2021	\$ 7,502
2022	7,502
2023	7,502
2024	5,233
2025	2,182
Thereafter	<u>10,717</u>
	<u>\$ 40,638</u>

**D. Municipal Employees' Retirement System**

**Plan Description**

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

**Benefit Provisions**

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

**Normal Retirement**

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

**Early Retirement**

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

**Disability Retirement - Service Connected**

This applies to employees who are totally and permanently disabled, and such disability has arisen out of and in the course of employment with the municipality. Disability due to heart and hypertension in the case of fire and police, who began employment prior to July 1, 1996, is presumed to have been suffered in the line of duty. Benefits are calculated as a service retirement allowance based on compensation and service to the date of the disability with a minimum benefit (including worker's compensation benefits) of 50% of compensation at the time of disability.

**Disability Retirement - Non-Service Connected**

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

**Pre-Retirement Death Benefit**

The plan offers a lump-sum return of contributions with interest, or, if vested and married, the surviving spouse will receive a lifetime benefit.

**Contributions**

*Member*

Contributions for members not covered by Social Security are 5% of compensation; for members covered by Social Security, 2¼% of compensation up to the Social Security taxable wage base plus 5%, if any, in excess of such base.

*Employer*

Participating employers make annual contributions consisting of a normal cost contribution, a contribution for the amortization of the net unfunded accrued liability and a prior service amortization payment, which covers the liabilities of MERS not met by member contributions. In addition, there is also an annual administrative fee per active and retired member.

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

At June 30, 2020, the Town reports a liability of \$8,425,498 for its proportionate share of the net pension liability. The net pension liability was measured at June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation at June 30, 2019. The actuarial assumptions used in the June 30, 2019 valuation were based on results of an actuarial experience study for the period July 1, 2012 through June 30, 2017. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participants, actuarially determined. At June 30, 2020, the Town's proportion was 0.82%. The decrease in proportion from the prior year was 0.10%.



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For the year ended June 30, 2020, the Town recognized pension expense of \$2,501,372. At June 30, 2020, the Town reported deferred outflows of resources related to pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on pension plan investments	\$ 342,999	\$
Change in proportionate share	383,040	142,086
Change of assumptions	2,225,288	
Net difference between projected and actual actuarial experience	917,521	759,410
Town contributions subsequent to the measurement date	<u>809,991</u>	
Total	\$ <u>4,678,839</u>	\$ <u>901,496</u>

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

**Year Ending June 30**

2020	\$ 1,169,676
2021	902,441
2022	1,021,614
2023	<u>(126,379)</u>
	\$ <u>2,967,352</u>

**Actuarial Assumptions**

The total pension liability was determined by an actuarial valuation as of June 30, 2019, using the following actuarial assumptions, applied to all periods included in the measurement period:

Inflation	2.50%
Salary increase	3.50-10.00%, including inflation
Investment rate of return	7.00%, net of pension plan investment expense, including inflation

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.

RP-2014 Blue Collar Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB for Police and Fire.

For disabled retirees, the RP-2014 Disabled Mortality Table projected with Scale BB to 2020 was used.

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Future cost-of-living adjustments (COLA) for members who retire on or after January 1, 2002 are 60% of the annual increase in the Consumer Price Index (CPI) up to 6%. The minimum annual COLA is 2.5%; the maximum is 6%.

The long-term expected rate of return on pension plan investments was determined using a 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. Best estimates of arithmetic real rates of return for each major class are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Domestic equity	20.0%	5.3%
Developed market international	11.0%	5.1%
Emerging market international	9.0%	7.4%
Core fixed income	16.0%	1.6%
Inflation linked bond fund	5.0%	1.3%
Emerging market debt	5.0%	2.9%
High yield bond	6.0%	3.4%
Real estate	10.0%	4.7%
Private equity	10.0%	7.3%
Alternative investments	7.0%	3.2%
Liquidity fund	1.0%	0.9%
Total	100.0%	

**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 the actuarially determined contribution rates in the future years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

	<b>1% Decrease (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
Town's Proportionate Share of the Net Pension Liability	\$ 12,245,331	\$ 8,425,498	\$ 5,227,906

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

### **Plan Description**

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

### **Benefit Provisions**

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

#### **Normal Retirement**

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

#### **Early Retirement**

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

#### **Disability Retirement**

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

### **Contributions**

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

#### *Employer (School Districts)*

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

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

For the year ended June 30, 2020, the amount of "on-behalf" contributions made by the State was \$5,976,062 and is recognized in the General Fund as intergovernmental revenues and education expenditures.

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*Employees*

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

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

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

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

Town's proportionate share of the net pension liability	\$ -
State's proportionate share of the net pension liability associated with the Town	<u>78,949,572</u>
Total	\$ <u>78,949,572</u>

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

For the year ended June 30, 2020, the Town recognized pension expense and revenue of \$9,696,353 in Exhibit II.

**Actuarial Assumptions**

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

Inflation	2.50%
Salary increase	3.25-6.50%, including inflation
Investment rate of return	6.90%, net of pension plan investment expense, including inflation

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

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

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

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

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

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

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

### **Discount Rate**

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

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

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

### **Other Information**

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

## **5. OTHER POST-EMPLOYMENT BENEFIT PLANS**

### **A. Town and Board of Education Program**

#### **Plan Description**

The Town provides eligible retirees and their spouses with other post-employment benefits (OPEB Program) for medical and dental coverage through the Town's group health insurance plans, which cover both active and retired members. Benefit and contribution provisions are established through negotiations between the Town and the union representing Town employees, and are renegotiated between three-year and five-year bargaining periods.

The Town currently pays for postemployment health care benefits on a pay-as-you-go basis. As of June 30, 2020, the Town has not established a trust fund to irrevocably segregate assets to fund liability associated with the postemployment benefits, which would require the reporting of a trust fund in accordance with GASB guidelines.

#### **Funding Policy**

Participant contribution requirements are established and may be amended through negotiations between the Town and the respective labor union. Board of Education employees age 55 with 5 or more consecutive years of service or any age with 25 years of service in the Ellington school system are eligible to receive benefits. Town employees with 25 or more years of service, and age plus service greater than or equal to 75 years, are eligible to receive benefits. Retirees contribute 100% towards dental and medical premiums. For nonunion employees, the Town contributes 100% of the premium cost for retiree's health and dental insurance coverage. For Town Hall employees, the Town

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contributes 85% towards pre-age 65 retiree medical and dental premiums and 100% of the premium cost for Medicare and dental coverage for retirees age 65 and older. Employees hired on or after December 4, 2008 are not eligible for any post-employment premium cost share by the Town. For public works department employees, the Town contributes 85% towards pre-age 65 retiree and medical and dental premiums and 100% of the premium cost for Medicare and dental coverage for retirees age 65 and older. Employees hired on or after September 28, 2009 are not eligible for any post-employment premium cost share by the Town.

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

Retirees, beneficiaries, and dependents currently receiving benefits	61
Active participants	<u>433</u>
	<u><u>494</u></u>

**Total OPEB Liability**

The Town's total OPEB liability of \$6,555,095 was measured as of June 30, 2020 and was determined by an actuarial valuation dated July 1, 2018.

**Actuarial Assumptions and Other Inputs**

The total OPEB liability in the July 1, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation rate	2.50%
Discount rate	3.87%
Dental trend rates	5.00%
Medical trend rates	7.50% decreasing to an ultimate rate of 5.00%

The discount rate was based on the Bond Buyer General Obligation 20-Bond Municipal Index as of the measurement date. This represents municipal bond trends based on a portfolio of 20 general obligation bonds that mature in 20 years. Mortality rates were based on RP-2000 combined Male and Female Generational Mortality Table using Scale AA. Other significant assumptions were as follows:

- 85.0% of the current Town active employees covered under the active plan on the day before retirement would enroll in the retiree medical plan upon retirement.
- 30.0% of the current school active employees covered under the active plan on the day before retirement would enroll in the retiree medical plan upon retirement.
- 0.0% of retirees would elect Medicare Plan F upon attainment of age 65 due to the change in the Town's subsidy level.
- 50.0% of the male and 50.0% of the female employees who elect retiree health care coverage for themselves would also elect coverage for their spouse upon retirement.

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**Changes in the Total OPEB Liability**

	<b>Total OPEB Liability</b>
Balances as of July 1, 2019	\$ <u>5,362,069</u>
Changes for the year:	
Service cost	108,160
Interest on total OPEB liability	186,939
Changes in assumptions or other inputs	1,158,435
Benefit payments	<u>(260,508)</u>
Net changes	<u>1,193,026</u>
Balances as of June 30, 2020	\$ <u><u>6,555,095</u></u>

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

The following presents the total OPEB liability of the Town, as well as what the Town's total 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:

	<b>1% Decrease (1.21%)</b>	<b>Current Discount Rate (2.21%)</b>	<b>1% Increase (3.21%)</b>
Total OPEB Liability	\$ <u>7,728,001</u>	\$ <u>6,555,095</u>	\$ <u>5,628,314</u>

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

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

	<b>1% Decrease (6.00% decreasing to 4.00%)</b>	<b>Trend Rates (7.00% decreasing to 5.00%)</b>	<b>1% Increase (8.00% decreasing to 6.00%)</b>
Total OPEB Liability	\$ <u>5,525,871</u>	\$ <u>6,555,095</u>	\$ <u>7,898,106</u>



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

For the year ended June 30, 2020, the Town recognized OPEB expense of \$544,338. At June 30, 2020, the Town reported deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 273,428	\$
Changes in assumptions	<u>1,419,753</u>	<u>183,819</u>
Total	\$ <u><u>1,693,181</u></u>	\$ <u><u>183,819</u></u>

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

<u>Year Ending June 30</u>	
2021	\$ 249,239
2022	249,239
2023	249,407
2024	258,756
2025	281,653
Thereafter	<u>221,068</u>
	\$ <u><u>1,509,362</u></u>

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

**Plan Description**

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

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

**Benefit Provisions**

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

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Any member who is not currently participating in Medicare Parts A & B is eligible to continue health care coverage with their former employer. A subsidy of up to \$110 per month for a retired member plus an additional \$110 per month for a spouse enrolled in a local school district plan is provided to the school district to first offset the retiree's share of the cost of coverage, and any remaining portion is used to offset the district's cost. The subsidy amount is set by statute and has not increased since July 1996. A subsidy amount of \$220 per month may be paid for a retired member, spouse or the surviving spouse of a member who has attained the normal retirement age to participate in Medicare, is not eligible for Part A of Medicare without cost, and contributes at least \$220 per month towards coverage under a local school district plan.

Any member who is currently participating in Medicare Parts A & B is eligible to either continue health care coverage with their former employer, if offered, or enroll in the plan sponsored by the System. If they elect to remain in the plan with their former employer, the same subsidies as above will be paid to offset the cost of coverage.

If a member participating in Medicare Parts A & B so elects, they may enroll in one of the CTRB Sponsored Medicare Supplement Plans. Effective July 1, 2018, the System added a Medicare Advantage Plan option. Active members, retirees and the State pay equally toward the cost of the basic coverage (medical and prescription drug benefits) under the Medicare Advantage Plan. Retired members who choose to enroll in the Medicare Supplement Plan are responsible for the full difference in the premium cost between the two plans. Additionally, effective July 1, 2018, retired members who cancel their health care coverage or elect to not enroll in a CTRB sponsored health care coverage option must wait two years to re-enroll.

### **Survivor Health Care Coverage**

Survivors of former employees or retirees remain eligible to participate in the plan and continue to be eligible to receive either the \$110 monthly subsidy or participate in the TRB-Sponsored Medicare Supplement Plans, as long as they do not remarry.

### **Eligibility**

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

### **Credited Service**

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

### **Normal Retirement**

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

### **Early Retirement**

Age 55 with 20 years of Credited Service including 15 years of Connecticut service, or 25 years of Credited Service including 20 years of Connecticut service.

### **Proratable Retirement**

Age 60 with 10 years of Credited Service.

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**Disability Retirement**

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

**Termination of Employment**

Ten or more years of Credited Service.

**Contributions**

*State of Connecticut*

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

*Employer (School Districts)*

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

For the year ended June 30, 2020, the amount of "on-behalf" contributions made by the State was \$163,331 and is recognized in the General Fund as intergovernmental revenues and education expenditures.

*Employees/Retirees*

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

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

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

Town's proportionate share of the net OPEB liability	\$ -
State's proportionate share of the net OPEB liability associated with the Town	<u>12,312,630</u>
Total	\$ <u>12,312,630</u>

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

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

For the year ended June 30, 2020, the Town recognized OPEB expense and revenue of \$(900,996) in Exhibit II.

**Actuarial Assumptions**

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

Inflation	2.50%
Health care costs trend rate	
Pre-Medicare	5.95% decreasing to 4.75% by 2025
Medicare	5.00% decreasing to 4.75% by 2028
Salary increases	3.25-6.50%, including inflation
Investment rate of return	3.00%, net of OPEB plan investment expense, including inflation
Year fund net position will be depleted	2019

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

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

The long-term expected rate of return on plan assets is reviewed as part of the GASB 75 valuation process. Several factors are considered in evaluating the long-term rate of return assumption, including the plan's current asset allocations and a log-normal distribution analysis using the best-estimate ranges of expected future real rates of return (expected return, net investment expense and inflation) for each major asset class. The long-term expected rate of return was determined by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years. The plan is 100% invested in U.S. Treasuries (Cash Equivalents) for which the expected 10-Year Geometric Real Rate of Return is (0.41%).

**Discount Rate**

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

**Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate and the Discount Rate**

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

**Other Information**

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

**6. OTHER INFORMATION**

**A. Risk Management**

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; error and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties except for workers' compensation and Liability-Automobile-Property insurance, for which the Town participates in risk-sharing pools. Settled claims from these risks did not exceed commercial insurance coverage during the three years ended June 30, 2020.

The Town is a member of CIRMA's Liability-Automobile-Property Pool, a risk-sharing pool. The Liability-Automobile-Property Pool provides general liability, automobile liability, employee benefit liability, law enforcement liability, public officials and property coverage. The premium is subject to these coverages, and claims and expense payments falling within the deductible amounts are the responsibility of the Town. CIRMA's Liability-Automotive-Property Pool retains \$1,000,000 per occurrence for each line of liability coverage.

The Town is 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 incurred loss retrospective rating plan, and losses incurred in the coverage period will be evaluated at 18, 32 and 40 months after the effective date of coverage. The premium is subject to payroll audit at the close of the coverage period. CIRMA's Workers' Compensation Pool retains \$1,000,000 per occurrence.

**B. Contingent Liabilities**

There are various suits and claims pending against the Town, none of which, individually or in the aggregate, is believed by counsel to be likely to result in judgment or judgments that could materially affect the Town's financial position.

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

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

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

**7. RESTATEMENT**

During the year ended June 30, 2020, the beginning net position of the government-wide net position was restated for an error in the calculation of depreciation. This resulted in an increase in accumulated depreciation of \$3,672,214 and a decrease in net position of \$3,672,214.

**8. CORONAVIRUS (COVID-19)**

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

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

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

	<b>Budgeted Amounts</b>			<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
Revenues:				
Property Taxation:				
Current year levy	\$ 45,711,996	\$ 45,711,996	\$ 46,059,889	\$ 347,893
Prior year levy	110,000	110,000	190,751	80,751
Interest and lien fees	140,000	140,000	183,201	43,201
Total property taxation	45,961,996	45,961,996	46,433,841	471,845
State and Federal Grants:				
Education Cost Sharing Grant	9,826,217	9,826,217	9,830,116	3,899
Teacher Pension Contribution	(32)	(32)		32
Adult Education and Vocational Agriculture	17,557	17,557	31,873	14,316
Town Road Aid	339,811	339,811	340,741	930
Disability Reimbursement			1,611	1,611
State Property Forest	4,540	4,540	4,540	-
Pequot/Mohegan Funds	4,081	4,081	4,081	-
Circuit Court Fines	6,417	6,417	6,417	-
Telecomm Serv Pers Prop Tax	17,303	17,303	16,645	(658)
Additional Income Veterans	16,732	16,732	15,083	(1,649)
Local Capital Improvement Program	106,377	106,377	108,005	1,628
DWI Grant	50,000	50,000	13,834	(36,166)
Erase Grant	3,907	3,907	3,905	(2)
Historical Preserve Award	4,000	4,000	5,500	1,500
Emergency Management	7,889	7,889	7,889	-
North Central Area Agency on Aging	4,000	4,000	864	(3,136)
Municipal Grants-in-Aid	223,527	223,527	223,527	-
NCAAA-Nutrition PP (ENPP)	4,000	4,000	696	(3,304)
MIRA Distribution			17,698	17,698
NCRMH Opioid Use			(773)	(773)
CT Fair Plan Anti Arson Grant			775	775
STEAP-Town Hall Renovation	500,000	500,000	500,000	-
Total state and federal grants	11,136,326	11,136,326	11,133,027	(3,299)
Charges for Goods and Services:				
Building department	300,000	300,000	308,924	8,924
Rights of way permits	2,000	2,000	3,735	1,735
Fire marshal	250	250	285	35
Planning and zoning	35,000	35,000	36,822	1,822
Recreation program receipts	302,225	302,225	180,212	(122,013)
Town clerk conveyance tax	150,000	150,000	165,633	15,633
Town clerk record fees and license	100,000	100,000	153,991	53,991
Aircraft registration	1,440	1,440	1,260	(180)
Animal control officer fees and licenses	21,000	21,000	20,844	(156)
Animal control donations	100	100	882	782
Adhoc Patriotic Committee	100	100		(100)

(Continued on next page)

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

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Adhoc Ell Beautification Committee	\$ 100	\$ 100	\$	\$ (100)
Adhoc Ell Trails Committee	100	100	1,475	1,375
Board Of Education	500	500		(500)
Police-Special Duty	75,000	75,000	438,494	363,494
Police-Dare Donations	500	500		(500)
Youth Services Donations	500	500		(500)
Youth Services Activities	8,000	8,000	11,284	3,284
Human Services-Municipal Agent	100	100		(100)
Human Services-Fuel Administration	200	200	3,552	3,352
Human Services Donations	1,000	1,000	3,963	2,963
Senior Center Donations	500	500	70	(430)
Senior Center Emats	750	750	254	(496)
Senior Center Transportation Center	500	500	210	(290)
Senior Center Programs	15,000	15,000	6,246	(8,754)
Senior Center Rental Income	500	500		(500)
Total charges for goods and services	<u>1,015,365</u>	<u>1,015,365</u>	<u>1,338,136</u>	<u>322,771</u>
Investment Earnings:				
Interest on earnings	<u>250,000</u>	<u>250,000</u>	<u>260,672</u>	<u>10,672</u>
WPCA	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Other Revenues:				
Ambulance fee program	423,496	423,496	523,927	100,431
Insurance claims and refunds	7,500	7,500	7,618	118
WPCA reimbursement			33,200	33,200
WPCA reimbursement maintenance budget	149,016	149,016	121,437	(27,579)
Snow removal charge - developers	5,000	5,000		(5,000)
Sundry refunds and receipts	70,000	70,000	59,748	(10,252)
Rental income of town property	6,475	6,475	3,238	(3,237)
Sale of property	100	100	5,673	5,573
Total other revenues	<u>661,587</u>	<u>661,587</u>	<u>754,841</u>	<u>93,254</u>
Total revenues	<u>59,125,274</u>	<u>59,125,274</u>	<u>60,020,517</u>	<u>895,243</u>
Other Financing Sources:				
Appropriation of fund balance	<u>1,613,410</u>	<u>1,613,410</u>		<u>(1,613,410)</u>
Total Revenues and Other Financing Sources	<u>\$ 60,738,684</u>	<u>\$ 60,738,684</u>	60,020,517	<u>\$ (718,167)</u>

Budgetary revenues are different than GAAP revenues because:

State of Connecticut on-behalf payments related to the Connecticut State Teachers' Retirement Pension System for Town teachers are not budgeted	5,976,062
State of Connecticut on-behalf payments related to the Connecticut State Teachers' Retirement OPEB System for Town teachers are not budgeted	163,331
CRRA Sanitation fund not budgeted	774
State of Connecticut grants for Special Education Excess Costs are netted for budgetary purposes	493,662
Capital lease issuance, not budgeted for	396,928
WPCA debt payment receipts not included for GAAP	(100,000)
Proceeds for certain grants for capital projects that were not budgeted for	<u>727,003</u>

Total Revenues and Other Financing Sources as Reported on the Statement of Revenues,  
Expenditures and Changes in Fund Balance - Governmental Funds - Exhibit IV \$ 67,678,277



**TOWN OF ELLINGTON, CONNECTICUT  
GENERAL FUND  
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES  
BUDGET AND ACTUAL - BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2020**

	<b>Budgeted Amounts</b>			<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>Expenditures:</b>				
<b>General government:</b>				
Board of Selectmen	\$ 321,871	\$ 287,890	\$ 277,426	\$ 10,464
Board of Finance	9,850	10,578	10,578	-
Auditors	46,500	47,250	47,250	-
Auditors - special project	100	100		100
Finance Officer	331,035	364,680	337,929	26,751
Tax Assessor	209,251	213,315	171,378	41,937
Tax Collector	181,235	186,352	168,607	17,745
Board of Assessment Appeals	400	400	110	290
Insurance Advisory Board	100	100		100
Town Clerk	199,923	204,929	178,538	26,391
Town Counsel	110,000	110,000	71,980	38,020
Probate Court	7,353	7,353	7,353	-
Town Planner	237,068	245,104	237,006	8,098
	<u>1,654,686</u>	<u>1,678,051</u>	<u>1,508,155</u>	<u>169,896</u>
<b>Boards and agencies:</b>				
Registrars and electors	81,844	81,844	61,627	20,217
Economic Development Commission	6,000	6,000	1,833	4,167
Planning and Zoning	30,600	30,600	29,544	1,056
Design Review Board	100	100		100
Zoning Board of Appeals	4,500	4,500	1,796	2,704
Shared Services Commission	100	100		100
Permanent Building Commission	1,750	1,750		1,750
Ethics Commission	1,710	1,710		1,710
Inland Wetland Agency	5,600	5,600	5,250	350
Flood and Erosion Control Board	100	100		100
Conservation Commission	3,500	3,500	1,420	2,080
WPCA	1	1		1
	<u>135,805</u>	<u>135,805</u>	<u>101,470</u>	<u>34,335</u>
<b>Public safety:</b>				
Center Fire Department	219,140	219,140	205,025	14,115
Crystal Lake Fire Department	66,674	67,805	67,805	-
Fire protection hydrants	384,466	384,466	371,883	12,583
Emergency 911	50,816	50,816	50,728	88
Police	1,440,243	1,449,526	1,278,847	170,679
Police special duty	20,000	252,970	252,968	2
Police drug abuse resistance education	1,500	1,500	549	951
Animal Control Officer	103,407	105,664	94,808	10,856
Emergency Management	56,254	58,176	52,721	5,455
Building Department	157,319	162,237	155,006	7,231
Volunteer ambulance	281,017	285,730	285,729	1
Emergency service incentive program	157,000	157,000	131,901	25,099
Adhoc Emergency Service Committee	200	200		200
Public Safety Commission	100	100		100
Fire Marshall	181,655	197,504	188,876	8,628
	<u>3,119,791</u>	<u>3,392,834</u>	<u>3,136,846</u>	<u>255,988</u>

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

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Public works:				
General town roads	\$ 2,070,229	\$ 2,121,601	\$ 1,936,114	\$ 185,487
New equipment	10,000	10,000	9,830	170
Equipment maintenance	228,100	228,100	214,990	13,110
Town garage maintenance	74,000	74,090	74,090	-
Street signs	17,500	17,500	9,661	7,839
Grounds maintenance - BOE/parks	115,000	115,000	111,803	3,197
Town Aid Road - winter	255,000	255,000	246,674	8,326
Town Aid Road - materials	275,000	275,000	261,036	13,964
Sanitary landfill	472,412	472,412	415,547	56,865
Sanitary recycling	377,200	377,200	360,976	16,224
Household hazardous waste	15,000	15,000	12,254	2,746
WPCA maintenance - Hockanum	80,162	88,310	88,309	1
WPCA maintenance - Crystal Lake	35,854	35,854	26,282	9,572
Street lighting	97,235	97,235	83,507	13,728
Engineering and inspections	125,000	125,000	88,173	36,827
	<u>4,247,692</u>	<u>4,307,302</u>	<u>3,939,246</u>	<u>368,056</u>
Recreation:				
Parks recreation equipment	500,657	522,200	430,000	92,200
Inter-agency after school program	12,500	12,901		12,901
Crystal Lake water monitor	25,000	25,000	25,000	-
	<u>538,157</u>	<u>560,101</u>	<u>455,000</u>	<u>105,101</u>
Library:				
Hall Memorial Library	663,417	677,087	677,084	3
Human services:				
Public health nursing	2,100	2,100	864	1,236
Nutmeg Big Brothers Big Sisters	500	500	500	-
Cornerstone Foundation, Inc.	1,500	1,500	1,500	-
Connecticut Legal Services	2,200	2,200	2,200	-
YWCA/SACS	2,000	2,000	2,000	-
Regional Mental Health Board	1,092	1,092	1,092	-
Kidsafe CT	1,500	1,500	1,500	-
Hockanum Valley Community Council	35,000	35,000	35,000	-
Youth activity programs	202,653	202,653	186,733	15,920
Hartford Interval House	2,500	2,500	2,500	-
Human services	194,943	201,483	191,603	9,880
North Central Health District	75,631	75,631	75,631	-
Municipal agent	2,500	2,500	1,286	1,214
Senior center	237,088	239,308	196,221	43,087
	<u>761,207</u>	<u>769,967</u>	<u>698,630</u>	<u>71,337</u>

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

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Town properties:				
Town Hall	\$ 467,872	\$ 467,872	\$ 421,668	\$ 46,204
Center Cemetery	3,700	3,700		3,700
Hall Memorial Library building	112,350	119,626	119,626	-
EVAC building	36,500	36,500	30,087	6,413
Crystal Lake fire building	21,000	21,000	18,880	2,120
Crystal Fire Building - Main Street	34,565	34,565	29,622	4,943
Crystal Fire Building - Nutmeg Drive	24,300	24,300	17,781	6,519
Arbor Commons - human services	27,350	27,350	19,467	7,883
Arbor Commons - police	23,150	23,150	12,643	10,507
Animal control facility	500	500	146	354
Senior Center building	78,608	78,608	70,302	8,306
Pinney House	1,500	2,212	2,211	1
Old Crystal Lake school house	18,200	18,200	6,861	11,339
	<u>849,595</u>	<u>857,583</u>	<u>749,294</u>	<u>108,289</u>
Debt service:				
Principal retirement	2,118,402	2,118,402	2,118,399	3
Interest	609,201	609,201	609,197	4
	<u>2,727,603</u>	<u>2,727,603</u>	<u>2,727,596</u>	<u>7</u>

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

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Other:				
Social Security	\$ 465,230	\$ 465,230	\$ 431,853	\$ 33,377
Insurance	2,991,015	2,719,916	2,465,042	254,874
Insurance reimbursement and claims	7,500	7,500	5,101	2,399
Insurance prior year	100	100		100
Service insurance	107,681	107,681	107,681	-
Contingency Fund	200,000	200,000		200,000
Capital Reserve Fund	200,000	200,000		200,000
AD HOC Prevention Council Developing	10,000	10,000	10,000	-
Erase	3,907	3,911	3,911	-
AD HOC Patriotic Committee	4,700	4,700	4,438	262
AD HOC Beautification Committee	2,200	2,200	371	1,829
AD HOC Trails Committee	8,000	8,000	7,668	332
Charter Revision Commission	100	100		100
Miscellaneous	2,000	2,000	1,266	734
GASB-OPEB	100,000	100,000	100,000	-
Referendum	18,000	18,000		18,000
Building demolition/eviction	10,000	10,000	8,479	1,521
Salary adjustment	152,227	10,119		10,119
Employee education development	7,500	7,500		7,500
Town communications	22,538	22,538	10,026	12,512
Town website	11,787	11,787	11,287	500
Grant applications	2,000	2,000	26	1,974
GIS	6,000	6,000	4,700	1,300
GIS Centric permitting and license program		4,823	4,823	-
	<u>4,332,485</u>	<u>3,924,105</u>	<u>3,176,672</u>	<u>747,433</u>
Education	<u>39,576,224</u>	<u>39,576,224</u>	<u>38,443,744</u>	<u>1,132,480</u>
Capital outlays	<u>2,132,022</u>	<u>2,132,262</u>	<u>2,248,523</u>	<u>(116,261)</u>
Total Budgetary Expenditures	<u>\$ 60,738,684</u>	<u>\$ 60,738,924</u>	<u>\$ 57,862,260</u>	<u>\$ 2,876,664</u>

Budgetary revenues are different than GAAP revenues because:

State of Connecticut on-behalf payments related to the Connecticut State Teachers' Retirement Pension System for Town teachers are not budgeted	\$ 5,976,062
State of Connecticut on-behalf payments related to the Connecticut State Teachers' Retirement OPEB System for Town teachers are not budgeted	163,331
State of Connecticut grants for Special Education Excess Costs are netted for budgetary purposes	493,662
Change in designations recorded as expenditures for budget purposes:	
Capital reserve	195,625
OPEB Reserve	(100,000)
Capital lease issuance, not budgeted for	396,928
WPCA debt payment receipts not included for GAAP	(100,000)
Proceeds for certain grants for capital projects that were not budgeted for	727,003
Encumbrances outstanding at June 30, 2020	<u>(56,511)</u>

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

\$ 65,558,360

**TOWN OF ELLINGTON, CONNECTICUT**  
**SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**CONNECTICUT MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM**  
**LAST SIX FISCAL YEARS**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Town's proportion of the net pension liability	0.82%	0.92%	1.32%	1.16%	0.86%	0.90%
Town's Proportionate Share of the Net Pension Liability	\$ <u>8,425,498</u>	\$ <u>8,814,000</u>	\$ <u>3,265,400</u>	\$ <u>3,877,319</u>	\$ <u>2,853,323</u>	\$ <u>2,143,846</u>
Town's covered payroll	\$ 5,895,137	\$ 6,487,231	\$ 5,641,060	\$ 4,702,434	\$ 4,624,684	\$ 4,624,684
Town's proportionate share of the net pension liability as a percentage of its covered payroll	142.92%	135.87%	57.89%	82.45%	61.70%	46.36%
Plan fiduciary net position as a percentage of the total pension liability	72.69%	73.60%	91.68%	88.29%	92.72%	90.48%

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

**TOWN OF ELLINGTON, CONNECTICUT  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
CONNECTICUT MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM  
LAST TEN FISCAL YEARS**

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Actuarially determined contribution*	\$ 809,991	\$ 692,362	\$ 662,260	\$ 535,138	\$ 587,703	\$ 526,289	\$ 531,269	\$ 512,950	\$ 452,874	\$ 449,486
Contributions in relation to the actuarially determined contribution	809,991	692,362	662,260	535,138	587,703	526,289	531,269	512,950	452,874	449,486
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 6,770,657	\$ 6,487,231	\$ 5,641,060	\$ 4,702,434	\$ 4,624,684	\$ 4,624,684	\$ 4,434,633	\$ 4,281,720	\$ 3,841,170	\$ 3,888,287
Contributions as a percentage of covered payroll	11.96%	10.67%	11.74%	11.38%	12.71%	11.38%	11.98%	11.98%	11.79%	11.56%

**Notes to Schedule:**

Valuation date: June 30, 2019

Measurement date: June 30, 2019

The actuarially determined contributions are calculated as of June 30, each biennium for the fiscal years ending two and three years after the valuation date.

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

Actuarial cost method	Entry age
Amortization method	Level dollar, closed
Single equivalent amortization period	21 years
Asset valuation method	5 years smoothed market (20% write up)
Inflation	3.25%
Salary increases	4.25% - 11%, including inflation
Investment rate of return	8.0%, net of investment related expense

Changes in assumptions  
In 2019, the latest experience study for the System updated most of the actuarial assumptions utilized in the June 30, 2019 valuation to include: rates of inflation, real investment return mortality, withdrawal, disability, retirement and salary increase were adjusted to more closely reflect actual and anticipated experience. These assumptions were recommended as part of the Experience Study for the System for the five year period ended June 30, 2017.

\* Contribution amounts for fiscal year ending June 30, 2014 and prior are Annual Required Contribution (ARC) under GASB 27.

**TOWN OF ELLINGTON, CONNECTICUT**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**  
**VOLUNTEER FIREFIGHTERS' LENGTH OF SERVICE AWARD PROGRAM**  
**LAST TWO FISCAL YEARS**

	<u>2020</u>	<u>2019</u>
Total LOSAP liability:		
Service cost	\$ 23,340	\$ 31,255
Interest on total pension liability	84,438	84,051
Difference between expected and actual experience	(1,974)	13,832
Effect of assumption changes or inputs	34,885	(23,954)
Benefit payments, including refunds of member contributions	(94,420)	(100,133)
Net change in total LOSAP liability	46,269	5,051
Total LOSAP liability - beginning	2,037,450	2,032,399
Total LOSAP liability - ending	<u>2,083,719</u>	<u>2,037,450</u>
Plan fiduciary net position:		
Contributions - employer		107,681
Net investment income (loss)	34,972	36,735
Benefit payments, including refunds of member contributions	(94,420)	(100,133)
Net change in plan fiduciary net position	(59,448)	44,283
Plan fiduciary net position - beginning	1,191,114	1,146,831
Plan fiduciary net position - ending	<u>1,131,666</u>	<u>1,191,114</u>
Town's net LOSAP liability	<u>\$ 952,053</u>	<u>\$ 846,336</u>
Plan fiduciary net position as a percentage of total LOSAP liability	54.31%	58.46%
Covered payroll	N/A	N/A
Town net LOSAP liability as a percentage of covered payroll	N/A	N/A

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

**TOWN OF ELLINGTON, CONNECTICUT**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
**VOLUNTEER FIREFIGHTERS' LENGTH OF SERVICE AWARD PROGRAM**  
**LAST TEN FISCAL YEARS**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Actuarially determined contribution*	\$ 101,156	\$ 107,681	\$ 93,306	\$ 100,911	\$ 96,341	\$ 99,463	\$ 65,123	\$ 68,082	\$ 67,730	\$ 69,440
Contributions in relation to the actuarially determined contribution		<u>107,681</u>	<u>93,306</u>	<u>101,000</u>	<u>96,341</u>	<u>90,200</u>	<u>79,200</u>	<u>68,100</u>	<u>67,180</u>	<u>67,180</u>
Contribution Deficiency (Excess)	\$ <u>101,156</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>(89)</u>	\$ <u>-</u>	\$ <u>9,263</u>	\$ <u>(14,077)</u>	\$ <u>(18)</u>	\$ <u>550</u>	\$ <u>2,260</u>
Covered payroll	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

**Notes to Schedule:**

Valuation date: August 1, 2019  
Measurement date: July 31, 2019  
Actuarially determined contribution rates are calculated based on actuarial valuation as of August 1 of the beginning of each fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Unit credit
Amortization method	10 and 30 years
Single equivalent amortization period	10 year/30 year
Asset valuation method	Market value
Inflation	2.0%
Investment rate of return	4.21%, net of investment related expense
Mortality Table	RP2000 - Combined Unisex

\* Contribution amounts for fiscal year ending June 30, 2014 and prior are Annual Required Contribution (ARC) under GASB 27.



**TOWN OF ELLINGTON, CONNECTICUT  
 SCHEDULE OF INVESTMENT RETURNS  
 VOLUNTEER FIREFIGHTERS' LENGTH OF SERVICE AWARD PROGRAM  
 LAST SIX FISCAL YEARS\***

	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Annual money-weighted rate of return, net of investment expense:	3.82%	3.93%	4.22%	3.59%	3.82%	3.57%

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

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Town's proportion of the net pension liability	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
Town's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability attributed to the Town	<u>78,949,572</u>	<u>60,875,000</u>	<u>59,744,000</u>	<u>63,060,000</u>	<u>48,421,000</u>	<u>44,756,000</u>
Total	<u>\$ 78,949,572</u>	<u>\$ 60,875,000</u>	<u>\$ 59,744,000</u>	<u>\$ 63,060,000</u>	<u>\$ 48,421,000</u>	<u>\$ 44,756,000</u>
Town's covered payroll	\$ 20,202,945	\$ 18,831,000	\$ 18,122,000	\$ 17,669,000	\$ 17,616,000	\$ 17,176,000
Town's proportionate share of the net pension liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	52.00%	57.69%	55.93%	52.26%	59.50%	61.51%

**Notes to Schedule:**

Changes in benefit terms

HB 7424 made the following provision changes:

- Beginning July 1, 2019, annual interest credited on mandatory contributions set at 4.0%.
- For members retiring on or after July 1, 2019 with a partial refund option election (Plan N), if 50% of the benefits paid prior to death do not exceed the Member's mandatory contributions plus interest frozen at the date of benefit commencement, the difference is paid to the Member's beneficiary.

Changes of assumptions

HB 7424 made the following assumption changes:

- Reduce the inflation assumption from 2.75% to 2.50%.
- Reduce the real rate of return assumption from 5.25% to 4.40% which, when combined with the inflation assumption change, results in a decrease in the investment rate of return assumption from 8.00% to 6.90%.
- Increase the annual rate of wage increase assumption from 0.50% to 0.75%.
- Phase in to a level dollar amortization method for the June 30, 2024 valuation.

Actuarial cost method

Entry age

Amortization method

Level percent of pay, closed

Single equivalent amortization period

17.6 years

Asset valuation method

4-year smoothed market

Inflation

2.75%

Salary increase

3.25%-6.50%, including inflation

Investment rate of return

8.00%, net of investment related expense

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

**TOWN OF ELLINGTON, CONNECTICUT**  
**SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS**  
**OTHER POST-EMPLOYMENT BENEFITS PLAN**  
**LAST THREE FISCAL YEARS\***

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability:			
Service cost	\$ 108,160	\$ 96,754	\$ 134,486
Interest	186,939	194,158	170,578
Changes of benefit terms		(1,791)	
Effect of economic/demographic gains or losses			
Changes of assumptions and other inputs	1,158,435	849,238	(192,419)
Benefit payments, including refunds of member contributions	(260,508)	(244,996)	(543,651)
Net change in total OPEB liability	1,193,026	893,363	(431,006)
Total OPEB liability - beginning	5,362,069	4,468,706	4,899,712
Total OPEB Liability - Ending	<u>6,555,095</u>	<u>5,362,069</u>	<u>4,468,706</u>
Covered payroll	\$ 26,874,892	\$ 26,219,407	\$ N/A
Total OPEB liability as a percentage of covered-employee payroll	24.39%	20.45%	N/A

**Notes to Schedule:**

Changes of assumptions                      Discount rate changed from 3.50% as of June 30, 2019 to 2.21% as of June 30, 2020.

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

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Town's proportion of the net OPEB liability	0.00%	0.00%	0.00%
Town's proportionate share of the net OPEB liability	\$ -	\$ -	\$ -
State's proportionate share of the net OPEB liability attributed to the Town	<u>12,312,630</u>	<u>12,169,000</u>	<u>15,377,000</u>
Total	<u>\$ 12,312,630</u>	<u>\$ 12,169,000</u>	<u>\$ 15,377,000</u>
Town's covered payroll	\$ 20,202,945	\$ 18,831,000	\$ 18,122,000
Town's proportionate share of the net OPEB liability as a percentage of its covered payroll	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	2.08%	1.49%	1.79%

**Notes to Schedule:**

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

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

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

	<u>General</u>	<u>CRRA Sanitation</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 13,859,810	\$ 51,336	\$ 13,911,146
Receivables	1,051,095		1,051,095
Due from other funds	<u>4,805,436</u>		<u>4,805,436</u>
Total Assets	<u>\$ 19,716,341</u>	<u>\$ 51,336</u>	<u>\$ 19,767,677</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable and accrued liabilities	\$ 2,771,034	\$	\$ 2,771,034
Due to other funds	2,209,088		2,209,088
Unearned revenue	<u>29,912</u>		<u>29,912</u>
Total liabilities	<u>5,010,034</u>	<u>-</u>	<u>5,010,034</u>
Deferred inflows of resources:			
Unavailable revenue - property taxes	452,023		452,023
Unavailable revenue - grants	<u>69,328</u>		<u>69,328</u>
Total deferred inflows of resources	<u>521,351</u>	<u>-</u>	<u>521,351</u>
Fund balances:			
Committed	8,957,042	51,336	9,008,378
Assigned	1,824,156		1,824,156
Unassigned	<u>3,403,758</u>		<u>3,403,758</u>
Total fund balances	<u>14,184,956</u>	<u>51,336</u>	<u>14,236,292</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 19,716,341</u>	<u>\$ 51,336</u>	<u>\$ 19,767,677</u>

**TOWN OF ELLINGTON, CONNECTICUT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	<u>General</u>	<u>CRRA Sanitation</u>	<u>Total Governmental Funds</u>
Revenues:			
Property taxes, interest and lien fees	\$ 46,433,841	\$	\$ 46,433,841
Intergovernmental revenues	18,493,085		18,493,085
Charges for services	1,985,263		1,985,263
Investment income	260,672	774	261,446
Other	107,714		107,714
Total revenues	<u>67,280,575</u>	<u>774</u>	<u>67,281,349</u>
Expenditures:			
Current:			
General government	1,483,544		1,483,544
Boards and agencies	101,470		101,470
Public safety	3,124,346		3,124,346
Public works	4,666,249		4,666,249
Recreation	435,600		435,600
Library	677,084		677,084
Human services	698,630		698,630
Town properties	749,294		749,294
Education	45,076,799		45,076,799
Other	3,076,672		3,076,672
Debt service:			
Principal payments	2,018,399		2,018,399
Interest and fiscal charges	575,697		575,697
Capital outlay	2,841,076		2,841,076
Total expenditures	<u>65,524,860</u>	<u>-</u>	<u>65,524,860</u>
Excess (Deficiency) of Revenues over Expenditures	<u>1,755,715</u>	<u>774</u>	<u>1,756,489</u>
Other Financing Sources (Uses):			
Capital lease proceeds	396,928		396,928
Transfers out to other funds	(33,500)		(33,500)
Total other financing sources	<u>363,428</u>	<u>-</u>	<u>363,428</u>
Net Change in Fund Balances	2,119,143	774	2,119,917
Fund Balances at Beginning of Year	<u>12,065,813</u>	<u>50,562</u>	<u>12,116,375</u>
Fund Balances at End of Year	<u>\$ 14,184,956</u>	<u>\$ 51,336</u>	<u>\$ 14,236,292</u>

**TOWN OF ELLINGTON, CONNECTICUT**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2020**

<b>Special Revenue Funds</b>							
<b>Dog Fund</b>	<b>Education Programs Fund</b>	<b>Education Grants Fund</b>	<b>Education Special Revenue Fund</b>	<b>School Lunch Fund</b>	<b>Self Insured Dental Fund</b>	<b>Ambulance Fee Program Fund</b>	<b>Youth Service Bureau Fund</b>
<b>ASSETS</b>							
Cash and cash equivalents	\$	\$	\$ 313,499	\$	\$ 98,838	\$	\$ 628,402
Investments							
Receivables		129,383	2,760		16,670	149,152	
Due from other funds		931,672	322,575		168,168		
Prepaid and other assets		2,500					
Inventory				26,067			
Total Assets	\$ -	\$ 1,063,555	\$ 316,259	\$ 322,575	\$ 141,575	\$ 168,168	\$ 777,554
<b>LIABILITIES AND FUND BALANCES</b>							
<b>Liabilities:</b>							
Accounts payable	\$	\$	\$ 57,189	\$	\$ 81,044	\$	\$ 89,000
Unearned revenue			12,808				
Due to other funds			246,262		6,203	370,994	
Total liabilities	-	-	316,259	-	87,247	-	459,994
<b>Fund Balances:</b>							
Nonspendable				26,067			
Restricted			322,575	28,261	168,168		
Committed		1,063,555				317,560	
Unassigned							
Total fund balances	-	1,063,555	-	54,328	168,168	317,560	-
Total Liabilities and Fund Balances	\$ -	\$ 1,063,555	\$ 316,259	\$ 322,575	\$ 141,575	\$ 168,168	\$ 777,554

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

	Special Revenue Funds						
	HUD Small Cities Housing Rehab Program Fund	Historic Document Preservation Fund	Town Land Preservation Fund	DOT Elderly and Disabled Fund	Land Use Fees Fund	Open Space Fund	Small Cities Regular Rehab 13 Fund
ASSETS							
Cash and cash equivalents	\$ 143,893	\$ 81,341	\$ 54,815	\$	\$ 49,969	\$ 788,447	\$ 10
Investments							
Receivables					625		
Due from other funds		20,675					
Prepaid and other assets							
Inventory							
Total Assets	\$ 143,893	\$ 102,016	\$ 54,815	\$ -	\$ 50,594	\$ 788,447	\$ 10
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$	\$	\$	\$	\$	\$	\$
Unearned revenue						203,597	
Due to other funds	66,988		2,631		1,948	83,916	
Total liabilities	66,988	-	2,631	-	1,948	287,513	-
Fund Balances:							
Nonspendable							
Restricted	76,905						10
Committed		102,016	52,184		48,646	500,934	
Unassigned							
Total fund balances	76,905	102,016	52,184	-	48,646	500,934	10
Total Liabilities and Fund Balances	\$ 143,893	\$ 102,016	\$ 54,815	\$ -	\$ 50,594	\$ 788,447	\$ 10

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

	<u>Special Revenue Funds</u>		<u>Capital Project Funds</u>					
	<u>Small Cities Regular Rehab 16 Fund</u>	<u>Small Cities Regular Rehab 17 Fund</u>	<u>Windsorville Road Improvement Fund</u>	<u>Town Sidewalk Fund</u>	<u>Windemere Road Improvements Fund</u>	<u>Department of Public Works Maintenance Fund</u>	<u>Senior Center Building Fund</u>	<u>Windemere School Alterations Fund</u>
<b>ASSETS</b>								
Cash and cash equivalents	\$ 10	\$ 10	\$ 27,322	\$ 4,643	\$ 19,503	\$ 208,357	\$	\$
Investments								
Receivables	184,346	109,013						
Due from other funds							4,920	
Prepaid and other assets								
Inventory								
Total Assets	<u>\$ 184,356</u>	<u>\$ 109,023</u>	<u>\$ 27,322</u>	<u>\$ 4,643</u>	<u>\$ 19,503</u>	<u>\$ 208,357</u>	<u>\$ 4,920</u>	<u>\$ -</u>
<b>LIABILITIES AND FUND BALANCES</b>								
Liabilities:								
Accounts payable	\$	\$	\$	\$	\$	\$	\$	\$
Unearned revenue								
Due to other funds	83,925	107,887						60,159
Total liabilities	<u>83,925</u>	<u>107,887</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>60,159</u>
Fund Balances:								
Nonspendable								
Restricted	100,431	1,136						
Committed			27,322	4,643	19,503	208,357	4,920	
Unassigned								(60,159)
Total fund balances	<u>100,431</u>	<u>1,136</u>	<u>27,322</u>	<u>4,643</u>	<u>19,503</u>	<u>208,357</u>	<u>4,920</u>	<u>(60,159)</u>
Total Liabilities and Fund Balances	<u>\$ 184,356</u>	<u>\$ 109,023</u>	<u>\$ 27,322</u>	<u>\$ 4,643</u>	<u>\$ 19,503</u>	<u>\$ 208,357</u>	<u>\$ 4,920</u>	<u>\$ -</u>

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

	<b>Permanent Funds</b>									
	<b>Marshall E. Charter Fund</b>	<b>Kimball Memorial Fund</b>	<b>John T. McKnight Maintenance Fund</b>	<b>Eugene K. Mosley Fund</b>	<b>Arthur Hyde Fund</b>	<b>Sarah H. McKinney Fund</b>	<b>Mary Wadsworth Gardner Fund</b>	<b>Hall Memorial Library Fund</b>	<b>Wiley Fund</b>	<b>Total</b>
<b>ASSETS</b>										
Cash and cash equivalents	\$ 103,723	\$ 6,499	\$ 1,303	\$ 106	\$ 212	\$ 532	\$ 8,939	\$ 13,619	\$ 1,064	\$ 2,555,056
Investments	498,880	112,605	22,569				82,872	235,957		952,883
Receivables										591,949
Due from other funds	27,394	14,014	2,809				3,824	29,365		1,525,416
Prepaid and other assets										2,500
Inventory										26,067
<b>Total Assets</b>	<b>\$ 629,997</b>	<b>\$ 133,118</b>	<b>\$ 26,681</b>	<b>\$ 106</b>	<b>\$ 212</b>	<b>\$ 532</b>	<b>\$ 95,635</b>	<b>\$ 278,941</b>	<b>\$ 1,064</b>	<b>\$ 5,653,871</b>
<b>LIABILITIES AND FUND BALANCES</b>										
<b>Liabilities:</b>										
Accounts payable	\$	\$	\$	\$ 6	\$ 12	\$ 32	\$	\$	\$ 64	\$ 227,347
Unearned revenue										216,405
Due to other funds										1,030,913
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6</b>	<b>12</b>	<b>32</b>	<b>-</b>	<b>-</b>	<b>64</b>	<b>1,474,665</b>
<b>Fund Balances:</b>										
Nonspendable	29,697	5,000	1,000	100	200	500	5,000	10,000	1,000	78,564
Restricted	600,300	128,118	25,681				90,635	268,941		1,811,161
Committed										2,349,640
Unassigned										(60,159)
<b>Total fund balances</b>	<b>629,997</b>	<b>133,118</b>	<b>26,681</b>	<b>100</b>	<b>200</b>	<b>500</b>	<b>95,635</b>	<b>278,941</b>	<b>1,000</b>	<b>4,179,206</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 629,997</b>	<b>\$ 133,118</b>	<b>\$ 26,681</b>	<b>\$ 106</b>	<b>\$ 212</b>	<b>\$ 532</b>	<b>\$ 95,635</b>	<b>\$ 278,941</b>	<b>\$ 1,064</b>	<b>\$ 5,653,871</b>

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

	Special Revenue Funds							
	Dog Fund	Education Programs Fund	Education Grants Fund	Education Special Revenue Fund	School Lunch Fund	Self Insured Dental Fund	Ambulance Fee Program Fund	Youth Service Bureau Fund
Revenues:								
Intergovernmental revenues	\$	\$ 649,754	\$ 803,139	\$ 33,788	\$ 261,229	\$	\$	\$ 22,656
Other local revenues:								
Charges for services	94,953	208,451		1,156,941	355,719	392,327	425,066	
Investment earnings					141		7,948	
Other revenue		19,016						
Total revenues	<u>94,953</u>	<u>877,221</u>	<u>803,139</u>	<u>1,190,729</u>	<u>617,089</u>	<u>392,327</u>	<u>433,014</u>	<u>22,656</u>
Expenditures:								
General government								
Public safety	94,953						690,509	
Human services								22,656
Education		804,894	803,139	1,027,102	662,074	278,518		
Library								
Capital outlay								
Total expenditures	<u>94,953</u>	<u>804,894</u>	<u>803,139</u>	<u>1,027,102</u>	<u>662,074</u>	<u>278,518</u>	<u>690,509</u>	<u>22,656</u>
Net Change in Fund Balances	-	72,327	-	163,627	(44,985)	113,809	(257,495)	-
Fund Balances at Beginning of Year	-	991,228	-	158,948	99,313	54,359	575,055	-
Fund Balances at End of Year	<u>\$ -</u>	<u>\$ 1,063,555</u>	<u>\$ -</u>	<u>\$ 322,575</u>	<u>\$ 54,328</u>	<u>\$ 168,168</u>	<u>\$ 317,560</u>	<u>\$ -</u>

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

	Special Revenue Funds						
	HUD Small Cities Housing Rehab Program Fund	Historic Document Preservation Fund	Town Land Preservation Fund	DOT Elderly and Disabled Fund	Land Use Fees Fund	Open Space Fund	Small Cities Regular Rehab 13 Fund
Revenues:							
Intergovernmental revenues	\$	\$ 8,911	\$	\$ 27,023	\$	\$	\$
Other local revenues:							
Charges for services			120,134				
Investment earnings	1,992	1,227	826		755	11,888	
Other revenue					16,659	32,320	
Total revenues	<u>1,992</u>	<u>10,138</u>	<u>120,960</u>	<u>27,023</u>	<u>17,414</u>	<u>44,208</u>	<u>-</u>
Expenditures:							
General government			138,992		13,739	90,000	
Public safety							
Human services	19,248			27,023			
Education							
Library							
Capital outlay							
Total expenditures	<u>19,248</u>	<u>-</u>	<u>138,992</u>	<u>27,023</u>	<u>13,739</u>	<u>90,000</u>	<u>-</u>
Net Change in Fund Balances	(17,256)	10,138	(18,032)	-	3,675	(45,792)	-
Fund Balances at Beginning of Year	<u>94,161</u>	<u>91,878</u>	<u>70,216</u>	<u>-</u>	<u>44,971</u>	<u>546,726</u>	<u>10</u>
Fund Balances at End of Year	<u>\$ 76,905</u>	<u>\$ 102,016</u>	<u>\$ 52,184</u>	<u>\$ -</u>	<u>\$ 48,646</u>	<u>\$ 500,934</u>	<u>\$ 10</u>

(Continued on next page)

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

	<u>Special Revenue Funds</u>		<u>Capital Project Funds</u>					
	<u>Small Cities Regular Rehab 16 Fund</u>	<u>Small Cities Regular Rehab 17 Fund</u>	<u>Windsorville Road Improvement Fund</u>	<u>Town Sidewalk Fund</u>	<u>Windemere Road Improvements Fund</u>	<u>Department of Public Works Maintenance Fund</u>	<u>Senior Center Building Fund</u>	<u>Windemere School Alterations Fund</u>
Revenues:								
Intergovernmental revenues	\$ 40,714	\$ 109,013	\$	\$	\$	\$	\$	\$
Other local revenues:								
Charges for services								
Investment earnings			412	70	295	3,141		
Other revenue								
Total revenues	<u>40,714</u>	<u>109,013</u>	<u>412</u>	<u>70</u>	<u>295</u>	<u>3,141</u>	<u>-</u>	<u>-</u>
Expenditures:								
General government								
Public safety								
Human services	1,654	96,088						
Education								
Library								
Capital outlay							385	
Total expenditures	<u>1,654</u>	<u>96,088</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>385</u>	<u>-</u>
Net Change in Fund Balances	39,060	12,925	412	70	295	3,141	(385)	-
Fund Balances at Beginning of Year	<u>61,371</u>	<u>(11,789)</u>	<u>26,910</u>	<u>4,573</u>	<u>19,208</u>	<u>205,216</u>	<u>5,305</u>	<u>(60,159)</u>
Fund Balances at End of Year	<u>\$ 100,431</u>	<u>\$ 1,136</u>	<u>\$ 27,322</u>	<u>\$ 4,643</u>	<u>\$ 19,503</u>	<u>\$ 208,357</u>	<u>\$ 4,920</u>	<u>\$ (60,159)</u>

(Continued on next page)

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

	Permanent Funds									
	Marshall E. Charter Fund	Kimball Memorial Fund	John T. McKnight Maintenance Fund	Eugene K. Mosley Fund	Arthur Hyde Fund	Sarah H. McKinney Fund	Mary Wadsworth Gardner Fund	Hall Memorial Library Fund	Wiley Fund	Total
Revenues:										
Intergovernmental revenues	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$ 1,956,227
Other local revenues:										
Charges for services										2,753,591
Investment earnings	5,486	972	196	1	3	8	780	2,038	16	38,195
Other revenue	26,334	6,022	1,207				4,432	12,618		118,608
Total revenues	<u>31,820</u>	<u>6,994</u>	<u>1,403</u>	<u>1</u>	<u>3</u>	<u>8</u>	<u>5,212</u>	<u>14,656</u>	<u>16</u>	<u>4,866,621</u>
Expenditures:										
General government	5,363	1,226	847	1	3	8	1,002		16	251,197
Public safety										785,462
Human services										166,669
Education										3,575,727
Library								2,570		2,570
Capital outlay										385
Total expenditures	<u>5,363</u>	<u>1,226</u>	<u>847</u>	<u>1</u>	<u>3</u>	<u>8</u>	<u>1,002</u>	<u>2,570</u>	<u>16</u>	<u>4,782,010</u>
Net Change in Fund Balances	26,457	5,768	556	-	-	-	4,210	12,086	-	84,611
Fund Balances at Beginning of Year	<u>603,540</u>	<u>127,350</u>	<u>26,125</u>	<u>100</u>	<u>200</u>	<u>500</u>	<u>91,425</u>	<u>266,855</u>	<u>1,000</u>	<u>4,094,595</u>
Fund Balances at End of Year	<u>\$ 629,997</u>	<u>\$ 133,118</u>	<u>\$ 26,681</u>	<u>\$ 100</u>	<u>\$ 200</u>	<u>\$ 500</u>	<u>\$ 95,635</u>	<u>\$ 278,941</u>	<u>\$ 1,000</u>	<u>\$ 4,179,206</u>

**TOWN OF ELLINGTON, CONNECTICUT**  
**COMBINING STATEMENT OF NET POSITION**  
**NONMAJOR PROPRIETARY FUNDS**  
**JUNE 30, 2020**

	<b>Solid Waste Collection Fund</b>	<b>Watermains Tripp and Middle Roads Fund</b>	<b>Total</b>
Assets:			
Current assets:			
Accounts receivable, net	\$ 36,604	\$	\$ 36,604
Due from other funds	97,897		97,897
Total current assets	<u>134,501</u>	<u>-</u>	<u>134,501</u>
Noncurrent assets:			
Receivables		38,183	38,183
Total assets	<u>134,501</u>	<u>38,183</u>	<u>172,684</u>
Liabilities:			
Current liabilities:			
Due to other funds		109,541	109,541
Net Position:			
Unrestricted	<u>134,501</u>	<u>(71,358)</u>	<u>63,143</u>
Total Net Position	<u>\$ 134,501</u>	<u>\$ (71,358)</u>	<u>\$ 63,143</u>

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

	<b>Solid Waste Collection Fund</b>	<b>Watermain Tripp and Middle Roads Fund</b>	<b>Total</b>
Operating Revenues:			
Charges for services	\$ 653,729	\$	\$ 653,729
Operating Expenses:			
Solid waste fees	623,946		623,946
Operating Income (Loss)	29,783	-	29,783
Change in Net Position	29,783	-	29,783
Net Position at Beginning of Year	104,718	(71,358)	33,360
Net Position at End of Year	\$ 134,501	\$ (71,358)	\$ 63,143



**TOWN OF ELLINGTON, CONNECTICUT**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	<b>Solid Waste Collection Fund</b>	<b>Watermains Tripp and Middle Roads Fund</b>	<b>Total</b>
Cash Flows from Operating Activities:			
Receipts from customers and users	\$ 648,223	\$ -	\$ 648,223
Payments to suppliers	(623,946)	-	(623,946)
Interfund activities	(24,277)	-	(24,277)
Net cash provided by (used in) operating activities	-	-	-
Net Increase (Decrease) in Cash and Cash Equivalents	-	-	-
Cash and Cash Equivalents at Beginning of Year	-	-	-
Cash and Cash Equivalents at End of Year	\$ -	\$ -	\$ -
Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used in) Operating Activities:			
Operating income (loss)	\$ 29,783	\$ -	\$ 29,783
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Change in assets and liabilities:			
(Increase) decrease in accounts receivable, net	(5,506)	-	(5,506)
(Increase) decrease in due from other funds	(24,277)	-	(24,277)
Total adjustments	(29,783)	-	(29,783)
Net Cash Provided By (Used in) Operating Activities	\$ -	\$ -	\$ -

**TOWN OF ELLINGTON, CONNECTICUT**  
**COMBINING STATEMENT OF FIDUCIARY NET POSITION**  
**PRIVATE PURPOSE TRUST FUNDS**  
**JUNE 30, 2020**

	<u>Municipal Land Trust Fund</u>	<u>Public Health Nursing Fund</u>	<u>John T. McKnight Fund</u>	<u>Hall Memorial Library Fund</u>	<u>Senior Center Donation Fund</u>	<u>Graduation Fund</u>
<b>ASSETS</b>						
Cash and cash equivalents	\$ 20,515	\$ 2,409	\$ 27,142	\$ 120,651	\$	\$ 51,613
Investments						
Due from other funds					1	
Total Assets	<u>\$ 20,515</u>	<u>\$ 2,409</u>	<u>\$ 27,142</u>	<u>\$ 120,651</u>	<u>\$ 1</u>	<u>\$ 51,613</u>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Due to other funds	\$	\$	\$	\$	\$	\$ 9,482
Net Position:						
Restricted for trust purposes	<u>20,515</u>	<u>2,409</u>	<u>27,142</u>	<u>120,651</u>	<u>1</u>	<u>42,131</u>
Total Liabilities and Fund Balances	<u>\$ 20,515</u>	<u>\$ 2,409</u>	<u>\$ 27,142</u>	<u>\$ 120,651</u>	<u>\$ 1</u>	<u>\$ 51,613</u>

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**TOWN OF ELLINGTON, CONNECTICUT**  
**COMBINING STATEMENT OF FIDUCIARY NET POSITION (CONTINUED)**  
**PRIVATE PURPOSE TRUST FUNDS**  
**JUNE 30, 2020**

	<b>Senior Center Activity Fund</b>	<b>Hall Memorial Endowment Fund</b>	<b>Hall Memorial Myrtle Eddy Fund</b>	<b>Hall Memorial Moriarty Fund</b>	<b>Ellington Senior Center Building Fund</b>	<b>Total</b>
<b>ASSETS</b>						
Cash and cash equivalents	\$ 40,144	\$ 12,992	\$ 434	\$ 868	\$ 17,396	\$ 294,164
Investments		225,091	7,523	15,046		247,660
Due from other funds		28,013	479	958		29,451
Total Assets	<u>\$ 40,144</u>	<u>\$ 266,096</u>	<u>\$ 8,436</u>	<u>\$ 16,872</u>	<u>\$ 17,396</u>	<u>\$ 571,275</u>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Due to other funds	\$	\$	\$	\$	\$ 10,262	\$ 19,744
Net Position:						
Restricted for trust purposes	<u>40,144</u>	<u>266,096</u>	<u>8,436</u>	<u>16,872</u>	<u>7,134</u>	<u>551,531</u>
Total Liabilities and Fund Balances	<u>\$ 40,144</u>	<u>\$ 266,096</u>	<u>\$ 8,436</u>	<u>\$ 16,872</u>	<u>\$ 17,396</u>	<u>\$ 571,275</u>

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

	<b>Municipal Land Trust Fund</b>	<b>Public Health Nursing Fund</b>	<b>John T. McKnight Fund</b>	<b>Hall Memorial Library Fund</b>	<b>Senior Center Donation Fund</b>	<b>Graduation Fund</b>
Additions:						
Contributions	\$	\$	\$	\$ 30,482	\$	\$ 4,886
Other				12,795		
Total contributions and other	<u>-</u>	<u>-</u>	<u>-</u>	<u>43,277</u>	<u>-</u>	<u>4,886</u>
Investment earnings:						
Interest	310	37	410	55	1	643
Total additions	<u>310</u>	<u>37</u>	<u>410</u>	<u>43,332</u>	<u>1</u>	<u>5,529</u>
Deductions:						
Program expenses				52,508		16,718
Other						
Total deductions	<u>-</u>	<u>-</u>	<u>-</u>	<u>52,508</u>	<u>-</u>	<u>16,718</u>
Change in Net Position	310	37	410	(9,176)	1	(11,189)
Net Position at Beginning of Year	<u>20,205</u>	<u>2,372</u>	<u>26,732</u>	<u>129,827</u>	<u>-</u>	<u>53,320</u>
Net Position at End of Year	<u>\$ 20,515</u>	<u>\$ 2,409</u>	<u>\$ 27,142</u>	<u>\$ 120,651</u>	<u>\$ 1</u>	<u>\$ 42,131</u>

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**TOWN OF ELLINGTON, CONNECTICUT**  
**COMBINING STATEMENT OF CHANGES IN NET POSITION (CONTINUED)**  
**PRIVATE PURPOSE TRUST FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	<b>Senior Center Activity Fund</b>	<b>Hall Memorial Endowment Fund</b>	<b>Hall Memorial Myrtle Eddy Fund</b>	<b>Hall Memorial Moriarty Fund</b>	<b>Ellington Senior Center Building Fund</b>	<b>Total</b>
Additions:						
Contributions	\$ 32,925	\$	\$	\$	\$	\$ 68,293
Other		12,037	402	805		26,039
Total contributions and other	<u>32,925</u>	<u>12,037</u>	<u>402</u>	<u>805</u>	<u>-</u>	<u>94,332</u>
Investment earnings:						
Interest	21	1,944	65	130	263	3,879
Total additions	<u>32,946</u>	<u>13,981</u>	<u>467</u>	<u>935</u>	<u>263</u>	<u>98,211</u>
Deductions:						
Program expenses	35,558					104,784
Other		2,451	82	164		2,697
Total deductions	<u>35,558</u>	<u>2,451</u>	<u>82</u>	<u>164</u>	<u>-</u>	<u>107,481</u>
Change in Net Position	(2,612)	11,530	385	771	263	(9,270)
Net Position at Beginning of Year	<u>42,756</u>	<u>254,566</u>	<u>8,051</u>	<u>16,101</u>	<u>6,871</u>	<u>560,801</u>
Net Position at End of Year	<u>\$ 40,144</u>	<u>\$ 266,096</u>	<u>\$ 8,436</u>	<u>\$ 16,872</u>	<u>\$ 7,134</u>	<u>\$ 551,531</u>

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

E-1

	Balance July 01, 2019	Additions	Deductions	Balance June 30, 2020
Cash and Cash Equivalents:				
Ellington Center School	\$ 12,618	\$ 8,501	\$ 10,614	\$ 10,505
Ellington High School	230,879	333,495	343,721	220,653
Ellington Middle School	126,017	104,705	147,443	83,279
Crystal Lake School	7,168	7,082	5,612	8,638
Windemere School	21,431	18,722	18,124	22,029
Ellington School Use Activity	2,102	4,642	1,010	5,734
Special Education Preschool Department	51,925	146,772	72,740	125,957
Board of Education Educational Services	55,137	12,820	64,531	3,426
Special Education Petty Cash Reimbursement	1,023	2,722	2,734	1,011
Petty Cash - All Schools	943	22		965
Central Office Flex Spending	22,930	59,105	62,205	19,830
COBRA Reimbursement	155,421	248,488	220,658	183,251
EHS The Knight Spot		3,699	1,813	1,886
Construction Performance Bonds	199,462	20,748	20,448	199,762
Total cash and cash equivalents	<u>887,056</u>	<u>971,523</u>	<u>971,653</u>	<u>886,926</u>
 Total Assets	 \$ <u>887,056</u>	 \$ <u>971,523</u>	 \$ <u>971,653</u>	 \$ <u>886,926</u>
 Due to Others:				
Ellington Center School	12,618	8,501	10,614	10,505
Ellington High School	230,879	333,495	343,721	220,653
Ellington Middle School	126,017	104,705	147,443	83,279
Crystal Lake School	7,168	7,082	5,612	8,638
Windemere School	21,431	18,722	18,124	22,029
Ellington School Use Activity	2,102	4,642	1,010	5,734
Special Education Preschool Department	51,925	146,772	72,740	125,957
Board of Education Educational Services	55,137	12,820	64,531	3,426
Special Education Petty Cash Reimbursement	1,023	2,722	2,734	1,011
Petty Cash - All Schools	943	22		965
Central Office Flex Spending	22,930	59,105	62,205	19,830
COBRA Reimbursement	155,421	248,488	220,658	183,251
EHS The Knight Spot		3,699	1,813	1,886
Construction Performance Bonds	199,462	20,748	20,448	199,762
Total due to others	<u>887,056</u>	<u>971,523</u>	<u>971,653</u>	<u>886,926</u>
 Total Liabilities	 \$ <u>887,056</u>	 \$ <u>971,523</u>	 \$ <u>971,653</u>	 \$ <u>886,926</u>

**TOWN OF ELLINGTON, CONNECTICUT  
SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING  
FOR THE YEAR ENDED JUNE 30, 2020**

Grand List of October 1,	Uncollected Taxes July 1, 2019 and Current Levy	Lawful Corrections		Transfers to Suspense	Adjusted Tax Levy	Collections				Uncollected Taxes June 30, 2020
		Additions	Deductions			Taxes	Interest	Liens	Total	
2018	\$ 46,738,036	\$ 67,852	\$ 369,981	\$	\$ 46,435,907	\$ 46,043,904	\$ 99,944	\$ 168	\$ 46,144,016	\$ 392,003
2017	282,949	146	66,108		216,987	93,449	36,050	1,008	130,507	123,538
2016	115,291	40	1,428	30,258	83,645	65,303	22,137	325	87,765	18,342
2015	24,373	112	754		23,731	13,677	6,075	72	19,824	10,054
2014	12,996	277	754		12,519	6,747	4,448	24	11,219	5,772
2013	3,282	151	710		2,723				-	2,723
2012	1,554	555	703		1,406				-	1,406
2011	1,700	373	690		1,383				-	1,383
2010	1,480	1,041	680		1,841	478	14		492	1,363
2009	1,537	373	626		1,284				-	1,284
2008	1,062	240	619		683				-	683
2007	495	221	604		112		960		960	112
2006	488	268			756	606	1,318	24	1,948	150
2005	678	124			802	601	1,416	24	2,041	201
2004	527	19			546	416	1,197	24	1,637	130
	<u>\$ 47,186,448</u>	<u>\$ 71,792</u>	<u>\$ 443,657</u>	<u>\$ 30,258</u>	<u>\$ 46,784,325</u>	<u>46,225,181</u>	<u>\$ 173,559</u>	<u>\$ 1,669</u>	<u>46,400,409</u>	<u>\$ 559,144</u>
Suspense collections						<u>9,965</u>			<u>9,965</u>	
Total collections						<u>\$ 46,235,146</u>			<u>\$ 46,410,374</u>	

**TOWN OF ELLINGTON, CONNECTICUT**  
**SCHEDULE OF DEBT LIMITATION**  
**FOR THE YEAR ENDED JUNE 30, 2020**

Total Tax Collections, (Including Interest and Lien Fees) Received by Treasurer as of 6/30/19	\$ 44,417,484
Reimbursement for Revenue Loss on: Tax relief for elderly	<u>18,277</u>
Base	<u><u>\$ 44,435,761</u></u>

	<u>General Purposes</u>	<u>Schools</u>	<u>Sewers</u>	<u>Urban Renewal</u>	<u>Pension Deficit</u>
Debt Limitation:					
2.25 times base	\$ 99,980,462	\$	\$	\$	\$
4.50 times base		199,960,925			
3.75 times base			166,634,104		
3.25 times base				144,416,223	
3 times base					133,307,283
	<u>99,980,462</u>	<u>199,960,925</u>	<u>166,634,104</u>	<u>144,416,223</u>	<u>133,307,283</u>
Total debt limitation	<u>99,980,462</u>	<u>199,960,925</u>	<u>166,634,104</u>	<u>144,416,223</u>	<u>133,307,283</u>
Indebtedness:					
General obligation bonds	4,570,000	9,665,000	700,000		
Authorized but unissued debt		3,790,658			
	<u>4,570,000</u>	<u>13,455,658</u>	<u>700,000</u>	<u>-</u>	<u>-</u>
Total indebtedness	<u>4,570,000</u>	<u>13,455,658</u>	<u>700,000</u>	<u>-</u>	<u>-</u>
Debt Limitation in Excess of Outstanding and Authorized Debt	<u><u>\$ 95,410,462</u></u>	<u><u>\$ 186,505,267</u></u>	<u><u>\$ 165,934,104</u></u>	<u><u>\$ 144,416,223</u></u>	<u><u>\$ 133,307,283</u></u>

Note: In no case shall total indebtedness exceed seven times annual receipts from taxation, or \$311,050,327.

Note: School bonds authorized and unissued of \$3,790,658 are presented net of State grants in the amount of \$8,749,342.