

TOWN OF EAST GRANBY, CONNECTICUT

FINANCIAL STATEMENTS

**AS OF AND FOR THE YEAR ENDED
JUNE 30, 2021**

TOWN OF EAST GRANBY, CONNECTICUT
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INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

To the Board of Finance
Town of East Granby, Connecticut

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of East Granby, Connecticut (the "Town"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of East Granby, Connecticut, as of June 30, 2021, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As disclosed in Note 1 to the financial statements, the Town of adopted new accounting guidance, GASB Statement No. 84, *Fiduciary Activities*, during the year ended June 30, 2021. 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 on pages 3 through 14 and the information on pages 53 through 59 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's basic financial statements. The combining and individual fund financial statements and schedules on pages 60 through 80 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund 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 fund 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 December 17, 2021, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.



Certified Public Accountants
Glastonbury, Connecticut
December 17, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

TOWN OF EAST GRANBY, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

As management of the Town of East Granby, Connecticut (the "Town"), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2021.

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 \$30,994,587 (net position). Of this amount, \$4,719,470 represents the unrestricted net position of the Town.
- The Town's total net position increased by \$500,977 during the current fiscal year.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$9,296,300, an increase of \$6,334,536 over the prior year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund totaled \$4,023,545 or 16.5% of the Town's fiscal year 2022 authorized budgetary expenditure appropriations of \$24,366,808. Expressed another way, unassigned fund balance for the General Fund was sufficient to cover 1.98 months of General Fund operating expenditures.
- The Town's total capital assets increased by \$748,931 or 2.3% during the current fiscal year.
- The Town's total long-term bonded debt decreased by \$525,000 or 14.38% during the current fiscal year.

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 net position as the residual of these elements. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

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

TOWN OF EAST GRANBY, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

OVERVIEW OF THE FINANCIAL STATEMENTS *(Continued)*

Government-wide Financial Statements *(Continued)*

The government-wide financial statements display information about the Town's governmental activities, which include general government, culture and recreation, public safety, public works, sanitation and education. The Town does not have any business-type activities.

The government-wide financial statements include only the Town itself because there are no legally separate organizations for which the Town is financially accountable.

The government-wide financial statements can be found on pages 15 and 16 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 two categories: governmental 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 funds statement of revenues, expenditures, and changes in fund balances for the General Fund, the Capital and Nonrecurring Fund, the Capital Bond Fund and the Education Program Fund all of which are considered to be major funds. Data from the other 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 17 through 20 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 government-wide financial statements.

TOWN OF EAST GRANBY, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

OVERVIEW OF THE FINANCIAL STATEMENTS *(Continued)*

Fund Financial Statements *(Continued)*

Fiduciary Funds

The basic fiduciary fund financial statements can be found on pages 21 and 22 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 23 through 52 of this report.

Other Information

Required supplementary information and combining and individual fund statements and schedules and can be found on pages 53 through 80 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

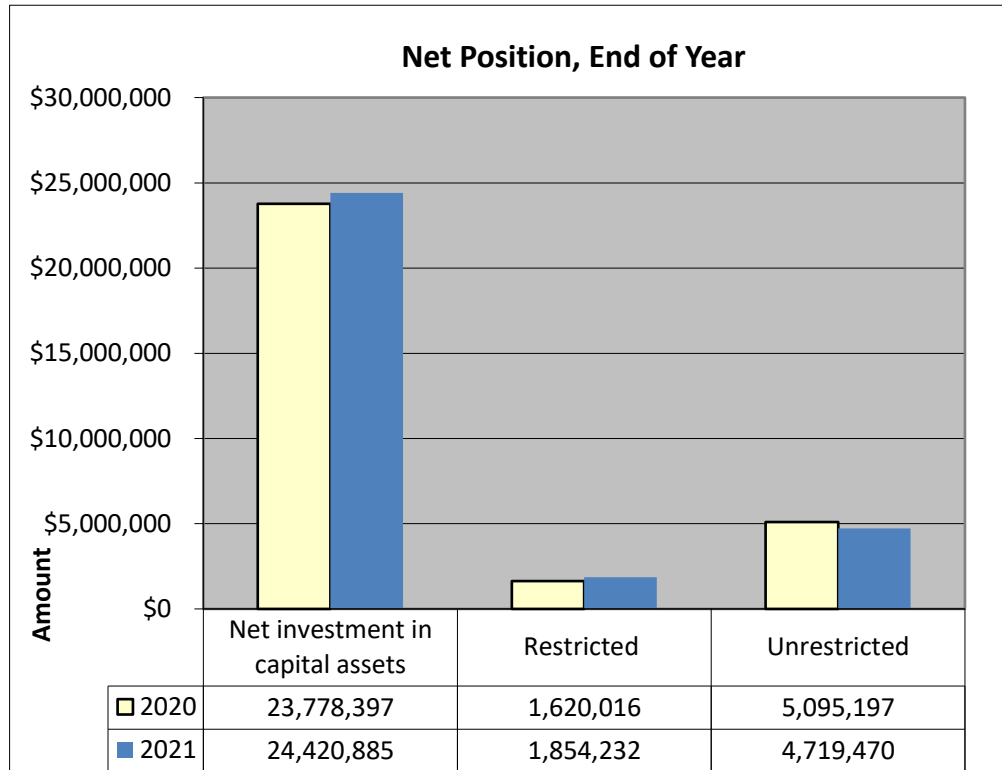
Over time, net position may serve as one measure of a government's financial position. The Town's net position as of June 30, 2020 has been restated for the implementation of GASB Statement No. 84, *Fiduciary Activities*. The effect of implementing GASB Statement No. 84 resulted in an increase to the Town's net position of \$349,173 as of June 30, 2020. Net position of the Town totaled \$30,994,587 and \$30,493,610, as restated for the implementation of GASB Statement No. 84, as of June 30, 2021 and 2020, respectively, and are summarized as follows:

	2020		\$ Change	% Change
	2021	(As Restated)		
Current and other assets	\$ 12,504,298	\$ 11,362,648	\$ 1,141,650	10.0%
Capital assets, net	33,965,053	33,216,122	748,931	2.3%
Total assets	<u>46,469,351</u>	<u>44,578,770</u>	<u>1,890,581</u>	4.2%
Deferred outflows of resources	<u>62,107</u>	<u>56,928</u>	<u>5,179</u>	9.1%
Other liabilities	9,763,765	7,892,119	1,871,646	23.7%
Long-term liabilities	<u>5,492,361</u>	<u>6,039,691</u>	<u>(547,330)</u>	-9.1%
Total liabilities	<u>15,256,126</u>	<u>13,931,810</u>	<u>1,324,316</u>	9.5%
Deferred inflows of resources	<u>280,745</u>	<u>210,278</u>	<u>70,467</u>	33.5%
Net position:				
Net investment in capital assets	24,420,885	23,778,397	642,488	2.7%
Restricted	1,854,232	1,620,016	234,216	14.5%
Unrestricted	<u>4,719,470</u>	<u>5,095,197</u>	<u>(375,727)</u>	-7.4%
Total net position	<u>\$ 30,994,587</u>	<u>\$ 30,493,610</u>	<u>\$ 500,977</u>	1.6%

TOWN OF EAST GRANBY, CONNECTICUT
 MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Net Position (Continued)



Of the Town's net position, 78.8% reflects 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.

6.0% of the Town's net position is subject to external restrictions on how they may be used and are, therefore, presented as restricted.

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 \$500,977.

TOWN OF EAST GRANBY, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Changes in Net Position

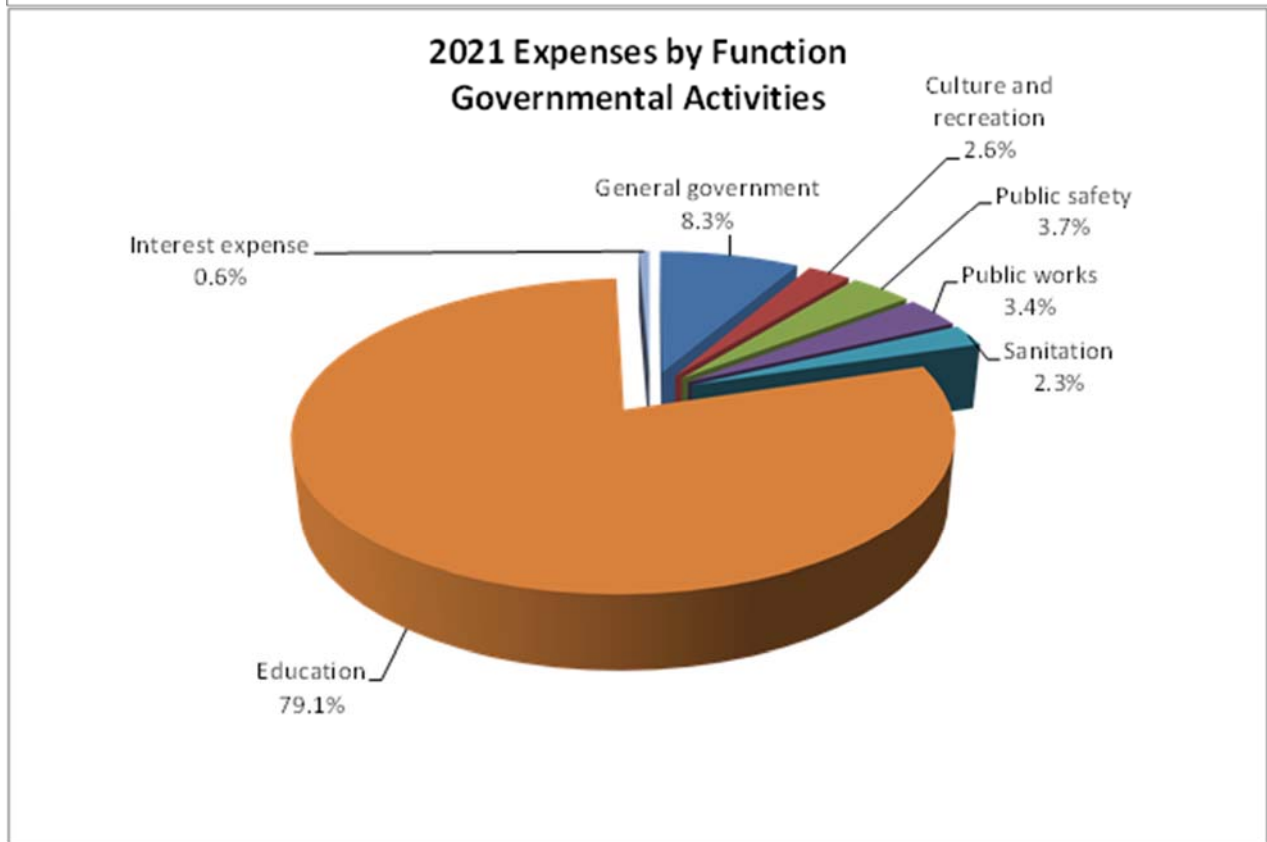
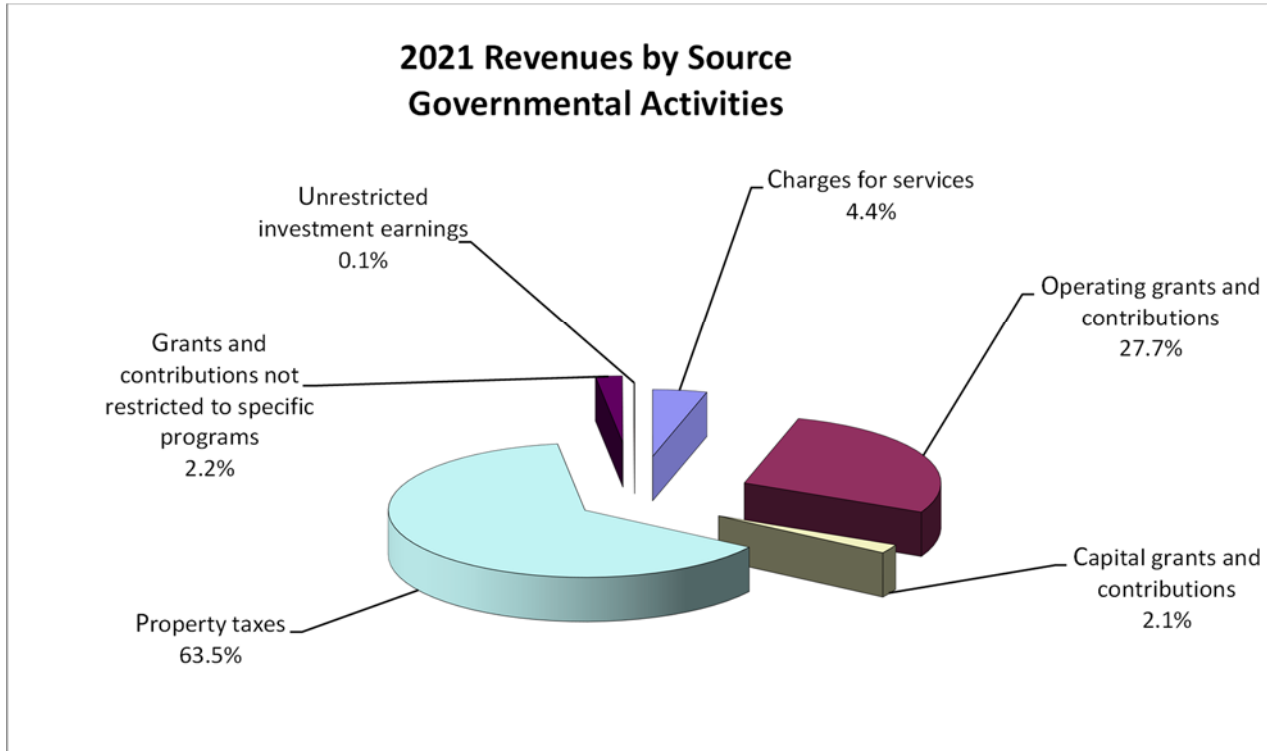
The change in net position for the year ended June 30, 2020 has been restated for the implementation of GASB Statement No. 84, *Fiduciary Activities*. The effect of implementing GASB Statement No. 84 resulted in an increase to the Town's change in net position of \$7,096 for the year ended June 30, 2020. In addition, certain reclassifications were made to amounts reported for the year ended June 30, 2020 in order to conform to the current year presentation. Changes in net position for the years ended June 30, 2021 and 2020, as restated for the implementation of GASB Statement No. 84, are as follows:

	2021	2020 (As Restated)	\$ Change	% Change
Program revenues:				
Charges for services	\$ 1,420,054	\$ 1,578,754	\$ (158,700)	-10.1%
Operating grants and contributions	8,850,031	6,549,118	2,300,913	35.1%
Capital grants and contributions	672,373	1,353,128	(680,755)	-50.3%
General revenues:				
Property taxes	20,256,833	20,146,663	110,170	0.5%
Grants and contributions	697,204	685,480	11,724	1.7%
Investment earnings	15,280	177,335	(162,055)	-91.4%
Total revenues	<u>31,911,775</u>	<u>30,490,478</u>	<u>1,421,297</u>	4.7%
Program expenses:				
General government	2,604,918	2,540,675	64,243	2.5%
Culture and recreation	805,037	786,277	18,760	2.4%
Public safety	1,155,582	962,048	193,534	20.1%
Public works	1,053,672	1,073,545	(19,873)	-1.9%
Sanitation	734,388	691,885	42,503	6.1%
Education	24,855,989	21,925,382	2,930,607	13.4%
Interest expense	201,212	176,881	24,331	13.8%
Total expenses	<u>31,410,798</u>	<u>28,156,693</u>	<u>3,254,105</u>	11.6%
Change in net position	<u>\$ 500,977</u>	<u>\$ 2,333,785</u>	<u>\$ (1,832,808)</u>	-78.5%

TOWN OF EAST GRANBY, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Changes in Net Position (Continued)



TOWN OF EAST GRANBY, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

GOVERNMENT-WIDE FINANCIAL ANALYSIS *(Continued)*

Changes in Net Position *(Continued)*

Governmental activities increased the Town's net position by \$500,977. Revenues generated by the Town increased by \$1,421,297 or 4.7% and expenses for the Town increased by \$3,254,105 or 11.6% in comparison to prior year.

A summary of significant items impacting revenues are as follows:

- An increase in operating grants in the amount of \$2,300,913 or 35.1% over the prior year. This increase was due primarily to an increase in the amount recognized for the Town's participation in the Connecticut Teachers' Retirement System of \$1,650,116. Although the Town is not liable for pension and other post-employment benefits provided by the Connecticut Teachers' Retirement System, the Town recognizes a contribution for the full pension and other post-employment expenses that are attributed to employees of the Town's School District. Other significant changes include additional grant funding received in the amount of \$418,655 related to the COVID-19 pandemic.
- A decrease in capital grants and contributions in the amount of \$680,755 or 50.3% over the prior year. In general, capital grants and contributions are non-recurring in nature and are expected to fluctuate significantly year over year. Capital grants recognized during the prior year included \$1,007,465 in school construction reimbursements compared to \$305,343 recognized in the current year.
- A decrease in investment earnings in the amount of \$162,055 or 91.4%. This decrease was driven by an overall decrease in average interest rates paid on short-term investments.

A summary of items impacting expenses are as follows:

- An increase in public safety expenses in the amount of \$193,534 or 20.1%. This includes budgetary increases of \$35,650 for police and fire services, additional public safety costs incurred related to the COVID-19 pandemic, and an increase in depreciation on public safety capital equipment.
- An increase in education expenses in the amount of \$2,930,607 or 13.4%. This increase was primarily driven by increases in pension and other post-employment expenses of \$1,650,116 recognized by the Connecticut Teachers' Retirement System. In addition, education expenses include budgetary increases of \$666,762 related to contractual increases in certified salaries, increased costs for noncertified personnel and substitutes, and increases in special education tuition. In addition, education expenses funded by grants included additional costs incurred during the current year in response to the COVID-19 pandemic.

TOWN OF EAST GRANBY, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

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 \$9,296,300, an increase of \$6,334,536 in comparison with the prior year. The overall increase in fund balances were driven by the issuance of bond anticipation notes in the amount of \$7,000,000 that were subsequently funded by the issuance of general obligation bonds in July 2021.

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 \$4,023,545, while total fund balance was \$4,920,927. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance for the General Fund totaled 16.4% of the Town's fiscal year 2022 authorized budgetary expenditure appropriations of \$24,366,808. Expressed another way, unassigned fund balance for the General Fund was sufficient to cover 1.98 months of General Fund operating expenditures.

The fund balance of the General Fund decreased by \$202,820 during the current fiscal year. Refer to General Fund budgetary highlights below for discussions related to current year activities.

Capital and Nonrecurring Fund

The fund balance of the Capital and Nonrecurring Fund decreased by \$262,674 during the current fiscal year from \$1,717,374 to \$1,454,700. A summary of capital projects authorized and costs incurred is presented on page 66 of this report.

Capital Bond Fund

The fund balance of the Capital Bond Fund increased by \$6,343,046 during the current fiscal year from a deficit of \$5,719,653 to a surplus of \$623,393. The increase in fund balance is due to the recognition of short-term debt proceeds as an other financing source in the current year as a result of the Town permanently funding the debt through the issuance of general obligation bonds in July 2021. Proceeds from this debt were used to finance repair and replacement of school and Town building roofs, for repaving and repairing of Town roads, bridges, and parking lots, and providing HVAC and electrical upgrades for Allgrove School.

TOWN OF EAST GRANBY, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

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

EDUCATION PROGRAM FUND

The fund balance of the Education Program Fund increased by \$378,388 during the year ended June 30, 2021 from \$348,277 to \$726,665. This fund accounts for restricted grants and reimbursement from federal, State and local sources.

GENERAL FUND BUDGETARY HIGHLIGHTS

The original budget for the year ended June 30, 2021 planned for the use of fund balance in the amount of \$420,649 to balance the budget. The actual change in fund balance on a budgetary basis totaled \$103,261, resulting in a favorable budgetary variance in the amount of \$523,910. Revenues exceeded budgetary estimates by \$151,609 and expenditures were less than budgetary estimates by \$350,623. The revenue surplus was derived from favorable variances on property tax collections and building permits. The expenditure surplus was derived from favorable variances across all departments.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The Town's investment in capital assets for its governmental activities as of June 30, 2021 totaled \$33,965,053 (net of accumulated depreciation). This investment in capital assets includes land and land improvements, buildings and improvements, machinery, equipment and furniture and fixtures, vehicles, and infrastructure. The Town's investment in capital assets increased by \$748,931 or 2.3%.

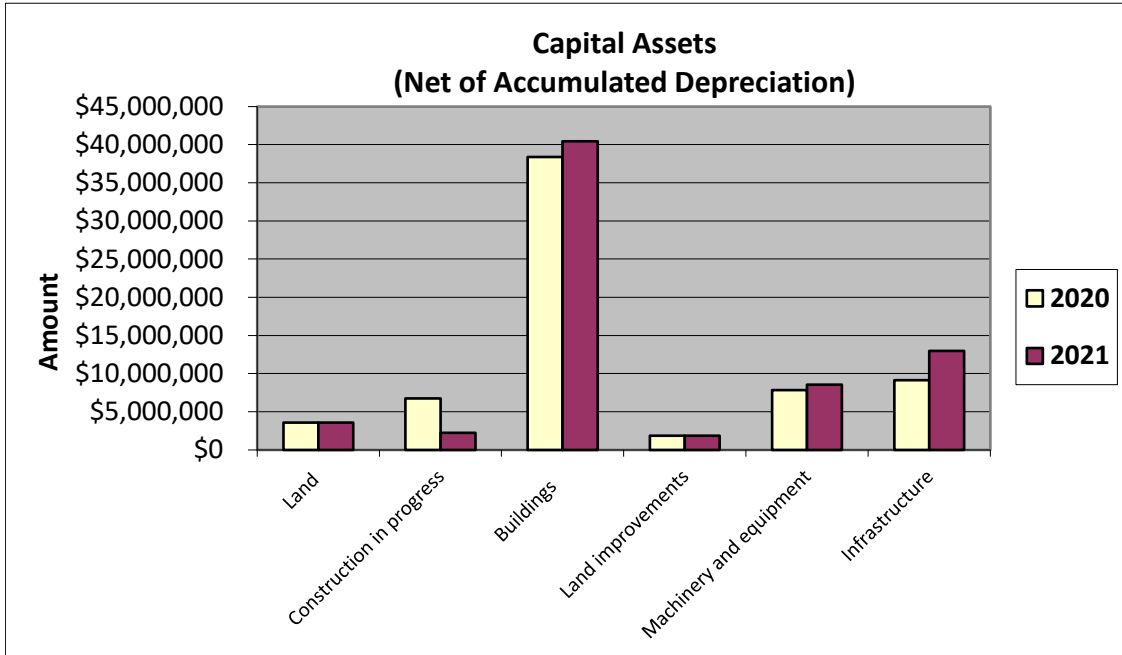
The following table is a two-year comparison of the investment in capital assets, net of accumulated depreciation:

	<u>2021</u>	<u>2020</u>	<u>\$ Change</u>	<u>% Change</u>
Land	\$ 3,571,922	\$ 3,571,922	\$ -	0.0%
Construction in progress	2,247,724	6,765,581	(4,517,857)	-66.8%
Buildings	40,437,775	38,374,426	2,063,349	5.4%
Land improvements	1,881,849	1,881,849	-	0.0%
Machinery and equipment	8,568,752	7,842,707	726,045	9.3%
Infrastructure	12,989,130	9,127,262	3,861,868	42.3%
Accumulated depreciation	(35,732,099)	(34,347,625)	(1,384,474)	4.0%
Totals	<u>\$ 33,965,053</u>	<u>\$ 33,216,122</u>	<u>\$ 748,931</u>	2.3%

TOWN OF EAST GRANBY, CONNECTICUT
 MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

CAPITAL ASSET AND DEBT ADMINISTRATION *(Continued)*

Capital Assets *(Continued)*



Major capital asset events during the current fiscal year consisted of capital asset additions of \$2,133,405, offset by depreciation expense of \$1,384,474.

Significant capital asset activity consisted of the completion of the Allgrove Roof Project and continued road improvements funded by general obligation debt and government grants.

Additional information on the Town's capital assets can be found in Note 3 of this report.

TOWN OF EAST GRANBY, CONNECTICUT
 MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

CAPITAL ASSET AND DEBT ADMINISTRATION *(Continued)*

Debt

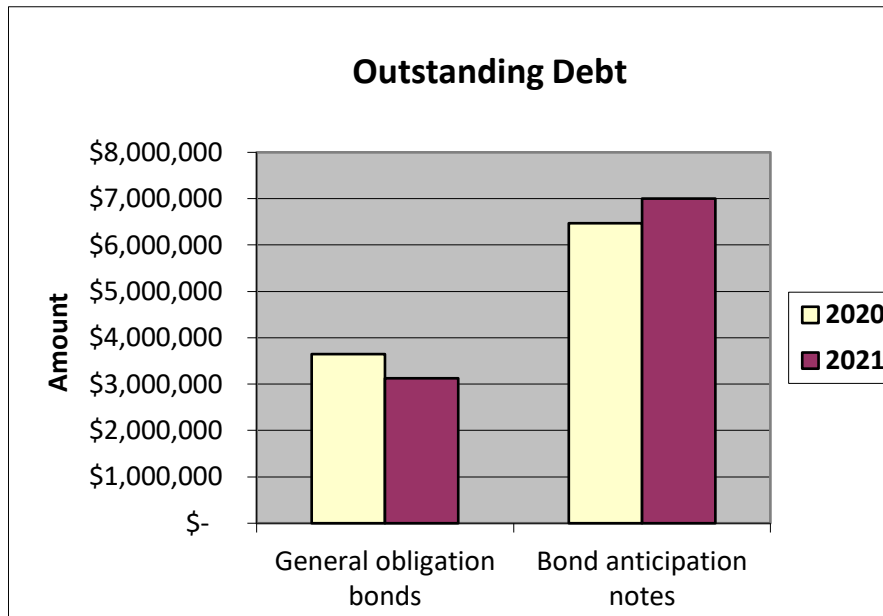
At the end of the current fiscal year, the Town had total long-term bonded debt outstanding of \$3,125,000 and total short-term bonded debt outstanding of \$7,000,000, all of which is backed by the full faith and credit of the Town. The Town's total long-term bonded debt decreased by \$525,000 or 14.4% during the current fiscal year due to scheduled debt service payments. The Town's short-term bonded debt increased by \$530,000 due to the issuance of additional general obligation bond anticipation notes. Proceeds from the notes are being used to provide temporary funding for authorized capital projects. In July 2021, the Town permanently funded these through the issuance of general obligation bonds.

The Town maintains an "Aa2" rating from Moody's Investor Service for general obligation debt.

State statutes limit the amount of general obligation debt the Town may issue to 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.

The following is a two-year comparison of long-term and short-term bonded debt:

	<u>2021</u>	<u>2020</u>	<u>\$ Change</u>	<u>% Change</u>
General obligation bonds	\$ 3,125,000	\$ 3,650,000	\$ (525,000)	-14.38%
Bond anticipation notes	7,000,000	6,470,000	530,000	8.19%
Totals	<u>\$ 10,125,000</u>	<u>\$ 10,120,000</u>	<u>\$ 5,000</u>	0.05%



Additional information on the Town's short-term and long-term debt can be found in Notes 7 and 8 of this report.

TOWN OF EAST GRANBY, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

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

- Inflationary trends in the region approximate national indices.
- For purposes of calculating property tax revenues, the assessor's grand list is used along with an estimated tax rate and an estimated rate of collection, with deductions for payment in lieu of taxes to be paid by the State on-behalf of certain taxpayers.
- The Town receives a significant amount of municipal aid from the State of Connecticut. Potential cuts in funding could negatively impact the Town's mill rate and/or the types and quality of services provided to its citizens.
- In 2020, there was a global outbreak of COVID-19 that was declared a Public Health Emergency of International Concern by the World Health Organization and was subsequently declared a state of emergency by the Governor of Connecticut and a national emergency by the President of the United States. The extent to which COVID-19 will impact the Town's tax base, operations and its financial condition will ultimately depend on future developments that are uncertain and cannot be fully predicted with confidence at this time.

All of these factors were considered in preparing the Town's budget for fiscal year 2022. The Town's fiscal year 2022 approved budget contemplates budgetary expenditure appropriations in the amount of \$24,366,808. The fiscal year 2022 budget contemplates the use of fund balance in the amount of \$655,180 to reduce the overall impact on the Town's mill rate.

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 First Selectman, 9 Center Street, P.O. Box 1858, East Granby, Connecticut 06026-1858.

BASIC FINANCIAL STATEMENTS

TOWN OF EAST GRANBY, CONNECTICUT
STATEMENT OF NET POSITION
AS OF JUNE 30, 2021

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 11,784,901
Investments	41,140
Receivables:	
Property taxes and interest, net	420,905
Grants and contracts	47,496
Other	207,395
Prepays	2,461
Capital assets:	
Non-depreciable	5,819,646
Depreciable, net	28,145,407
Total assets	46,469,351
 DEFERRED OUTFLOWS OF RESOURCES	
Deferred charges on OPEB expense	62,107
 LIABILITIES	
Accounts payable	1,131,146
Accrued liabilities	261,387
Bond anticipation notes payable	7,000,000
Performance bonds payable	269,061
Unearned revenue	1,102,171
Noncurrent liabilities:	
Due within one year	759,453
Due in more than one year	4,732,908
Total liabilities	15,256,126
 DEFERRED INFLOWS OF RESOURCES	
Deferred charges on OPEB expense	280,745
Total deferred inflows of resources	280,745
 NET POSITION	
Net investment in capital assets	24,420,885
Restricted for:	
Capital purposes	275,276
Road maintenance and improvements	731,740
Educational purposes	726,665
Other purposes	120,551
Unrestricted	4,719,470
Total net position	\$ 30,994,587

The accompanying notes are an integral part of these financial statements .

TOWN OF EAST GRANBY, CONNECTICUT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Change in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Primary Government:					
Governmental activities:					
General government	\$ 2,604,918	\$ 287,126	\$ 202,148	\$ -	\$ (2,115,644)
Culture and recreation	805,037	137,497	30,857	-	(636,683)
Public safety	1,155,582	22,688	70,761	-	(1,062,133)
Public works	1,053,672	166,658	516,902	367,030	(3,082)
Sanitation	734,388	317,235	-	-	(417,153)
Education	24,855,989	488,850	8,029,363	305,343	(16,032,433)
Interest expense	201,212	-	-	-	(201,212)
Total governmental activities	<u>\$ 31,410,798</u>	<u>\$ 1,420,054</u>	<u>\$ 8,850,031</u>	<u>\$ 672,373</u>	<u>(20,468,340)</u>
General revenues:					
					20,256,833
					697,204
					15,280
					<u>20,969,317</u>
					500,977
					30,144,437
					349,173
					<u>30,493,610</u>
					<u>\$ 30,994,587</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF EAST GRANBY, CONNECTICUT
BALANCE SHEET -
GOVERNMENTAL FUNDS
AS OF JUNE 30, 2021

	<u>Capital Projects Funds</u>			<u>Special Revenue Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
	<u>General Fund</u>	<u>Capital and Nonrecurring Fund</u>	<u>Capital Bond Fund</u>	<u>Education Program Fund</u>		
ASSETS						
Cash and cash equivalents	\$ 10,452,991	\$ -	\$ -	\$ 718,866	\$ 613,044	\$ 11,784,901
Investments	41,140	-	-	-	-	41,140
Receivables:						
Property taxes and interest, net	420,905	-	-	-	-	420,905
Grants and contracts	-	-	-	47,496	-	47,496
Other	54,031	-	-	-	153,364	207,395
Due from other funds	228,110	1,454,700	830,604	-	2,593,498	5,106,912
Prepaid items	2,461	-	-	-	-	2,461
Total assets	<u>\$ 11,199,638</u>	<u>\$ 1,454,700</u>	<u>\$ 830,604</u>	<u>\$ 766,362</u>	<u>\$ 3,359,906</u>	<u>\$ 17,611,210</u>
LIABILITIES						
Accounts payable	\$ 578,592	\$ -	\$ 207,211	\$ 39,697	\$ 305,646	\$ 1,131,146
Salaries and benefits payable	158,506	-	-	-	-	158,506
Performance bonds payable	269,061	-	-	-	-	269,061
Due to other funds	4,878,802	-	-	-	228,110	5,106,912
Unearned revenue	-	-	-	-	1,102,171	1,102,171
Total liabilities	<u>5,884,961</u>	<u>-</u>	<u>207,211</u>	<u>39,697</u>	<u>1,635,927</u>	<u>7,767,796</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	<u>393,750</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>153,364</u>	<u>547,114</u>
FUND BALANCES						
Nonspendable	2,461	-	-	-	-	2,461
Restricted for:						
Capital purposes	-	275,276	623,393	-	-	898,669
Road maintenance and improvements	-	-	-	-	731,740	731,740
Educational purposes	-	-	-	726,665	358,867	1,085,532
Other purposes	-	-	-	-	120,551	120,551
Committed for:						
Capital purposes	-	768,922	-	-	194,873	963,795
Educational purposes	-	-	-	-	340,960	340,960
Sanitation programs	-	-	-	-	156,602	156,602
Other purposes	-	-	-	-	178,266	178,266
Assigned to:						
Capital purposes	-	410,502	-	-	-	410,502
Encumbrances	239,741	-	-	-	-	239,741
Use in subsequent year's budget	655,180	-	-	-	-	655,180
Unassigned	4,023,545	-	-	-	(511,244)	3,512,301
Total fund balances	<u>4,920,927</u>	<u>1,454,700</u>	<u>623,393</u>	<u>726,665</u>	<u>1,570,615</u>	<u>9,296,300</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 11,199,638</u>	<u>\$ 1,454,700</u>	<u>\$ 830,604</u>	<u>\$ 766,362</u>	<u>\$ 3,359,906</u>	<u>\$ 17,611,210</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF EAST GRANBY, CONNECTICUT
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
AS OF JUNE 30, 2021

Total fund balance for governmental funds	\$	9,296,300
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. Those assets consist of:		
Capital assets	\$ 69,697,152	
Less: accumulated depreciation	<u>(35,732,099)</u>	
Total capital assets, net		33,965,053
Some of the Town's taxes, assessments, and interest receivables will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and therefore are deferred in the funds.		
		547,114
Deferred charges on the total OPEB liability is not susceptible to accrual and therefore is not reported in the funds.		
		(218,638)
Long-term liabilities applicable to the Town's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities - both current and long-term - are reported in the statement of net position.		
Accrued interest payable	(102,881)	
Long-term debt:		
Bonds payable	(3,125,000)	
Bond anticipation notes	(7,000,000)	
Unamortized bond premium	(37,289)	
Contracts payable	(5,272)	
Other long-term liabilities:		
Landfill post-closure care liability	(15,523)	
Compensated absences	(217,825)	
Total OPEB liability	<u>(2,091,452)</u>	
		<u>(12,595,242)</u>
Net position of governmental activities	\$	<u><u>30,994,587</u></u>

The accompanying notes are an integral part of these financial statements .

TOWN OF EAST GRANBY, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Capital Projects Funds			Special Revenue Fund	Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Capital and Nonrecurring Fund	Capital Bond Fund	Education Program Fund		
REVENUES						
Property taxes	\$ 20,236,197	\$ -	\$ -	\$ -	\$ -	\$ 20,236,197
Intergovernmental	5,074,709	13,224	300,992	861,245	862,109	7,112,279
Charges for services	393,411	-	-	380,000	573,114	1,346,525
Interest income	9,038	2,160	-	-	4,082	15,280
Other	-	2,404	-	-	112,069	114,473
Total revenues	<u>25,713,355</u>	<u>17,788</u>	<u>300,992</u>	<u>1,241,245</u>	<u>1,551,374</u>	<u>28,824,754</u>
EXPENDITURES						
Current:						
General government	2,547,737	900	-	-	38,228	2,586,865
Culture and recreation	342,482	-	-	-	182,676	525,158
Public safety	940,281	-	-	-	101,429	1,041,710
Public works	715,674	-	-	-	504,701	1,220,375
Sanitation	247,287	-	-	-	459,506	706,793
Education	19,804,974	-	-	862,857	284,858	20,952,689
Capital outlays	-	780,942	1,005,028	-	-	1,785,970
Debt service	717,740	-	-	-	-	717,740
Total expenditures	<u>25,316,175</u>	<u>781,842</u>	<u>1,005,028</u>	<u>862,857</u>	<u>1,571,398</u>	<u>29,537,300</u>
Excess (deficiency) of revenues over expenditures	397,180	(764,054)	(704,036)	378,388	(20,024)	(712,546)
OTHER FINANCING SOURCES (USES)						
Bond anticipation notes issued	-	-	7,000,000	-	-	7,000,000
Premium on notes issued	-	-	47,082	-	-	47,082
Transfers in	-	600,000	-	-	98,620	698,620
Transfers out	(600,000)	(98,620)	-	-	-	(698,620)
Total other financing sources (uses)	<u>(600,000)</u>	<u>501,380</u>	<u>7,047,082</u>	<u>-</u>	<u>98,620</u>	<u>7,047,082</u>
Net change in fund balances	(202,820)	(262,674)	6,343,046	378,388	78,596	6,334,536
Fund balances - beginning, as adjusted (see Note 1)	<u>5,123,747</u>	<u>1,717,374</u>	<u>(5,719,653)</u>	<u>348,277</u>	<u>1,492,019</u>	<u>2,961,764</u>
Fund balances - ending	<u>\$ 4,920,927</u>	<u>\$ 1,454,700</u>	<u>\$ 623,393</u>	<u>\$ 726,665</u>	<u>\$ 1,570,615</u>	<u>\$ 9,296,300</u>

The accompanying notes are an integral part of these financial statements .

TOWN OF EAST GRANBY, CONNECTICUT
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
 TO THE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2021

Net change in fund balances - total governmental funds \$ 6,334,536

Total change in net position reported for governmental activities in the statement of activities is different because:

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. The amount by which capital outlays exceeded depreciation and amortization expense in the current period is as follows:

Expenditures for capital assets	\$ 2,133,405	
Depreciation and amortization expense	(1,384,474)	
Net adjustment		748,931

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal on long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. The net effect of these differences in the treatment of long-term obligations is as follows:

Debt issued or incurred:		
Bond anticipation notes	(7,000,000)	
Principal repayments:		
Bonds payable	525,000	
Contract payable	16,153	
Net adjustment		(6,458,847)

Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. The net effect of such items is as follows:

Accrued interest	(81,065)	
Amortization of bond premium	9,358	
Landfill post-closure care liability	11,356	
Compensated absences	(9,000)	
Total OPEB liability	(5,537)	
Deferred charges on total OPEB liability	(69,391)	(144,279)

Certain revenues reported in the statement of activities do not provide current financial resources and, therefore, are reported as unavailable revenues in the governmental funds. This amount represents the change in unavailable revenues.

	20,636	
Change in net position of governmental activities		\$ 500,977

The accompanying notes are an integral part of these financial statements .

TOWN OF EAST GRANBY, CONNECTICUT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
AS OF JUNE 30, 2021

	Pension Trust Funds
ASSETS	
Investments:	
Fixed insurance contracts	\$ 691,379
Variable insurance contracts	3,985,351
Loans receivable	50,230
Total assets	4,726,960
LIABILITIES	
Payables	-
Total liabilities	-
NET POSITION	
Restricted for pensions	\$ 4,726,960

The accompanying notes are an integral part of these financial statements .

TOWN OF EAST GRANBY, CONNECTICUT
STATEMENT OF CHANGES
IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Pension Trust Funds</u>
ADDITIONS	
Contributions:	
Employer	\$ 152,468
Plan members	96,650
Total contributions	<u>249,118</u>
Investment earnings:	
Net change in the fair value of investment, net of fees	<u>950,337</u>
Total additions	1,199,455
DEDUCTIONS	
Benefit payments	53,500
Administrative expenses	325
Total deductions	<u>53,825</u>
Change in net position	1,145,630
Net position - beginning	<u>3,581,330</u>
Net position - ending	<u><u>\$ 4,726,960</u></u>

The accompanying notes are an integral part of these financial statements .

TOWN OF EAST GRANBY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Town of East Granby, Connecticut (the "Town"), conform to accounting principles generally accepted in the United States of America, as applicable to governmental organizations. The following is a summary of significant accounting policies:

Financial Reporting Entity

History and Organization

The Town was formed under the Statutes of the State of Connecticut and is governed by an elected Board of Selectmen, a Board of Finance and through Town meetings. The Town provides general government, culture and recreation, public safety, public works, sanitation and education services.

The Board of Selectmen is the executive branch of the Town and is responsible for the administration of the Town. The legislative power, including enacting, amending or repealing ordinances and resolutions, is conducted through Town Meetings. The Board of Finance is responsible for financial and taxation matters as prescribed by Connecticut General Statutes and is responsible for presenting fiscal operating budgets for Town Meeting approval.

Accounting principles generally accepted in the United States of America require that the reporting entity include, the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The Town has determined that there are no agencies or entities, which should be presented within the Town's financial statements based on these criteria.

Related Organizations

The Town is a member of the Capitol Region Council of Governments ("CRCOG"), which is a voluntary Council of Governments formed to initiate and implement regional programs of benefit to member towns within the Greater Hartford region. CRCOG is governed by the chief elected officials of 38 Metro Hartford municipalities and the First Selectman of the Town serves on the governing Policy Board and the Executive Committee.

The Town is a member of the Farmington Valley Health District (the "Health District"), which provides food protection, environmental health, community health and emergency preparedness services to its ten member towns. The chairman of the Town's Board of Finance serves on the Health District's governing Board of Directors.

The Town is a member of the Materials Innovation Recycling Authority's (the "Authority") Connecticut Solid Waste System, which provides municipal solid waste and recycling services. The First Selectman of the Town serves on the Authority's governing Board of Directors.

Government-Wide and Fund Financial Statements

Government-wide Financial Statements

The statement of net position and the statement of activities display information about the Town and include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions.

TOWN OF EAST GRANBY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Government-Wide and Fund Financial Statements *(Continued)*

Government-wide Financial Statements *(Continued)*

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. 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 and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported as general revenues.

Fund Financial Statements

The fund financial statements provide information about the Town's funds, including its fiduciary funds. Separate statements for each fund category - governmental and fiduciary - are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

The Town reports the following major governmental funds:

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

Capital and Nonrecurring Fund - This fund accounts for financial revenues used for the financing of the planning, construction, reconstruction or acquisition of any specific capital improvement or the acquisition of specific equipment and capital additions.

Capital Bond Fund - This fund accounts for the financial resources utilized to fund capital outlays associated with the \$12,200,000 appropriation for the planning, design, construction, reconstruction and improvements of i) various school and town buildings roofs, ii) HVAC and electrical upgrades to a town school, and iii) repair and repavement of various town roads, town campus parking lots, and the Floydville bridge.

Education Program Fund - This fund accounts for education expenditures funded by restricted federal and State grants and from open choice tuition from the City of Hartford.

In addition, the Town reports the following fiduciary fund types:

Pension Trust Funds - These funds are used to account for the activities of the Town's defined contribution retirement plans, which accumulate resources for retirement benefit payments to qualified employees.

TOWN OF EAST GRANBY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are prepared using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are susceptible to accrual, that is, when they are both measurable and available. Revenues are considered to be available if they are collected within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues in the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received or available to be received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when the cash is received.

The pension trust funds are reported using the economic resources measurement focus and the accrual basis of accounting.

Implementation of Accounting Standards

Effective July 1, 2020, the Town implemented the provisions of GASB Statement No. 84, *Fiduciary Activities* ("Statement No. 84"). The objective of this statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. Based on the application of Statement No. 84, the Town has recharacterized certain activities previously reported as fiduciary activities. The Town has reported the cumulative effect of applying Statement No. 84 as a restatement of its beginning net position and fund balances as follows:

	Governmental Activities	Governmental Funds
Net position/fund balances - beginning, as originally reported	\$ 30,144,437	\$ 2,612,591
Recharacterization of certain activities previously reported as fiduciary activities	349,173	349,173
Net position/fund balances - beginning, as adjusted	<u>\$ 30,493,610</u>	<u>\$ 2,961,764</u>

TOWN OF EAST GRANBY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Assets, Liabilities, Deferred Outflows and Inflows of Resources and Net Position/Fund Equity

Cash and Cash Equivalents

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments

Investments are measured by the Town at fair value (generally based on quoted market prices), except for investments in certain external investment pools and insurance contracts.

Investments in certain external investment pools consist of the Short-Term Investment Fund (STIF), which is managed by the State of Connecticut Treasurer's Office. Investments in STIF, which is permitted to measure its investment holdings at amortized costs, are measured by the Town at the net asset value per share as determined by the pool.

Investments in insurance contracts are measured by the Town at contract value, which approximates fair value.

Donor-restricted Endowments

The Town is a beneficiary of the Richard Dudley Seymour Charitable Trust, an irrevocable perpetual charitable support trust ("CST"). Under the CST, the Town receives 25% of the total annual income of the CST for the purpose of maintaining the upkeep of the Holcomb Cemetery.

The Town allocates investment income on endowment investments in accordance with donor restrictions and Connecticut law. The State of Connecticut adopted the provisions of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) effective October 1, 2007. UPMIFA requires the investment of endowments in good faith and with the care that an ordinarily prudent person in a like position would exercise under similar circumstances. It requires prudence in incurring investment costs, authorizing only costs that are appropriate and reasonable. Factors to be considered in investing are expanded to include, for example, the effects of inflation. UPMIFA emphasizes that investment decisions be made in relation to the overall resources of the Town.

Inventories and Prepaid Items

Inventories are reported at cost using the first-in first-out (FIFO) method. Inventories 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.

TOWN OF EAST GRANBY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Assets, Liabilities, Deferred Outflows and Inflows of Resources and Net Position/Fund Equity *(Continued)*

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. Taxes become delinquent thirty days after the installment is due and liens are filed on delinquent real estate taxes within one year. Liens are effective on the assessment date and are continued by filing before the end of the year following the due date. Based on historical collection experience and other factors, the Town has established an allowance for uncollectible taxes and interest of \$78,000 and \$116,000, respectively, as of June 30, 2021.

Sewer Usage Charges

Usage charges are billed either annually or semi-annually depending upon the bill amount. Usage charges are due and payable within thirty days and delinquent amounts are subject to interest at prevailing rates.

Capital Assets

Capital assets, which include property, equipment, and infrastructure assets (e.g. roads, bridges, and sidewalks), are reported in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial individual cost of more than \$5,000 and an estimated useful life of more than two years. Such assets are recorded at historical cost, or estimated historical cost, if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of a capital asset or materially extend capital asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

<u>Assets</u>	<u>Years</u>
Land improvements	20
Buildings and improvements	20 - 40
Machinery, equipment, furniture and Fixtures	5 - 10
Vehicles	8
Infrastructure	20 - 50

Unearned Revenue

This liability represents resources that have been received but not yet earned.

TOWN OF EAST GRANBY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Assets, Liabilities, Deferred Outflows and Inflows of Resources and Net Position/Fund Equity *(Continued)*

Deferred Outflows and Inflows of Resources

Deferred outflows and inflows of resources represent a consumption or an acquisition of net position that applies to a future period(s) and so will not be recognized as an outflow or inflow of resources until that time.

The Town reports unavailable revenues from property taxes, sewer usage charges, and related interest in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The Town also reports deferred charges on OPEB expense in the government-wide statement of net position, which results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in OPEB expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits.

Compensated Absences and Early Retirement Incentives

Employees are granted vacation and sick leave pursuant to Town policies and terms negotiated in union contracts. For Town employees, unused vacation and sick days can be accumulated from year to year up to certain limits. For Board of Education employees, only unused vacation days can be accumulated from year to year up to certain limits.

All compensated absences and early retirement incentives are accrued when incurred in the government-wide financial statements. Expenditures for compensated absences and early retirement incentives are recognized in the governmental fund financial statements in the current year to the extent they are paid during the year, or the vested amount is expected to be paid with available resources.

Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable 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 are expenses when incurred.

In the fund financial statements, governmental funds 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.

TOWN OF EAST GRANBY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Assets, Liabilities, Deferred Outflows and Inflows of Resources and Net Position/Fund Equity *(Continued)*

Net Position and Fund Balances

The statement of net position presents the Town's assets, deferred outflows and inflows of resources, and liabilities, with net position as the residual of these elements. Net position is reported in three categories:

Net investment in capital assets - This component of net position consists of capital assets, net of accumulated depreciation and amortization and reduced by outstanding balances for bonds, notes and other debt that are attributed to the acquisition, construction or improvement of capital assets.

Restricted net position - This component of net position consists of amounts whose use is restricted either through external restrictions imposed by creditors, grantors, contributors, and the like, or through restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position - This component of net position is the net amount of assets, liabilities, and deferred outflows and inflows of resources, which do not meet the definition of the preceding two categories.

The Town's governmental funds report the following fund balance categories:

Nonspendable - Amounts that cannot be spent because they are not in spendable form or they are legally or contractually required to be maintained intact.

Restricted - Constraints placed on the use of resources that are either externally imposed by creditors, grantors, contributors or laws and regulations of other governments, or imposed by law through enabling legislation.

Committed - Amounts can be only used for specific purposes pursuant to constraints imposed by formal action by the Town and cannot be used for any other purpose unless the Town removes or changes the specified use by taking the same formal action.

Assigned - Amounts are constrained by the Town's intent to be used for specific purposes, but are not restricted or committed. Amounts may be constrained to be used for a specific purpose by a governing board or body or official that has been delegated authority to assign amounts by Connecticut General Statutes and include the First Selectman and the Treasurer.

Unassigned - Residual classification for the General Fund or amounts necessary in other governmental funds to eliminate otherwise negative fund balance amounts in the other four categories.

Net Position Flow Assumption

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

The Town considers restricted net position to have been depleted before unrestricted net position is applied.

TOWN OF EAST GRANBY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Assets, Liabilities, Deferred Outflows and Inflows of Resources and Net Position/Fund Equity *(Continued)*

Net Position and Fund Balances *(Continued)*

Fund Balance Flow Assumption

Sometimes the Town will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied.

When committed, assigned and unassigned resources are available for use, it is assumed that the Town will use committed resources first, then assigned resources and then unassigned resources as they are needed.

Interfund Activities

Interfund activities are reported as follows:

Interfund 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 non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds".

Advances between funds, as reported in the fund financial statements, are offset by a restricted fund balance designation (non-spendable) in the General Fund and by a restricted, committed, or assigned fund balance designation of other governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

Interfund Services Provided and Used

Sales and purchases of goods and services between funds for a price approximating their external exchange value are reported as revenues and expenditures, or expenses, in the applicable funds.

Interfund Transfers

Interfund transfers represent flows of assets without equivalent flows of assets in return and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the funds making transfers and other financing sources in the funds receiving transfers.

Interfund Reimbursements

Interfund reimbursements represent repayments from the funds responsible for particular expenditures or expenses to the funds that initially paid for them.

TOWN OF EAST GRANBY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Use of 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 and disclosures in the financial statements. Actual results could differ from those estimates.

NOTE 2 - CASH DEPOSITS AND INVESTMENTS

Cash Deposits

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the Town will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Town does not have a deposit policy for custodial credit risk. As of June 30, 2021, \$3,116,166 of the Town's bank balance of \$3,860,276 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 2,804,549
Uninsured and collateralized with securities held by the pledging bank's trust department or agent but not in the Town's name	<u>311,617</u>
	<u>\$ 3,116,166</u>

All of the Town's deposits were in qualified public institutions as defined by Connecticut state statute. Under this statute, any bank holding public deposits must at all times maintain, segregated from its other assets, eligible collateral in an amount equal to a certain percentage of its public deposits. The applicable percentage is determined based on the bank's risk-based capital ratio. The amount of public deposits is determined based on either the public deposits reported on the most recent quarterly call report, or the average of the public deposits reported on the four most recent quarterly call reports, whichever is greater. The collateral is kept in the custody of the trust department of either the pledging bank or another bank in the name of the pledging bank.

A reconciliation of the Town's cash deposits as of June 30, 2021 is as follows:

Cash and cash equivalents:	
Government-wide statement of net position	\$ 11,784,901
Add: certificates of deposit considered cash deposits for disclosure purposes	41,140
Less: cash equivalents considered investments for disclosure purposes	<u>(7,801,172)</u>
Total cash deposits	<u>\$ 4,168,666</u>

TOWN OF EAST GRANBY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 2 - CASH DEPOSITS AND INVESTMENTS *(Continued)*

Investments

A reconciliation of the Town's investments as of June 30, 2021 is as follows:

Investments:		
Government-wide statement of net position:	\$	41,140
Statement of fiduciary net position		<u>4,676,730</u>
		4,717,870
Add: cash equivalents considered investments for disclosure purposes		7,801,172
Less: certificates of deposit considered cash deposits for disclosure purposes		<u>(41,140)</u>
Total investments	\$	<u><u>12,477,902</u></u>

As of June 30, 2021, the Town's investments consisted of the following:

Investment type	Valuation Basis	Credit Rating	Value	Investment Maturities (In Years) Less Than 1
Debt Securities:				
<i>Governmental Activities:</i>				
Short-term Investment Fund (STIF)	Net asset value	AAA	\$ 7,801,172	\$ 7,801,172
Other investments:				
<i>Fiduciary Funds:</i>				
Insurance contracts	Contract value		4,676,730	
Total			\$ 12,477,902	

Because investments in the Short-term Investment Fund have weighted average maturities of less than 90 days, they have been presented as investments with maturities of less than one year.

Interest Rate Risk

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

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of a counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town does not have a policy for custodial credit risk. The Town's investments in external investment pools and insurance contracts are not evidenced by securities and are therefore not exposed to custodial credit risk.

TOWN OF EAST GRANBY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 2 - CASH DEPOSITS AND INVESTMENTS *(Continued)*

Investments *(Continued)*

Concentrations of Credit Risk

The Town places no limit on the amount of investment in any one issuer. As of June 30, 2021, 100.0% of the Town's governmental activities investments were invested in the Short-term Investment Fund, which is managed by the State of Connecticut Office of the Treasurer. In addition, as of June 30, 2021, 100.0% of the Town's fiduciary investments were invested in insurance contracts with Voya Financial.

Credit Risk

The Town has no investment policy that would further limit its investment choices beyond those already limited by Connecticut state statutes. Connecticut state statutes permit the Town to invest in: (1) obligations of the United States, including its instrumentalities and agencies; (2) in obligations of any state or of any political subdivision, authority or agency thereof, provided such obligations are rated within one of the top two rating categories of any recognized rating service; (3) in 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; (4) or in obligations of the State of Connecticut or of any political subdivision thereof, provided such obligations are rated within one of the top three rating categories of any recognized rating service. Other provisions of the statutes cover specific municipal funds with particular investment authority. The Town's investments in debt securities consist of the Short-Term Investment Fund, which was rated as AAA by Standard & Poor's.

NOTE 3 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2021 consisted of the following:

Governmental Activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 3,571,922	\$ -	\$ -	\$ 3,571,922
Construction in progress	6,765,581	1,352,463	(5,870,320)	2,247,724
Total capital assets, not being depreciated	<u>10,337,503</u>	<u>1,352,463</u>	<u>(5,870,320)</u>	<u>5,819,646</u>
Capital assets, being depreciated:				
Buildings and improvements	38,374,426	54,897	2,008,452	40,437,775
Land improvements	1,881,849	-	-	1,881,849
Machinery and equipment	7,842,707	726,045	-	8,568,752
Infrastructure	9,127,262	-	3,861,868	12,989,130
Total capital assets, being depreciated	<u>57,226,244</u>	<u>780,942</u>	<u>5,870,320</u>	<u>63,877,506</u>
Less accumulated depreciation and amortization for:				
Buildings and improvements	20,158,499	824,222	-	20,982,721
Land improvements	1,522,820	35,008	-	1,557,828
Machinery and equipment	6,376,883	320,010	-	6,696,893
Infrastructure	6,289,423	205,234	-	6,494,657
Total accumulated depreciation and amortization	<u>34,347,625</u>	<u>1,384,474</u>	<u>-</u>	<u>35,732,099</u>
Total capital assets, being depreciated, net	<u>22,878,619</u>	<u>(603,532)</u>	<u>5,870,320</u>	<u>28,145,407</u>
Governmental activities capital assets, net	<u>\$ 33,216,122</u>	<u>\$ 748,931</u>	<u>\$ -</u>	<u>\$ 33,965,053</u>

TOWN OF EAST GRANBY, CONNECTICUT
 NOTES TO FINANCIAL STATEMENTS *(Continued)*
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 3 - CAPITAL ASSETS *(Continued)*

Depreciation and amortization expense was charged to functions of the Town as follows:

Governmental Activities:	
General government	\$ 14,634
Public safety	113,872
Culture and recreation	279,879
Public Works	180,732
Sanitation	38,951
Education	<u>756,406</u>
Total depreciation expense - governmental activities	<u><u>\$ 1,384,474</u></u>

NOTE 4 - INTERFUND RECEIVABLES AND PAYABLES

Interfund receivables and payables at June 30, 2021 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Governmental Funds		
General Fund	Nonmajor Governmental Funds	<u>\$ 228,110</u>
Capital and Nonrecurring Fund	General Fund	<u>1,454,700</u>
Capital Bond Fund	General Fund	<u>830,604</u>
Nonmajor Governmental Funds	General Fund	<u>2,593,498</u>
Total interfund receivables/payables		<u><u>\$ 5,106,912</u></u>

The above balances resulted 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.

NOTE 5 - INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2021 consisted of the following:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
Governmental Funds		
Capital and Nonrecurring Fund	General Fund	<u>\$ 600,000</u>
Nonmajor Governmental Funds	Capital and Nonrecurring Fund	<u>98,620</u>
Total transfers		<u><u>\$ 698,620</u></u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them, to the fund that statute or budget requires to expend them, and (2) use revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

TOWN OF EAST GRANBY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 6 - SHORT-TERM DEBT

In July 2020, the Town issued \$7,000,000 in general obligation bond anticipation notes. The notes were payable at a coupon rate of 1.25% and matured on July 15, 2021. The proceeds from the notes were used to retire the \$6,470,000 in previously outstanding bond anticipation notes and to provide additional financing for authorized capital projects. The Town permanently funded the notes during July 2021 through the issuance of general obligation bonds (see Note 14). Accordingly, the Town has recognized the proceeds from the issuance of the \$7,000,000 in bond anticipation notes as an other financing source in its governmental funds statement of revenues, expenditures and changes in fund balances for the year ended June 30, 2021.

The following is a summary of changes in short-term debt for the year ended June 30, 2021:

<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
2.00%	July 16, 2020	\$ 6,470,000	\$ -	\$ (6,470,000)	\$ -
1.25%	July 15, 2021	-	7,000,000	-	7,000,000
		<u>\$ 6,470,000</u>	<u>\$ 7,000,000</u>	<u>\$ (6,470,000)</u>	<u>\$ 7,000,000</u>

NOTE 7 - LONG-TERM DEBT

The applicable accounting standards define debt as a liability that arises from a contractual obligation to pay cash, or other assets that may be used in lieu of cash, in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. For disclosure purposes, debt does not include accounts payable or leases, except for contracts reported as financed purchase of the underlying asset.

The following is a summary of changes in long-term debt for the year ended June 30, 2021:

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Direct placements:					
General obligation bonds	\$ 3,650,000	\$ -	\$ (525,000)	\$ 3,125,000	\$ 525,000
Unamortized premium	46,647	-	(9,358)	37,289	-
Total bonds payable	3,696,647	-	(534,358)	3,162,289	525,000
Direct borrowings:					
Contracts payable	21,425	-	(16,153)	5,272	5,272
	<u>\$ 3,718,072</u>	<u>\$ -</u>	<u>\$ (550,511)</u>	<u>\$ 3,167,561</u>	<u>\$ 530,272</u>

Long-term debt is typically liquidated by the General Fund.

Direct Placements - General Obligation Bonds

A summary of general obligation bonds outstanding at June 30, 2021 is as follows:

<u>Purpose of Bonds</u>	<u>Final Maturity Dates</u>	<u>Interest Rates</u>	<u>Amount Outstanding</u>
Bonds Payable			
General obligation bonds issued April 2012, original amount of \$7,200,000	4/1/2027	2.0% - 3.0%	<u>\$ 3,125,000</u>

TOWN OF EAST GRANBY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 7 - LONG-TERM DEBT *(Continued)*

Direct Placements - General Obligation Bonds *(Continued)*

Annual debt service requirements to maturity on general obligation bonds are as follows as of June 30, 2021:

Year ending June 30:	Governmental Activities		
	General Obligation Bonds		
	Principal	Interest	Total
2022	\$ 525,000	\$ 76,106	\$ 601,106
2023	525,000	64,031	589,031
2024	525,000	51,563	576,563
2025	525,000	39,750	564,750
2026	525,000	26,625	551,625
2027	500,000	13,500	513,500
	<u>\$ 3,125,000</u>	<u>\$ 271,575</u>	<u>\$ 3,396,575</u>

Legal Debt Limit

Connecticut General Statutes Section 7-374(b) provides that authorized debt of the Town shall not exceed seven times base receipts, as defined in the Statute. Further, the Statute limits the amount of debt that may be authorized by the Town for general purposes, schools, sewers, urban renewal and pension deficit. The Town did not exceed any of the statutory debt limitations at June 30, 2021.

Authorized, Unissued Debt

As of June 30, 2021, the Town had authorized but unissued bonds of \$4,154,000 for the planning, design, construction, reconstruction and improvements of various school and town building roofs, HVAC and electrical upgrades to its elementary school, and repair and pavement of town roads, parking lots and bridges. In July 2021, the Town borrowed an additional \$2,900,000 against this authorization *(see Note 14)*.

Direct Borrowings - Contracts Payable

The Town has entered into contracts with a vendor for the installation of energy efficient lighting upgrades. The costs to the Town of \$177,506, net of discounts of \$69,757, is payable in fixed monthly installments to the vendor.

Future annual contract payments are as follows as of June 30, 2021:

Year ending June 30:	Governmental Activities		
	Contracts Payable		
	Principal	Interest	Total
2022	\$ 5,272	\$ -	\$ 5,272

TOWN OF EAST GRANBY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 8 - OTHER LONG-TERM LIABILITIES

Changes in other long-term liabilities for the year ended June 30, 2021 are as follows:

Governmental Activities	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Other long-term liabilities:					
Compensated absences	\$ 208,825	\$ 12,178	\$ (3,178)	\$ 217,825	\$ 217,825
Landfill post-closure care liability	26,879	-	(11,356)	15,523	15,523
Total OPEB Liability (see Note 11)	2,085,915	5,537	-	2,091,452	-
	<u>\$ 2,321,619</u>	<u>\$ 17,715</u>	<u>\$ (14,534)</u>	<u>\$ 2,324,800</u>	<u>\$ 233,348</u>

Landfill Post-closure Care Liability

The Town landfill has been closed. State and federal laws and regulations require landfill closures to meet certain standards. The Town has recorded a liability of \$15,523 as of June 30, 2021 for future monitoring costs. This amount is based on estimates, which are subject to change due to inflation, technology or applicable laws and regulations.

NOTE 9 - FUND BALANCE

As of June 30, 2021, fund balance was comprised of the following:

	General Fund	Nonrecurring Fund	Bond Fund	Program Fund	Governmental Funds	Total
Nonspendable - prepaid insurance	\$ 2,461	\$ -	\$ -	\$ -	\$ -	\$ 2,461
Restricted for:						
Capital purposes - grant restrictions	-	275,276	623,393	-	-	898,669
Educational purposes - grant restrictions	-	-	-	726,665	358,867	1,085,532
Roads - statutory restrictions	-	-	-	-	731,740	731,740
Other purposes - statutory restrictions	-	-	-	-	120,551	120,551
Committed for:						
Capital purposes	-	768,922	-	-	194,873	963,795
Educational programs	-	-	-	-	340,960	340,960
Sanitation programs	-	-	-	-	156,602	156,602
Other programs	-	-	-	-	178,266	178,266
Assigned to:						
Capital purposes	-	410,502	-	-	-	410,502
Education encumbrances	76,490	-	-	-	-	76,490
Town encumbrances	163,251	-	-	-	-	163,251
Use in subsequent year's budget	655,180	-	-	-	-	655,180
Unassigned	4,023,545	-	-	-	(511,244)	3,512,301
	<u>\$ 4,920,927</u>	<u>\$ 1,454,700</u>	<u>\$ 623,393</u>	<u>\$ 726,665</u>	<u>\$ 1,570,615</u>	<u>\$ 9,296,300</u>

Deficit Fund Balance

The Sewer Use Fund, a nonmajor governmental fund, has a deficit fund balance of \$511,244 as of June 30, 2021. This deficit is partially attributed to timing differences between when usage charges are billed and collected. Usage charges for the six month period ending June 30 are billed during the following October. As such, the deficit will be partially eliminated in this fund when unavailable revenues of \$153,364 as of June 30 become available. The remaining deficit is expected to be eliminated through future rate increases.

TOWN OF EAST GRANBY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 10 - RETIREMENT PLANS

Defined Contribution Money Purchase Retirement Plans

Plan Descriptions

Effective September 1, 1978, the Town established separate defined contribution money purchase plans for general government employees and Board of Education employees respectively. These types of plans provide retirement benefits in return for services rendered, an individual account for each participant, and specifies how contributions to the individual's account are to be determined instead of specifying the amount of benefits the individual is to receive. Under a defined contribution retirement plan, the benefits a participant will receive depend solely on the amount contributed to the participant's account and the returns earned on investments of those contributions.

The Plans cover all Town and Board of Education employees not covered by the State of Connecticut's Teachers' Retirement System who have completed one year of service. Town contributions vary based on designated employee classes. Eligible Board of Education employees who contribute 2.0% of compensation receive a Town contribution of 5.0%. Eligible Town employees who contribute 2.0% of compensation receive a Town contribution of 4.0%. In addition, Town employees that contribute an additional 3.0% of compensation receive an additional Town contribution of 3.0%. Plan participants are not required to contribute to the Plan. Contributions made by a participant vest immediately and contributions made by the Town vest after five years of service.

The Plans do not issue stand-alone financial statements and are part of the Town's financial reporting entity since the Town has trustee responsibilities related to the participant accounts which contain employer contributions. As such, the Plans are accounted for in the fiduciary fund financial statements as pension trust funds.

The Plans are accounted for using the accrual basis of accounting. Town contributions are recognized when due and the Town has made a formal commitment to provide contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plans. Investments consists of insurance contracts and are reported at contract value, which approximates fair value.

Employer contributions totaled \$115,977 and employee contributions totaled \$57,111 for the Town Plan for year ended June 30, 2021.

Employer contributions totaled \$36,491 and employee contributions totaled \$39,539 for the Board of Education Plan for year ended June 30, 2021.

TOWN OF EAST GRANBY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 10 - RETIREMENT PLANS *(Continued)*

Connecticut Teachers' Retirement System

Plan Description

The Connecticut Teachers' Retirement System ("TRS" or the "Plan") is the public pension plan offered by the State of Connecticut (the "State") to provide retirement, disability, survivorship and health insurance benefits for Connecticut public school teachers and their beneficiaries. The Plan is governed by Connecticut Statute Title 10, Chapter 167a of the Connecticut General Statutes. TRS is a multiemployer pension plan administered by the Connecticut State Teachers' Retirement Board ("TRB"). The State Treasurer is responsible for investing TRS funds for the exclusive benefit of TRS members.

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

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 the employees are calculated as 2.0% of the average annual salary times the years of credited service (maximum benefit is 75.0% of average annual salary during the 3 years of highest salary). In addition, amounts derived from the accumulation of the 6.0% contributions made prior to July 1, 1989 and voluntary contributions are payable.

Early Retirement: Employees are eligible after 25 years of credited service with a minimum of 20 years of Connecticut service, or age 55 with 20 years of credited service with a minimum of 15 years of Connecticut service. Benefit amounts are reduced by 6.0% per year for the first 5 years preceding normal retirement age and 4.0% per year for the next 5 years preceding normal retirement age. Effective July 1, 1999, the reduction for individuals with 30 or more years of service is 3% per year by which retirement precedes normal retirement date.

Minimum Benefit: Effective January 1, 1999, Public Act 98-251 provides a minimum monthly benefit of \$1,200 to teachers who retire under the normal retirement provisions and who have completed at least 25 years of full time Connecticut service at retirement.

Disability Retirement: Employees are eligible for service-related disability benefits regardless of length of service. Five years of credited service is required to be eligible for non-service related disability. Disability benefits are calculated as 2.0% per year of service times the average of the highest three years of pensionable salary, but not less than 15.0%, nor more than 50.0%. In addition, disability benefits under this Plan (without regard to cost-of-living adjustments) plus any initial award of Social Security benefits and workers' compensation cannot exceed 75.0% of average annual salary. A plan member who leaves service and has attained 10 years of service will be entitled to 100.0% of the accrued benefit as of the date of termination of covered employment. Benefits are payable at age 60, and early retirement reductions are based on the number of years of service the member would have had if they had continued work until age 60.

Pre-Retirement Death Benefit: The plan also offers a lump-sum return of contributions with interest or surviving spouse benefit depending on length of service.

TOWN OF EAST GRANBY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 10 - RETIREMENT PLANS *(Continued)*

Connecticut Teachers' Retirement System *(Continued)*

Contributions

State of Connecticut - Per Connecticut General Statutes Section 10-183z (which reflects Public Act 79-436 as amended), contribution requirements of active employees and the State are amended and certified by the TRB and appropriated by the General Assembly. The contributions are actuarially determined as an amount that, when combined with employee contributions and investment earnings, is expected to finance the costs of the benefits earned by employees during the year, with any additional amounts to finance any unfunded accrued liability.

Employers - School District employers are not required to make contributions to the Plan, as contributions are required only from employees and the State.

Employees - Effective July 1, 1992, each teacher was required to contribute 6.0% of pensionable salary for the pension benefit. Effective January 1, 2018, the required contribution increased to 7.0% of pensionable salary.

Administrative Expenses

Administrative costs of the plan are to be paid by the General Assembly per Section 10-183r of the Connecticut General Statutes.

Basis of Presentation

The components associated with pension expense and deferred outflows and inflows of resources have been determined based on fiduciary net position as audited by the State of Connecticut Auditors of Public Accounts as part of the State of Connecticut Comprehensive Annual Financial Report as of and for the year ended June 30, 2020. The net pension liability at June 30, 2020 has been calculated using the audited amounts. TRS is included in the State of Connecticut audit as a pension trust fund. The State of Connecticut's Comprehensive Annual Financial Report can be obtained at www.ct.gov.

The accounting standards require participating employers to recognize their proportional share of the collective net pension liability, deferred outflows and inflows of resources and pension expense. Contributions remitted by the State are recognized when legally due, based upon statutory requirements.

Allocation Methodology

The allocations for participating employers are based on the 2020 expected contribution effort for each participating employer. The employer allocations were then applied to the net pension liability and pension expense to determine the amount applicable to each employer. Based upon the employee contributions made by the employees of each employer, as compared to the total employee contributions, an employer allocation percentage is calculated to six decimal places and is used to allocate the elements noted above. The employer allocation applied to Town totaled 0.193% as of the most recent measurement date.

TOWN OF EAST GRANBY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 10 - RETIREMENT PLANS *(Continued)*

Connecticut Teachers' Retirement System *(Continued)*

Collective Net Pension Liability

The following summarizes the collective net pension liability of the State for the TRS as of June 30, 2020, the measurement date, in addition to the Town's and State's proportionate shares of the collective net pension liability that is attributed to the Town:

Collective Net Pension Liability of the State for the TRS		<u>\$ 18,846,090,000</u>
	<u>Proportion</u>	<u>Proportionate Share</u>
Town's proportionate share of the Collective Net Pension Liability	0.000%	<u>\$ -</u>
State's proportionate share of the Collective Net Pension Liability attributed to the Town	0.193%	<u>\$ 36,312,000</u>

Collective Pension Expense

The Town's expected contribution effort for allocation purposes totaled \$2,329,114 or 0.193% of the total expected contribution effort. The Town has recognized this amount as an on-behalf payment into the TRS as intergovernmental revenues and related education expenditures in the General Fund for the year ended June 30, 2021.

The collective pension expense includes certain current period changes in the collective net pension liability, projected earnings on pension plan investments and the amortization of deferred outflows of resources and deferred inflows of resources for the current period. The portion of the collective pension expense attributed to the Town totaled \$5,201,533 or 0.193% of the total collective pension expense and has been recognized as an operating contribution and related education expense in the statement of activities for the year ended June 30, 2021.

Actuarial Assumptions

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

Inflation	2.50%
Salary increases	3.00% - 6.50%, including inflation
Investment rate of return	6.90%, net of pension plan investment expense, including inflation
Administrative expenses	\$0 assumption as expenses are paid for by the General Assembly

Mortality rates were based on the PubT-2010 Healthy Retiree Table, adjusted 105% for males and 103% for females as ages 82 and above, projected generationally with MP-2019 for the period after service retirement.

TOWN OF EAST GRANBY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 10 - RETIREMENT PLANS *(Continued)*

Connecticut Teachers' Retirement System *(Continued)*

Actuarial Assumptions *(Continued)*

Future cost-of-living increases for teachers who retired prior to September 1, 1992, are made in accordance with increases in the Consumer Price Index, with a minimum of 3.0% and a maximum of 5.0% per annum. For teachers who were members of the Teachers' Retirement System before July 1, 2007, and retire on or after September 1, 1992, pension benefit adjustments are made that are consistent with those provided for Social Security benefits on January 1 of the year granted, with a maximum of 6.0% 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 5.0% per annum. If the return on assets in the previous year was less than 11.5%, the maximum increase is 3.0%, and if the return on the assets in the previous year was less than 8.5%, the maximum increase is 1.0%.

Long-Term Rate of Return

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity Fund	20.0%	5.6%
Developed Market Intl. Stock Fund	11.0%	6.0%
Emerging Market Intl. Stock Fund	9.0%	7.9%
Core Fixed Income Fund	16.0%	2.1%
Inflation Linked Bond Fund	5.0%	1.1%
Emerging Market Debt Fund	5.0%	2.7%
High Yield Bond Fund	6.0%	4.0%
Real Estate Fund	10.0%	4.5%
Private Equity	10.0%	7.3%
Alternative Investments	7.0%	2.9%
Liquidity Fund	1.0%	0.4%
	<u>100.0%</u>	

TOWN OF EAST GRANBY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 10 - RETIREMENT PLANS *(Continued)*

Connecticut Teachers' Retirement System *(Continued)*

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 the State contributions will be made at the actuarially determined rates in 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.

Deferred Compensation Plan

The Town offers employees who are eligible for benefits a deferred compensation plan in accordance with Internal Revenue Code Section 457. Deferred compensation is not available to participants until termination, retirement, death, or unforeseeable emergency. All amounts of compensation deferred under the plans, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are held in trust for the exclusive benefit of the plan participants and their beneficiaries. The Town has no trustee or other fiduciary responsibilities related to participant accounts and therefore the plan is not accounted for in the fiduciary fund financial statements of the Town.

NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Board of Education Plan

Plan Descriptions

The Town's Board of Education administers a single-employer defined benefit healthcare plan (the "Plan"). The Plan provides healthcare and dental insurance benefits for all eligible Board of Education retirees and their spouses through the Board of Education's group healthcare and dental insurance plans. Benefits provisions are established by contract and may be amended by union negotiations each three-year bargaining period. The Plan does not issue a publicly available financial report and is not included in the financial statements of another entity.

The OPEB Plan provides for medical, prescription, dental and life insurance benefits to eligible retirees, spouses and beneficiaries. Contribution requirements of the participants and the Town are established by and may be amended through negotiations between the Town and the union representing the employees.

Under provisions of certain union negotiated contracts, the Town will contribute 25.0% of the health care premiums for the first three years of the employee's retirement, provided the employee notifies the Town prior to January 1st of the year in which they retire. Administrators' have a similar arrangement, but the Town will contribute 90.0% of the health care premiums for the first four years. Otherwise, participants are required to contribute 100% of their healthcare and dental premiums to the Town, less any reimbursements received by the Town from the State Retirement Board.

Teachers - The Town contributes 25.0% of the cost of insurance for teachers with 25 years of service for three years following retirement. Thereafter, the retiree contributes 100.0% of the cost, less any reimbursements received by the Town from the State Teachers' Retirement Board. Teachers with less than 25 years of service at retirement pay 100.0% of the cost, less any reimbursements received by the Town from the State Teachers' Retirement Board.

TOWN OF EAST GRANBY, CONNECTICUT
 NOTES TO FINANCIAL STATEMENTS *(Continued)*
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Board of Education Plan (Continued)

Benefits Provided (Continued)

Administrators - Retirees with 15 or more years of service contribute 21.5% of the PPO, 25.0% of the dental insurance costs and 18.0% of the HMO/HSA insurance costs. The Town contributes the remaining percentage of the costs for three years (four years through June 30, 2015) following retirement. Thereafter, the retiree contributes 100.0%. Retirees with 10 or more years of service contribute 50.0% of the medical and dental insurance costs. The Town contributes the remaining percentage of the cost for three years following retirement. Thereafter, the retiree contributes 100.0%. NCE - The retiree contributes 75.0% of the cost for medical and dental insurance. The Town contributes the remaining percentage of the cost for three years following retirement. Thereafter, the retiree contributes 100.0%.

The Town pays the benefits on a pay-as-you-go basis.

Employees Covered by Benefit Terms

As of July 1, 2020, the valuation date, the following employees were covered by the benefit terms:

Retirees, beneficiaries, and dependents currently receiving benefits	9
Active participants	122
	131

Total OPEB Liability

The Town's total OPEB liability reported as of June 30, 2021 totaled \$2,091,452. The total OPEB liability was measured as of June 30, 2021 using an actuarial valuation performed as of July 1, 2020.

Actuarial Assumptions and Other Inputs - The total OPEB liability as of June 30, 2021 was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Valuation date:	July 1, 2020
Actuarial cost method:	Entry Age Normal Cost
Actuarial assumptions:	
Discount rate	2.16%
Inflation rate	2.60%
Healthcare cost trend rate	6.30% initial 4.10% final

The discount rate was based on the Bond Buyer General Obligation 20-Bond Municipal Index as of the measurement date.

Mortality rates were based on the PubT-2010 mortality table for employees and healthy annuitants (adjusted 105% for males and 103% for females at ages 82 and above) with generational projection of future improvements per the MP-2019 ultimate scale. The PubT-2010 contingent survivor table projected generationally per the MP-2019 ultimate scale and set forward one year for both males and females is used for survivors and beneficiaries.

TOWN OF EAST GRANBY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)*

Board of Education Plan *(Continued)*

Total OPEB Liability *(Continued)*

Assumptions regarding participation and coverage election relating to benefits provided to Teachers and Board of Education Administrators are as follows:

- 80% of teachers and administrators and 10% of all others active members are assumed to elect coverage at retirement. Beyond the period of BOE-subsidized benefits after retirement, 50% of retirees are assumed to elect coverage at retirement.
- 50% of current active teachers and administrators and pre-65 retirees are assumed either to enroll in retiree health coverage through the Connecticut State Teachers Retirement System at age 65, or transfer to a Medicare Supplement Plan. 95% of current actives and pre-65 retirees are assumed to be Medicare eligible. All other current actives and pre-65 retirees are assumed to be covered under a Medicare Supplement plan at age 65.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance as of June 30, 2020	\$ 2,085,915
Changes for the year:	
Service cost	139,799
Interest	48,193
Effects of gains and losses	(103,142)
Changes in assumptions or other inputs	11,291
Benefit payments	(90,604)
Net changes	5,537
Balance as of June 30, 2021	\$ 2,091,452

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 (1.16%) or 1-percentage-point higher (3.16%) than the current discount rate:

	1% Decrease	Current Discount	1% Increase
Total OPEB Liability	\$ 2,421,201	\$ 2,091,452	\$ 1,825,312

TOWN OF EAST GRANBY, CONNECTICUT
 NOTES TO FINANCIAL STATEMENTS *(Continued)*
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)*

Board of Education Plan (Continued)

Changes in the Total OPEB Liability *(Continued)*

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 healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Total OPEB Liability	\$ 1,728,272	\$ 2,091,452	\$ 2,573,788

OPEB Expense and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2021, the Town recognized OPEB expense of \$165,532. As of June 30, 2021, the Town reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Amounts
Differences between expected and actual experience	\$ -	\$ (220,213)	\$ (220,213)
Changes of assumptions	62,107	(60,532)	1,575
	\$ 62,107	\$ (280,745)	\$ (218,638)

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

Year ended June 30,	
2022	\$ (22,460)
2023	(22,460)
2024	(22,460)
2025	(22,460)
2026	(22,460)
Thereafter	(106,338)
	\$ (218,638)

TOWN OF EAST GRANBY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)*

Connecticut Teachers' Retirement System

Plan Description

The Connecticut Teachers' Retirement System ("TRS" or the "Plan") is the public pension plan offered by the State of Connecticut (the State) to provide retirement, disability, survivorship and health insurance benefits for Connecticut public school teachers and their beneficiaries. The Plan is governed by Connecticut Statute Title 10, Chapter 167a of the Connecticut General Statutes. TRS is a multiemployer pension plan administered by the Connecticut State Teachers' Retirement Board ("TRB"). The State Treasurer is responsible for investing TRS funds for the exclusive benefit of TRS members.

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

Benefit Provisions

The Plan covers retired teachers and administrators of public schools in the State who are receiving benefits from the Plan. The Plan provides healthcare insurance benefits to eligible retirees and their spouses. Any member that is currently receiving a retirement or disability benefit through the Plan is eligible to participate in the healthcare portion of the Plan. Subsidized Local School District Coverage provides a subsidy paid to members still receiving coverage through their former employer and the TRB Sponsored Medicare Supplemental Plans provide coverage for those participating in Medicare, but not receiving Subsidized Local School District Coverage.

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

Any member that is currently participating in Medicare Parts A & B is eligible to either continue health care coverage with their former employer, if offered, or enroll in the plan sponsored by the System. If they elect to remain in the Plan with their former employer, the same subsidies as above will be paid to offset the cost of coverage. If a member participating in Medicare Parts A & B so elects, they may enroll in one of the CTRB Sponsored Medicare Supplemental Plans. Active members, retirees, and the State pay equally toward the cost of the basic coverage (medical and prescription drug benefits).

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.

TOWN OF EAST GRANBY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)*

Connecticut Teachers' Retirement System *(Continued)*

Contributions

State of Connecticut - Per Connecticut General Statutes Section 10-183z (which reflects Public Act 79-436 as amended), contribution requirements of active employees and the State of Connecticut are amended and certified by the TRB and appropriated by the General Assembly. The State pays for one third of plan costs through an annual appropriation in the General Fund.

Employers - School District employers are not required to make contributions to the Plan.

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.

Administrative Expenses

Administrative costs of the Plan are to be paid by the General Assembly per Section 10-183r of the Connecticut General Statutes.

Basis of Presentation

The components associated with pension expense and deferred outflows and inflows of resources have been determined based on fiduciary net position as audited by the State of Connecticut Auditors of Public Accounts as part of the State of Connecticut Comprehensive Annual Financial Report as of and for the year ended June 30, 2020. The net pension liability at June 30, 2020 has been calculated using the audited amounts. TRS is included in the State of Connecticut audit as a pension trust fund. The State of Connecticut's Comprehensive Annual Financial Report can be obtained at www.ct.gov.

The accounting standards require participating employers to recognize their proportional share of the collective net pension liability, deferred outflows and inflows of resources and pension expense. Contributions remitted by the State are recognized when legally due, based upon statutory requirements.

Allocation Methodology

The allocations for participating employers are based on the 2020 expected contribution effort for each participating employer. The employer allocations were then applied to the net pension liability and pension expense to determine the amount applicable to each employer. Based upon the employee contributions made by the employees of each employer, as compared to the total employee contributions, an employer allocation percentage is calculated to six decimal places and is used to allocate the elements noted above. The employer allocation applied to the Town totaled 0.193% as of the most recent measurement date.

TOWN OF EAST GRANBY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)*

Connecticut Teachers' Retirement System *(Continued)*

Collective Net OPEB Liability

The following summarizes the collective net OPEB liability of the State for the TRS as of June 30, 2020, the measurement date, in addition to the Town's and State's proportionate shares of the collective net OPEB liability that is attributed to the Town:

Collective Net OPEB Liability of the State for the TRS		<u>\$ 2,810,895,000</u>
	<u>Proportion</u>	<u>Proportionate Share</u>
Town's proportionate share of the Collective Net OPEB Liability	0.000%	<u>\$ -</u>
State's proportionate share of the Collective Net OPEB Liability attributed to the Town	0.193%	<u>\$ 5,416,000</u>

Collective OPEB Expense

The Town's expected contribution effort for allocation purposes totaled \$56,210 or 0.193% of the total expected contribution effort. The Town has recognized this amount as an on-behalf payment into the TRS as intergovernmental revenues and related education expenditures in the General Fund for the year ended June 30, 2021.

The collective OPEB expense includes certain current period changes in the collective net OPEB liability, projected earnings on OPEB plan investments and the amortization of deferred outflows of resources and deferred inflows of resources for the current period. The portion of the collective OPEB expense attributed to the Town totaled \$250,176 or 0.193% of the total collective OPEB expense and has been recognized as an operating contribution and related education expense in the statement of activities for the year ended June 30, 2021.

Actuarial Assumptions

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

Inflation	2.50%
Real Wage Growth	0.50%
Wage Inflation	3.00%
Salary increases	3.00% - 6.50%, including inflation
Investment rate of return	3.00%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates:	
Medicare	5.125% for 2020 decreasing to an ultimate rate of 4.5% by 2023

TOWN OF EAST GRANBY, CONNECTICUT
 NOTES TO FINANCIAL STATEMENTS *(Continued)*
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)*

Connecticut Teachers' Retirement System *(Continued)*

Actuarial Assumptions *(Continued)*

Mortality rates were based on the PubT-2010 Healthy Retiree Table, adjusted 105% for males and 103% for females as ages 82 and above, projected generationally with MP-2019 for the period after service retirement.

Long-Term Rate of Return

The long-term expected rate of return on plan assets is reviewed as part of the actuarial 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 of investment expense and inflation) for each major asset class.

The long-term expected rate of return was determined by weighing 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 target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Expected 10-Year Geometric Real Rate of Return	Standard Deviation
U.S. Treasuries (Cash Equivalents)	100.0%	-0.42%	1.78%

Discount Rate

The discount rate used to measure the total OPEB liability was 2.21%. The projection of cash flows used to determine the discount rate was performed in accordance with the applicable standards. The projection's basis was an actuarial valuation performed as of June 30, 2020.

In addition to the actuarial methods and assumptions of the June 30, 2020 actuarial valuation, the following actuarial methods and assumptions were used in the projection of cash flows:

- Total payroll for the initial projection year consists of the payroll of the active membership present on the valuation date. In subsequent projection years, total payroll was assumed to increase annual at a rate of 3.00%.
- Employee contributions were assumed to be made at the current member contribution rate. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Annual State contributions were assumed to be equal to the most recent five-year average of state contributions toward the fund.

Based on those assumptions, the Plan's fiduciary net position was projected to be depleted in 2021 and, as a result, the Municipal Bond Index Rate was used in the determination of the single equivalent rate.

TOWN OF EAST GRANBY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 12 - RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets; errors or omissions; injuries to employees or acts of God for which the Town carries commercial insurance. Neither the Town nor its insurers have settled any claims which exceeded the Town's insurance coverage in any of the last three fiscal years. There have been no significant reductions in any insurance coverage from amounts in the prior year.

NOTE 13 - CONTINGENCIES

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 reimbursements 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.

NOTE 14 - SUBSEQUENT EVENT

In July 2021, the Town issued \$9,900,000 in general obligation bonds. The bonds were issued to retire the \$7,000,000 of outstanding bond anticipation notes and to provide additional financing for authorized capital projects. The bonds bear interest at an average coupon rate of 3.1% and are first payable on January 15, 2022, and semiannually thereafter on July 15 and January 15 in each year until July 15, 2041, the maturity date. The Town received a premium of \$1,445,219 in connection with the issuance, which will be used to reduce the Town's future debt service costs.

NOTE 15 - IMPACT OF NEW ACCOUNTING STANDARDS NOT YET EFFECTIVE

In June 2017, the GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2021. The Town is currently evaluating the potential impact of adopting this Statement on its financial statements.

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objective of this Statement are (a) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (b) to simplify accounting for interest cost incurred before the end of a construction period. The requirements of this Statement should be applied prospectively and are effective for the Town's reporting period beginning July 1, 2021. The Town does not expect this statement to have a material effect on its financial statements.

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*. The objectives of this statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2022. The Town does not expect this statement to have a material effect on its financial statements.

TOWN OF EAST GRANBY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 15 - IMPACT OF NEW ACCOUNTING STANDARDS NOT YET EFFECTIVE *(Continued)*

In January 2020, the GASB issued Statement No. 92, *Omnibus 2020*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and the requirements of this statement are effective for the Town's reporting period beginning July 1, 2021. The Town does not expect this statement to have a material effect on its financial statements.

In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). The requirements of this statement are effective for the Town's reporting period beginning July 1, 2022. The Town is currently evaluating the potential impact of adopting this Statement on its financial statements.

In May 2020, the GASB issued Statement 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). The requirements of this statement are effective for the Town's reporting period beginning July 1, 2022. The Town does not expect this statement to have a material effect on its financial statements.

In June 2020, the GASB issued Statement 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - An Amendment of GASB Statement No. 14 and No. 84, and a Supersession of GASB Statement No. 32*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The requirements of this statement that relate to the accounting and reporting of Section 457 plans are effective for the Town's reporting period beginning July 1, 2021. The Town does not expect this statement to have a material effect on its financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF EAST GRANBY, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property taxes	\$ 20,122,510	\$ 20,122,510	\$ 20,236,197	\$ 113,687
Intergovernmental	2,739,912	2,739,912	2,689,385	(50,527)
Charges for services	235,523	235,523	393,411	157,888
Interest income	78,477	78,477	9,038	(69,439)
Total revenues	<u>23,176,422</u>	<u>23,176,422</u>	<u>23,328,031</u>	<u>151,609</u>
EXPENDITURES				
Current:				
General government	2,621,956	2,623,956	2,564,919	(59,037)
Culture and recreation	338,965	336,965	335,209	(1,756)
Public safety	948,798	968,798	960,733	(8,065)
Public works	724,800	724,800	724,674	(126)
Sanitation	234,231	259,231	247,287	(11,944)
Education	17,284,700	17,284,700	17,095,886	(188,814)
Contingency	54,000	9,000	-	(9,000)
Debt service:				
Principal payments	544,300	544,300	543,220	(1,080)
Interest and fiscal charges	245,321	245,321	174,520	(70,801)
Total expenditures	<u>22,997,071</u>	<u>22,997,071</u>	<u>22,646,448</u>	<u>(350,623)</u>
Excess of revenues over expenditures	179,351	179,351	681,583	502,232
OTHER FINANCING SOURCES (USES)				
Appropriation of fund balance	420,649	420,649	-	(420,649)
Prior year unliquidated encumbrances	-	-	21,678	21,678
Transfers out	(600,000)	(600,000)	(600,000)	-
Total other financing sources (uses)	<u>(179,351)</u>	<u>(179,351)</u>	<u>(578,322)</u>	<u>(398,971)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 103,261</u>	<u>\$ 103,261</u>

See accompanying notes to required supplementary information.

TOWN OF EAST GRANBY, CONNECTICUT
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE COLLECTIVE NET PENSION LIABILITY -
CONNECTICUT TEACHERS' RETIREMENT SYSTEM (UNAUDITED)
LAST SEVEN FISCAL YEARS*
(Rounded to nearest thousand)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Town's proportion of the collective net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Town's proportionate share of the collective net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the collective net pension liability attributed to the Town	36,312,000	34,124,000	26,312,000	26,405,000	27,858,000	19,647,000	19,647,000
Total	<u>\$ 36,312,000</u>	<u>\$ 34,124,000</u>	<u>\$ 26,312,000</u>	<u>\$ 26,405,000</u>	<u>\$ 27,858,000</u>	<u>\$ 19,647,000</u>	<u>\$ 19,647,000</u>
Town's covered payroll	\$ 8,387,000	\$ 8,779,000	\$ 8,643,000	\$ 8,560,000	\$ 8,250,000	\$ 7,341,000	\$ 7,076,000
Town's proportionate share of the collective net pension liability as a percentage of its covered payroll	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Plan fiduciary net position as a percentage of the total collective pension liability	49.24%	52.00%	57.69%	55.93%	52.26%	59.50%	61.51%

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

See accompanying notes to required supplementary information.

TOWN OF EAST GRANBY, CONNECTICUT
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY -
OTHER POST-EMPLOYMENT BENEFITS PROGRAM (UNAUDITED)
LAST THREE FISCAL YEARS*

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total OPEB liability			
Service cost	\$ 139,799	\$ 124,618	\$ 114,876
Interest	48,193	70,174	80,767
Effect of liability gains or losses	(103,142)	-	-
Differences between expected and actual experience	-	-	(163,130)
Changes of assumptions	11,291	62,151	(20,720)
Benefit payments, including refunds	(90,604)	(101,931)	(105,063)
Net change in total OPEB liability	5,537	155,012	(93,270)
Total OPEB liability - beginning	2,085,915	1,930,903	2,024,173
Total OPEB liability - ending	<u>\$ 2,091,452</u>	<u>\$ 2,085,915</u>	<u>\$ 1,930,903</u>

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

TOWN OF EAST GRANBY, CONNECTICUT
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE COLLECTIVE NET OPEB LIABILITY -
CONNECTICUT TEACHERS' RETIREMENT SYSTEM (UNAUDITED)
LAST FOUR FISCAL YEARS*
(Rounded to the Nearest Thousand)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Town's proportion of the collective net OPEB liability	0.00%	0.00%	0.00%	0.00%
Town's proportionate share of the collective net OPEB liability	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the collective net OPEB liability attributed to the Town	<u>5,416,000</u>	<u>5,322,000</u>	<u>5,260,000</u>	<u>6,796,000</u>
Total	<u>\$ 5,416,000</u>	<u>\$ 5,322,000</u>	<u>\$ 5,260,000</u>	<u>\$ 6,796,000</u>
Town's covered payroll	\$ 8,387,000	\$ 8,779,000	\$ 8,643,000	\$ 8,560,000
Town's proportionate share of the collective net OPEB liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total collective OPEB liability	2.50%	2.08%	1.49%	1.79%

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

See accompanying notes to required supplementary information.

TOWN OF EAST GRANBY, CONNECTICUT
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 1 - STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND

Budgetary Information

The General Fund is the only fund for which an annual budget is legally adopted. The Town adheres to the following procedures in establishing the budgetary data included in the General Fund financial statements.

- The Board of Selectmen, Board of Education and the Board of Finance prepare an operating budget for the fiscal year commencing July 1 which is presented at the annual Town meeting for approval or submitted to referendum. The operating budget includes proposed expenditures and the means of financing them.
- Expenditures are budgeted by function, department and object. The legal level of budget control is the department level. The Board of Finance is authorized to transfer budgeted amounts within and between departments and objects for amounts not exceeding \$20,000 or representing a second transfer to a department. Additional appropriations in excess of \$20,000 must be approved at a Town meeting.
- Formal budgetary integration is employed as a management control device during the year.
- The budget is prepared on a basis consistent with accounting principles generally accepted in the United States of America, except for intergovernmental revenues and encumbrances. Intergovernmental revenues and other reimbursement for certain 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 those for capital projects funds. Appropriations for capital projects are continued until completion of applicable projects, even when projects extend more than one fiscal year.

As described above, accounting principles applied for purposes of developing data on a budgetary basis differ from those used to present financial statements in conformity with accounting principles generally accepted in the United States of America (“GAAP basis”). A reconciliation of General Fund amounts presented on the budgetary basis to amounts presented on the GAAP basis is as follows for the year ended June 30, 2021:

	<u>Total Revenues</u>	<u>Total Expenditures</u>	<u>Other Financing Uses</u>	<u>Net Change In Fund Balance</u>
Budgetary basis	\$ 23,328,031	\$ 22,646,448	\$ (578,322)	\$ 103,261
"On-behalf" payments - State Teachers' Retirement Fund	2,385,324	2,385,324	-	-
Change in encumbrances	-	284,403	(21,678)	(306,081)
GAAP basis	<u>\$ 25,713,355</u>	<u>\$ 25,316,175</u>	<u>\$ (600,000)</u>	<u>\$ (202,820)</u>

TOWN OF EAST GRANBY, CONNECTICUT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED) *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 2 - SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE COLLECTIVE NET PENSION LIABILITY - CONNECTICUT TEACHERS' RETIREMENT SYSTEM

The Town began to report this schedule when it implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - An Amendment of GASB Statement No. 27*, in fiscal year 2015. GASB Statement No. 68 requires the information within this schedule to be presented for the ten most recent fiscal years.

Actuarial valuations are prepared every two years with the most recent available actuarial valuation performed as of June 30, 2020. The liabilities were estimated based on a measurement date of June 30, 2020. The employer allocations were then applied to the net pension liability and pension expense to determine the amount applicable to each employer. This information is utilized by the Town for reporting as of June 30, 2021.

Benefit Changes - There were no benefit term changes that had a significant effect on the measurement of the Town's collective net pension liability reported as of June 30, 2021.

Assumption Changes - The following assumption changes had a significant effect on the measurement of the Town's collective net pension liability reported as of June 30, 2021.

- o a decrease in the annual rate of real wage increase assumption from 0.75% to 0.50%;
- o a decrease in the payroll growth assumption from 3.25% to 3.00%; and
- o rates of withdrawal, disability, retirement, mortality, and assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience.

NOTE 3 - SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY - OTHER POST-EMPLOYMENT BENEFITS PLAN

The Town began to report this schedule when it implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension*, in fiscal year 2018. GASB Statement No. 75 requires the information within this schedule to be presented for the ten most recent fiscal years. Information prior to fiscal year 2018 is not available.

Actuarial valuations are prepared every two years with the most recent available actuarial valuation performed as of July 1, 2020. This information is utilized by the Town for reporting as of June 30, 2021.

Benefit Changes - There have been no changes in benefit terms that have had a significant effect on the measurement of the total OPEB liability.

Assumption Changes - The following changes in assumptions had a significant effect on the measurement of the net OPEB liability reported as of June 30, 2021:

- o the discount rate decreased from 2.21% to 2.16% as of the June 30, 2021 measurement date.

TOWN OF EAST GRANBY, CONNECTICUT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED) *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 4 - SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE COLLECTIVE NET OTHER POST-EMPLOYMENT BENEFITS LIABILITY - CONNECTICUT TEACHERS' RETIREMENT SYSTEM

The Town began to report this schedule when it implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension*, in fiscal year 2018. GASB Statement No. 75 requires the information within this schedule to be presented for the ten most recent fiscal years.

Actuarial valuations are prepared every two years with the most recent available actuarial valuation performed as of June 30, 2020. This information is utilized by the Town for reporting as of June 30, 2021.

Benefit Changes - There were no benefit term changes that had a significant effect on the measurement of the Town's collective net OPEB liability reported as of June 30, 2021.

Assumption Changes - The following assumption changes had a significant effect on the measurement of the Town's collective net OPEB liability reported as of June 30, 2021.

- a decrease in the annual rate of real wage increase assumption from 0.75% to 0.50%;
- a decrease in the payroll growth assumption from 3.25% to 3.00%; and
- rates of withdrawal, disability, retirement, mortality, and assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience.

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

TOWN OF EAST GRANBY, CONNECTICUT
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES -
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
PROPERTY TAXES:				
Property taxes - current year	\$ 19,905,672	\$ 19,905,672	\$ 20,106,088	\$ 200,416
Property taxes - prior years	137,014	137,014	25,107	(111,907)
Interest and lien fees	79,824	79,824	105,002	25,178
Total property taxes	<u>20,122,510</u>	<u>20,122,510</u>	<u>20,236,197</u>	<u>113,687</u>
INTERGOVERNMENTAL:				
Education cost sharing	1,422,092	1,422,092	1,421,389	(703)
PILOT - Airport Authority	661,859	661,859	661,859	-
Municipal grants-in-aid	537,454	537,454	294,000	(243,454)
Special education excess cost	100,000	100,000	146,220	46,220
Telephone line tax	13,251	13,251	11,143	(2,108)
Property tax relief	3,762	3,762	3,319	(443)
Adult education	1,494	1,494	1,557	63
Coronavirus Relief Funds	-	-	125,686	125,686
FEMA disaster assistance	-	-	12,202	12,202
Distressed Municipalities	-	-	6,834	6,834
Other	-	-	5,176	5,176
Total intergovernmental	<u>2,739,912</u>	<u>2,739,912</u>	<u>2,689,385</u>	<u>(50,527)</u>
CHARGES FOR SERVICES:				
Building permits	62,165	62,165	164,254	102,089
Conveyance taxes	80,000	80,000	107,854	27,854
Other fees	25,426	25,426	42,019	16,593
Aircraft registration fees	31,000	31,000	25,500	(5,500)
Recording fees	36,932	36,932	53,784	16,852
Total charges for services	<u>235,523</u>	<u>235,523</u>	<u>393,411</u>	<u>157,888</u>
INTEREST INCOME				
	<u>78,477</u>	<u>78,477</u>	<u>9,038</u>	<u>(69,439)</u>
Total revenues	<u>23,176,422</u>	<u>23,176,422</u>	<u>23,328,031</u>	<u>151,609</u>
OTHER FINANCING SOURCES:				
Appropriation of fund balance	420,649	420,649	-	(420,649)
Prior year unliquidated encumbrances	-	-	21,678	21,678
Total other financing sources	<u>420,649</u>	<u>420,649</u>	<u>21,678</u>	<u>(398,971)</u>
Total revenues and other financing sources	<u>\$ 23,597,071</u>	<u>\$ 23,597,071</u>	<u>\$ 23,349,709</u>	<u>\$ (247,362)</u>

TOWN OF EAST GRANBY, CONNECTICUT
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES:				
GENERAL GOVERNMENT:				
Selectmen's office	\$ 192,970	\$ 194,970	\$ 194,970	\$ -
Probate	2,000	2,300	2,300	-
Registrars	49,525	49,525	46,803	(2,722)
Board of Finance	1,700	1,700	1,260	(440)
Audit	23,790	23,790	20,415	(3,375)
Assessor's office	145,983	145,983	140,917	(5,066)
Assessment of appeals	150	150	125	(25)
Tax collector's office	104,551	118,551	118,024	(527)
Treasurer's office	24,210	24,210	24,208	(2)
Legal	18,000	15,400	11,137	(4,263)
Town clerk's office	117,910	119,910	118,161	(1,749)
Planning and Zoning Commission	108,584	108,584	108,584	-
Data services	113,112	133,112	130,844	(2,268)
Public buildings	196,251	192,251	191,254	(997)
Building inspector	132,408	132,408	132,408	-
Engineering	16,000	16,000	16,000	-
Health services	35,956	35,956	35,956	-
Social services	23,480	23,780	23,535	(245)
Insurance	725,000	725,000	716,300	(8,700)
Economic and development	49,000	29,000	29,000	-
Animal control	11,000	11,000	11,000	-
Payroll taxes	167,160	167,160	164,397	(2,763)
Street lighting	37,000	37,000	35,210	(1,790)
Dues and memberships	21,661	21,661	20,914	(747)
Commission on aging	63,995	49,995	49,940	(55)
Commission on youth services	18,050	18,050	17,970	(80)
Utilities	166,410	170,410	147,187	(23,223)
Facilities maintenance	56,100	56,100	56,100	-
Total general government	<u>2,621,956</u>	<u>2,623,956</u>	<u>2,564,919</u>	<u>(59,037)</u>
CULTURE AND RECREATION:				
Library	213,800	213,800	213,800	-
Parks and recreation	125,165	123,165	121,409	(1,756)
Total culture and recreation	<u>338,965</u>	<u>336,965</u>	<u>335,209</u>	<u>(1,756)</u>

(Continued)

TOWN OF EAST GRANBY, CONNECTICUT
 SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -
 BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND *(Continued)*
 FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES <i>(Continued)</i> :				
PUBLIC SAFETY:				
Fire department	\$ 169,648	\$ 189,648	\$ 185,807	\$ (3,841)
Police department	647,134	647,134	647,134	-
Fire marshal	69,357	69,357	65,133	(4,224)
Ambulance service	62,659	62,659	62,659	-
Total public safety	<u>948,798</u>	<u>968,798</u>	<u>960,733</u>	<u>(8,065)</u>
 PUBLIC WORKS	 <u>724,800</u>	 <u>724,800</u>	 <u>724,674</u>	 <u>(126)</u>
 DEBT SERVICE:				
Principal	544,300	544,300	543,220	(1,080)
Interest	245,321	245,321	174,520	(70,801)
Total debt service	<u>789,621</u>	<u>789,621</u>	<u>717,740</u>	<u>(71,881)</u>
 SANITATION	 <u>234,231</u>	 <u>259,231</u>	 <u>247,287</u>	 <u>(11,944)</u>
 EDUCATION	 <u>17,284,700</u>	 <u>17,284,700</u>	 <u>17,095,886</u>	 <u>(188,814)</u>
 CONTINGENCY	 <u>54,000</u>	 <u>9,000</u>	 <u>-</u>	 <u>(9,000)</u>
 Total expenditures	 <u>22,997,071</u>	 <u>22,997,071</u>	 <u>22,646,448</u>	 <u>(350,623)</u>
 OTHER FINANCING USES:				
TRANSFERS OUT:				
Capital and Nonrecurring Fund	600,000	600,000	600,000	-
 Total expenditures and other financing uses	 <u>\$ 23,597,071</u>	 <u>\$ 23,597,071</u>	 <u>\$ 23,246,448</u>	 <u>\$ (350,623)</u> <i>(Concluded)</i>

TOWN OF EAST GRANBY, CONNECTICUT
SCHEDULE OF EDUCATION EXPENDITURES -
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual	Variance With
	Original	Final		Final Budget
				Over (Under)
EXPENDITURES:				
EDUCATION				
Certified personnel	\$ 8,255,529	\$ 8,255,529	\$ 8,206,485	\$ (49,044)
Noncertified personnel	1,572,079	1,572,079	1,969,462	397,383
Certified substitutes	125,000	125,000	90,615	(34,385)
Custodial overtime - events	-	-	105	105
Contracted substitutes	35,095	35,095	9,488	(25,607)
Other salaries	211,115	211,115	221,021	9,906
Group health life insurance	2,610,108	2,610,108	2,298,252	(311,856)
Social security	122,113	122,113	127,074	4,961
Medicare	154,006	154,006	148,894	(5,112)
Employer pension	70,000	70,000	63,617	(6,383)
Unemployment payments	27,900	27,900	7,621	(20,279)
Workers' compensation	80,385	80,385	69,484	(10,901)
Professional improvement	83,000	83,000	28,003	(54,997)
Assessment services	1,050	1,050	634	(416)
Other professional & technology services	470,000	470,000	375,213	(94,787)
Data processing	31,109	31,109	24,594	(6,515)
Water/sewage	29,552	29,552	17,577	(11,975)
Rubbish removal	13,900	13,900	14,555	655
Contracted maintenance services	177,942	177,942	171,224	(6,718)
Repairs to buildings	86,000	86,000	146,119	60,119
Other purchased services	200	200	-	(200)
Pupil transportation	996,636	996,636	757,097	(239,539)
Property insurance	38,103	38,103	44,405	6,302
Liability insurance	29,914	29,914	19,239	(10,675)
Errors & omissions insurance	15,800	15,800	9,346	(6,454)
Telephone	39,485	39,485	58,519	19,034
Postage	8,675	8,675	8,479	(196)
Advertisements	1,000	1,000	80	(920)
Job printing & binding	5,650	5,650	2,604	(3,046)
Public school tuition	260,000	260,000	330,368	70,368
Private school tuition	690,000	690,000	702,802	12,802
Travel & conferences	10,502	10,502	4,897	(5,605)
Field trips	3,070	3,070	820	(2,250)
Supplies	68,481	68,481	225,353	156,872
Administrative supplies	31,400	31,400	40,276	8,876
Natural gas	25,500	25,500	29,602	4,102
Electricity	483,107	483,107	394,068	(89,039)
Propane gas	500	500	505	5
Heating supplies oil	119,250	119,250	110,141	(9,109)
Books/textbooks/workbooks	80,104	80,104	67,801	(12,303)
Licenses/subscriptions	119,261	119,261	139,908	20,647
Equipment	32,269	32,269	49,052	16,783
Memberships & special programs	39,910	39,910	43,055	3,145
Legal fees	30,000	30,000	67,432	37,432
Total education expenditures	<u>\$ 17,284,700</u>	<u>\$ 17,284,700</u>	<u>\$ 17,095,886</u>	<u>\$ (188,814)</u>

TOWN OF EAST GRANBY, CONNECTICUT
SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING
FOR THE YEAR ENDED JUNE 30, 2021

Grand List Year	Balance Uncollected June 30, 2020	Current Levy	Lawful Corrections		Transfers To Suspende	Balance To Be Collected	Collections			Balance Uncollected June 30, 2021
			Additions	Deductions			Taxes	Interest, Liens and Fees	Total	
2019	\$ -	\$ 20,311,889	\$ 20,053	\$ 70,270	\$ 1,658	\$ 20,260,014	\$ 20,102,521	\$ 61,327	\$ 20,163,848	\$ 157,493
2018	150,553	-	325	57,252	499	93,127	14,797	24,871	39,668	78,330
2017	38,747	-	15	389	-	38,373	-	10,795	10,795	38,373
2016	28,793	-	-	-	14,629	14,164	4,682	2,999	7,681	9,482
2015	25,576	-	10	-	15,313	10,273	1,927	1,511	3,438	8,346
2014	8,156	-	-	-	-	8,156	-	-	-	8,156
2013	7,995	-	-	-	-	7,995	-	-	-	7,995
2012	8,642	-	-	-	295	8,347	-	-	-	8,347
2011	16,806	-	-	-	8,537	8,269	215	325	540	8,054
2010	7,930	-	-	-	205	7,725	-	-	-	7,725
2009	7,756	-	-	-	-	7,756	-	-	-	7,756
2008	7,654	-	-	-	-	7,654	-	-	-	7,654
2007	6,805	-	-	-	-	6,805	-	-	-	6,805
2006	6,609	-	-	-	-	6,609	-	-	-	6,609
2005 and prior	18,047	-	-	5,831	-	12,216	-	-	-	12,216
	<u>\$ 340,069</u>	<u>\$ 20,311,889</u>	<u>\$ 20,403</u>	<u>\$ 133,742</u>	<u>\$ 41,136</u>	<u>\$ 20,497,483</u>	<u>\$ 20,124,142</u>	<u>\$ 101,828</u>	<u>\$ 20,225,970</u>	<u>\$ 373,341</u>

TOWN OF EAST GRANBY, CONNECTICUT
SCHEDULE OF DEBT LIMITATION
CONNECTICUT GENERAL STATUTES, SECTION 7-374(b)
AS OF JUNE 30, 2021

Total cash collections for the year ended
June 30, 2021:

Taxes	\$ 20,124,142
Interest and lien fees	101,828
Total	<u>20,225,970</u>

Reimbursement for revenue loss:

Tax relief for elderly (CGS 12-129d)	3,319
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Base	<u>\$ 20,229,289</u>
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	General Purposes	Schools	Sewers	Urban Renewal	Pension Deficit
Debt limitation:					
2-1/4 times base	\$ 45,515,900	\$ -	\$ -	\$ -	\$ -
4-1/2 times base	-	91,031,801	-	-	-
3-3/4 times base	-	-	75,859,834	-	-
3-1/4 times base	-	-	-	65,745,189	-
3 times base	-	-	-	-	60,687,867
Total debt limitation	<u>45,515,900</u>	<u>91,031,801</u>	<u>75,859,834</u>	<u>65,745,189</u>	<u>60,687,867</u>
Indebtedness:					
Bonds	-	3,125,000	-	-	-
Bond anticipation notes	3,648,000	3,352,000	-	-	-
Total indebtedness	<u>3,648,000</u>	<u>6,477,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Add: Debt authorized but unissued	<u>3,452,000</u>	<u>702,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net indebtedness	<u>7,100,000</u>	<u>7,179,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt limitation in excess of outstanding and authorized debt	<u>\$ 38,415,900</u>	<u>\$ 83,852,801</u>	<u>\$ 75,859,834</u>	<u>\$ 65,745,189</u>	<u>\$ 60,687,867</u>
Total capacity of borrowing (7 times base)	\$ 141,605,023				
Total present indebtedness	<u>14,279,000</u>				
Margin for additional borrowing	<u>\$ 127,326,023</u>				

TOWN OF EAST GRANBY, CONNECTICUT
CAPITAL AND NONRECURRING FUND -
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES - BY PROJECT
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

	Appropriations		Expenditures		Close Out of Appropriation	Remaining Balance June 30, 2021		
	Balance June 30, 2020	Current Year	Balance June 30, 2021	Balance June 30, 2020			Current Year	Balance June 30, 2021
Capital and Nonrecurring Fund								
Revaluation phase II	\$ 75,000	\$ -	\$ 75,000	\$ 65,000	\$ 900	\$ 65,900	\$ (9,100)	\$ -
Insulation Town Hall	11,000	-	11,000	-	-	-	-	11,000
HS Roof access door	6,700	-	6,700	-	-	-	(6,700)	-
Police Vehicle	49,617	-	49,617	-	49,016	49,016	(601)	-
Engine 3 Refurbishment	150,000	-	150,000	-	150,000	150,000	-	-
Senior Mini Bus	65,816	-	65,816	-	65,816	65,816	-	-
Camera Server RD Seymour	39,000	-	39,000	-	38,814	38,814	(186)	-
School Technology	59,600	-	59,600	-	59,499	59,499	(101)	-
Plow Truck	-	165,000	165,000	-	158,000	158,000	(7,000)	-
Town HVAC	-	55,000	55,000	-	54,897	54,897	(103)	-
School Camera Upgrade	-	35,000	35,000	-	-	-	-	35,000
School Operating System Upgrade	-	36,018	36,018	-	13,550	13,550	-	22,468
School Technology Equipment	-	39,800	39,800	-	38,700	38,700	-	1,100
Controller (Allgrove)	-	6,119	6,119	-	-	-	-	6,119
HS Locker Room Flooring	-	15,000	15,000	-	-	-	-	15,000
Tennis Court Maintenance	-	8,965	8,965	-	-	-	-	8,965
Village Center Concept Plan	-	20,000	20,000	-	-	-	-	20,000
EGVFD Study	-	50,000	50,000	-	-	-	-	50,000
FD iPad Air Computers	-	7,000	7,000	-	-	-	-	7,000
Fire Rescue Vehicle	-	225,000	225,000	-	152,650	152,650	-	72,350
Fire Hose	-	25,000	25,000	-	-	-	-	25,000
Police Vehicle SUV	-	55,000	55,000	-	-	-	-	55,000
Dump Truck	-	66,000	66,000	-	-	-	-	66,000
RCC Compactor Pad	-	8,000	8,000	-	-	-	-	8,000
DPW Overhead Door	-	7,500	7,500	-	-	-	-	7,500
Total Capital and Nonrecurring Fund	<u>\$ 456,733</u>	<u>\$ 824,402</u>	<u>\$ 1,281,135</u>	<u>\$ 65,000</u>	<u>\$ 781,842</u>	<u>\$ 846,842</u>	<u>\$ (23,791)</u>	<u>\$ 410,502</u>

TOWN OF EAST GRANBY, CONNECTICUT
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
AS OF JUNE 30, 2021

	Nonmajor Governmental Funds				Total Nonmajor Governmental Funds
	Capital		Debt		
	Special Revenue Funds	Projets Fund - Elementary School Renovation Fund	Service Fund - Sewer Assessment Fund	Permanent Funds	
ASSETS					
Cash and cash equivalents	\$ 467,681	\$ -	\$ -	\$ 145,363	\$ 613,044
Other receivables	153,364	-	-	-	153,364
Due from other funds	2,367,857	194,873	30,768	-	2,593,498
Total assets	<u>\$ 2,988,902</u>	<u>\$ 194,873</u>	<u>\$ 30,768</u>	<u>\$ 145,363</u>	<u>\$ 3,359,906</u>
LIABILITIES					
Accounts payable	\$ 305,646	\$ -	\$ -	\$ -	\$ 305,646
Due to other funds	228,110	-	-	-	228,110
Unearned revenue	1,102,171	-	-	-	1,102,171
Total liabilities	<u>1,635,927</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,635,927</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues	<u>153,364</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>153,364</u>
FUND BALANCES					
Restricted for:					
Road maintenance and improvements	731,740	-	-	-	731,740
Educational purposes	215,071	-	-	143,796	358,867
Other purposes	118,984	-	-	1,567	120,551
Committed for:					
Capital purposes	-	194,873	-	-	194,873
Educational purposes	340,960	-	-	-	340,960
Other purposes	304,100	-	30,768	-	334,868
Unassigned	(511,244)	-	-	-	(511,244)
Total fund balances	<u>1,199,611</u>	<u>194,873</u>	<u>30,768</u>	<u>145,363</u>	<u>1,570,615</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,988,902</u>	<u>\$ 194,873</u>	<u>\$ 30,768</u>	<u>\$ 145,363</u>	<u>\$ 3,359,906</u>

TOWN OF EAST GRANBY, CONNECTICUT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES -
 NONMAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
 FOR THE YEAR ENDED JUNE 30, 2021

	Nonmajor Governmental Funds				Total Nonmajor Governmental Funds
	Special Revenue Funds	Capital Projets Fund - Elementary School Renovation Fund	Debt Service Fund - Sewer Assessment Fund	Permanent Funds	
REVENUES					
Intergovernmental	\$ 862,109	\$ -	\$ -	\$ -	\$ 862,109
Charges for services	573,114	-	-	-	573,114
Interest income	2,630	-	33	1,419	4,082
Other	112,069	-	-	-	112,069
Total revenues	<u>1,549,922</u>	<u>-</u>	<u>33</u>	<u>1,419</u>	<u>1,551,374</u>
EXPENDITURES					
Current:					
General government	38,228	-	-	-	38,228
Culture and recreation	182,676	-	-	-	182,676
Public safety	101,429	-	-	-	101,429
Public works	504,701	-	-	-	504,701
Sanitation	459,506	-	-	-	459,506
Education	284,858	-	-	-	284,858
Total expenditures	<u>1,571,398</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,571,398</u>
Excess (deficiency) of revenues over expenditures	(21,476)	-	33	1,419	(20,024)
OTHER FINANCING SOURCES					
Transfers in	98,620	-	-	-	98,620
Net change in fund balances	77,144	-	33	1,419	78,596
Fund balances - beginning, as adjusted <i>(see Note 1)</i>	<u>1,122,467</u>	<u>194,873</u>	<u>30,735</u>	<u>143,944</u>	<u>1,492,019</u>
Fund balances - ending	<u>\$ 1,199,611</u>	<u>\$ 194,873</u>	<u>\$ 30,768</u>	<u>\$ 145,363</u>	<u>\$ 1,570,615</u>

TOWN OF EAST GRANBY, CONNECTICUT
COMBINING BALANCE SHEET -
NONMAJOR SPECIAL REVENUE FUNDS
AS OF JUNE 30, 2021

	Town Aid Road Fund	American Rescue Plan Fund	Dog Fund	Milk Fund	Parks & Recreation Fund	Open Space Fund
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 771	\$ 103,299	\$ -
Other receivables	-	-	-	-	-	-
Due from other funds	732,937	760,593	36,246	-	-	15,905
Total assets	<u>\$ 732,937</u>	<u>\$ 760,593</u>	<u>\$ 36,246</u>	<u>\$ 771</u>	<u>\$ 103,299</u>	<u>\$ 15,905</u>
LIABILITIES						
Accounts payable	\$ 1,197	\$ -	\$ 18,279	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-
Unearned revenue	-	760,593	-	-	70,760	-
Total liabilities	<u>1,197</u>	<u>760,593</u>	<u>18,279</u>	<u>-</u>	<u>70,760</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenues	-	-	-	-	-	-
FUND BALANCES						
Restricted for:						
Road maintenance and improvements	731,740	-	-	-	-	-
Educational purposes	-	-	-	-	-	-
Other purposes	-	-	17,967	771	-	-
Committed for:						
Educational purposes	-	-	-	-	-	-
Other purposes	-	-	-	-	32,539	15,905
Unassigned	-	-	-	-	-	-
Total fund balances	<u>731,740</u>	<u>-</u>	<u>17,967</u>	<u>771</u>	<u>32,539</u>	<u>15,905</u>
Total liabilities and fund balances and deferred inflows of resources	<u>\$ 732,937</u>	<u>\$ 760,593</u>	<u>\$ 36,246</u>	<u>\$ 771</u>	<u>\$ 103,299</u>	<u>\$ 15,905</u>

(Continued)

TOWN OF EAST GRANBY, CONNECTICUT
 COMBINING BALANCE SHEET -
 NONMAJOR SPECIAL REVENUE FUNDS (Continued)
 AS OF JUNE 30, 2021

	Halloween Party Fund	High School Food Store Fund	Small Cities Fund	Community Center Fund	Document Restoration Fund	Seniors Fund	Rockbestos Fund
ASSETS							
Cash and cash equivalents	\$ 1,077	\$ 9,499	\$ 19,914	\$ 1,981	\$ -	\$ 18,777	\$ 20,073
Other receivables	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	11,796	-	-
Total assets	<u>\$ 1,077</u>	<u>\$ 9,499</u>	<u>\$ 19,914</u>	<u>\$ 1,981</u>	<u>\$ 11,796</u>	<u>\$ 18,777</u>	<u>\$ 20,073</u>
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 3,036	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,036</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES							
Restricted for:							
Road maintenance and improvements	-	-	-	-	-	-	-
Educational purposes	-	-	-	-	-	-	-
Other purposes	-	-	19,914	-	8,760	-	-
Committed for:							
Educational purposes	-	9,499	-	-	-	-	20,073
Other purposes	1,077	-	-	1,981	-	18,777	-
Unassigned	-	-	-	-	-	-	-
Total fund balances	<u>1,077</u>	<u>9,499</u>	<u>19,914</u>	<u>1,981</u>	<u>8,760</u>	<u>18,777</u>	<u>20,073</u>
Total liabilities and fund balances and deferred inflows of resources	<u>\$ 1,077</u>	<u>\$ 9,499</u>	<u>\$ 19,914</u>	<u>\$ 1,981</u>	<u>\$ 11,796</u>	<u>\$ 18,777</u>	<u>\$ 20,073</u>

(Continued)

TOWN OF EAST GRANBY, CONNECTICUT
 COMBINING BALANCE SHEET -
 NONMAJOR SPECIAL REVENUE FUNDS (Continued)
 AS OF JUNE 30, 2021

	<u>Emergency Fund</u>	<u>BOE Nonlapsing Fund</u>	<u>Fournier-Roy Youth Fund</u>	<u>State Grants Fund</u>	<u>Sewer Reserve Fund</u>	<u>Emergency Fuel Fund</u>	<u>Sewer Use Fund</u>
ASSETS							
Cash and cash equivalents	\$ 1,375	\$ -	\$ 15,276	\$ -	\$ -	\$ 33,468	\$ -
Other receivables	-	-	-	-	-	-	153,364
Due from other funds	-	311,388	-	273,116	156,602	-	-
Total assets	<u>\$ 1,375</u>	<u>\$ 311,388</u>	<u>\$ 15,276</u>	<u>\$ 273,116</u>	<u>\$ 156,602</u>	<u>\$ 33,468</u>	<u>\$ 153,364</u>
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 283,134
Due to other funds	-	-	-	-	-	-	228,110
Unearned revenue	-	-	-	270,818	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>270,818</u>	<u>-</u>	<u>-</u>	<u>511,244</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>153,364</u>
FUND BALANCES							
Restricted for:							
Road maintenance and improvements	-	-	-	-	-	-	-
Educational purposes	-	-	-	-	-	-	-
Other purposes	-	-	-	2,298	-	-	-
Committed for:							
Educational purposes	-	311,388	-	-	-	-	-
Other purposes	1,375	-	15,276	-	156,602	33,468	-
Unassigned	-	-	-	-	-	-	(511,244)
Total fund balances	<u>1,375</u>	<u>311,388</u>	<u>15,276</u>	<u>2,298</u>	<u>156,602</u>	<u>33,468</u>	<u>(511,244)</u>
Total liabilities and fund balances and deferred inflows of resources	<u>\$ 1,375</u>	<u>\$ 311,388</u>	<u>\$ 15,276</u>	<u>\$ 273,116</u>	<u>\$ 156,602</u>	<u>\$ 33,468</u>	<u>\$ 153,364</u>

(Continued)

TOWN OF EAST GRANBY, CONNECTICUT
 COMBINING BALANCE SHEET -
 NONMAJOR SPECIAL REVENUE FUNDS *(Continued)*
 AS OF JUNE 30, 2021

	Summer Concert Fund	Town Clerk Fund	Recreation Center Fund	Seymour Cemetery Fund	School Activity Fund	Total Special Revenue Funds
ASSETS						
Cash and cash equivalents	\$ 11,867	\$ -	\$ 15,233	\$ -	\$ 215,071	\$ 467,681
Other receivables	-	-	-	-	-	153,364
Due from other funds	-	10,098	-	59,176	-	2,367,857
Total assets	<u>\$ 11,867</u>	<u>\$ 10,098</u>	<u>\$ 15,233</u>	<u>\$ 59,176</u>	<u>\$ 215,071</u>	<u>\$ 2,988,902</u>
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 305,646
Due to other funds	-	-	-	-	-	228,110
Unearned revenue	-	-	-	-	-	1,102,171
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,635,927</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenues	-	-	-	-	-	153,364
FUND BALANCES						
Restricted for:						
Road maintenance and improvements	-	-	-	-	-	731,740
Educational purposes	-	-	-	-	215,071	215,071
Other purposes	-	10,098	-	59,176	-	118,984
Committed for:						
Educational purposes	-	-	-	-	-	340,960
Other purposes	11,867	-	15,233	-	-	304,100
Unassigned	-	-	-	-	-	(511,244)
Total fund balances	<u>11,867</u>	<u>10,098</u>	<u>15,233</u>	<u>59,176</u>	<u>215,071</u>	<u>1,199,611</u>
Total liabilities and fund balances and deferred inflows of resources	<u>\$ 11,867</u>	<u>\$ 10,098</u>	<u>\$ 15,233</u>	<u>\$ 59,176</u>	<u>\$ 215,071</u>	<u>\$ 2,988,902</u>

(Concluded)

TOWN OF EAST GRANBY, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Town Aid Road Fund	American Rescue Plan Fund	Dog Fund	Milk Fund	Parks & Recreation Fund	Open Space Fund
REVENUES						
Intergovernmental	\$ 733,908	\$ -	\$ -	\$ 2,744	\$ -	\$ -
Charges for services	-	-	3,136	1,340	110,598	10,217
Interest income	251	-	34	-	12	26
Other	-	-	-	-	11,000	-
Total revenues	<u>734,159</u>	<u>-</u>	<u>3,170</u>	<u>4,084</u>	<u>121,610</u>	<u>10,243</u>
EXPENDITURES						
Current:						
General government	-	-	-	-	-	16,345
Culture and recreation	-	-	15,175	-	131,531	-
Public safety	-	-	-	-	-	-
Public works	504,701	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Education	-	-	-	4,449	-	-
Total expenditures	<u>504,701</u>	<u>-</u>	<u>15,175</u>	<u>4,449</u>	<u>131,531</u>	<u>16,345</u>
Excess (deficiency) of revenues over expenditures	229,458	-	(12,005)	(365)	(9,921)	(6,102)
OTHER FINANCING SOURCES						
Transfers in	<u>98,620</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	328,078	-	(12,005)	(365)	(9,921)	(6,102)
Fund balances - beginning, as adjusted <i>(see Note 1)</i>	<u>403,662</u>	<u>-</u>	<u>29,972</u>	<u>1,136</u>	<u>42,460</u>	<u>22,007</u>
Fund balances - ending	<u>\$ 731,740</u>	<u>\$ -</u>	<u>\$ 17,967</u>	<u>\$ 771</u>	<u>\$ 32,539</u>	<u>\$ 15,905</u>

(Continued)

TOWN OF EAST GRANBY, CONNECTICUT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
 NONMAJOR SPECIAL REVENUE FUNDS *(Continued)*
 FOR THE YEAR ENDED JUNE 30, 2021

	Halloween Party Fund	High School Food Store Fund	Small Cities Fund	Community Center Fund	Document Restoration Fund	Seniors Fund	Rockbestos Fund
REVENUES							
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 5,500	\$ -	\$ -
Charges for services	-	1,797	-	-	1,606	4,842	-
Interest income	-	-	-	-	11	-	-
Other	650	-	19,904	2,832	-	-	-
Total revenues	<u>650</u>	<u>1,797</u>	<u>19,904</u>	<u>2,832</u>	<u>7,117</u>	<u>4,842</u>	<u>-</u>
EXPENDITURES							
Current:							
General government	-	-	-	2,953	-	-	-
Culture and recreation	686	-	-	-	5,350	4,091	-
Public safety	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-
Education	-	3,338	-	-	-	-	1,977
Total expenditures	<u>686</u>	<u>3,338</u>	<u>-</u>	<u>2,953</u>	<u>5,350</u>	<u>4,091</u>	<u>1,977</u>
Excess (deficiency) of revenues over expenditures	(36)	(1,541)	19,904	(121)	1,767	751	(1,977)
OTHER FINANCING SOURCES							
Transfers in	-	-	-	-	-	-	-
Net change in fund balances	(36)	(1,541)	19,904	(121)	1,767	751	(1,977)
Fund balances - beginning, as adjusted <i>(see Note 1)</i>	<u>1,113</u>	<u>11,040</u>	<u>10</u>	<u>2,102</u>	<u>6,993</u>	<u>18,026</u>	<u>22,050</u>
Fund balances - ending	<u>\$ 1,077</u>	<u>\$ 9,499</u>	<u>\$ 19,914</u>	<u>\$ 1,981</u>	<u>\$ 8,760</u>	<u>\$ 18,777</u>	<u>\$ 20,073</u>

(Continued)

TOWN OF EAST GRANBY, CONNECTICUT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
 NONMAJOR SPECIAL REVENUE FUNDS *(Continued)*
 FOR THE YEAR ENDED JUNE 30, 2021

	<u>Emergency Fund</u>	<u>BOE Nonlapsing Fund</u>	<u>Fournier Roy Youth Fund</u>	<u>State Grants Fund</u>	<u>Sewer Reserve Fund</u>	<u>Emergency Fuel Fund</u>	<u>Sewer Use Fund</u>
REVENUES							
Intergovernmental	\$ -	\$ -	\$ 19,857	\$ 100,100	\$ -	\$ -	\$ -
Charges for services	1,315	-	-	-	-	-	317,235
Interest income	-	-	20	-	166	-	2,098
Other	8,725	-	6,579	-	-	22,688	-
Total revenues	<u>10,040</u>	<u>-</u>	<u>26,456</u>	<u>100,100</u>	<u>166</u>	<u>22,688</u>	<u>319,333</u>
EXPENDITURES							
Current:							
General government	10,065	-	-	-	-	8,865	-
Culture and recreation	-	-	23,756	-	-	-	-
Public safety	-	-	-	101,429	-	-	-
Public works	-	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	459,506
Education	-	177,684	-	-	-	-	-
Total expenditures	<u>10,065</u>	<u>177,684</u>	<u>23,756</u>	<u>101,429</u>	<u>-</u>	<u>8,865</u>	<u>459,506</u>
Excess (deficiency) of revenues over expenditures	(25)	(177,684)	2,700	(1,329)	166	13,823	(140,173)
OTHER FINANCING SOURCES							
Transfers in	-	-	-	-	-	-	-
Net change in fund balances	(25)	(177,684)	2,700	(1,329)	166	13,823	(140,173)
Fund balances - beginning, as adjusted <i>(see Note 1)</i>	<u>1,400</u>	<u>489,072</u>	<u>12,576</u>	<u>3,627</u>	<u>156,436</u>	<u>19,645</u>	<u>(371,071)</u>
Fund balances - ending	<u>\$ 1,375</u>	<u>\$ 311,388</u>	<u>\$ 15,276</u>	<u>\$ 2,298</u>	<u>\$ 156,602</u>	<u>\$ 33,468</u>	<u>\$ (511,244)</u>

(Continued)

TOWN OF EAST GRANBY, CONNECTICUT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
 NONMAJOR SPECIAL REVENUE FUNDS *(Continued)*
 FOR THE YEAR ENDED JUNE 30, 2021

	Summer Concert Fund	Town Clerk Fund	Recreation Center Fund	Seymour Cemetery Fund	School Activity Fund	Total Nonmajor Special Revenue Funds
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 862,109
Charges for services	-	2,640	12,675	-	105,713	573,114
Interest income	-	9	3	-	-	2,630
Other	5,900	-	-	33,791	-	112,069
Total revenues	<u>5,900</u>	<u>2,649</u>	<u>12,678</u>	<u>33,791</u>	<u>105,713</u>	<u>1,549,922</u>
EXPENDITURES						
Current:						
General government	-	-	-	-	-	38,228
Culture and recreation	599	-	1,488	-	-	182,676
Public safety	-	-	-	-	-	101,429
Public works	-	-	-	-	-	504,701
Sanitation	-	-	-	-	-	459,506
Education	-	-	-	-	97,410	284,858
Total expenditures	<u>599</u>	<u>-</u>	<u>1,488</u>	<u>-</u>	<u>97,410</u>	<u>1,571,398</u>
Excess (deficiency) of revenues over expenditures	5,301	2,649	11,190	33,791	8,303	(21,476)
OTHER FINANCING SOURCES						
Transfers in	-	-	-	-	-	98,620
Net change in fund balances	5,301	2,649	11,190	33,791	8,303	77,144
Fund balances - beginning, as adjusted <i>(see Note 1)</i>	<u>6,566</u>	<u>7,449</u>	<u>4,043</u>	<u>25,385</u>	<u>206,768</u>	<u>1,122,467</u>
Fund balances - ending	<u>\$ 11,867</u>	<u>\$ 10,098</u>	<u>\$ 15,233</u>	<u>\$ 59,176</u>	<u>\$ 215,071</u>	<u>\$ 1,199,611</u>

(Concluded)

TOWN OF EAST GRANBY, CONNECTICUT
COMBINING BALANCE SHEET -
NONMAJOR PERMANENT FUNDS
AS OF JUNE 30, 2021

	Holcomb Loomis Trust Fund	Lloyd and Stephanie Griggs Scholarship Fund	Total Nonmajor Permanent Funds
ASSETS			
Cash and cash equivalents	\$ 1,567	\$ 143,796	\$ 145,363
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ -
FUND BALANCES			
Restricted for:			
Educational purposes	-	143,796	143,796
Other purposes	1,567	-	1,567
Total fund balances	1,567	143,796	145,363
Total liabilities and fund balances	\$ 1,567	\$ 143,796	\$ 145,363

TOWN OF EAST GRANBY, CONNECTICUT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
 NONMAJOR PERMANENT FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021

	Holcomb Loomis Trust Fund	Lloyd and Stephanie Griggs Scholarship Fund	Total Nonmajor Permanent Funds
REVENUES			
Interest income	\$ 28	\$ 1,391	\$ 1,419
Total revenues	28	1,391	1,419
EXPENDITURES			
Education	-	-	-
Total expenditures	-	-	-
Excess of revenues over expenditures / net change in fund balance	28	1,391	1,419
Fund balances - beginning, as adjusted <i>(see Note 1)</i>	1,539	142,405	143,944
Fund balances - ending	\$ 1,567	\$ 143,796	\$ 145,363

TOWN OF EAST GRANBY, CONNECTICUT
 COMBINING STATEMENT OF FIDUCIARY NET POSITION -
 PENSION TRUST FUNDS
 AS OF JUNE 30, 2021

	Town Employees' Plan	Board of Education Employees' Plan	Total Pension Trust Funds
ASSETS			
Investments:			
Fixed insurance contracts	\$ 560,291	\$ 131,088	\$ 691,379
Variable insurance contracts	2,311,567	1,673,784	3,985,351
Loans receivable	45,722	4,508	50,230
Total assets	<u>2,917,580</u>	<u>1,809,380</u>	<u>4,726,960</u>
NET POSITION			
Restricted for pension benefits	<u>\$ 2,917,580</u>	<u>\$ 1,809,380</u>	<u>\$ 4,726,960</u>

TOWN OF EAST GRANBY, CONNECTICUT
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION -
 PENSION TRUST FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021

	Town Employees' Plan	Board of Education Employees' Plan	Total Pension Trust Funds
ADDITIONS			
Contributions:			
Employer	\$ 115,977	\$ 36,491	\$ 152,468
Plan members	57,111	39,539	96,650
Total contributions	173,088	76,030	249,118
Investment earnings:			
Net change in the fair value of investment, net of fees	529,057	421,280	950,337
Net investment earnings	529,057	421,280	950,337
Total additions	702,145	497,310	1,199,455
DEDUCTIONS			
Benefit payments	53,500	-	53,500
Administrative expenses	300	25	325
Total deductions	53,800	25	53,825
Change in net position	648,345	497,285	1,145,630
Restricted for Pension Benefits:			
Beginning	2,269,235	1,312,095	3,581,330
Ending	\$ 2,917,580	\$ 1,809,380	\$ 4,726,960