

TOWN OF EAST GRANBY, CONNECTICUT

FINANCIAL STATEMENTS

**AS OF AND FOR THE YEAR ENDED
JUNE 30, 2023**

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

Opinions

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, 2023, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

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, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 15 and the information on pages 49 through 56 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary 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 accompanying combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and 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 November 30, 2023, 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
November 30, 2023

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, 2023

The management of the Town of East Granby, Connecticut (the Town), offers the readers of its financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2023.

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 \$32,751,225 (net position). Of this amount, \$5,251,849 represents the unrestricted net position of the Town.
- The Town's total net position increased by \$1,125,880 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 \$12,085,364, a decrease of \$389,804 over the prior year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund totaled \$3,481,320 or 13.1% of the Town's fiscal year 2024 authorized budgetary expenditure appropriations of \$26,500,507. Expressed another way, unassigned fund balance for the General Fund was sufficient to cover 1.58 months of General Fund operating expenditures.
- The Town's total capital assets increased by \$215,035 or 0.6% during the current fiscal year.
- The Town's total long-term bonded debt decreased by \$925,000 or 7.4% 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, 2023

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 16 and 17 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 are considered governmental 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 and the Town Aid Road Fund, both 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 18 through 21 of this report.

TOWN OF EAST GRANBY, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

OVERVIEW OF THE FINANCIAL STATEMENTS *(Continued)*

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 22 through 48 of this report.

Other Information

Required supplementary information and combining and individual fund statements and schedules and can be found on pages 49 through 79 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

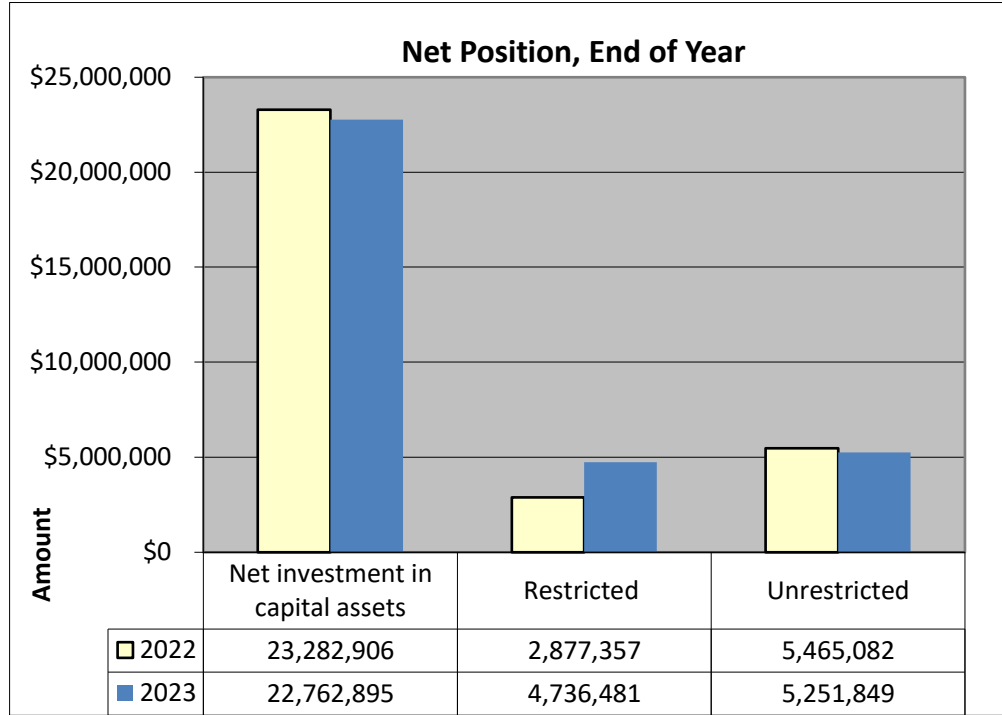
Over time, net position may serve as one measure of a government's financial position. Net position of the Town totaled \$32,751,225 and \$31,625,345 as of June 30, 2023 and 2022, respectively, and are summarized as follows:

	<u>2023</u>	<u>2022</u>	<u>\$ Change</u>	<u>% Change</u>
Current and other assets	\$ 14,574,488	\$ 15,264,230	\$ (689,742)	-4.5%
Capital assets, net	35,487,590	35,272,555	215,035	0.6%
Total assets	<u>50,062,078</u>	<u>50,536,785</u>	<u>(474,707)</u>	-0.9%
Deferred outflows of resources	<u>49,883</u>	<u>55,995</u>	<u>(6,112)</u>	-10.9%
Other liabilities	1,974,055	2,445,814	(471,759)	-19.3%
Long-term liabilities	<u>14,472,510</u>	<u>15,915,399</u>	<u>(1,442,889)</u>	-9.1%
Total liabilities	<u>16,446,565</u>	<u>18,361,213</u>	<u>(1,914,648)</u>	-10.4%
Deferred inflows of resources	<u>914,171</u>	<u>606,222</u>	<u>307,949</u>	50.8%
Net position:				
Net investment in capital assets	22,762,895	23,282,906	(520,011)	-2.2%
Restricted	4,736,481	2,877,357	1,859,124	64.6%
Unrestricted	<u>5,251,849</u>	<u>5,465,082</u>	<u>(213,233)</u>	-3.9%
Total net position	<u>\$ 32,751,225</u>	<u>\$ 31,625,345</u>	<u>\$ 1,125,880</u>	3.6%

TOWN OF EAST GRANBY, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Net Position (Continued)



Of the Town's net position, 69.5% 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.

14.5% 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 \$1,125,880.

TOWN OF EAST GRANBY, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Changes in Net Position

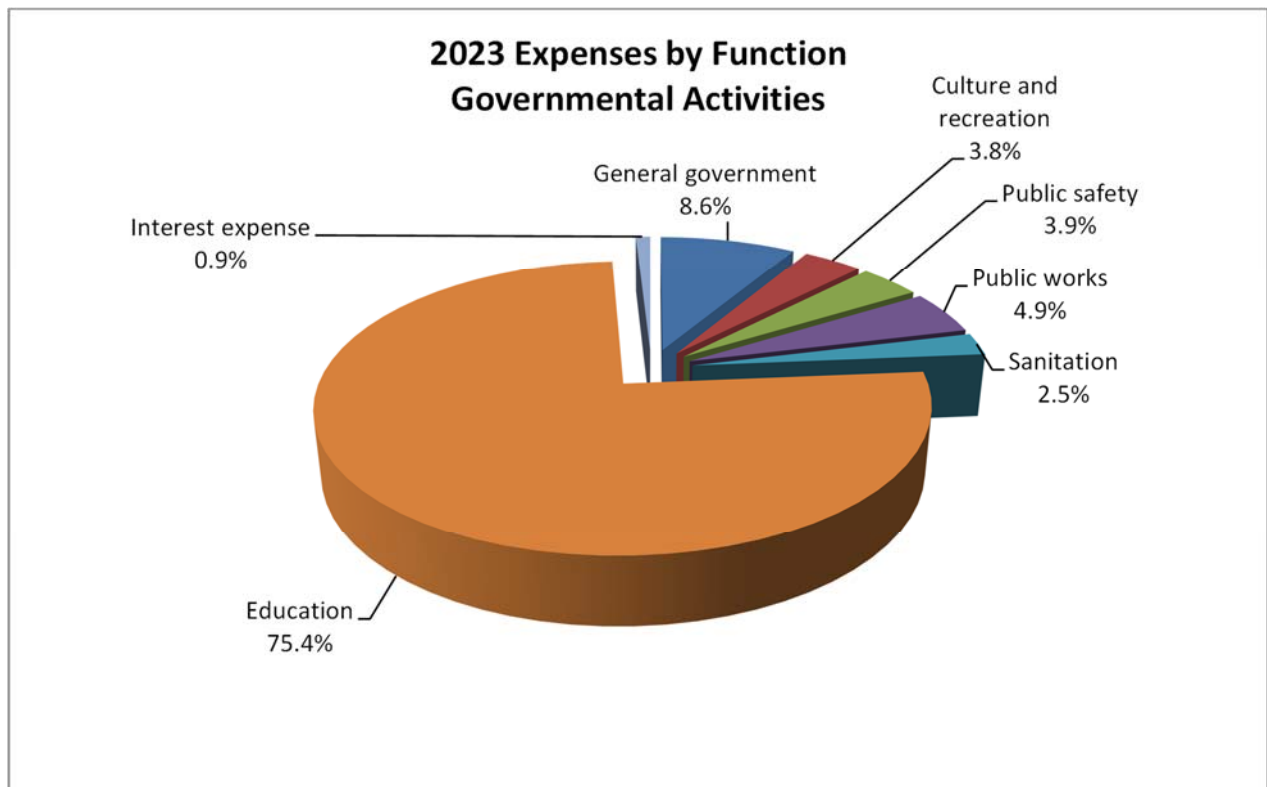
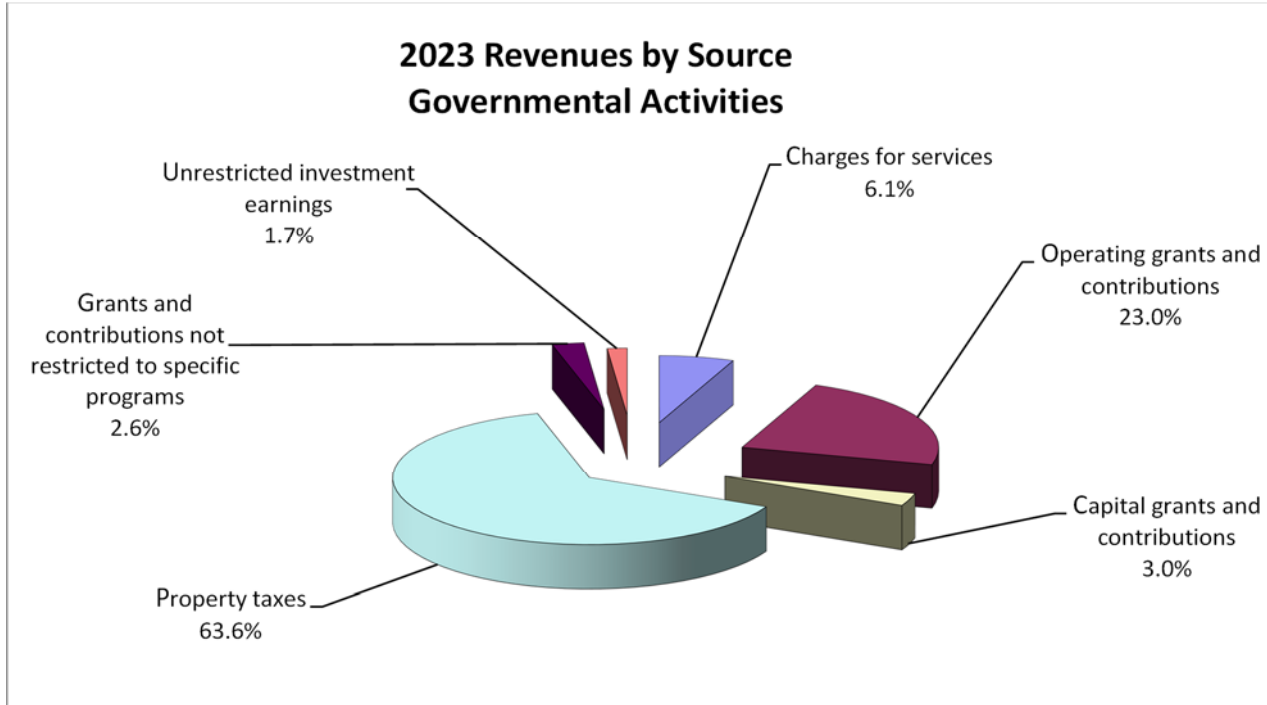
Changes in net position for the years ended June 30, 2023 and 2022 are as follows.

	<u>2023</u>	<u>2022</u>	<u>\$ Change</u>	<u>% Change</u>
Program revenues:				
Charges for services	\$ 2,103,917	\$ 1,974,659	\$ 129,258	6.5%
Operating grants and contributions	7,892,452	4,895,207	2,997,245	61.2%
Capital grants and contributions	1,035,061	1,574,722	(539,661)	-34.3%
General revenues:				
Property taxes	21,768,627	20,614,084	1,154,543	5.6%
Grants and contributions	896,103	722,453	173,650	24.0%
Investment earnings	558,955	42,682	516,273	1209.6%
Total revenues	<u>34,255,115</u>	<u>29,823,807</u>	<u>4,431,308</u>	14.9%
Program expenses:				
General government	2,857,048	2,786,324	70,724	2.5%
Culture and recreation	1,248,546	1,086,295	162,251	14.9%
Public safety	1,293,940	1,155,748	138,192	12.0%
Public works	1,618,899	1,253,020	365,879	29.2%
Sanitation	824,032	806,717	17,315	2.1%
Education	24,982,457	21,983,061	2,999,396	13.6%
Interest expense	304,313	121,884	182,429	149.7%
Total expenses	<u>33,129,235</u>	<u>29,193,049</u>	<u>3,936,186</u>	13.5%
Change in net position	<u>\$ 1,125,880</u>	<u>\$ 630,758</u>	<u>\$ 495,122</u>	78.5%

TOWN OF EAST GRANBY, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

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, 2023

GOVERNMENT-WIDE FINANCIAL ANALYSIS *(Continued)*

Changes in Net Position *(Continued)*

Governmental activities increased the Town's net position by \$1,125,880. Revenues recognized by the Town increased by \$4,431,308 or 14.9% and expenses for the Town increased by \$3,936,186 or 13.5% in comparison to prior year.

A summary of significant items impacting revenues are as follows:

- An increase in operating grants of \$2,997,245 or 61.2%. This increase includes an overall increase of \$2,491,146 in operating grants and contributions recognized by the Town's school system. This increase includes a \$1,983,959 increase in the amount of pension and other post-employment benefit expenses recognized by the Town for its participation in the Connecticut Teachers' Retirement System. Although the Town is not liable for pension and other post-employment benefits provided by the Connecticut Teachers' Retirement System, the Town recognizes both revenues and expenses for the full pension and other post-employment benefit expenses that have been attributed to employees of the Town's School District.
- A decrease in capital grants of \$539,661 or 34.3%. Capital grants fluctuate year over year based on timing of capital purchases and projects funded by grants.
- An increase in property tax revenues of \$1,154,543 or 5.6%. This increase reflects an increase of 1.5% in the Town's property tax mill rate combined with an increase in the Town's overall grand list.
- An increase in investment income of \$516,273 due to increases in market rates.

A summary of significant items impacting expenses are as follows:

- An increase in public works expenses in the amount of \$365,879 or 29.2%. This increase was due to an increase in noncapitalized infrastructure improvements.
- A increase in education expenses in the amount of \$2,999,396 or 13.6%. This increase was driven by a \$1,983,959 increase in the amount of pension and other post-employment benefit expenses recognized by the Town for its participation in the Connecticut Teachers' Retirement System, as previously discussed, combined with an increase in operating costs of \$1,015,437 or 4.8%.

TOWN OF EAST GRANBY, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

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 \$12,085,364, a decrease of \$389,804 in comparison with the prior year.

General Fund

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$3,481,320, while total fund balance was \$4,426,084. 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 13.1% of the Town's fiscal year 2024 authorized budgetary expenditure appropriations of \$26,500,507. Expressed another way, unassigned fund balance for the General Fund was sufficient to cover 1.58 months of General Fund operating expenditures.

The fund balance of the General Fund decreased by \$54,581 during the current fiscal year. Refer to General Fund budgetary highlights below for discussions related to current year activities.

Town Aid Road Fund

The fund balance of the Town Aid Road Fund increased by \$912,388 during the current fiscal year from \$1,417,785 to \$2,330,173. This fund accounts for the maintenance of and improvements of the Town's roads.

Other Governmental Funds

Capital and Nonrecurring Fund

The fund balance of the Capital and Nonrecurring Fund increased by \$330,157 during the current fiscal year to \$1,798,345. A summary of authorized projects and costs incurred is presented on page 63 of this report.

Capital Bond Fund

The fund balance of the Capital Bond Fund decreased by \$906,086 during the current fiscal year from \$1,854,837 to \$948,751. The decrease in fund balance was due to the use of bond proceeds obtained in the prior year to fund authorized capital projects.

TOWN OF EAST GRANBY, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

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

Other Governmental Funds *(Continued)*

Education Program Fund

The fund balance of the Education Program Fund decreased by \$340,857 during the current fiscal year from \$1,169,720 to \$828,863. This fund accounts for restricted grants and reimbursement from federal, State and local sources.

GENERAL FUND BUDGETARY HIGHLIGHTS

The original and final budget for the year ended June 30, 2023 planned for the use of fund balance in the amount of \$852,695 to balance the budget. The actual change in fund balance on a budgetary basis was a decrease of \$139,306, resulting in a favorable budgetary variance in the amount of \$713,389. Revenues and other financing sources exceeded budgetary estimates by \$442,466 and expenditures were less than budgetary estimates by \$270,923.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The Town's investment in capital assets for its governmental activities as of June 30, 2023 totaled \$35,487,590 (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 \$215,035 or 0.6%.

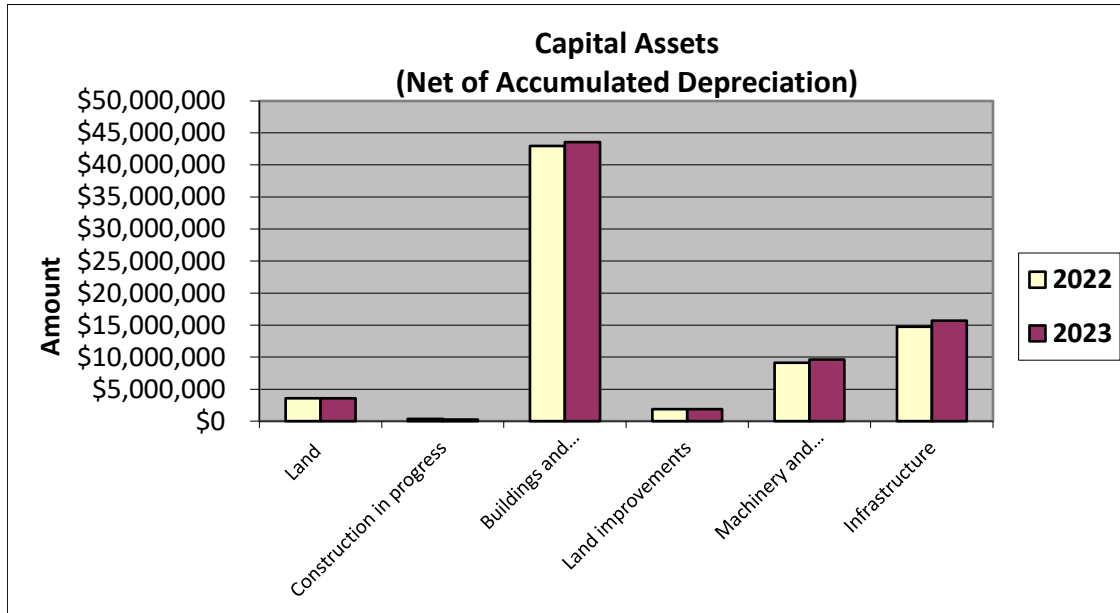
The following table is a two-year comparison of the investment in capital assets, net of accumulated depreciation:

	<u>2023</u>	<u>2022</u>	<u>\$ Change</u>	<u>% Change</u>
Land	\$ 3,571,922	\$ 3,571,922	\$ -	0.0%
Construction in progress	229,423	348,119	(118,696)	-34.1%
Buildings and improvements	43,572,462	42,940,108	632,354	1.5%
Land improvements	1,900,872	1,890,814	10,058	0.5%
Machinery and equipment	9,606,526	9,104,304	502,222	5.5%
Infrastructure	15,717,646	14,765,138	952,508	6.5%
Accumulated depreciation	(39,111,261)	(37,347,850)	(1,763,411)	4.7%
Totals	<u>\$ 35,487,590</u>	<u>\$ 35,272,555</u>	<u>\$ 215,035</u>	0.6%

TOWN OF EAST GRANBY, CONNECTICUT
 MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

CAPITAL ASSET AND DEBT ADMINISTRATION *(Continued)*

Capital Assets *(Continued)*



Major capital asset events during the current fiscal year consisted of capital asset additions of \$1,978,446 offset by depreciation expense of \$1,763,411.

Significant capital asset activity consisted of a library HVAC project, self-contained breathing apparatuses and ladder truck for the fire department and a police vehicle.

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, 2023

CAPITAL ASSET AND DEBT ADMINISTRATION (Continued)

Debt

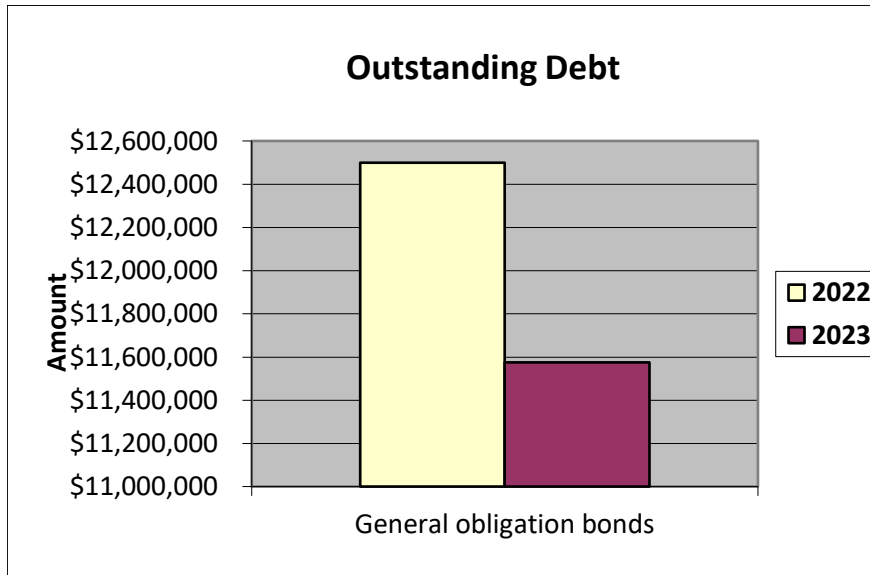
At the end of the current fiscal year, the Town had total long-term bonded debt outstanding of \$11,575,000, all of which is backed by the full faith and credit of the Town. The Town's total long-term bonded debt decreased by \$925,000 or 7.4% during the current fiscal year due to scheduled debt service payments.

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 debt:

	<u>2023</u>	<u>2022</u>	<u>\$ Change</u>	<u>% Change</u>
General obligation bonds	<u>\$ 11,575,000</u>	<u>\$ 12,500,000</u>	<u>\$ (925,000)</u>	<u>-7.4%</u>



Additional information on the Town's long-term debt can be found in Note 6 of this report.

TOWN OF EAST GRANBY, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

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.

All of these factors were considered in preparing the Town's budget for fiscal year 2024. The Town's fiscal year 2024 approved budget contemplates budgetary expenditure appropriations in the amount of \$26,500,507. The fiscal year 2024 budget contemplates the use of fund balance in the amount of \$732,365 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, 2023

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 13,819,553
Investments	15,036
Receivables:	
Property taxes and interest, net	442,695
Grants and contracts	1,525
Other	295,679
Capital assets:	
Non-depreciable	3,801,345
Depreciable, net	31,686,245
Total assets	50,062,078
 DEFERRED OUTFLOWS OF RESOURCES	
OPEB related	49,883
 LIABILITIES	
Accounts payable	910,377
Accrued liabilities	289,500
Performance bonds payable	98,032
Unearned revenue	676,146
Noncurrent liabilities:	
Due within one year	1,057,085
Due in more than one year	13,415,425
Total liabilities	16,446,565
 DEFERRED INFLOWS OF RESOURCES	
Advanced property tax collections	53,554
OPEB related	860,617
Total deferred inflows of resources	914,171
 NET POSITION	
Net investment in capital assets	22,762,895
Restricted for:	
Capital purposes	1,050,309
Road maintenance and improvements	2,330,173
Educational purposes	1,237,860
Other purposes	118,139
Unrestricted	5,251,849
Total net position	\$ 32,751,225

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, 2023

<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	\$ 2,857,048	\$ 355,376	\$ 168,355	\$ -	\$ (2,333,317)
Culture and recreation	1,248,546	463,511	148,115	292,000	(344,920)
Public safety	1,293,940	14,495	35,011	394,508	(849,926)
Public works	1,618,899	248,613	434,267	302,132	(633,887)
Sanitation	824,032	433,772	-	-	(390,260)
Education	24,982,457	588,150	7,106,704	46,421	(17,241,182)
Interest expense	304,313	-	-	-	(304,313)
Total governmental activities	<u>\$ 33,129,235</u>	<u>\$ 2,103,917</u>	<u>\$ 7,892,452</u>	<u>\$ 1,035,061</u>	<u>(22,097,805)</u>
General revenues:					
					21,768,627
					896,103
					558,955
					<u>23,223,685</u>
					1,125,880
					<u>31,625,345</u>
					<u>\$ 32,751,225</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, 2023

	General Fund	Town Aid Road Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 12,129,030	\$ -	\$ 1,690,523	\$ 13,819,553
Investments	-	-	15,036	15,036
Receivables:				
Property taxes and interest, net	442,695	-	-	442,695
Grants and contracts	-	-	1,525	1,525
Other	50,717	-	244,962	295,679
Due from other funds	511,959	2,343,665	5,293,253	8,148,877
Total assets	<u>\$ 13,134,401</u>	<u>\$ 2,343,665</u>	<u>\$ 7,245,299</u>	<u>\$ 22,723,365</u>
LIABILITIES				
Accounts payable	\$ 591,040	\$ 13,492	\$ 305,845	\$ 910,377
Salaries and benefits payable	118,025	-	-	118,025
Performance bonds payable	98,032	-	-	98,032
Due to other funds	7,444,063	-	704,814	8,148,877
Unearned revenue	-	-	676,146	676,146
Total liabilities	<u>8,251,160</u>	<u>13,492</u>	<u>1,686,805</u>	<u>9,951,457</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	403,603	-	229,387	632,990
Advanced tax collections	53,554	-	-	53,554
Total deferred inflows of resources	<u>457,157</u>	<u>-</u>	<u>229,387</u>	<u>686,544</u>
FUND BALANCES				
Restricted for:				
Capital purposes	-	-	1,050,309	1,050,309
Road maintenance and improvements	-	2,330,173	-	2,330,173
Educational purposes	-	-	1,237,860	1,237,860
Other purposes	-	-	118,139	118,139
Committed for:				
Capital purposes	-	-	480,485	480,485
Educational purposes	-	-	185,410	185,410
Other purposes	-	-	1,575,795	1,575,795
Assigned to:				
Capital purposes	-	-	1,411,175	1,411,175
Encumbrances	212,399	-	-	212,399
Use in subsequent year's budget	732,365	-	-	732,365
Unassigned	3,481,320	-	(730,066)	2,751,254
Total fund balances	<u>4,426,084</u>	<u>2,330,173</u>	<u>5,329,107</u>	<u>12,085,364</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 13,134,401</u>	<u>\$ 2,343,665</u>	<u>\$ 7,245,299</u>	<u>\$ 22,723,365</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, 2023

Total fund balance for governmental funds		\$ 12,085,364
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	\$ 74,598,851	
Less: accumulated depreciation	<u>(39,111,261)</u>	
Total capital assets, net		35,487,590
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.		
		632,990
Deferred charges on the total OPEB liability is not susceptible to accrual and therefore is not reported in the funds.		
		(810,734)
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	(171,475)	
Long-term debt:		
Bonds payable	(11,575,000)	
Unamortized bond premium	(1,149,695)	
Other long-term liabilities:		
Compensated absences	(132,085)	
Total OPEB liability	<u>(1,615,730)</u>	
		<u>(14,643,985)</u>
Net position of governmental activities		<u>\$ 32,751,225</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, 2023

	General Fund	Town Aid Road Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Property taxes	\$ 21,608,676	\$ -	\$ -	\$ 21,608,676
Intergovernmental	5,523,299	1,253,650	2,447,152	9,224,101
Charges for services	433,253	-	1,347,643	1,780,896
Interest income	414,824	53,976	90,155	558,955
Other	21,679	-	61,568	83,247
Total revenues	<u>28,001,731</u>	<u>1,307,626</u>	<u>3,946,518</u>	<u>33,255,875</u>
EXPENDITURES				
Current:				
General government	2,764,994	-	204,028	2,969,022
Culture and recreation	339,940	-	844,123	1,184,063
Public safety	1,057,492	-	506,980	1,564,472
Public works	795,221	509,516	83,963	1,388,700
Sanitation	242,171	-	536,416	778,587
Education	21,094,960	-	2,097,718	23,192,678
Capital outlays	-	-	1,211,832	1,211,832
Debt service	1,356,325	-	-	1,356,325
Total expenditures	<u>27,651,103</u>	<u>509,516</u>	<u>5,485,060</u>	<u>33,645,679</u>
Excess (deficiency) of revenues over expenditures	350,628	798,110	(1,538,542)	(389,804)
OTHER FINANCING SOURCES (USES)				
Transfers in	194,791	114,278	631,946	941,015
Transfers out	(600,000)	-	(341,015)	(941,015)
Total other financing sources (uses)	<u>(405,209)</u>	<u>114,278</u>	<u>290,931</u>	<u>-</u>
Net change in fund balances	(54,581)	912,388	(1,247,611)	(389,804)
Fund balances - beginning	<u>4,480,665</u>	<u>1,417,785</u>	<u>6,576,718</u>	<u>12,475,168</u>
Fund balances - ending	<u>\$ 4,426,084</u>	<u>\$ 2,330,173</u>	<u>\$ 5,329,107</u>	<u>\$ 12,085,364</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, 2023

Net change in fund balances - total governmental funds \$ (389,804)

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	\$ 1,978,446	
Depreciation and amortization expense	<u>(1,763,411)</u>	
Net adjustment		215,035

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:

Principal repayments:	
Bonds	925,000

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	(67,779)	
Amortization of bond premium	194,791	
Landfill post-closure care liability	4,167	
Compensated absences	103,918	
Total OPEB liability	215,013	
Deferred charges on total OPEB liability	<u>(270,788)</u>	
		179,322

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.

		<u>196,327</u>
Change in net position of governmental activities	\$	<u><u>1,125,880</u></u>

TOWN OF EAST GRANBY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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. A government is financially accountable for a legally separate organization if it appoints a voting majority of the organization's governing body and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the government. The basic financial statements of the reporting entity include only the funds of the Town as no component units exist based these criteria.

Jointly Governed 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 CRCOG's governing Board.

The Town is a founding member, along with the Towns of Suffield, Windsor, and Windsor Locks, of the Bradley Development League (BDL). The BDL consists of a private/public board of directors, and allows its member towns and the State to more effectively market the area. The First Selectman of the Town currently serves on the BDL's governing Board.

TOWN OF EAST GRANBY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

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

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. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through payments from the member towns, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties. The Town has no business-type activities.

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.

Town Aid Road Fund - This fund accounts for the maintenance and improvements of the Town's roads.

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 recognition in the financial statements of various kinds of transactions or events.

The government-wide financial statements are reported 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.

TOWN OF EAST GRANBY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

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

Measurement Focus and Basis of Accounting *(Continued)*

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when they have been earned and they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service principal and interest expenditures on general long-term debt, including lease liabilities, as well as expenditures related to compensated absences, claims and judgments, and postemployment benefits are recognized later based on specific accounting rules applicable to each, generally when payment is due. General capital asset acquisitions, including entering into contracts giving the Town the right to use leased assets, are reported as expenditures in governmental funds. Issuance of long-term debt and financing through 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 either received or available to be received during the period or within the availability period for this revenue source (within 60 days of yearend). 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 either received or available to be received during the period or within the availability period for this revenue source (within 60 days of yearend). All other revenue items are considered to be measurable and available only when the cash is received.

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

Cash and Cash Equivalents

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

Investments

Investments with a maturity of less than one year when purchased, non-negotiable certificates of deposit, and other nonparticipating investments are reported at cost or amortized cost. Investments in certain external investment pools that meet specific criteria for measuring its investments at amortized cost are reported at amortized cost. All other investments in external investment pools and investments with maturity greater than one year when purchased are stated at fair value. Fair value is the price that would be received to sell an investment in an orderly transaction at year end.

Inventories and Prepaid Items

Inventories are reported at cost using the first-in first-out (FIFO) method. Inventories are recorded as expenditures/expenses when consumed rather than when purchased.

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

TOWN OF EAST GRANBY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

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

Assets, Liabilities, Deferred Outflows and Inflows of Resources and Net Position/Fund Balances *(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. Interest is charged on delinquent amounts at a statutory rate of 1.5% per month. Based on historical collection experience and other factors, the Town has established an allowance for uncollectible taxes and interest of \$80,000 and \$104,000, respectively, as of June 30, 2023.

Sewer Usage Charges

Usage charges are billed either annually or semi-annually depending upon the type of bill amount. Usage charges are due and payable within thirty days. Interest is charged on delinquent amounts at a statutory rate of 1.5% per month. Based on historical collection experience and other factors, no allowance has been established for uncollectible usage charges and interest.

Capital Assets

Capital assets are tangible and intangible assets, which include property and equipment, 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 in excess of two years.

As the Town constructs or acquires capital assets each period, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs, which are amounts spent in relation to capital assets that do not increase the asset's capacity or efficiency or increase its estimated useful life. Donated capital assets are recorded at acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of the donation. Intangible assets follow the same capitalization policies as tangible capital assets and are reported with tangible assets in the appropriate capital asset class.

Land and construction in progress are not depreciated. Other tangible and intangible property and equipment are depreciated/amortized 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, 2023

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

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

Deferred Outflows and Inflows of Resources

Deferred outflows and inflows of resources represent an acquisition or consumption of net assets that applies to a future period(s) and so will not be recognized as an inflow or outflow of resources until that time. Deferred inflows of resources include 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. Deferred outflows and inflows of resources also include deferred charges on the Town's OPEB expenses, which are amortized as a component of OPEB expense on a systematic and rational basis.

Long-term Obligations

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 assets.

In the government-wide financial statements, long-term debt is reported as liabilities in the statement of net position. Premiums and discounts on long-term debt are deferred and amortized over the life of the related debt using the effective interest rate method and the debt is reported net of any unamortized premium or discount. In the governmental fund financial statements, premiums and discounts are recognized in the current period.

In the governmental fund financial statements, debt premiums and discounts are recognized 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.

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 certain eligible employees of the Board of Education, only unused vacation days can be accumulated from year to year up to certain limits.

The Town provides special termination benefits to certain former employees of the Board of Education in the form of early retirement incentives.

All compensated absences and early retirement incentives are recorded 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.

TOWN OF EAST GRANBY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

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

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

Long-term Obligations *(Continued)*

Leases (as Lessee)

The Town recognizes a lease liability and an intangible right-to-use lease asset (lease asset) for a noncancellable lease in the government-wide financial statements. The Town recognizes lease liabilities with an initial, individual value of \$20,000 or more.

Net Position

For government-wide reporting, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called net position. Net position is comprised of the following three components:

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 those assets. Deferred outflows and inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related are also included in this component of net position.

Restricted net position - This component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on the use of those assets either by external parties or by law through constitutional provision or enabling legislation.

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

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

Fund Balance

In governmental fund types, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called fund balance. The Town's governmental funds report the following categories of fund balance, based on the nature of any limitations requiring the use of resources for specific purposes.

Nonspendable - Amounts that are either not in spendable form or are legally or contractually required to remain intact.

Restricted - Amounts that can be spent only for specific purposes stipulated by external resource providers such as grantors or enabling federal, state, or local legislation. Restrictions may be changed or lifted only with the consent of the resource providers.

TOWN OF EAST GRANBY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

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

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

Fund Balance *(Continued)*

Committed - Amounts that can be used only for the specific purposes determined by the approval of a resolution by the Board of Finance committing fund balance for the specified purpose. Once approved, the limitation imposed by the resolution remains in place until the resources have been spent for the specified purpose or the Board of Finance approves another resolution removing or revising the limitation.

Assigned - Amounts that are intended to be used by the Town for specific purposes but do not meet the criteria to be classified as 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 Town officials and the Superintendent of Schools. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment.

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.

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. In accordance with the Town's practice, the Town uses restricted resources first, then unrestricted resources as needed. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Internal Activities

During the course of operations the Town has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds or advances to/from other funds. Further, certain activity occurs during the year involving transfers of resources between funds reported at gross amounts as transfers in/out. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities are eliminated so that only the net amount is included as internal balances in the governmental activities column. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

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.

TOWN OF EAST GRANBY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 2 - CASH DEPOSITS AND INVESTMENTS

Cash Deposits

A reconciliation of the Town's cash deposits as of June 30, 2023 is as follows:

Cash and cash equivalents:	
Government-wide statement of net position	\$ 13,819,553
Add: certificates of deposit considered cash deposits for disclosure purposes	15,036
Less: cash equivalents considered investments for disclosure purposes	<u>(9,835,599)</u>
Total cash deposits	<u><u>\$ 4,142,787</u></u>

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, 2023, \$3,759,965 of the Town's bank balance of \$4,509,965 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 3,383,969
Uninsured and collateralized with securities held by the pledging bank's trust department or agent but not in the Town's name	<u>375,996</u>
	<u><u>\$ 3,759,965</u></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.

Investments

A reconciliation of the Town's investments as of June 30, 2023 is as follows:

Investments:	
Government-wide statement of net position	\$ 15,036
Add: cash equivalents considered investments for disclosure purposes	9,835,599
Less: certificates of deposit considered cash deposits for disclosure purposes	<u>(15,036)</u>
	<u><u>\$ 9,835,599</u></u>

TOWN OF EAST GRANBY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

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

Investments *(Continued)*

As of June 30, 2023, the Town's investments consisted of the following:

<u>Investment type</u>	<u>Valuation Basis</u>	<u>Credit Rating</u>	<u>Value</u>	<u>Investment Maturities (In Years) Less Than 1</u>
Debt Securities:				
<i>Governmental Activities:</i>				
Short-term Investment Fund (STIF)	Amortized cost	AAA	\$ 9,835,599	\$ 9,835,599

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 are not evidenced by securities and are therefore not exposed to custodial credit risk.

Concentrations of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the Town's investment in a single issuer. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from concentration of credit risk disclosures. As of June 30, 2023, none of the Town's investments, in any one issuer that is subject to concentration of credit risk disclosures, exceeded 5.0% or more of the total investments reported for the Town.

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.

TOWN OF EAST GRANBY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 3 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2023 consisted of the following:

Governmental Activities	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital assets, not being depreciated:					
Land	\$ 3,571,922	\$ -	\$ -	\$ -	\$ 3,571,922
Construction in progress	348,119	221,658	-	(340,354)	229,423
Total capital assets, not being depreciated	<u>3,920,041</u>	<u>221,658</u>	<u>-</u>	<u>(340,354)</u>	<u>3,801,345</u>
Capital assets, being depreciated:					
Buildings and improvements	42,940,108	292,000	-	340,354	43,572,462
Land improvements	1,890,814	10,058	-	-	1,900,872
Machinery and equipment	9,104,304	502,222	-	-	9,606,526
Infrastructure	14,765,138	952,508	-	-	15,717,646
Total capital assets, being depreciated	<u>68,700,364</u>	<u>1,756,788</u>	<u>-</u>	<u>340,354</u>	<u>70,797,506</u>
Less accumulated depreciation and amortization for:					
Buildings and improvements	21,893,630	984,061	-	-	22,877,691
Land improvements	1,592,770	30,284	-	-	1,623,054
Machinery and equipment	7,065,013	402,885	-	-	7,467,898
Infrastructure	6,796,437	346,181	-	-	7,142,618
Total accumulated depreciation and amortization	<u>37,347,850</u>	<u>1,763,411</u>	<u>-</u>	<u>-</u>	<u>39,111,261</u>
Total capital assets, being depreciated, net	<u>31,352,514</u>	<u>(6,623)</u>	<u>-</u>	<u>340,354</u>	<u>31,686,245</u>
Governmental activities capital assets, net	<u>\$ 35,272,555</u>	<u>\$ 215,035</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35,487,590</u>

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

Governmental Activities:	
General government	\$ 18,639
Public safety	145,039
Culture and recreation	356,483
Public Works	230,199
Sanitation	49,612
Education	963,439
Total depreciation expense - governmental activities	<u>\$ 1,763,411</u>

NOTE 4 - INTERFUND RECEIVABLES AND PAYABLES

Interfund receivables and payables at June 30, 2023 are as follows:

Receivable Fund	Payable Fund	Amount
Governmental Funds		
General Fund	Nonmajor Governmental Funds	\$ 511,959
Town Aid Road Fund	General Fund	2,343,665
Nonmajor Governmental Funds	General Fund	5,100,398
	Nonmajor Governmental Funds	<u>192,855</u>
		<u>5,293,253</u>
Total interfund receivables/payables		<u>\$ 8,148,877</u>

TOWN OF EAST GRANBY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 4 - INTERFUND RECEIVABLES AND PAYABLES *(Continued)*

The interfund 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, 2023 consisted of the following:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
Governmental Funds		
General Fund	Nonmajor Governmental Funds	\$ 194,791
Town Aid Road	Capital and Nonrecurring Fund	114,278
Nonmajor Governmental Funds	General Fund	600,000
	Nonmajor Governmental Funds	31,946
		<u>631,946</u>
Total transfers		<u>\$ 941,015</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.

NOTE 6 - LONG-TERM LIABILITIES

Changes in Long-term Liabilities

Changes in the Town's long-term liabilities for the year ended June 30, 2023, are as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities					
<i>Long-term debt:</i>					
Bonds payable:					
General obligation bonds	\$ 12,500,000	\$ -	\$ (925,000)	\$ 11,575,000	\$ 925,000
Unamortized bond premium	1,344,486	-	(194,791)	1,149,695	-
Total bonds payable	13,844,486	-	(1,119,791)	12,724,695	925,000
<i>Other long-term liabilities:</i>					
Compensated absences	236,003	-	(103,918)	132,085	132,085
Landfill post-closure care liability	4,167	-	(4,167)	-	-
Total OPEB Liability <i>(see Note 8)</i>	1,830,743	-	(215,013)	1,615,730	-
	<u>\$ 15,915,399</u>	<u>\$ -</u>	<u>\$ (1,442,889)</u>	<u>\$ 14,472,510</u>	<u>\$ 1,057,085</u>

Long-term liabilities are typically liquidated in the General Fund.

TOWN OF EAST GRANBY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 6 - LONG-TERM LIABILITIES *(Continued)*

General Obligation Bonds

The Town issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are uncollateralized, direct obligations and are pledged by the full faith and credit of the Town. General obligation bonds outstanding at June 30, 2023, are as follows:

	<u>Issue Year</u>	<u>Original Amount</u>	<u>Final Maturity Year</u>	<u>Interest Rates</u>	<u>Amount Outstanding</u>
Governmental Activities					
General obligation bonds	4/2012	\$ 7,200,000	4/2027	2.0% - 3.0%	\$ 2,075,000
General obligation bonds	7/2021	9,900,000	7/2041	2.0% - 5.0%	<u>9,500,000</u>
					<u>\$ 11,575,000</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 statute does exclude from the Town's aggregate debt calculation any debt issued (a) in anticipation of taxes; (b) for water, gas, or electricity supply, electric demand response, conservation and load management, distributed generation, renewable energy projects, cable, wire, and pipe subway construction, underground cable, wire, and pipe conduit construction, constructing and operating a municipal community antenna television system, or a combination of such projects; (c) in anticipation of public improvement benefit assessment revenue; (d) in anticipation of state or federal grant funding; (e) for water pollution control projects in order to meet the energy and environmental protection commissioner's abatement order requirements; and debt issued (f) for which funds have been placed in escrow (from the proceeds of refunding bonds, notes, or other obligations or other municipal funds) in an amount sufficient, together with investment earnings, to provide for the payment when due of the principal of and interest on such debt. The Town did not exceed this statutory debt limitation as of June 30, 2023.

Authorized, Unissued Bonds

As of June 30, 2023, the Town had authorized but unissued bonds of \$51,000.

Long-term Debt Service Requirements

The debt service requirements for the Town's long-term debt are as follows:

<u>Year ending June 30:</u>	<u>Governmental Activities</u>	
	<u>General Obligation Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
2024	\$ 925,000	\$ 387,563
2025	925,000	355,750
2026	925,000	322,625
2027	1,000,000	287,000
2028	500,000	248,500
2029-2033	3,000,000	805,000
2034-2038	2,700,000	289,000
2039-2042	<u>1,600,000</u>	<u>64,000</u>
	<u>\$ 11,575,000</u>	<u>\$ 2,759,438</u>

TOWN OF EAST GRANBY, CONNECTICUT
 NOTES TO FINANCIAL STATEMENTS *(Continued)*
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 7 - PENSION PLANS

The Town accounts for activity relating to one defined benefit pension plan, the Connecticut Teachers' Retirement System. As of and for the year ended June 30, 2023, the plan had the following balances reported in the Town's government-wide financial statements:

	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	On Behalf Revenues	Pension Expense
Connecticut Teachers' Retirement System (proportionate share)	\$ -	\$ -	\$ -	\$ 3,531,844	\$ 3,531,844

Detailed disclosures for the plan follows.

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 multi-employer 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.

TOWN OF EAST GRANBY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 7 - PENSION PLANS *(Continued)*

Connecticut Teachers' Retirement System *(Continued)*

Benefit Provisions *(Continued)*

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.

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 January 1, 2018, the required contribution each teacher is required to contribute 7.0% of pensionable salary for the pension benefit.

Administrative Expenses

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

TOWN OF EAST GRANBY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 7 - PENSION PLANS *(Continued)*

Connecticut Teachers' Retirement System *(Continued)*

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 Annual Comprehensive Financial Report as of and for the year ended June 30, 2022. The net pension liability 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 Annual Comprehensive 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 on the full accrual basis of accounting. Contributions remitted by the State are recognized when legally due, based upon statutory requirements.

Allocation Methodology

The allocations for participating employers are based on an 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 0.200% as of the most recent measurement date.

Collective Net Pension Liability

The following summarizes the collective net pension liability of the State for the TRS as of June 30, 2022, 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><u>\$ 18,310,559,000</u></u>
	<u>Proportion</u>	<u>Proportionate Share</u>
Town's proportionate share of the Collective Net Pension Liability	0.000%	<u><u>\$ -</u></u>
State's proportionate share of the Collective Net Pension Liability attributed to the Town	0.200%	<u><u>\$ 36,542,000</u></u>

Collective Pension Expense

The Town's expected contribution effort for allocation purposes totaled \$2,881,084 or 0.200% 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, 2023.

TOWN OF EAST GRANBY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 7 - PENSION PLANS *(Continued)*

Connecticut Teachers' Retirement System *(Continued)*

Collective Pension Expense *(Continued)*

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 \$3,531,844 or 0.200% 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, 2023.

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2022, 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.

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.

TOWN OF EAST GRANBY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 7 - PENSION PLANS *(Continued)*

Connecticut Teachers' Retirement System *(Continued)*

Long-Term Rate of Return *(Continued)*

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%	5.4%
Developed Market Intl. Stock Fund	11.0%	6.4%
Emerging Market Intl. Stock Fund	9.0%	8.6%
Core Fixed Income Fund	13.0%	0.8%
Emerging Market Debt Fund	5.0%	3.8%
High Yield Bond Fund	3.0%	3.4%
Real Estate Fund	19.0%	5.2%
Private Equity	10.0%	9.4%
Private Credit	5.0%	6.5%
Alternative Investments	3.0%	3.1%
Liquidity Fund	2.0%	-0.4%
	<u>100.0%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that 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.

NOTE 8 - OTHER POST-EMPLOYMENT BENEFITS (OPEB)

The Town accounts for activity relating to two other post-employment benefits plans, (1) the East Granby Board of Education Other Post-Employment Benefit Plan and (2) the Connecticut Teachers' Retirement System. As of and for the year ended June 30, 2023, the two plans had the following balances reported in the Town's government-wide financial statements:

	<u>Total OPEB Liability</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>On Behalf Revenues</u>	<u>OPEB Expense</u>
Town of East Granby Other Post-employment Benefits Plan	\$ 1,615,730	\$ 49,883	\$ 860,617	\$ -	\$ 91,485
Connecticut Teachers' Retirement System (proportionate share)	-	-	-	192,903	192,903
	<u>\$ 1,615,730</u>	<u>\$ 49,883</u>	<u>\$ 860,617</u>	<u>\$ 192,903</u>	<u>\$ 284,388</u>

Detailed disclosures for each plan follows.

TOWN OF EAST GRANBY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 8 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)*

Board of Education Other Post-Employment Benefits 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 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. For administrators with fifteen years of service, the Board will assume the cost of insurance at the prevailing participation rate for the first three years following the retirement of the administrator. 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.

Administrators - Retirees with 15 or more years of service contribute 21.5% of the HMO, 30.5% of the dental insurance costs and 18.5% of the HDHP/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, 2022, the valuation date, the following employees were covered by the benefit terms:

Retirees, beneficiaries, and dependents currently receiving benefits	25
Active participants	<u>119</u>
	<u><u>144</u></u>

TOWN OF EAST GRANBY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 8 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)*

Board of Education Other Post-Employment Benefits Plan

Total OPEB Liability

The Town's total OPEB liability reported as of June 30, 2023 totaled \$1,615,730. The total OPEB liability was measured as of June 30, 2023 using an actuarial valuation performed as of July 1, 2022.

Actuarial Assumptions and Other Inputs - The total OPEB liability as of June 30, 2023 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, 2022
Actuarial cost method:	Entry Age Normal Cost
Actuarial assumptions:	
Discount rate	3.65%
Inflation rate	2.50%
Healthcare cost trend rate	6.30% initial 3.90% 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 with generational projection of future improvements per the MP-2021 ultimate scale. The PubT-2010 contingent survivor table projected generationally per the MP-2021 ultimate scale and set forward one year for both males and females is used for survivors and beneficiaries.

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, 40% 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.

TOWN OF EAST GRANBY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 8 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)*

Board of Education Other Post-Employment Benefits Plan *(Continued)*

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance as of June 30, 2022	\$ 1,830,743
Changes for the year:	
Service cost	108,738
Interest	68,030
Effects of gains and losses	(188,075)
Changes in assumptions or other inputs	(167,996)
Benefit payments	(35,710)
Net changes	(215,013)
Balance as of June 30, 2023	\$ 1,615,730

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate - The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease	Current Discount	1% Increase
Total OPEB Liability	\$ 1,854,469	\$ 1,615,730	\$ 1,417,551

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	\$ 1,345,244	\$ 1,615,730	\$ 1,964,768

OPEB Expense and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2023, the Town recognized OPEB expense of \$91,485. As of June 30, 2023, 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 Deferrals
Differences between expected and actual experience	\$ -	\$ 350,541	\$ (350,541)
Changes of assumptions	49,883	510,076	(460,193)
	\$ 49,883	\$ 860,617	\$ (810,734)

TOWN OF EAST GRANBY, CONNECTICUT
 NOTES TO FINANCIAL STATEMENTS *(Continued)*
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 8 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)*

Board of Education Other Post-Employment Benefits Plan *(Continued)*

OPEB Expense and Deferred Outflows and Inflows of Resources *(Continued)*

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

Year ended June 30,		
2024	\$	(85,283)
2025		(85,283)
2026		(85,283)
2027		(85,283)
2028		(85,283)
Thereafter		(384,319)
	<u>\$</u>	<u>(810,734)</u>

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 multi-employer 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 \$220 per month for a retired member plus an additional \$220 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, with any remaining portion used to offset the school district's costs. The subsidy amount is set by statute. A subsidy amount of \$440 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 \$440 per month towards coverage under a local school district plan.

TOWN OF EAST GRANBY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 8 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)*

Connecticut Teachers' Retirement System *(Continued)*

Benefit Provisions *(Continued)*

Any member that is not 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 previously disclosed 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 System's Sponsored Medicare Supplemental Plans. Active members, retirees, and the State pay equally towards 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.

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 the other postemployment benefits (OPEB) expense and deferred outflows and inflows of resources have been determined using the unrecognized portions of each year's experience and assumption changes as audited by the State of Connecticut Auditors of Public Accounts as part of the State of Connecticut Annual Comprehensive Financial Report as of and for the year ended June 30, 2022. The net OPEB liability 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 Annual Comprehensive Financial Report can be obtained at www.ct.gov.

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

TOWN OF EAST GRANBY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 8 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)*

Connecticut Teachers' Retirement System *(Continued)*

Allocation Methodology

The allocations for participating employers are based on an expected contribution effort for each participating employer. The employer allocations were then applied to the net OPEB liability and OPEB 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 0.200% as of the most recent measurement date.

Collective Net OPEB Liability

The following summarizes the collective net OPEB liability of the State for the TRS as of June 30, 2022, 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>\$ 1,603,585,000</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	0.200%	<u>\$ 3,200,000</u>

Collective OPEB Expense

The Town's expected contribution effort for allocation purposes totaled \$40,750 or 0.200% 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, 2023.

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 \$192,903 or 0.200% 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, 2023.

TOWN OF EAST GRANBY, CONNECTICUT
 NOTES TO FINANCIAL STATEMENTS *(Continued)*
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 8 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)*

Connecticut Teachers' Retirement System *(Continued)*

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2022 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
Discount rate	3.53%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates:	
Medicare	Known increases until calendar year 2024, then general trend decreasing to an ultimate rate of 4.5% by 2031

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 evaluation 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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Treasuries (Cash Equivalents)	100.0%	-0.98%

TOWN OF EAST GRANBY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 8 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)*

Connecticut Teachers' Retirement System *(Continued)*

Discount Rate

The discount rate used to measure the total OPEB liability was 3.53%. 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, 2022. 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 2023 and, as a result, the Municipal Bond Index Rate of 3.54% was used in the determination of the single equivalent rate of 3.53%.

NOTE 9 - OTHER RETIREMENT PLANS

Defined Contribution Money Purchase Retirement Plans

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.

Employer contributions totaled \$119,325 and employee contributions totaled \$71,669 for the Town Plan for year ended June 30, 2023.

Employer contributions totaled \$38,630 and employee contributions totaled \$40,106 for the Board of Education Plan for year ended June 30, 2023.

TOWN OF EAST GRANBY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 9 - OTHER RETIREMENT PLANS

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.

NOTE 10 - FUND BALANCE

Fund Balance Policy

The Town does not have a formal policy on the level of unrestricted or unassigned fund balance that should be maintained in the General Fund. As of June 30, 2023, fund balance was classified for the following purposes:

	<u>General Fund</u>	<u>Town Aid Road Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Restricted for:				
Capital purposes - grant restrictions	\$ -	\$ -	\$ 1,050,309	\$ 1,050,309
Educational purposes - grant restrictions	-	-	1,237,860	1,237,860
Roads - statutory restrictions	-	2,330,173	-	2,330,173
Other purposes - statutory restrictions	-	-	118,139	118,139
Committed for:				
Capital purposes	-	-	480,485	480,485
Educational programs	-	-	185,410	185,410
Sanitation programs	-	-	186,929	186,929
Other programs	-	-	1,388,866	1,388,866
Assigned to:				
Capital purposes	-	-	1,411,175	1,411,175
Education encumbrances	185,381	-	-	185,381
Town encumbrances	27,018	-	-	27,018
Use in subsequent year's budget	732,365	-	-	732,365
Unassigned	3,481,320	-	(730,066)	2,751,254
	<u>\$ 4,426,084</u>	<u>\$ 2,330,173</u>	<u>\$ 5,329,107</u>	<u>\$ 12,085,364</u>

Fund Balance Deficit

The Sewer Use Fund, a nonmajor governmental fund, has a deficit fund balance of \$730,066 as of June 30, 2023. 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 \$229,387 as of June 30 become available. The remaining deficit is expected to be eliminated through future rate increases.

NOTE 11 - 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.

TOWN OF EAST GRANBY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 12 - COMMITMENTS AND CONTINGENCIES

Federal Awards and State Financial Assistance

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

Legal Contingencies

The Town, in the normal course of operations, is named as defendants in lawsuits, tax appeals, administrative proceedings and other miscellaneous claims. The outcome and eventual liability to the Town, if any, for such matters are not known at this time. The Town's management, based upon consultation with legal counsel, estimates that potential claims against the Town, not covered by insurance, resulting from such matters would not materially affect the financial position of the Town.

Arbitrage Rebates

The Town may be subject to arbitrage rebate penalties to the federal government relating to bond issuances. Town management believes such penalties, if any, would not materially affect the financial position of the Town.

Split Interest Agreements

The Town is a beneficiary of the Richard Dudley Seymour Charitable Trust, a 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. Amounts received totaled \$7,700 for the year ended June 30, 2023.

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, 2023

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
REVENUES				
Property taxes	\$ 21,666,913	\$ 21,666,913	\$ 21,608,676	\$ (58,237)
Intergovernmental	2,614,477	2,614,477	2,601,465	(13,012)
Charges for services	276,796	276,796	383,295	106,499
Interest income	65,175	65,175	414,824	349,649
Total revenues	<u>24,623,361</u>	<u>24,623,361</u>	<u>25,008,260</u>	<u>384,899</u>
EXPENDITURES				
Current:				
General government	2,821,343	2,834,343	2,747,232	(87,111)
Culture and recreation	343,817	343,817	337,474	(6,343)
Public safety	989,120	1,064,620	1,048,275	(16,345)
Public works	812,335	792,335	792,290	(45)
Sanitation	206,135	171,635	171,499	(136)
Education	18,407,000	18,407,000	18,346,829	(60,171)
Contingency	54,000	20,000	-	(20,000)
Debt service:				
Principal payments	1,017,066	1,017,066	936,294	(80,772)
Interest and fiscal charges	225,240	225,240	225,240	-
Total expenditures	<u>24,876,056</u>	<u>24,876,056</u>	<u>24,605,133</u>	<u>(270,923)</u>
Excess (deficiency) of revenues over expenditures	(252,695)	(252,695)	403,127	655,822
OTHER FINANCING SOURCES (USES)				
Appropriation of fund balance	852,695	852,695	-	(852,695)
Prior year unliquidated encumbrances	-	-	57,567	57,567
Transfers out	(600,000)	(600,000)	(600,000)	-
Total other financing sources (uses)	<u>252,695</u>	<u>252,695</u>	<u>(542,433)</u>	<u>(795,128)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (139,306)</u>	<u>\$ (139,306)</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 NINE FISCAL YEARS*
(Rounded to nearest thousand)

	<u>2023</u>	<u>2022</u>	<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%	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	36,542,000	28,759,000	36,312,000	34,124,000	26,312,000	26,405,000	27,858,000	19,647,000	19,647,000
Total	<u>\$ 36,542,000</u>	<u>\$ 28,759,000</u>	<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	\$ 9,123,000	\$ 8,672,000	\$ 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%	0.0%	0.0%
Plan fiduciary net position as a percentage of the total collective pension liability	54.06%	60.77%	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 FOUR FISCAL YEARS*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Total OPEB liability				
Service cost	\$ 108,738	\$ 139,191	\$ 139,799	\$ 124,618
Interest	68,030	47,413	48,193	70,174
Effect of liability gains or losses	(188,075)	-	(103,142)	-
Changes of assumptions	(167,996)	(375,896)	11,291	62,151
Benefit payments, including refunds	(35,710)	(71,417)	(90,604)	(101,931)
Net change in total OPEB liability	(215,013)	(260,709)	5,537	155,012
Total OPEB liability - beginning	1,830,743	2,091,452	2,085,915	1,930,903
Total OPEB liability - ending	<u>\$ 1,615,730</u>	<u>\$ 1,830,743</u>	<u>\$ 2,091,452</u>	<u>\$ 2,085,915</u>

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

** There are no assets being accumulated in a trust to pay benefits.

See accompanying notes to required supplementary information.

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

	<u>2023</u>	<u>2022</u>	<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%	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>3,200,000</u>	<u>3,133,000</u>	<u>5,416,000</u>	<u>5,322,000</u>	<u>5,260,000</u>	<u>6,796,000</u>
Total	<u>\$ 3,200,000</u>	<u>\$ 3,133,000</u>	<u>\$ 5,416,000</u>	<u>\$ 5,322,000</u>	<u>\$ 5,260,000</u>	<u>\$ 6,796,000</u>
Town's covered payroll	\$ 9,123,000	\$ 8,672,000	\$ 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%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total collective OPEB liability	9.46%	6.11%	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, 2023

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.

TOWN OF EAST GRANBY, CONNECTICUT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

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

Budgetary Information (Continued)

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, 2023:

	<u>Total Revenues</u>	<u>Total Expenditures</u>	<u>Other Financing Uses</u>	<u>Net Change In Fund Balance</u>
Budgetary basis	\$ 25,008,260	\$ 24,605,133	\$ (542,433)	\$ (139,306)
"On-behalf" payments - State Teachers' Retirement Fund	2,921,834	2,921,834	-	-
Transfers netted against expenditures for budgetary purposes	-	194,791	194,791	-
RCC fund netted against expenditures for budgetary purposes	71,637	70,672	-	965
Change in encumbrances	-	(141,327)	(57,567)	83,760
GAAP basis	<u>\$ 28,001,731</u>	<u>\$ 27,651,103</u>	<u>\$ (405,209)</u>	<u>\$ (54,581)</u>

TOWN OF EAST GRANBY, CONNECTICUT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED) *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

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, 2022. The liabilities were estimated based on a measurement date of June 30, 2022. 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, 2023.

Benefit Changes - There were no benefit term changes that had a significant effect on the measurement of the collective net pension liability reported as of June 30, 2023.

Assumption Changes - There were no changes in assumptions that had a significant effect on the measurement of the collective net pension liability reported as of June 30, 2023.

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, 2022. This information is utilized by the Town for reporting as of June 30, 2023.

Benefit Changes - There were no benefit term changes that had a significant effect on the measurement of the total OPEB liability reported as of June 30, 2023.

Assumption Changes – There were no assumption changes that had a significant effect on the measurement of the total OPEB liability as of June 30, 2023:

TOWN OF EAST GRANBY, CONNECTICUT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED) *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

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, 2022. The liabilities were estimated based on a measurement date of June 30, 2022. The employer allocations were then applied to the net OPEB liability and OPEB expense to determine the amount applicable to each employer. This information is utilized by the Town for reporting as of June 30, 2023.

Benefit Changes - There were no benefit term changes that had a significant effect on the measurement of the collective net OPEB liability reported as of June 30, 2023.

Assumption Changes - The following assumption changes had a significant effect on the measurement of the collective net OPEB liability reported as of June 30, 2023.

- The discount rate was increased from 2.17% to 3.53% to reflect the change in the Municipal Bond Index rate.
- The expected annual per capita claims costs were updated to better reflect anticipated medical and prescription drug claim experience both before and after the plan change that became effective on January 1, 2019.
- The expected rate of inflation was decreased and the Real Wage Growth assumption was increased.

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, 2023

	<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	\$ 21,444,571	\$ 21,444,571	\$ 21,452,578	\$ 8,007
Property taxes - prior years	140,355	140,355	56,443	(83,912)
Interest and lien fees	81,987	81,987	99,655	17,668
Total property taxes	<u>21,666,913</u>	<u>21,666,913</u>	<u>21,608,676</u>	<u>(58,237)</u>
INTERGOVERNMENTAL:				
Education cost sharing	1,434,092	1,434,092	1,480,102	46,010
PILOT - Airport Authority	661,859	661,859	657,991	(3,868)
Municipal grants-in-aid	400,000	400,000	45,000	(355,000)
Special education excess cost	100,000	100,000	186,979	86,979
Telephone line tax	13,251	13,251	11,078	(2,173)
Property tax relief	3,762	3,762	3,034	(728)
Adult education	1,513	1,513	2,103	590
Tiered Payment in Lieu of Taxes	-	-	127,587	127,587
Municipal transition	-	-	82,234	82,234
Other	-	-	5,357	5,357
Total intergovernmental	<u>2,614,477</u>	<u>2,614,477</u>	<u>2,601,465</u>	<u>(13,012)</u>
CHARGES FOR SERVICES:				
Building permits	79,831	79,831	154,695	74,864
Conveyance taxes	90,000	90,000	131,296	41,296
Other fees	36,050	36,050	30,863	(5,187)
Aircraft registration fees	31,000	31,000	18,000	(13,000)
Recording fees	39,915	39,915	26,762	(13,153)
Miscellaneous	-	-	21,679	21,679
Total charges for services	<u>276,796</u>	<u>276,796</u>	<u>383,295</u>	<u>106,499</u>
INTEREST INCOME				
	<u>65,175</u>	<u>65,175</u>	<u>414,824</u>	<u>349,649</u>
Total revenues	<u>24,623,361</u>	<u>24,623,361</u>	<u>25,008,260</u>	<u>384,899</u>
OTHER FINANCING SOURCES:				
Appropriation of fund balance	852,695	852,695	-	(852,695)
Prior year unliquidated encumbrances	-	-	57,567	57,567
Total other financing sources	<u>852,695</u>	<u>852,695</u>	<u>57,567</u>	<u>(795,128)</u>
Total revenues and other financing sources	<u>\$ 25,476,056</u>	<u>\$ 25,476,056</u>	<u>\$ 25,065,827</u>	<u>\$ (410,229)</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, 2023

	<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	\$ 186,800	\$ 201,000	\$ 196,921	\$ (4,079)
Probate	2,500	2,500	1,218	(1,282)
Registrars	54,750	42,250	39,237	(3,013)
Board of Finance	31,700	17,700	15,095	(2,605)
Audit	23,300	27,800	24,175	(3,625)
Assessor's office	148,613	156,613	155,803	(810)
Assessment of appeals	150	150	125	(25)
Tax collector's office	108,043	108,043	102,785	(5,258)
Treasurer's office	27,400	27,400	24,836	(2,564)
Legal	20,000	20,000	18,205	(1,795)
Town clerk's office	133,217	133,217	131,631	(1,586)
Planning and Zoning Commission	96,000	54,300	54,122	(178)
Data services	125,290	155,290	153,290	(2,000)
Public buildings	177,779	187,779	186,512	(1,267)
Building inspector	138,159	138,159	136,018	(2,141)
Engineering	15,000	10,300	10,230	(70)
Health services	41,635	44,635	41,677	(2,958)
Social services	25,060	25,060	22,856	(2,204)
Insurance	835,800	843,800	817,963	(25,837)
Economic and development	49,000	50,200	50,186	(14)
Animal control	26,000	26,000	26,000	-
Payroll taxes	175,625	175,625	165,676	(9,949)
Street lighting	38,000	33,500	32,006	(1,494)
Dues and memberships	21,871	21,871	21,618	(253)
Commission on aging	64,091	68,591	65,070	(3,521)
Commission on youth services	30,471	34,971	28,620	(6,351)
Utilities	166,150	166,150	166,121	(29)
Facilities maintenance	58,939	61,439	59,236	(2,203)
Total general government	<u>2,821,343</u>	<u>2,834,343</u>	<u>2,747,232</u>	<u>(87,111)</u>
CULTURE AND RECREATION:				
Library	220,437	220,437	220,437	-
Parks and recreation	123,380	123,380	117,037	(6,343)
Total culture and recreation	<u>343,817</u>	<u>343,817</u>	<u>337,474</u>	<u>(6,343)</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, 2023

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
EXPENDITURES (Continued) :				
PUBLIC SAFETY:				
Fire department	\$ 175,976	\$ 199,476	\$ 199,125	\$ (351)
Police department	668,944	715,944	705,660	(10,284)
Fire marshal	80,743	85,743	80,342	(5,401)
Ambulance service	63,457	63,457	63,148	(309)
Total public safety	<u>989,120</u>	<u>1,064,620</u>	<u>1,048,275</u>	<u>(16,345)</u>
PUBLIC WORKS	<u>812,335</u>	<u>792,335</u>	<u>792,290</u>	<u>(45)</u>
DEBT SERVICE:				
Principal	1,017,066	1,017,066	936,294	(80,772)
Interest	225,240	225,240	225,240	-
Total debt service	<u>1,242,306</u>	<u>1,242,306</u>	<u>1,161,534</u>	<u>(80,772)</u>
SANITATION	<u>206,135</u>	<u>171,635</u>	<u>171,499</u>	<u>(136)</u>
EDUCATION	<u>18,407,000</u>	<u>18,407,000</u>	<u>18,346,829</u>	<u>(60,171)</u>
CONTINGENCY	<u>54,000</u>	<u>20,000</u>	<u>-</u>	<u>(20,000)</u>
Total expenditures	<u>24,876,056</u>	<u>24,876,056</u>	<u>24,605,133</u>	<u>(270,923)</u>
OTHER FINANCING USES:				
TRANSFERS OUT:				
Capital and Nonrecurring Fund	<u>600,000</u>	<u>600,000</u>	<u>600,000</u>	<u>-</u>
Total expenditures and other financing uses	<u>\$ 25,476,056</u>	<u>\$ 25,476,056</u>	<u>\$ 25,205,133</u>	<u>\$ (270,923)</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, 2023

	Budgeted Amounts		Actual	Variance With
	Original	Final		Final Budget
				Over (Under)
EXPENDITURES:				
EDUCATION				
Certified personnel	\$ 8,479,447	\$ 8,479,447	\$ 8,273,813	\$ (205,634)
Noncertified personnel	1,767,163	1,767,163	1,694,100	(73,063)
Certified substitutes	125,000	125,000	283,072	158,072
Custodial overtime - events	-	-	1,242	1,242
Contracted substitutes	40,000	40,000	22,995	(17,005)
Other salaries	237,437	237,437	212,631	(24,806)
Group health life insurance	2,800,000	2,800,000	2,377,415	(422,585)
Social security	133,000	133,000	134,328	1,328
Medicare	160,000	160,000	161,068	1,068
Employer pension	72,000	72,000	74,920	2,920
Unemployment payments	28,500	28,500	1,800	(26,700)
Workers' compensation	83,000	83,000	38,250	(44,750)
Professional improvement	99,000	99,000	44,298	(54,702)
Assessment services	1,050	1,050	920	(130)
Other professional & technology services	525,000	525,000	765,781	240,781
Data processing	52,800	52,800	42,476	(10,324)
Water/sewage	33,405	33,405	30,065	(3,340)
Rubbish removal	15,000	15,000	16,578	1,578
Contracted maintenance services	205,282	205,282	222,538	17,256
Repairs to buildings	90,000	90,000	121,881	31,881
Pupil transportation	1,051,830	1,051,830	975,466	(76,364)
Property insurance	50,000	50,000	53,399	3,399
Liability insurance	32,000	32,000	30,843	(1,157)
Errors & omissions insurance	18,500	18,500	15,831	(2,669)
Telephone	41,200	41,200	44,812	3,612
Postage	7,169	7,169	2,941	(4,228)
Advertisements	1,000	1,000	662	(338)
Job printing & binding	2,150	2,150	1,333	(817)
Public school tuition	237,148	237,148	348,591	111,443
Private school tuition	810,183	810,183	868,784	58,601
Travel & conferences	10,653	10,653	6,206	(4,447)
Field trips	2,760	2,760	1,969	(791)
Supplies	135,000	135,000	215,751	80,751
Custodial supplies	33,950	33,950	39,198	5,248
Natural gas	35,100	35,100	39,743	4,643
Electricity	435,000	435,000	280,539	(154,461)
Propane gas	500	500	176	(324)
Heating supplies oil	143,683	143,683	129,461	(14,222)
Books/textbooks/workbooks	87,198	87,198	83,303	(3,895)
Licenses/subscriptions	142,784	142,784	143,351	567
Equipment	90,000	90,000	355,587	265,587
Memberships & special programs	52,108	52,108	61,824	9,716
Legal fees	40,000	40,000	126,888	86,888
Total education expenditures	<u>\$ 18,407,000</u>	<u>\$ 18,407,000</u>	<u>\$ 18,346,829</u>	<u>\$ (60,171)</u>

TOWN OF EAST GRANBY, CONNECTICUT
SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING
FOR THE YEAR ENDED JUNE 30, 2023

Grand List Year	Balance Uncollected June 30, 2022	Current Levy	Lawful Corrections		Transfers To Suspense	Balance To Be Collected	Collections			Balance Uncollected June 30, 2023
			Additions	Deductions			Taxes	Interest, Liens and Fees		
								Total		
2021	\$ -	\$ 21,725,886	\$ 86,693	\$ 116,257	\$ 251	\$ 21,696,071	\$ 21,479,069	\$ 63,877	\$ 21,542,946	\$ 217,002
2020	105,038	-	16,650	39,135	723	81,830	23,306	14,195	37,501	58,524
2019	43,850	-	6,468	113	-	50,205	19,178	5,630	24,808	31,027
2018	27,272	-	17	184	14,508	12,597	3,504	3,439	6,943	9,093
2017	8,320	-	-	-	-	8,320	22	-	22	8,298
2016	8,808	-	-	-	-	8,808	-	-	-	8,808
2015	8,346	-	-	-	-	8,346	-	-	-	8,346
2014	8,156	-	-	-	-	8,156	-	-	-	8,156
2013	7,995	-	-	-	-	7,995	-	-	-	7,995
2012	8,347	-	-	-	-	8,347	-	-	-	8,347
2011	8,054	-	13	-	-	8,067	-	-	-	8,067
2010	7,725	-	-	-	-	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	-	-	-	-	-	-
	<u>\$ 270,735</u>	<u>\$ 21,725,886</u>	<u>\$ 109,841</u>	<u>\$ 162,298</u>	<u>\$ 15,482</u>	<u>\$ 21,928,682</u>	<u>\$ 21,525,079</u>	<u>\$ 87,141</u>	<u>\$ 21,612,220</u>	<u>\$ 403,603</u>

TOWN OF EAST GRANBY, CONNECTICUT
SCHEDULE OF DEBT LIMITATION
CONNECTICUT GENERAL STATUTES, SECTION 7-374(b)
AS OF JUNE 30, 2023

Total cash collections for the year ended
June 30, 2023:

Taxes	\$ 21,525,079
Interest and lien fees	87,141
Total	<u>21,612,220</u>

Reimbursement for revenue loss:

Tax relief for elderly (CGS 12-129d)	3,034
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Base	<u>\$ 21,615,254</u>
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	General Purposes	Schools	Sewers	Urban Renewal	Pension Deficit
Debt limitation:					
2-1/4 times base	\$ 48,634,322	\$ -	\$ -	\$ -	\$ -
4-1/2 times base	-	97,268,643	-	-	-
3-3/4 times base	-	-	81,057,203	-	-
3-1/4 times base	-	-	-	70,249,576	-
3 times base	-	-	-	-	64,845,762
Total debt limitation	<u>48,634,322</u>	<u>97,268,643</u>	<u>81,057,203</u>	<u>70,249,576</u>	<u>64,845,762</u>
Indebtedness:					
Bonds	5,605,000	5,970,000	-	-	-
Total indebtedness	<u>5,605,000</u>	<u>5,970,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Add: Authorized, but unissued debt	51,000	-	-	-	-
Net indebtedness	<u>5,656,000</u>	<u>5,970,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt limitation in excess of outstanding and authorized debt	<u>\$ 42,978,322</u>	<u>\$ 91,298,643</u>	<u>\$ 81,057,203</u>	<u>\$ 70,249,576</u>	<u>\$ 64,845,762</u>
Total capacity of borrowing (7 times base)	\$ 151,306,778				
Total present indebtedness	<u>11,626,000</u>				
Margin for additional borrowing	<u>\$ 139,680,778</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, 2023

	Appropriations			Expenditures			Close Out of Appropriation	Remaining Balance June 30, 2023
	Balance June 30, 2022	Current Year	Balance June 30, 2023	Balance June 30, 2022	Current Year	Balance June 30, 2023		
Capital and Nonrecurring Fund								
School Operating System Upgrade	\$ 36,018	\$ -	\$ 36,018	\$ 22,678	\$ -	\$ 22,678	\$ -	\$ 13,340
Village Center Concept Plan	20,000	-	20,000	-	19,905	19,905	(95)	-
EGVFD Study	50,000	-	50,000	44,500	-	44,500	(5,500)	-
Police Vehicle SUV	55,000	-	55,000	52,995	2,005	55,000	-	-
RCC Compactor Pad	8,000	-	8,000	-	3,697	3,697	-	4,303
Engine 2 Modifications	30,000	-	30,000	20,207	-	20,207	-	9,793
Police Body/Car Cameras	70,000	-	70,000	60,745	-	60,745	-	9,255
FD Tower Ladder Truck	85,000	-	85,000	-	85,000	85,000	-	-
Police Cruiser	63,000	-	63,000	-	62,300	62,300	(700)	-
DPW Utility Truck	65,000	-	65,000	51,264	13,298	64,562	(438)	-
Assessor Revaluation	50,000	-	50,000	-	14,223	14,223	-	35,777
School Security System Upgrades	10,000	-	10,000	-	-	-	-	10,000
HS Tennis Court Repair	14,028	-	14,028	-	10,058	10,058	-	3,970
HS Tree Removal	6,975	-	6,975	-	-	-	-	6,975
HS Gym Floor Refinish	7,242	-	7,242	-	7,242	7,242	-	-
School Custodial Equipment	29,674	-	29,674	-	11,512	11,512	-	18,162
Seymour School Computer Room	15,000	-	15,000	-	14,591	14,591	(409)	-
Dell Server Seymour School	5,494	-	5,494	-	5,494	5,494	-	-
Seymour/HS Sidewalk Repair	30,000	-	30,000	-	10,000	10,000	-	20,000
HS/MS HVAC	-	825,000	825,000	-	-	-	-	825,000
School Aerohive WIFI	-	12,500	12,500	-	-	-	-	12,500
School Tile Cleaning	-	22,000	22,000	-	-	-	-	22,000
MS/HS Door Replacement	-	50,000	50,000	-	-	-	-	50,000
Field Maintenance	-	50,000	50,000	-	-	-	-	50,000
Main Gym Floor Refinish	-	7,500	7,500	-	-	-	-	7,500
Soundproof MS Conference Room	-	15,000	15,000	-	-	-	-	15,000
Fire Dept PPE, EMS, Rescue Equipment	-	40,000	40,000	-	-	-	-	40,000
Fire Truck Lettering	-	14,500	14,500	-	-	-	-	14,500
Ladder Truck Refurbishment	-	95,000	95,000	-	-	-	-	95,000
Police Cruiser	-	85,000	85,000	-	-	-	-	85,000
SRO Acrive Threat Equipment	-	5,000	5,000	-	-	-	-	5,000
Accounting Software	-	51,000	51,000	-	-	-	-	51,000
Police Department Rot	-	7,100	7,100	-	-	-	-	7,100
Total Capital and Nonrecurring Fund	\$ 650,431	\$ 1,279,600	\$ 1,930,031	\$ 252,389	\$ 259,325	\$ 511,714	\$ (7,142)	\$ 1,411,175

TOWN OF EAST GRANBY, CONNECTICUT
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
AS OF JUNE 30, 2023

	Nonmajor Governmental Funds				Total Nonmajor Governmental Funds
	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	Permanent Funds	
ASSETS					
Cash and cash equivalents	\$ 1,552,341	\$ -	\$ -	\$ 138,182	\$ 1,690,523
Investments	15,036	-	-	-	15,036
Receivables:					
Grants and contracts	1,525	-	-	-	1,525
Other	244,962	-	-	-	244,962
Due from other funds	1,199,821	2,943,737	1,149,695	-	5,293,253
Total assets	<u>\$ 3,013,685</u>	<u>\$ 2,943,737</u>	<u>\$ 1,149,695</u>	<u>\$ 138,182</u>	<u>\$ 7,245,299</u>
LIABILITIES					
Accounts payable	\$ 304,077	\$ 1,768	\$ -	\$ -	\$ 305,845
Due to other funds	704,814	-	-	-	704,814
Unearned revenue	676,146	-	-	-	676,146
Total liabilities	<u>1,685,037</u>	<u>1,768</u>	<u>-</u>	<u>-</u>	<u>1,686,805</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues	229,387	-	-	-	229,387
FUND BALANCES					
Restricted for:					
Capital purposes	-	1,050,309	-	-	1,050,309
Educational purposes	1,101,273	-	-	136,587	1,237,860
Other purposes	116,544	-	-	1,595	118,139
Committed for:					
Capital purposes	-	480,485	-	-	480,485
Educational purposes	185,410	-	-	-	185,410
Other purposes	426,100	-	1,149,695	-	1,575,795
Assigned to:					
Capital purposes	-	1,411,175	-	-	1,411,175
Unassigned	(730,066)	-	-	-	(730,066)
Total fund balances	<u>1,099,261</u>	<u>2,941,969</u>	<u>1,149,695</u>	<u>138,182</u>	<u>5,329,107</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 3,013,685</u>	<u>\$ 2,943,737</u>	<u>\$ 1,149,695</u>	<u>\$ 138,182</u>	<u>\$ 7,245,299</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, 2023

	Nonmajor Governmental Funds				Total Nonmajor Governmental Funds
	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	Permanent Funds	
REVENUES					
Intergovernmental	\$ 2,375,839	\$ 71,313	\$ -	\$ -	\$ 2,447,152
Charges for services	1,347,643	-	-	-	1,347,643
Interest income	11,767	76,937	1,084	367	90,155
Other	59,637	1,931	-	-	61,568
Total revenues	<u>3,794,886</u>	<u>150,181</u>	<u>1,084</u>	<u>367</u>	<u>3,946,518</u>
EXPENDITURES					
Current:					
General government	204,028	-	-	-	204,028
Culture and recreation	844,123	-	-	-	844,123
Public safety	506,980	-	-	-	506,980
Public works	83,963	-	-	-	83,963
Sanitation	536,416	-	-	-	536,416
Education	2,093,718	-	-	4,000	2,097,718
Capital outlays	-	1,211,832	-	-	1,211,832
Total expenditures	<u>4,269,228</u>	<u>1,211,832</u>	<u>-</u>	<u>4,000</u>	<u>5,485,060</u>
Excess (deficiency) of revenues over expenditures	(474,342)	(1,061,651)	1,084	(3,633)	(1,538,542)
OTHER FINANCING SOURCES (USES)					
Transfers in	31,946	600,000	-	-	631,946
Transfers out	-	(114,278)	(226,737)	-	(341,015)
Total other financing sources (uses)	<u>31,946</u>	<u>485,722</u>	<u>(226,737)</u>	<u>-</u>	<u>290,931</u>
Net change in fund balances	(442,396)	(575,929)	(225,653)	(3,633)	(1,247,611)
Fund balances - beginning	<u>1,541,657</u>	<u>3,517,898</u>	<u>1,375,348</u>	<u>141,815</u>	<u>6,576,718</u>
Fund balances - ending	<u>\$ 1,099,261</u>	<u>\$ 2,941,969</u>	<u>\$ 1,149,695</u>	<u>\$ 138,182</u>	<u>\$ 5,329,107</u>

TOWN OF EAST GRANBY, CONNECTICUT
COMBINING BALANCE SHEET -
NONMAJOR SPECIAL REVENUE FUNDS
AS OF JUNE 30, 2023

	Education Program Fund	American Rescue Plan Fund	Dog Fund	Milk Fund	Parks & Recreation Fund	Open Space Fund
ASSETS						
Cash and cash equivalents	\$ 1,024,511	\$ -	\$ -	\$ 6,706	\$ 97,368	\$ -
Investments	-	-	-	-	-	-
Receivables:						
Grants and contracts	-	-	-	1,525	-	-
Other	15,575	-	-	-	-	-
Due from other funds	-	656,793	8,106	-	-	30,261
Total assets	<u>\$ 1,040,086</u>	<u>\$ 656,793</u>	<u>\$ 8,106</u>	<u>\$ 8,231</u>	<u>\$ 97,368</u>	<u>\$ 30,261</u>
LIABILITIES						
Accounts payable	\$ 18,352	\$ 53,172	\$ -	\$ -	\$ -	\$ -
Due to other funds	192,855	-	-	-	-	-
Unearned revenue	16	603,621	-	-	21,114	-
Total liabilities	<u>211,223</u>	<u>656,793</u>	<u>-</u>	<u>-</u>	<u>21,114</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenues	-	-	-	-	-	-
FUND BALANCES						
Restricted for:						
Educational purposes	828,863	-	-	-	-	-
Other purposes	-	-	8,106	8,231	-	-
Committed for:						
Educational purposes	-	-	-	-	-	-
Other purposes	-	-	-	-	76,254	30,261
Unassigned	-	-	-	-	-	-
Total fund balances	<u>828,863</u>	<u>-</u>	<u>8,106</u>	<u>8,231</u>	<u>76,254</u>	<u>30,261</u>
Total liabilities and fund balances and deferred inflows of resources	<u>\$ 1,040,086</u>	<u>\$ 656,793</u>	<u>\$ 8,106</u>	<u>\$ 8,231</u>	<u>\$ 97,368</u>	<u>\$ 30,261</u>

(Continued)

TOWN OF EAST GRANBY, CONNECTICUT
 COMBINING BALANCE SHEET -
 NONMAJOR SPECIAL REVENUE FUNDS (Continued)
 AS OF JUNE 30, 2023

	<u>Halloween Party Fund</u>	<u>High School Food Store Fund</u>	<u>Small Cities Fund</u>	<u>Community Center Fund</u>	<u>Document Restoration Fund</u>	<u>Seniors Fund</u>	<u>Rockbestos Fund</u>
ASSETS							
Cash and cash equivalents	\$ 1,186	\$ 8,807	\$ 4,914	\$ 3,055	\$ -	\$ 18,472	\$ 4,969
Investments	-	-	15,036	-	-	-	-
Receivables:							
Grants and contracts	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	8,238	-	-
Total assets	<u>\$ 1,186</u>	<u>\$ 8,807</u>	<u>\$ 19,950</u>	<u>\$ 3,055</u>	<u>\$ 8,238</u>	<u>\$ 18,472</u>	<u>\$ 4,969</u>
LIABILITIES							
Accounts payable	\$ -	\$ 1,500	\$ -	\$ -	\$ 1,892	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>1,500</u>	<u>-</u>	<u>-</u>	<u>1,892</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:							
Educational purposes	-	-	-	-	-	-	-
Other purposes	-	-	19,950	-	6,346	-	-
Committed for:							
Educational purposes	-	7,307	-	-	-	-	4,969
Other purposes	1,186	-	-	3,055	-	18,472	-
Unassigned	-	-	-	-	-	-	-
Total fund balances	<u>1,186</u>	<u>7,307</u>	<u>19,950</u>	<u>3,055</u>	<u>6,346</u>	<u>18,472</u>	<u>4,969</u>
Total liabilities and fund balances and deferred inflows of resources	<u>\$ 1,186</u>	<u>\$ 8,807</u>	<u>\$ 19,950</u>	<u>\$ 3,055</u>	<u>\$ 8,238</u>	<u>\$ 18,472</u>	<u>\$ 4,969</u>

(Continued)

TOWN OF EAST GRANBY, CONNECTICUT
 COMBINING BALANCE SHEET -
 NONMAJOR SPECIAL REVENUE FUNDS (Continued)
 AS OF JUNE 30, 2023

	<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	\$ 3,030	\$ -	\$ 40,017	\$ -	\$ -	\$ 22,833	\$ -
Investments	-	-	-	-	-	-	-
Receivables:							
Grants and contracts	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	229,387
Due from other funds	-	184,188	-	53,896	186,929	-	-
Total assets	<u>\$ 3,030</u>	<u>\$ 184,188</u>	<u>\$ 40,017</u>	<u>\$ 53,896</u>	<u>\$ 186,929</u>	<u>\$ 22,833</u>	<u>\$ 229,387</u>
LIABILITIES							
Accounts payable	\$ -	\$ 11,054	\$ -	\$ -	\$ -	\$ -	\$ 218,107
Due to other funds	-	-	-	-	-	-	511,959
Unearned revenue	-	-	-	51,395	-	-	-
Total liabilities	<u>-</u>	<u>11,054</u>	<u>-</u>	<u>51,395</u>	<u>-</u>	<u>-</u>	<u>730,066</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenues	-	-	-	-	-	-	229,387
FUND BALANCES							
Restricted for:							
Educational purposes	-	-	-	-	-	-	-
Other purposes	-	-	-	2,501	-	-	-
Committed for:							
Educational purposes	-	173,134	-	-	-	-	-
Other purposes	3,030	-	40,017	-	186,929	22,833	-
Unassigned	-	-	-	-	-	-	(730,066)
Total fund balances	<u>3,030</u>	<u>173,134</u>	<u>40,017</u>	<u>2,501</u>	<u>186,929</u>	<u>22,833</u>	<u>(730,066)</u>
Total liabilities and fund balances and deferred inflows of resources	<u>\$ 3,030</u>	<u>\$ 184,188</u>	<u>\$ 40,017</u>	<u>\$ 53,896</u>	<u>\$ 186,929</u>	<u>\$ 22,833</u>	<u>\$ 229,387</u>

(Continued)

TOWN OF EAST GRANBY, CONNECTICUT
 COMBINING BALANCE SHEET -
 NONMAJOR SPECIAL REVENUE FUNDS (Continued)
 AS OF JUNE 30, 2023

	Summer Concert Fund	Town Clerk Fund	Recreation Center Fund	Seymour Cemetery Fund	School Activity Fund	Total Special Revenue Funds
ASSETS						
Cash and cash equivalents	\$ 6,855	\$ -	\$ 37,208	\$ -	\$ 272,410	\$ 1,552,341
Investments	-	-	-	-	-	15,036
Receivables:						
Grants and contracts	-	-	-	-	-	1,525
Other	-	-	-	-	-	244,962
Due from other funds	-	12,130	-	59,280	-	1,199,821
Total assets	<u>\$ 6,855</u>	<u>\$ 12,130</u>	<u>\$ 37,208</u>	<u>\$ 59,280</u>	<u>\$ 272,410</u>	<u>\$ 3,013,685</u>
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 304,077
Due to other funds	-	-	-	-	-	704,814
Unearned revenue	-	-	-	-	-	676,146
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,685,037</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenues	-	-	-	-	-	229,387
FUND BALANCES						
Restricted for:						
Educational purposes	-	-	-	-	272,410	1,101,273
Other purposes	-	12,130	-	59,280	-	116,544
Committed for:						
Educational purposes	-	-	-	-	-	185,410
Other purposes	6,855	-	37,208	-	-	426,100
Unassigned	-	-	-	-	-	(730,066)
Total fund balances	<u>6,855</u>	<u>12,130</u>	<u>37,208</u>	<u>59,280</u>	<u>272,410</u>	<u>1,099,261</u>
Total liabilities and fund balances and deferred inflows of resources	<u>\$ 6,855</u>	<u>\$ 12,130</u>	<u>\$ 37,208</u>	<u>\$ 59,280</u>	<u>\$ 272,410</u>	<u>\$ 3,013,685</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, 2023

	Education Program Fund	American Rescue Plan Fund	Dog Fund	Milk Fund	Parks & Recreation Fund	Open Space Fund
REVENUES						
Intergovernmental	\$ 1,141,529	\$ 798,024	\$ -	\$ 8,595	\$ -	\$ -
Charges for services	187,195	-	2,940	10,144	424,655	2,717
Interest income	-	-	334	-	7	1,067
Other	-	-	-	-	-	-
Total revenues	<u>1,328,724</u>	<u>798,024</u>	<u>3,274</u>	<u>18,739</u>	<u>424,662</u>	<u>3,784</u>
EXPENDITURES						
Current:						
General government	-	161,426	-	-	-	-
Culture and recreation	-	413,306	227	-	385,343	-
Public safety	-	149,963	-	-	-	-
Public works	-	39,029	-	-	-	-
Sanitation	-	-	-	-	-	-
Education	1,669,581	34,300	-	11,279	-	-
Total expenditures	<u>1,669,581</u>	<u>798,024</u>	<u>227</u>	<u>11,279</u>	<u>385,343</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(340,857)	-	3,047	7,460	39,319	3,784
OTHER FINANCING SOURCES						
Transfers in	-	-	-	-	-	-
Net change in fund balances	(340,857)	-	3,047	7,460	39,319	3,784
Fund balances - beginning	<u>1,169,720</u>	<u>-</u>	<u>5,059</u>	<u>771</u>	<u>36,935</u>	<u>26,477</u>
Fund balances - ending	<u>\$ 828,863</u>	<u>\$ -</u>	<u>\$ 8,106</u>	<u>\$ 8,231</u>	<u>\$ 76,254</u>	<u>\$ 30,261</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, 2023

	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	-	8,067	-	-	1,288	11,605	-
Interest income	-	-	-	-	370	-	-
Other	750	-	27	4,154	-	-	1,000
Total revenues	<u>750</u>	<u>8,067</u>	<u>27</u>	<u>4,154</u>	<u>7,158</u>	<u>11,605</u>	<u>1,000</u>
EXPENDITURES							
Current:							
General government	-	-	-	3,079	-	-	-
Culture and recreation	366	-	-	-	6,709	12,003	-
Public safety	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-
Education	-	8,029	-	-	-	-	8,976
Total expenditures	<u>366</u>	<u>8,029</u>	<u>-</u>	<u>3,079</u>	<u>6,709</u>	<u>12,003</u>	<u>8,976</u>
Excess (deficiency) of revenues over expenditures	384	38	27	1,075	449	(398)	(7,976)
OTHER FINANCING SOURCES							
Transfers in	-	-	-	-	-	-	-
Net change in fund balances	384	38	27	1,075	449	(398)	(7,976)
Fund balances - beginning	<u>802</u>	<u>7,269</u>	<u>19,923</u>	<u>1,980</u>	<u>5,897</u>	<u>18,870</u>	<u>12,945</u>
Fund balances - ending	<u>\$ 1,186</u>	<u>\$ 7,307</u>	<u>\$ 19,950</u>	<u>\$ 3,055</u>	<u>\$ 6,346</u>	<u>\$ 18,472</u>	<u>\$ 4,969</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, 2023

	<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	\$ -	\$ -	\$ 27,079	\$ 395,112	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-	-	397,396
Interest income	-	-	70	-	6,170	-	3,275
Other	7,011	-	21,087	-	-	14,495	-
Total revenues	<u>7,011</u>	<u>-</u>	<u>48,236</u>	<u>395,112</u>	<u>6,170</u>	<u>14,495</u>	<u>400,671</u>
EXPENDITURES							
Current:							
General government	5,831	-	-	1,428	-	26,014	-
Culture and recreation	-	-	18,882	-	-	-	-
Public safety	-	-	-	357,017	-	-	-
Public works	-	-	-	36,667	8,267	-	-
Sanitation	-	-	-	-	-	-	536,416
Education	-	120,419	-	-	-	-	-
Total expenditures	<u>5,831</u>	<u>120,419</u>	<u>18,882</u>	<u>395,112</u>	<u>8,267</u>	<u>26,014</u>	<u>536,416</u>
Excess (deficiency) of revenues over expenditures	1,180	(120,419)	29,354	-	(2,097)	(11,519)	(135,745)
OTHER FINANCING SOURCES							
Transfers in	-	-	-	-	31,946	-	-
Net change in fund balances	1,180	(120,419)	29,354	-	29,849	(11,519)	(135,745)
Fund balances - beginning	<u>1,850</u>	<u>293,553</u>	<u>10,663</u>	<u>2,501</u>	<u>157,080</u>	<u>34,352</u>	<u>(594,321)</u>
Fund balances - ending	<u>\$ 3,030</u>	<u>\$ 173,134</u>	<u>\$ 40,017</u>	<u>\$ 2,501</u>	<u>\$ 186,929</u>	<u>\$ 22,833</u>	<u>\$ (730,066)</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, 2023

	Summer Concert Fund	Town Clerk Fund	Recreation Center Fund	Seymour Cemetery Fund	School Activity Fund	Total Nonmajor Special Revenue Funds
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,375,839
Charges for services	-	760	14,120	-	286,756	1,347,643
Interest income	-	457	17	-	-	11,767
Other	4,500	-	-	6,613	-	59,637
Total revenues	<u>4,500</u>	<u>1,217</u>	<u>14,137</u>	<u>6,613</u>	<u>286,756</u>	<u>3,794,886</u>
EXPENDITURES						
Current:						
General government	-	-	-	6,250	-	204,028
Culture and recreation	975	-	6,312	-	-	844,123
Public safety	-	-	-	-	-	506,980
Public works	-	-	-	-	-	83,963
Sanitation	-	-	-	-	-	536,416
Education	-	-	-	-	241,134	2,093,718
Total expenditures	<u>975</u>	<u>-</u>	<u>6,312</u>	<u>6,250</u>	<u>241,134</u>	<u>4,269,228</u>
Excess (deficiency) of revenues over expenditures	3,525	1,217	7,825	363	45,622	(474,342)
OTHER FINANCING SOURCES						
Transfers in	-	-	-	-	-	31,946
Net change in fund balances	3,525	1,217	7,825	363	45,622	(442,396)
Fund balances - beginning	<u>3,330</u>	<u>10,913</u>	<u>29,383</u>	<u>58,917</u>	<u>226,788</u>	<u>1,541,657</u>
Fund balances - ending	<u>\$ 6,855</u>	<u>\$ 12,130</u>	<u>\$ 37,208</u>	<u>\$ 59,280</u>	<u>\$ 272,410</u>	<u>\$ 1,099,261</u>

(Concluded)

TOWN OF EAST GRANBY, CONNECTICUT
COMBINING BALANCE SHEET -
NONMAJOR CAPITAL PROJECTS FUNDS
AS OF JUNE 30, 2023

	Elementary School Renovation Fund	Capital and Nonrecurring Fund	Capital Bond Fund	Total
ASSETS				
Due from other funds	\$ 194,873	\$ 1,800,113	\$ 948,751	\$ 2,943,737
Total assets	<u>\$ 194,873</u>	<u>\$ 1,800,113</u>	<u>\$ 948,751</u>	<u>\$ 2,943,737</u>
LIABILITIES				
Accounts payable	\$ -	\$ 1,768	\$ -	\$ 1,768
Total liabilities	<u>-</u>	<u>1,768</u>	<u>-</u>	<u>1,768</u>
FUND BALANCES				
Restricted for:				
Capital purposes	-	101,558	948,751	1,050,309
Committed for:				
Capital purposes	194,873	285,612	-	480,485
Assigned to:				
Capital purposes	-	1,411,175	-	1,411,175
Total fund balances	<u>194,873</u>	<u>1,798,345</u>	<u>948,751</u>	<u>2,941,969</u>
Total liabilities and fund balances	<u>\$ 194,873</u>	<u>\$ 1,800,113</u>	<u>\$ 948,751</u>	<u>\$ 2,943,737</u>

TOWN OF EAST GRANBY, CONNECTICUT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
 NONMAJOR CAPITAL PROJECTS FUNDS
 FOR THE YEAR ENDED JUNE 30, 2023

	Elementary School Renovation Fund	Capital and Nonrecurring Fund	Capital Bond Fund	Total
REVENUES				
Intergovernmental	\$ -	\$ 24,892	\$ 46,421	\$ 71,313
Interest income	-	76,937	-	76,937
Other	-	1,931	-	1,931
Total revenues	<u>-</u>	<u>103,760</u>	<u>46,421</u>	<u>150,181</u>
EXPENDITURES				
Capital outlays	-	259,325	952,507	1,211,832
Total expenditures	<u>-</u>	<u>259,325</u>	<u>952,507</u>	<u>1,211,832</u>
Deficiency of revenues over expenditures	-	(155,565)	(906,086)	(1,061,651)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	600,000	-	600,000
Transfers out	-	(114,278)	-	(114,278)
Total other financing sources (uses)	<u>-</u>	<u>485,722</u>	<u>-</u>	<u>485,722</u>
Net change in fund balances	-	330,157	(906,086)	(575,929)
Fund balances - beginning	<u>194,873</u>	<u>1,468,188</u>	<u>1,854,837</u>	<u>3,517,898</u>
Fund balances - ending	<u>\$ 194,873</u>	<u>\$ 1,798,345</u>	<u>\$ 948,751</u>	<u>\$ 2,941,969</u>

TOWN OF EAST GRANBY, CONNECTICUT
COMBINING BALANCE SHEET -
NONMAJOR DEBT SERVICE FUNDS
AS OF JUNE 30, 2023

	Sewer Assessment Fund	Bond Service Fund	Total
ASSETS			
Due from other funds	\$ -	\$ 1,149,695	\$ 1,149,695
Total assets	<u>\$ -</u>	<u>\$ 1,149,695</u>	<u>\$ 1,149,695</u>
FUND BALANCES			
Committed for:			
Other purposes	\$ -	\$ 1,149,695	\$ 1,149,695
Total fund balances	<u>\$ -</u>	<u>\$ 1,149,695</u>	<u>\$ 1,149,695</u>

TOWN OF EAST GRANBY, CONNECTICUT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
 NONMAJOR DEBT SERVICE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2023

	Sewer Assessment Fund	Bond Service Fund	Total
REVENUES			
Interest income	\$ 1,084	\$ -	\$ 1,084
Total revenues	<u>1,084</u>	<u>-</u>	<u>1,084</u>
EXPENDITURES			
Current:			
General government	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	1,084	-	1,084
OTHER FINANCING USES			
Transfers out	(31,946)	(194,791)	(226,737)
Total other financing uses	<u>(31,946)</u>	<u>(194,791)</u>	<u>(226,737)</u>
Net change in fund balances	(30,862)	(194,791)	(225,653)
Fund balances - beginning	<u>30,862</u>	<u>1,344,486</u>	<u>1,375,348</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ 1,149,695</u>	<u>\$ 1,149,695</u>

TOWN OF EAST GRANBY, CONNECTICUT
COMBINING BALANCE SHEET -
NONMAJOR PERMANENT FUNDS
AS OF JUNE 30, 2023

	Holcomb Loomis Trust Fund	Lloyd and Stephanie Griggs Scholarship Fund	Total Nonmajor Permanent Funds
ASSETS			
Cash and cash equivalents	\$ 1,595	\$ 136,587	\$ 138,182
Total assets	<u>\$ 1,595</u>	<u>\$ 136,587</u>	<u>\$ 138,182</u>
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ -
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES			
Restricted for:			
Educational purposes	-	136,587	136,587
Other purposes	1,595	-	1,595
Total fund balances	<u>1,595</u>	<u>136,587</u>	<u>138,182</u>
Total liabilities and fund balances	<u>\$ 1,595</u>	<u>\$ 136,587</u>	<u>\$ 138,182</u>

TOWN OF EAST GRANBY, CONNECTICUT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
 NONMAJOR PERMANENT FUNDS
 FOR THE YEAR ENDED JUNE 30, 2023

	Holcomb Loomis Trust Fund	Lloyd and Stephanie Griggs Scholarship Fund	Total Nonmajor Permanent Funds
REVENUES			
Interest income	\$ -	\$ 367	\$ 367
Total revenues	<u>-</u>	<u>367</u>	<u>367</u>
EXPENDITURES			
Education	-	4,000	4,000
Total expenditures	<u>-</u>	<u>4,000</u>	<u>4,000</u>
Excess (deficiency) of revenues over expenditures / net change in fund balance	-	(3,633)	(3,633)
Fund balances - beginning	<u>1,595</u>	<u>140,220</u>	<u>141,815</u>
Fund balances - ending	<u><u>\$ 1,595</u></u>	<u><u>\$ 136,587</u></u>	<u><u>\$ 138,182</u></u>