

TOWN OF WOLCOTT, CONNECTICUT
FINANCIAL STATEMENTS
JUNE 30, 2021



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JUNE 30, 2021**

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Independent Auditors' Report

To the Town Council
Town of Wolcott, Connecticut

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

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

Emphasis of a Matter

During fiscal year ended June 30, 2021, the Town of Wolcott, Connecticut adopted GASB Statement No. 84 *Fiduciary Activities*. As a result of the implementation of this standard, the Town of Wolcott, Connecticut reported a restatement for the change in accounting principle. In addition, governmental activities net position was restated for an error in the amortization of bond premiums and deferred outflow of resources for OPEB (see Note 6). Our auditors' opinion was not modified with respect to the restatement.

Other Matters

Required Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2021 on our consideration of the Town of Wolcott, Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Wolcott, Connecticut's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Wolcott, Connecticut's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

West Hartford, Connecticut
December 27, 2021

Town of Wolcott, Connecticut
Management's Discussion and Analysis - *unaudited*
June 30, 2021

As management of the Town of Wolcott, Connecticut (the Town), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2021. We encourage readers to consider the information presented here in conjunction with the Town's basic financial statements that follow this section. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

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 \$20,754,667 (net position). Of this amount, \$20,802,926 represents a deficit in the Town's unrestricted net position. This deficit is primarily attributed to long-term liabilities for pension and other post-employment benefits.
- The Town's total net position increased by \$2,220,297 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 \$13,525,556, an increase of \$614,225 in comparison with the prior year restated balance.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$6,778,314 or 11.9% of the Town's fiscal year 2022 budgetary expenditure appropriations. Expressed another way, unassigned fund balance for the General Fund was sufficient to cover approximately 1.5 months of General Fund operating expenditures.
- The Town's total capital assets decreased by \$3,233,179 or 4.3%.
- The Town's total long-term bonded debt decreased by \$3,616,731 or 11.6%.

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 financial statements are comprised of 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 of resources and liabilities and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The statement of activities presents information showing how the government'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 (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements display information about the Town's governmental activities which include general government, public safety, public works, culture and recreation, health and welfare, 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 13 and 14 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 of Wolcott, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. For example, amounts reported on the balance sheet include items such as cash and receivables collectible within a very short period of time, but do not include capital assets such as land and buildings. Fund liabilities include amounts that are to be paid within a very short period of time after the end of the fiscal year. The difference between a fund's total assets and total liabilities is labeled as the fund balance. Likewise, the operating statement for governmental funds reports only those revenues and expenditures that were collected or paid with cash during the current period, or, shortly after the end of the year.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Town's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town maintains several individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Sewer Usage Fund, the Small Cities Grant Fund, and the American Rescue Plan Fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregate presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in the report.

The basic governmental fund financial statements can be found on pages 15 through 18 of this report.

Proprietary funds. Internal service funds are an accounting device used to accumulate and allocate costs internally among the Town's various functions. The Town uses an internal service fund to account for self-insured healthcare activities. Because this service benefits governmental activities, it has been included within governmental activities in the government-wide financial statements.

The basic proprietary fund financial statements can be found on pages 19 through 21 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the Town government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Town’s own programs.

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

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

The notes to the financial statements can be found on pages 24 through 65 of this report.

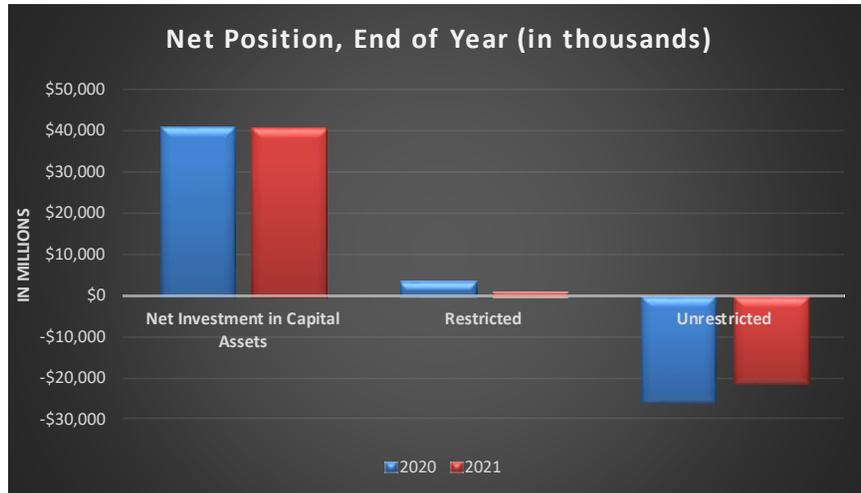
Other information. In addition to the basic financial statements and accompanying notes, this report also contains required supplementary information other than this management’s discussion and analysis that can be found on pages 66 through 78 of this report. Combining and individual fund financial statements and schedules can be found on pages 79 through 92 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. The net position of the Town totaled \$20,754,667 as of June 30, 2021 and \$18,534,370 as of June 30, 2020, as restated, and is summarized as follows:

**Town of Wolcott, Connecticut
Summary Statement of Net Position (000’s)**

	Governmental Activities	
	2021	2020
Current assets	\$ 29,559	\$ 26,775
Capital assets, net of accumulated depreciation	72,337	75,570
Other assets	4,723	
Total assets	106,619	102,345
Deferred outflows of resources	6,476	5,064
Current liabilities	11,176	4,009
Long-term liabilities outstanding	71,830	81,821
Total liabilities	83,006	85,830
Deferred inflows of resources	9,334	3,045
Net Position:		
Net Investment in capital assets	40,708	40,819
Restricted	850	3,447
Unrestricted	(20,803)	(25,732)
Total Net Position	\$ 20,755	\$ 18,534 *
	* As restated	



For more detailed information, see the Statement of Net Position (page 13).

The majority of the Town’s net position 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.

4.2% of the Town’s net position is subject to external restrictions on how they may be used and are therefore presented as restricted net position.

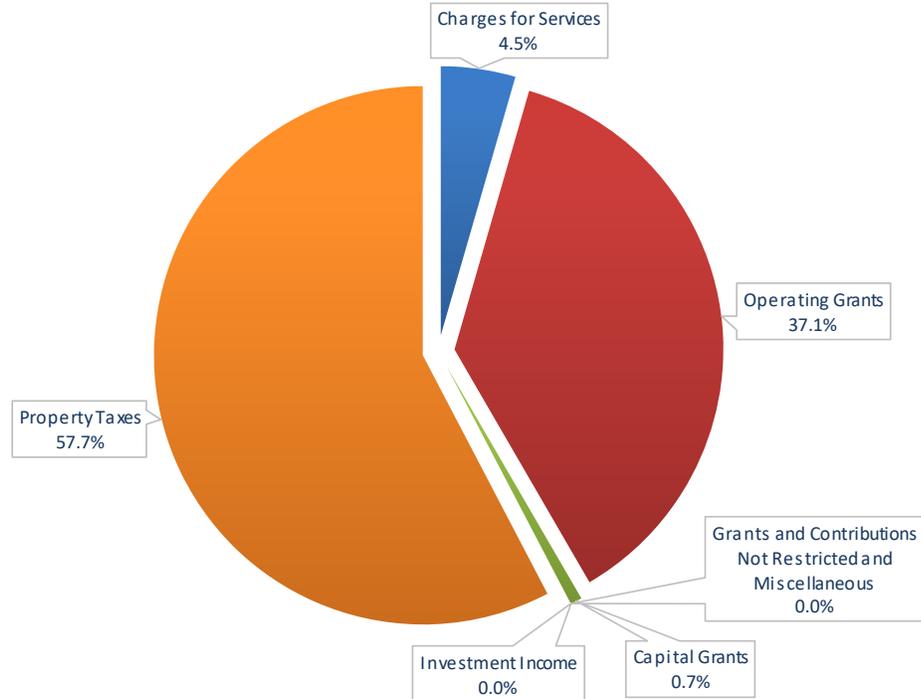
The remainder of the Town’s net position represents an unrestricted deficit. Overall, the Town’s net position increased by \$2,220,297.

Changes in Net Position Changes in net position for the years ended June 30, 2021 and 2020 are as follows.

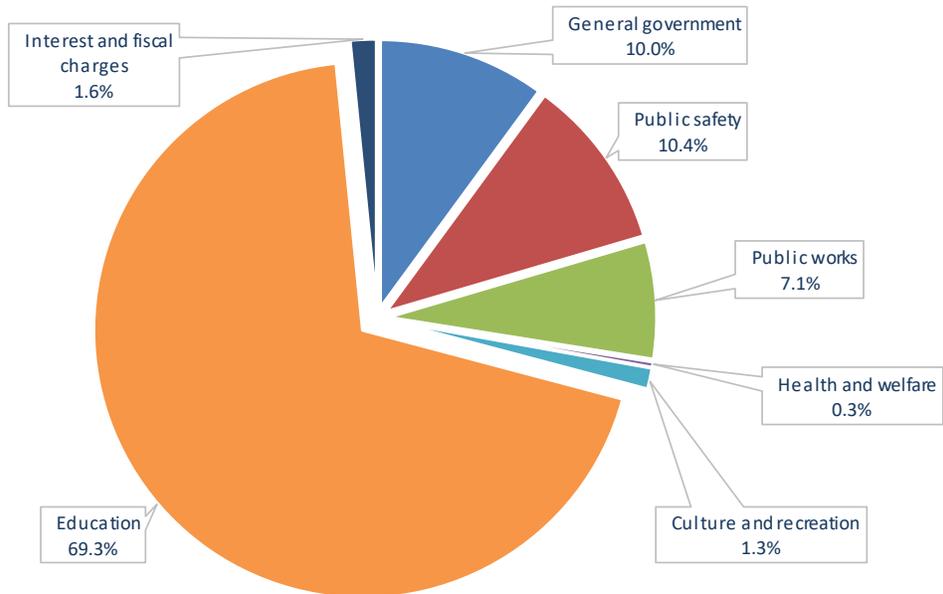
**Town of Wolcott, Connecticut
Summary Statement of Activities (000's)**

	Governmental Activities	
	2021	2020
Revenues:		
Program revenues:		
Charges for services	\$ 3,298	\$ 3,922
Operating grants and contributions	27,308	23,446
Capital grants and contributions	515	2,346
General revenues:		
Property taxes	42,416	41,929
Grants not restricted to specific programs		181
Unrestricted investment earnings	1	225
Miscellaneous	266	
Total revenues	73,805	72,049
Expenses:		
General government	7,188	7,037
Public safety	7,441	7,849
Public works	5,066	5,562
Health and welfare	244	1,133
Culture and recreation	917	274
Education	49,601	44,985
Interest on long-term debt	1,127	1,022
Total expenses	71,584	67,862
Change in net position before transfers and capital contribution	\$ 2,220	\$ 4,187

2021 Revenues by Source - Governmental Activities



2021 Expense by Function - Governmental Activities



Governmental Activities

Governmental activities increased the Town's net position by \$2,220,297.

Revenues generated by the Town increased by \$1,755,699 or 2.4% in comparison to revenues reported in the prior year. Key elements of the current year change in revenues included an increase in operating grants and contributions of \$3,862,913 and a decrease in capital grants and contributions of \$1,830,896.

The increase in operating grants and contributions was driven by an increase in the amount of on-behalf pension and OPEB expenses recognized by Town for its participation in the Connecticut Teachers' Retirement System. The decrease in capital grants and contributions was driven by the reduction of costs incurred in relation to the Town's Todd Road Local Transportation Capital Improvement Program (LOTCIP) grant.

Expenses incurred by the Town increased by \$3.7 Million or 5.5% in comparison to expenses reported in the prior year, primarily attributed to an increase in education expenses as a result of the increase in the amount of pension and OPEB expense recognized by the State of Connecticut in connection with the Town's participation in the Connecticut State Teachers' Retirement System.

Financial Analysis of the Government'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 \$13,525,556, an increase of \$614,225 in comparison with the restated prior year balance. Of this amount, \$6,148,034 represents the total unassigned fund balance of the Town.

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 \$6,778,314, while total fund balance was \$8,701,384. 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 represents 11.9% of the Town's fiscal year 2022 budgetary expenditure appropriations. Expressed another way, unassigned fund balance for the General Fund was sufficient to cover approximately 1.5 months of General Fund operating expenditures.

The fund balance of the Town's General Fund increased by \$576,967 during the current fiscal year as result of favorable budget results as outlined in the General Fund Budgetary Highlights section below.

Sewer Usage Fund. The fund balance of the Sewer Usage Fund increased by \$363,641 during the current fiscal year. This increase can be attributed to an increase in overall collections.

Small Cities Grant Program Fund. The fund balance of the Small Cities Grant Fund increased by \$56,371 during the current fiscal year.

American Rescue Plan Fund. This is a new major governmental fund. The only activity as of June 30, 2021 was receiving \$2,454,466 from the federal grant.

General Fund Budgetary Highlights

The original and final budgets for the year ended June 30, 2021 planned for the utilization of fund balance in the amount of \$610,000. The actual net change in the fund balance of the General Fund on a budgetary basis was an increase of \$986,500, resulting in a favorable budgetary variance of \$1,596,500. No supplemental appropriations were made during the fiscal year.

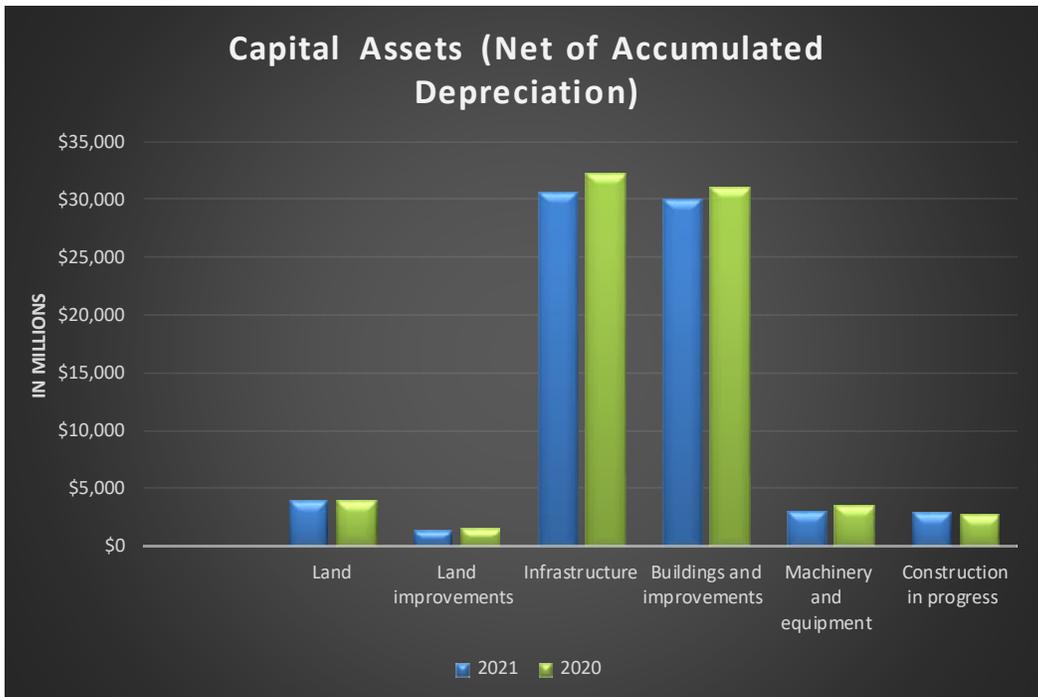
Revenues exceeded budgetary estimates by \$919,168 or 1.6%. The increase is primarily due to favorable collections on the current year and prior year delinquent property taxes levied and licenses and permits. Expenditures were \$877,332 or 1.5% less than budgeted. This decrease was primarily derived from the School District in the amount of \$552,119.

Capital Asset and Debt Administration

Capital Assets. The Town’s investment in capital assets for its governmental funds as of June 30, 2021, amounts to approximately \$72.3 million (net of accumulated depreciation). This investment in capital assets includes land, buildings and related systems, improvements, roads, highways, bridges, machinery, furniture, vehicles, and equipment, as well as construction in progress. The Town’s investment in capital assets decreased approximately \$3.2 million. This decrease can primarily be attributed to current year depreciation expense.

Town of Wolcott, Connecticut Capital Assets, Net of Depreciation (000's)

		Governmental Activities	
		2021	2020
Land	\$	3,956	\$ 3,956
Land improvements		1,452	1,652
Infrastructure		30,677	32,298
Buildings and improvements		30,072	31,148
Machinery and equipment		3,192	3,651
Construction in progress		2,988	2,865
Total	\$	72,337	\$ 75,570



Major capital asset events during the current fiscal year included the following:

- Additions of approximately \$483 thousand in vehicles, machinery, and equipment related to costs incurred in connection with the purchase of new Town vehicles, a generator, a server and various equipment; and two underground storage tank upgrades.

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

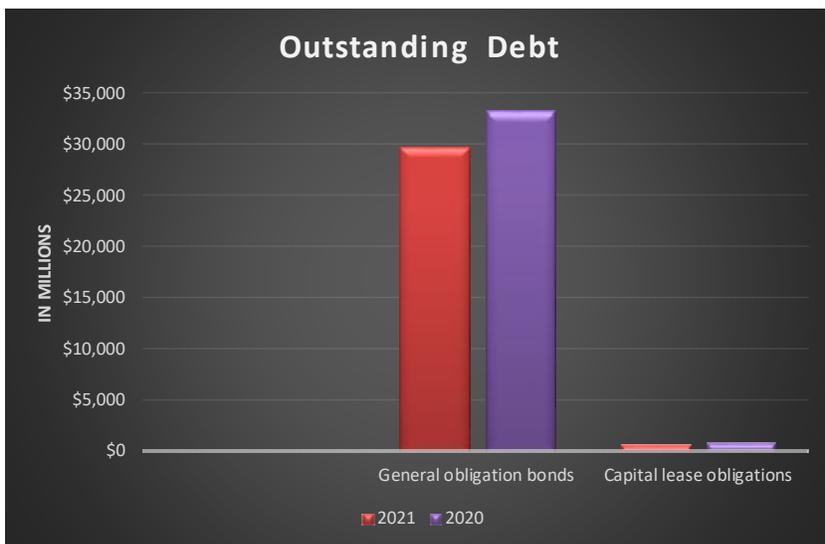
Debt Obligations. At the end of the current fiscal year, the Town had total long-term debt (consisting of bonds, notes and capital lease obligations) outstanding of \$30,657,448, all of which is backed by the full faith and credit of the Town. The Town’s total principal long-term debt decreased by \$3,557,329 or 10.4%. This decrease can be attributed to an increase in Town capital lease obligations, offset by scheduled debt service payments.

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 summarizes the changes in the Town’s long-term debt:

**Town of Wolcott, Connecticut
Changes in Town Debt (000’s)**

	Governmental	
	Activities	
	2021	2020
General obligation bonds	\$ 29,965	\$ 33,310
Capital lease obligations	692	905
Total	\$ 30,657	\$ 34,215



Additional information on the Town’s long-term debt can be found in Note 3E of this report.

Economic Factors and Next Year's Budgets and Rates

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

Significant estimates affecting next year's budget that are subject to change in the near term consist of the following:

- For purposes of calculating property tax revenues for fiscal year 2022, the assessor's grand list was used along with an estimated tax rate, and an estimated rate of collection, with deductions for taxes to be paid by the State on behalf of certain taxpayers.
- The Town receives intergovernmental revenues from the State of Connecticut. Connecticut's economy moves in the same general cycle as the national economy, which from time to time will affect the amount of intergovernmental revenues the Town will receive. The Town's budget for such grants were based on estimates from the State.
- It is unknown how changes in market interest rates will impact real estate activity and related revenues collected by the Town Clerk and the amount of conveyance taxes and interest income.

In early March 2020, there was a global outbreak of COVID-19 that was declared a Public Health Emergency of International Concern by the World Health Organization and was subsequently declared a state of emergency by the Governor of Connecticut and a national emergency by the President of the United States. The outbreak of the virus has affected travel, commerce, and financial markets globally, and is widely expected to continue to affect economic growth worldwide. The Town received \$2,454,466 from the American Rescue Plan Act (ARPA) in June 2021. Another \$2,454,466 is expected in June 2022. The extent to which COVID-19 will impact the Town's tax base, operations and its financial condition will ultimately depend on future developments that are uncertain and cannot be fully predicted with confidence at this time.

All these factors were considered in preparing the Town's budget for fiscal year 2022.

The Town's fiscal year 2022 General Fund budget was approved by the Town Council on June 1, 2021. The approved budget contemplated expenditures of \$56,757,653, which is a decrease of \$75,000 under the original fiscal year 2021 budgeted expenditures. The Town has assigned \$475,000 from fund balance of the General Fund for spending in the 2022 fiscal year budget.

Requests for Information

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Department, Town of Wolcott, 10 Keena Avenue, Wolcott, Connecticut 06716.

TOWN OF WOLCOTT, CONNECTICUT
STATEMENT OF NET POSITION
JUNE 30, 2021

	Governmental Activities
Assets:	
Cash and cash equivalents	\$ 20,618,752
Investments	767,687
Receivables, net:	
Property taxes, current	2,533,509
Other	5,608,791
Inventories and prepaids	30,382
Net OPEB Asset	4,723,163
Capital assets, nondepreciable	6,943,759
Capital assets, net of accumulated depreciation	65,393,398
Total assets	<u>106,619,441</u>
Deferred Outflows of Resources:	
Deferred charge on refunding	275,584
Deferred outflows related to pension	1,183,886
Deferred outflows related to OPEB	5,016,549
Total deferred outflows	<u>6,476,019</u>
Liabilities:	
Accounts payable and accrued items	3,706,056
Unearned revenue	2,974,510
Noncurrent liabilities:	
Due within one year	4,495,623
Due in more than one year	71,830,276
Total liabilities	<u>83,006,465</u>
Deferred Inflows of Resources:	
Advance property tax collections	9,820
Deferred inflows related to pension	7,121,270
Deferred inflows related to OPEB	2,203,238
Total deferred inflows of resources	<u>9,334,328</u>
Net Position:	
Net investment in capital assets	40,707,738
Restricted	849,855
Unrestricted	<u>(20,802,926)</u>
Total Net Position	<u>\$ 20,754,667</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF WOLCOTT, CONNECTICUT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021**

Function/Program Activities	Program Revenues			Net Revenue (Expense) and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions		Capital Grants and Contributions
Primary Government:					
Governmental activities:					
General government	\$ 7,188,142	\$ 650,811	\$ 952,142	\$ 6,648	\$ (5,578,541)
Public safety	7,441,045	456,511	25,991		(6,958,543)
Public works	5,066,032	1,684,701		508,342	(2,872,989)
Health and welfare	244,209	6,028	28,627		(209,554)
Culture and recreation	916,643	224,754	28,918		(662,971)
Education	49,601,480	275,629	26,272,738		(23,053,113)
Interest on long-term debt	1,126,872				(1,126,872)
Total	\$ 71,584,423	\$ 3,298,434	\$ 27,308,416	\$ 514,990	(40,462,583)
General revenues:					
Property taxes					42,416,098
Unrestricted investment earnings					648
Miscellaneous					266,134
Total general revenues and transfers					<u>42,682,880</u>
Change in net position					2,220,297
Net Position at Beginning of Year, as restated					<u>18,534,370</u>
Net Position at End of Year					<u>\$ 20,754,667</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF WOLCOTT, CONNECTICUT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2021**

	<u>General Fund</u>	<u>Sewer Usage Fund</u>	<u>Small Cities Grant Fund</u>	<u>American Rescue Plan Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS						
Cash and cash equivalents	\$ 9,595,678	\$ 1,105,971	\$ 111,754	\$ 2,454,466	\$ 3,605,236	\$ 16,873,105
Investments	254,806	258,077	-		254,804	767,687
Receivables	3,010,526	1,313,367	2,345,549		1,472,858	8,142,300
Prepays	18,350					18,350
Inventories					12,032	12,032
Due from other funds	876,227				130,188	1,006,415
Total Assets	<u>\$ 13,755,587</u>	<u>\$ 2,677,415</u>	<u>\$ 2,457,303</u>	<u>\$ 2,454,466</u>	<u>\$ 5,475,118</u>	<u>\$ 26,819,889</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Accounts payable and accrued items	\$ 2,314,658	\$ 409,704	\$ 3,954		\$ 272,732	\$ 3,001,048
Due to other funds	130,188	7,346			868,881	1,006,415
Unearned revenue	40,125			2,454,466	479,919	2,974,510
Total liabilities	<u>2,484,971</u>	<u>417,050</u>	<u>3,954</u>	<u>2,454,466</u>	<u>1,621,532</u>	<u>6,981,973</u>
Deferred Inflows of Resources:						
Unavailable revenue - property taxes	2,559,412					2,559,412
Unavailable revenue - advanced tax collections	9,820					9,820
Unavailable revenue - loans receivable			2,345,549			2,345,549
Unavailable revenue - water and sewer use		451,191			946,388	1,397,579
Total deferred inflows of resources	<u>2,569,232</u>	<u>451,191</u>	<u>2,345,549</u>	<u>-</u>	<u>946,388</u>	<u>6,312,360</u>
Fund Balances:						
Nonspendable	18,350				12,032	30,382
Restricted			107,800		742,055	849,855
Committed	630,280	1,809,174			2,783,391	5,222,845
Assigned	1,274,440					1,274,440
Unassigned	6,778,314				(630,280)	6,148,034
Total fund balances	<u>8,701,384</u>	<u>1,809,174</u>	<u>107,800</u>	<u>-</u>	<u>2,907,198</u>	<u>13,525,556</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 13,755,587</u>	<u>\$ 2,677,415</u>	<u>\$ 2,457,303</u>	<u>\$ 2,454,466</u>	<u>\$ 5,475,118</u>	<u>\$ 26,819,889</u>

(Continued on next page)

TOWN OF WOLCOTT, CONNECTICUT
BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2021

Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position:

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

Fund balances - total governmental funds (Exhibit III)	\$	13,525,556
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Governmental capital assets	\$	137,974,821	
Less accumulated depreciation		<u>(65,637,664)</u>	
Net capital assets			72,337,157

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

Property tax receivables greater than 30 days	1,902,947
Interest receivable on property taxes	656,465
Loan Receivable	2,345,549
Water and Sewer receivables	1,397,579
Net OPEB Asset	4,723,163
Deferred outflows related to pension	1,183,886
Deferred outflows related to OPEB	5,016,549
Deferred charge on refunding	275,584

Internal service funds are used by management to charge the costs of risk management to individual funds. The assets and liabilities of the internal service funds are reported with governmental activities in the statement of net position.

3,254,412

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

Bonds payable	(29,965,000)
Bonds premium	(1,247,555)
Deferred inflows related to OPEB	(2,203,238)
Deferred inflows related to pension	(7,121,270)
Interest payable on bonds	(213,773)
Heart and Hypertension claims	(1,090,733)
Capital lease	(692,448)
Net OPEB obligation	(32,718,613)
Compensated absences	(2,728,077)
Net pension liability	<u>(7,883,473)</u>

Net Position of Governmental Activities (Exhibit I)	\$	<u><u>20,754,667</u></u>
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The accompanying notes are an integral part of the financial statements

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

	<u>General</u>	<u>Sewer Usage Fund</u>	<u>Small Cities Grant Fund</u>	<u>American Rescue Plan Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:						
Property taxes	\$ 42,182,667	\$	\$	\$	\$	\$ 42,182,667
Intergovernmental revenues	18,820,324				2,620,738	21,441,062
Investment earnings					648	648
Charges for services	759,502	1,223,594			1,605,117	3,588,213
Other revenues	16,970		133,487		116,174	266,631
Total revenues	<u>61,779,463</u>	<u>1,223,594</u>	<u>133,487</u>	<u>-</u>	<u>4,342,677</u>	<u>67,479,221</u>
Expenditures:						
Current:						
General government	6,959,093				184,233	7,143,326
Public safety	6,832,907				478,918	7,311,825
Public works	1,640,223	859,953			1,041,779	3,541,955
Health and welfare	178,151		77,116		40,355	295,622
Culture and recreation	506,231				168,195	674,426
Education	40,510,337				2,520,701	43,031,038
Debt service:						
Principal retirement	3,626,587				184,646	3,811,233
Interest and other charges	1,240,217					1,240,217
Total expenditures	<u>61,493,746</u>	<u>859,953</u>	<u>77,116</u>	<u>-</u>	<u>4,618,827</u>	<u>67,049,642</u>
Excess (Deficiency) of Revenues over Expenditures	<u>285,717</u>	<u>363,641</u>	<u>56,371</u>	<u>-</u>	<u>(276,150)</u>	<u>429,579</u>
Other Financing Sources (Uses):						
Proceeds from capital leases					184,646	184,646
Transfers in	775,702				484,452	1,260,154
Transfers out	(484,452)				(775,702)	(1,260,154)
Total other financing sources (uses)	<u>291,250</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(106,604)</u>	<u>184,646</u>
Net Change in Fund Balances	576,967	363,641	56,371		(382,754)	614,225
Fund Balances at Beginning of Year, as restated	<u>8,124,417</u>	<u>1,445,533</u>	<u>51,429</u>		<u>3,289,952</u>	<u>12,911,331</u>
Fund Balances at End of Year	<u>\$ 8,701,384</u>	<u>\$ 1,809,174</u>	<u>\$ 107,800</u>	<u>\$ -</u>	<u>\$ 2,907,198</u>	<u>\$ 13,525,556</u>

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**TOWN OF WOLCOTT, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

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

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

Net change in fund balances - total governmental funds (Exhibit IV)	\$	614,225
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

Capital outlay	694,342
Depreciation expense	(3,870,983)
Loss on disposition of capital assets	(56,538)

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

Property taxes collected after 60 days	99,088
Interest receivable on property taxes	134,343
Water and sewer collected after 60 days	(220,115)
Loans receivables	(69,664)
Change in net OPEB asset	4,723,163

Change in deferred outflows related to pension and OPEB	1,562,533
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The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items:

Capital lease proceeds	(184,646)
Principal payments on bonds payable	3,345,000
Principal payments on capital lease	396,975

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

Amortization of deferred charge on refunding	(150,850)
Amortization of premium	271,731
Accrued interest	61,225
Change in Heart and Hypertension obligation	143,922
Change in net OPEB obligation	(3,254,191)
Change in long-term compensated absences	(29,962)
Change in deferred inflows related to pension and OPEB	(6,279,772)
Change in net pension liability	4,806,838

The net expense of the internal service funds is reported with governmental activities.	<u>(516,367)</u>
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Change in Net Position of Governmental Activities (Exhibit II)	<u>\$ 2,220,297</u>
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The accompanying notes are an integral part of the financial statements

**TOWN OF WOLCOTT, CONNECTICUT
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
JUNE 30, 2021**

	Governmental Activities
	Internal Service Fund
Assets:	
Current assets:	
Cash and cash equivalents	\$ <u>3,745,647</u>
Total assets	<u>3,745,647</u>
Liabilities:	
Current liabilities:	
Accounts payable and accrued items	44,263
Claims payable	<u>446,972</u>
Total current liabilities	<u>491,235</u>
Net Position:	
Unrestricted	<u>3,254,412</u>
Total Net Position	\$ <u><u>3,254,412</u></u>

The accompanying notes are an integral part of the financial statements

**TOWN OF WOLCOTT, CONNECTICUT
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Governmental Activities</u>
	<u>Internal Service Fund</u>
Revenues:	
Operating revenues	\$ 7,919,369
Intergovernmental	233
Total revenues	<u>7,919,602</u>
Expenses:	
Operating expenses	<u>8,435,969</u>
Total expenses	<u>8,435,969</u>
Operating Income (Loss)	<u>(516,367)</u>
Net Position at Beginning of Year	<u>3,770,779</u>
Net Position at End of Year	<u>\$ 3,254,412</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF WOLCOTT, CONNECTICUT
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Governmental Activities</u>
	<u>Internal Service Fund</u>
Cash Flows from Operating Activities:	
Receipts from employer and employees	\$ 7,920,345
Payments for premiums, claims and administration	<u>(8,346,573)</u>
Net cash provided by (used in) operating activities	<u>(426,228)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(426,228)
Cash and Cash Equivalents at Beginning of Year	<u>4,171,875</u>
Cash and Cash Equivalents at End of Year	<u>\$ 3,745,647</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:	
Operating income (loss)	\$ <u>(516,367)</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:	
Change in assets and liabilities:	
(Increase) decrease in accounts receivable	743
Increase (decrease) in accounts payable and accrued items	<u>89,396</u>
Total adjustments	<u>90,139</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ (426,228)</u>

The accompanying notes are an integral part of the financial statements

TOWN OF WOLCOTT, CONNECTICUT
STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS
JUNE 30, 2021

	Pension Trust Funds	Private Purpose Trust Fund Scholarship Fund
	<u> </u>	<u> </u>
Assets:		
Cash and cash equivalents	\$ 1,477,655	\$ 227,648
Investments, at fair value:		
Mutual funds	28,226,874	
Common stock	6,310,292	
Exchange traded funds	12,698,722	
Total investments	<u>47,235,888</u>	<u>-</u>
Due from other funds	<u> </u>	<u> </u>
Total assets	<u>48,713,543</u>	<u>227,648</u>
Liabilities:		
Due to other funds		
Fiduciary deposits		
Total liabilities	<u>-</u>	<u>-</u>
Net Position:		
Restricted for Trust	<u>48,713,543</u>	<u>227,648</u>
Total Net Position	<u>\$ 48,713,543</u>	<u>\$ 227,648</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF WOLCOTT, CONNECTICUT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Pension Trust Funds</u>	<u>Private Purpose Trust Fund Scholarship Fund</u>
Additions:		
Contributions:		
Employer	\$ 1,871,262	\$
Plan members and TRB Subsidy	91,578	
Total contributions	<u>1,962,840</u>	<u>-</u>
Investment earnings:		
Net change in fair value of investments	9,740,729	
Dividend and interest	471,833	
Total investment earnings	<u>10,212,562</u>	
Less investment fees	<u>(175,703)</u>	
Net investment income	<u>10,036,859</u>	<u>-</u>
Total additions	<u>11,999,699</u>	<u>-</u>
Deductions:		
Benefits	2,561,836	
Administration and Other	53,364	1,355
	<u>2,615,200</u>	<u>1,355</u>
Change in Net Position	9,384,499	(1,355)
Net Position at Beginning of Year	<u>39,329,044</u>	<u>229,003</u>
Net Position at End of Year	<u>\$ 48,713,543</u>	<u>\$ 227,648</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF WOLCOTT, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Town, originally named Farmingbury, was incorporated as Wolcott in 1796, under the provisions of the Connecticut General Statutes. The Town operates under a Town Council/Mayor form of government and provides the following services as authorized by its charter: public safety, public works, culture and recreation, health and welfare, education and other miscellaneous programs.

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

Accounting principles generally accepted in the United State 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. These criteria have been considered and have resulted in the inclusion of the fiduciary component units as detailed below.

Fiduciary Component Units

The Town has established two single employer defined benefit pension plans to provide retirement benefits primary to employees and their beneficiaries. The Town performs the duties of a governing board for the Pension and is required to make contributions to the pension plans.

In addition, the Olga Krasnovsky Endowment Fund has been established and amounts held in trust for the restricted use of scholarships for Wolcott High School students.

The financial statements of the fiduciary component units are reported as Pension Trust funds and a Private Purpose Trust in the fiduciary fund financial statements. Separate financial statements have not been prepared for the fiduciary component units.

B. Basis of Presentation

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

C. Government-Wide and Fund Financial Statements

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

**TOWN OF WOLCOTT, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The Town's major individual governmental funds are reported as a separate column in the fund financial statements.

D. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements.

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

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

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

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

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 not accounted for and reported in another fund.

Sewer Usage Fund - This fund is used to account for the financial resources from the collection of user charges to fund sewer operations.

**TOWN OF WOLCOTT, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

Small Cities Grant Fund - This fund accounts for the proceeds and expenditures related to the Community Development Block Grant Small Cities program operated by the Town. Funding is used to provide loans to low-income residents for home improvements.

American Rescue Plan Fund – This fund accounts for the proceeds and expenditures under the American Rescue Plan Act of 2021.

Additionally, the Town reports the following fund types:

Internal Service Fund (proprietary) - This fund accounts for activities that provide goods or services to other funds, departments, or agencies of the Town on a cost-reimbursement basis. The Town utilizes an internal service fund to account for risk management activities related to medical and dental insurance.

Pension Trust Funds (fiduciary)- These funds are used to account for resources held in trust for the members and beneficiaries of the Town's defined benefit pension plans. The Town utilizes these funds to account for activities of the following plans: Town and Police Pension Trust Fund and the Board of Education Pension Trust Fund.

Private Purpose Trust Fund (fiduciary)- This fund type is used to account for trust arrangements under which principal and income benefit individuals, private organizations, or other governments. There is no requirement that any portion of the resources be preserved as capital. The Town utilizes a private purpose trust fund to account for activities of the School Scholarship Private Purpose Trust Fund.

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

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

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

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

E. Cash Equivalents

For purposes of reporting cash flows, all savings, checking, money market accounts and certificates of deposit with an original maturity of less than 90 days are considered to be cash equivalents.

**TOWN OF WOLCOTT, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

F. Investments

Investments are stated at fair value.

G. Inventories and Prepaid Items

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

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

H. Receivables and Payables

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

All trade and property tax receivables are shown net of an allowance for doubtful accounts. The allowance for doubtful accounts represents those accounts which are deemed uncollectible based upon analysis of creditor's ability to pay.

I. Capital Assets

Capital assets, which include property, plant and equipment, and infrastructure assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$5,000 and an estimated useful life of more than five years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Capital assets are depreciated using the straight-line method over the following estimated useful lives.

<u>Assets</u>	<u>Years</u>
Land	-
Construction in progress	-
Land improvements	20
Buildings	50
Vehicles, machinery, and equipment	5-15
Infrastructure	10-50

J. Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period or periods and so will not be recognized as an inflow of resources (revenue) until that time. The Town reports advance property tax collections, deferred inflows of resources related to pensions and OPEB and deferred inflow on refundings in the government-wide statement of net position. A deferred inflow of resources related to pension and OPEB results from changes in the Town's proportionate share in liability. These amounts are deferred and included in pension and OPEB expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees). A deferred inflow on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. For governmental funds, the Town reports advance collections which represent taxes and fees inherently associated with a future period. This amount is recognized during the period in which the revenue is associated. Also for governmental funds, the Town reports unavailable revenue, which arises only under the modified accrual basis of accounting. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources (revenue) in the period in which the amounts become available.

K. Compensated Absences

Based on union or employment contracts, certain employees may accumulate a certain amount of unused sick and vacation leave until retirement, termination, or death, at which time the accumulated amounts become vested and the employee is paid a percentage of the accumulated leave. The amount recorded as a liability is based upon current salary levels. Vacation time earned during the fiscal year may, in some situations, be carried over to the next fiscal year. All vacation and sick pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

L. Net Pension (Asset) Liability

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

M. Other Post-Employment Benefit (OPEB) Liability

The total OPEB liability is measured as the portion of the present value of projected benefit payments to be provided to current active and inactive employees that is attributed to those employees' past periods of service (total OPEB liability). The total OPEB (asset) liability is measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year, consistently applied from period to period.

N. Long-Term Obligations

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

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

O. Equity

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

Net investment in Capital Assets

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

Restricted

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

Unrestricted

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

**TOWN OF WOLCOTT, CONNECTICUT
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The equity of the fund financial statements is defined as “fund balance” and is classified in the following categories:

Nonspendable Fund Balance

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

Restricted Fund Balance

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

Committed Fund Balance

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

Assigned Fund Balance

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

Unassigned Fund Balance

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

P. Property Taxes, Assessments and Usage Charges

Property taxes are assessed as of October 1. Real estate and personal property taxes are billed in the following July and are due in two installments, July 1 and January 1. Motor vehicle taxes are billed in July and are due in one installment, July 1, and supplemental motor vehicle taxes are due in full January 1. Taxes become delinquent thirty days after the installment is due and interest on delinquent accounts is charged at a rate of 1.5% per month. Liens are effective on the assessment date and are continued by filing before the end of the year following the due date. Based on historical collection experience and other factors, the Town has established an allowance for uncollectible taxes and interest of \$183,977 and \$88,712, respectively, as of June 30, 2021.

Upon completion of projects, water and sewer assessments are levied and assessed to the users annually. The timing of billings is based on which phase of the assessment the property is located in. Sewer usage charges are billed annually on July 1. Water usage charges are billed quarterly. Assessments and user charges are due and payable within thirty days and delinquent amounts are subject to interest at a rate of 1.5% per month. Liens are filed on all delinquent properties until the assessment is paid in full. Based on historical collection experience and other factors, the Town has established an allowance for uncollectible water and sewer assessments of \$50,600 and \$6,800, respectively, as of June 30, 2021. In addition, the Town has established an allowance for uncollectible water and sewer usage charges of \$3,000 and \$27,000, respectively, as of June 30, 2021.

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

Q. Accounting Estimates

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

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

As provided in the Town Charter, the Town adheres to the following procedures in establishing the budgetary data included in the General Fund financial statements. The Mayor shall at least ninety days before the end of the fiscal year present to the Council an annual budget proposal. Not less than thirty days before the beginning of the fiscal year the Council shall hold a public hearing. The Council shall adopt an operating budget not less than twenty days before the beginning of the fiscal year. The General Fund operating budget includes proposed expenditures and the means of financing them.

The Mayor may approve additional expenditures for a budget item up to \$5,000 not to exceed the contingent fund and shall notify the Council within 30 days and the Council shall make necessary appropriations, therefore.

Appropriations that exceed \$5,000 but less than \$20,000 can be made upon recommendation of the Mayor with the approval by the Council up to a maximum additional appropriation of \$50,000.

Any additional appropriation during the fiscal year that exceeds \$50,000 must be voted by the Town at a meeting called for such purpose, provided that the appropriation has been recommended by the Mayor and approved by the Council.

The Town's budgeting system requires accounting for certain transactions to be on a basis other than GAAP. The major difference between the budgetary and GAAP basis is that encumbrances are recognized as a charge against a budget appropriation in the year in which the purchase order is issued and, accordingly, encumbrances outstanding at year end are recorded in budgetary reports as expenditures of the current year, whereas, on a GAAP basis, encumbrances are recorded as either restricted, committed or assigned fund balance depending on the level of restriction.

B. Deficit Fund Equity

For the year ended June 30, 2021, the Farmingbury Hills Country Club Fund had a fund balance deficit of \$630,280.

**TOWN OF WOLCOTT, CONNECTICUT
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 JUNE 30, 2021**

The Town now leases the golf club associated with this deficit. Pursuant to the lease, the Town will receive rental income on a monthly basis and the leasee is responsible for managing and paying the costs to operate the golf course. The Town expects to eliminate the deficit within this Fund through future rental income from the lease.

3. DETAILED NOTES ON ALL FUNDS

A. Cash, Cash Equivalents, and Investments

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

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

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

Deposits

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$11,089,190 of the Town’s bank balance of \$13,461,746 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$	9,879,024
Uninsured and collateral held by the pledging bank’s trust department, not in the Town’s name		<u>1,210,166</u>
Total Amount Subject to Custodial Risk	\$	<u><u>11,089,190</u></u>

**TOWN OF WOLCOTT, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

Cash Equivalents

Cash equivalents are short-term, highly liquid investments that are both readily convertible to known amounts of cash and purchased within 90 days of maturity. At June 30, 2021, the Town's cash equivalents amounted to \$9,900,358. The following table provides a summary of the Town's cash equivalents (excluding U.S. government guaranteed obligations) as rated by nationally recognized statistical rating organizations.

	Standard & Poor's
State of Connecticut Short-Term Investment Fund (STIF)	AAAm

Investments

As of June 30, 2021, the Town had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (Years)</u>		
		<u>Less Than 1</u>	<u>1 - 10</u>	<u>More than 10</u>
Interest-bearing investments:				
Certificates of deposit * \$	767,687	\$ 767,687	\$	\$
	<u>767,687</u>	<u>\$ 767,687</u>	<u>\$ -</u>	<u>\$ -</u>
Total	767,687	<u>\$ 767,687</u>	<u>\$ -</u>	<u>\$ -</u>
Other investments:				
Mutual funds	24,091,723			
Insurance Contracts	4,135,151			
Common Stock	6,310,292			
Exchange Traded Funds	<u>12,698,722</u>			
Total Investments	<u>\$ 48,003,575</u>			

*Subject to coverage by Federal Depository Insurance and collateralization.

Investment Custodial Credit Risk

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

Credit Risk

The Town has an investment policy that would limit its investment choices due to credit risk other than State statutes governing investments in obligations of any state or political subdivision or in obligations of the State of Connecticut or political subdivision.

Concentration of Credit Risk

The Town places limits on the amount invested in any one issuer. No more than 5% of the Town's investments were invested in any one issuer in which credit risk was applicable.

**TOWN OF WOLCOTT, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

Interest Rate Risk

The Town does have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements); followed by quoted prices in inactive markets or for similar assets or with observable inputs (Level 2 measurements); and the lowest priority to unobservable inputs (Level 3 measurements). The Town has the following recurring fair value measurements as of June 30, 2021:

	June 30, 2021	Fair Value Measurements Using	
		Level 1	Level 2
Investments by fair value level:			
Common Stock	\$ 6,310,292	\$ 6,310,292	\$
Exchange Traded Funds	12,698,722	12,698,722	
Mutual funds	24,091,723	24,091,723	
Total investments by fair value level	43,100,737	\$ 43,100,737	\$ -
Other investments:			
Certificate of deposit	Unrated 767,687		
Insurance contracts	Unrated 4,135,151		
Total	\$ 48,003,575		

B. Receivables

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

	General Fund	Sewer Usage Fund	Small Cities Grant	Nonmajor and Other Funds	Total
Receivables:					
Taxes	\$ 2,260,820	\$	\$	\$	\$ 2,260,820
Interest	745,177				745,177
Sewer		1,340,367			1,340,367
Water				105,460	105,460
Assessments				923,931	923,931
Loans			2,345,549		2,345,549
Intergovernmental	187,718			309,477	497,195
Other	89,500			200,390	289,890
Less allowance for uncollectible accounts	(272,689)	(27,000)		(66,400)	(366,089)
Net Accounts Receivable	\$ 3,010,526	\$ 1,313,367	\$ 2,345,549	\$ 1,472,858	\$ 8,142,300

**TOWN OF WOLCOTT, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

C. Capital Assets

Capital asset activity for the year ended June 30, 2021 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 3,955,774	\$	\$	\$ 3,955,774
Construction in progress	2,865,643	122,342		2,987,985
Total capital assets not being depreciated	<u>6,821,417</u>	<u>122,342</u>	<u>-</u>	<u>6,943,759</u>
Capital assets being depreciated:				
Land improvements	5,193,341			5,193,341
Buildings and improvements	61,623,449	18,606	2,880	61,639,175
Machinery and equipment	17,203,718	482,501	855,565	16,830,654
Infrastructure	47,296,999	70,893		47,367,892
Total capital assets being depreciated	<u>131,317,507</u>	<u>572,000</u>	<u>858,445</u>	<u>131,031,062</u>
Less accumulated depreciation for:				
Land improvements	3,541,505	199,686		3,741,191
Buildings and improvements	30,475,585	1,092,026	1,088	31,566,523
Machinery and equipment	13,552,707	886,625	800,819	13,638,513
Infrastructure	14,998,791	1,692,646		16,691,437
Total accumulated depreciation	<u>62,568,588</u>	<u>3,870,983</u>	<u>801,907</u>	<u>65,637,664</u>
Total capital assets being depreciated, net	<u>68,748,919</u>	<u>(3,298,983)</u>	<u>56,538</u>	<u>65,393,398</u>
Governmental Activities Capital Assets, Net	<u>\$ 75,570,336</u>	<u>\$ (3,176,641)</u>	<u>\$ 56,538</u>	<u>\$ 72,337,157</u>

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

Governmental activities:	
General government	\$ 92,620
Public safety	338,701
Public works	2,016,298
Culture and recreation	205,748
Education	<u>1,217,616</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 3,870,983</u>

**TOWN OF WOLCOTT, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
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Construction Commitments

The active construction projects as of June 30, 2021 are as follows:

<u>Project</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Todd Road LOTCIP Grant	\$ 2,382,470	\$ 170,362
Walking Trail at Scovill Reservoir	<u>348,486</u>	<u>1,514</u>
Total	<u>\$ 2,730,956</u>	<u>\$ 171,876</u>

D. Interfund Receivables, Payables and Transfers

Interfund loans were generally used to transfer monies as a result of issuing bonds. The composition of interfund balances as of June 30, 2021 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Nonmajor Governmental Funds	General Fund	\$ 130,188
General Fund	Sewer Usage Fund	7,346
General Fund	Nonmajor Governmental Funds	<u>868,881</u>
	Total	<u>\$ 1,006,415</u>

All balances are expected to be repaid within a year.

Interfund transfers are generally used to supplement revenues of other funds. The transfers that occurred during the year are as follows:

	<u>Transfers In</u>		<u>Total Transfers</u>
	<u>General</u>	<u>Nonmajor Governmental</u>	
Transfers out:			
General Fund	\$	\$ 484,452	\$ 484,452
Nonmajor Governmental Funds	<u>775,702</u>		<u>775,702</u>
Total	<u>\$ 775,702</u>	<u>\$ 484,452</u>	<u>\$ 1,260,154</u>

**TOWN OF WOLCOTT, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

E. Long-Term Debt

Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2021 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds payable:					
General obligation bonds	\$ 33,310,000	\$	\$ 3,345,000	\$ 29,965,000	\$ 2,705,000
Unamortized premium	1,519,286		271,731	1,247,555	
Total bonds payable	34,829,286	-	3,616,731	31,212,555	2,705,000
Capital leases	904,777	184,646	396,975	692,448	258,484
Compensated absences	2,698,115	29,962		2,728,077	517,115
Heart and Hypertension	1,234,655	180,941	324,863	1,090,733	57,000
Net pension liability	12,690,311		4,806,838	7,883,473	
Total OPEB liability	29,464,422	3,254,191		32,718,613	958,024
Total Governmental Activities Long-Term Liabilities	\$ <u>81,821,566</u>	\$ <u>3,649,740</u>	\$ <u>9,145,407</u>	\$ <u>76,325,899</u>	\$ <u>4,495,623</u>

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

General obligation bonds currently outstanding are as follows:

<u>Description</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate (%)</u>	<u>Amount of Original Issue</u>	<u>Annual Principal</u>	<u>Balance Outstanding June 30, 2021</u>
Bonds Payable :						
General obligation	03/2002	03/2022	6.25%-6.5%	\$ 800,000	Various	\$ 25,000
General Obligation Refunding Bonds	08/2010	08/2021	2.0%-5.0%	12,785,000	Various	610,000
General Obligation Bonds	10/2014	10/2033	2.0%-4.0%	6,960,000	Various	4,960,000
General Obligation Refunding Bonds	01/2015	08/2025	2.0%-4.0%	4,030,000	Various	1,790,000
General obligation	10/2016	10/2033	2.0%-5.0%	4,590,000	Various	3,680,000
General obligation	10/2017	10/2042	2.0%-5.0%	11,300,000	Various	10,350,000
General Obligation Refunding Bonds	11/2017	06/2030	4.0%-5.0%	2,630,000	Various	2,050,000
General obligation	10/2019	11/2039	2.0%-5.0%	6,845,000	Various	6,500,000
Total Outstanding				\$ <u>49,940,000</u>		\$ <u>29,965,000</u>

**TOWN OF WOLCOTT, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
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Annual debt service requirements to maturity for general obligation bonds are as follows:

	<u>Principal</u>	<u>Interest</u>
2022	\$ 2,705,000	\$ 971,069
2023	2,065,000	868,469
2024	2,065,000	777,569
2025	2,050,000	689,619
2026	1,995,000	603,950
2027-2031	8,340,000	2,096,635
2032-2036	6,095,000	1,025,889
2037-2041	3,710,000	391,645
2042-2043	<u>940,000</u>	<u>29,375</u>
Total	<u>\$ 29,965,000</u>	<u>\$ 7,454,220</u>

The Town had advance refunded general obligation bonds in prior years. The difference between the reacquisition prices (the amounts placed in escrow) and the net carrying amounts of the refunded bonds have resulted in deferred charges on refundings in the amount of \$1,359,259. These amounts, net of accumulated amortization of \$1,083,675 have been presented as deferred outflows of resources in the government-wide financial statements and are being amortized to interest expense using the effective-interest method over the life of the new bonds. Amortization of deferred charges on refundings totaled \$150,850 for the year ended June 30, 2021.

Authorized but Unissued Bonds

There is currently no authorized but unissued debt. In most cases, interim financing is obtained through bond anticipation notes or other short-term borrowings until the issuance of long-term debt.

Debt Limitation

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

<u>Category</u>	<u>Debt Limit</u>	<u>Net Indebtedness</u>	<u>Balance</u>
General purpose	\$ 93,505,723	\$ 25,341,250	\$ 68,164,473
Schools	187,011,446	3,633,410	183,378,036
Sewers	155,842,871		155,842,871
Urban renewal	135,063,822		135,063,822
Pension deficit	124,674,297		124,674,297

**TOWN OF WOLCOTT, CONNECTICUT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2021**

Capital Leases

The Town and BOE have entered into lease agreements for the purchase of various equipment and vehicles. The annual payments for the agreements are provided for by annual general fund appropriations.

Capital leases that are currently capitalized under the category of machinery and equipment were as follows:

		Governmental Activities
Machinery and equipment	\$	<u>2,159,197</u>
Less accumulated depreciation		<u>(816,308)</u>
Total	\$	<u><u>1,342,889</u></u>

The lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of future minimum lease payments as of the date of inception. The following is a schedule of the minimum least payments under the lease, and the present value of the minimum lease payments as of June 30, 2021:

Year Ending June 30		Governmental Activities
2021	\$	345,165
2022		246,931
2023		87,113
2025		37,601
Less amount for interest		<u>(24,362)</u>
Total	\$	<u><u>692,448</u></u>

Heart and Hypertension Obligations

The Town maintains the risk related to heart and hypertension claims payable to police employees under State benefit requirements. The Town does not maintain a separate cash reserve to cover the benefits provided by the heart and hypertension program and does not prefund the benefits to be paid in future years. Expenditures related to this program are funded annually through General Fund appropriations. The estimated liability at June 30, 2021 is \$1,090,733.

**TOWN OF WOLCOTT, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

F. Fund Balance

The components of fund balance for the governmental funds at June 30, 2021 are as follows:

	<u>General Fund</u>	<u>Sewer Usage Fund</u>	<u>Small Cities Grant Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Fund balances:					
Nonspendable:					
Inventory	\$	\$	\$	\$ 12,032	\$ 12,032
Prepays	18,350				18,350
Restricted for:					
Grant Programs			107,800	327,923	435,723
Donor Restrictions				5,597	5,597
Public Safety				55,362	55,362
School lunch programs				116,184	116,184
Student Activities				171,601	171,601
Open Space				65,388	65,388
Committed to:					
General government				2,006	2,006
Public safety				158,895	158,895
Culture and recreation	630,280			120,135	750,415
Health and welfare				49,318	49,318
Education				21,402	21,402
Capital purposes				942,069	942,069
Water and sewer operations		1,809,174		1,359,591	3,168,765
Debt repayment				129,975	129,975
Assigned to:					
Education - reserve	302,119				302,119
Education - encumbrances	497,321				497,321
Subsequent year's budget	475,000				475,000
Unassigned	<u>6,778,314</u>			<u>(630,280)</u>	<u>6,148,034</u>
Total Fund Balances	\$ <u>8,701,384</u>	<u>1,809,174</u>	<u>107,800</u>	\$ <u>2,907,198</u>	\$ <u>13,525,556</u>

Encumbrances of \$497,321 at June 30, 2021 are contained in the above table in the assigned category of the General Fund.

**TOWN OF WOLCOTT, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

4. EMPLOYEE RETIREMENT PLANS

The Town maintains two single employer defined benefit pension plans: the Town General Pension Plan and the Board of Education Pension Plan. The Plans cover substantially all full-time employees except professional personnel at the Board of Education who are covered by the State of Connecticut Teachers' Retirement System. The Plans do not issue stand-alone financial statements and are part of the Town' financial reporting entity. As such, the Plans are accounted for in the fiduciary fund financial statements as Pension Trust Funds.

Town General Pension Plan

A. Plan Description and Membership

The Town administers a single-employer, contributory defined benefit pension plan (the Town Plan). The Town Plan provides retirement, disability, and survivorship benefits for eligible employees. The Town Plan is administered by a Retirement Board composed of selected members.

Eligible regular full-time employees of the Town and Police are members of the Town Plan. Eligible employees become members after completion of one year of service. Non-union Town employees are not permitted to participate in the plan after June 30, 2011. The Plan was closed to new Police union hires in September 2015, Town Hall union Dispatchers in October 2011, and Public Works union employees in September 2018. At January 1, 2021, the valuation date, Town Plan membership consisted of the following:

Retired participants and beneficiaries receiving benefits	69
Terminated members entitled to, but not yet receiving benefits	29
Active plan members	51
Total	<u>149</u>

B. Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting

The pension trust funds' financial statements are prepared using the accrual basis of accounting. Contributions are recognized when due, pursuant to formal commitments and contractual requirements, and investment income is recognized when earned. Expenses (benefits and administration) are recognized when due and payable in accordance with the terms of each plan.

Value of Investments

Investments are valued at fair value, based upon quoted market prices. Securities traded on national exchanges are valued at the last reported sales price.

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Benefits Provided

The Town Plan provides retirement and disability benefits. The normal retirement age for police officers is either 60 with 20 years of service, age 50 with 25 years of service, or age 65. The normal retirement age for all other employees is 65. Normal retirement benefits consist of yearly annuity. Police officers vest after seven years of service years of service and are fully vested at that time. All other employees will vest in accordance with the following schedule in regard to Town contributions:

<u>Years of Service</u>	<u>Vested Percentage</u>
Less than 3	0%
3	20%
4	40%
5	60%
6	80%
7 or more	100%

For police officers, the benefit is based on 50% of final average earnings less 2.5% for each year of service if less than 20 years plus 2.5% of final earnings for years of service in excess of 25 years, with a maximum of 30 years of service. Final average salary is defined as average total earnings that are subject to Federal Income Taxes for the five consecutive calendar years in the last ten calendar years that gives the highest average.

For other employees, the benefit is based on 1.8% of final average salary times years of credited service, to a maximum of 30 years. For participants who contribute to the plan, the multiplier is 1.9%. Final average salary is defined as an average of gross wages for the three highest consecutive years out of the last 10 years of service.

Police officers are eligible for early retirement not more than ten years prior to normal retirement age with at least 15 years of service. Benefits include normal pension benefits reduced by applying actuarial reduction for each year earlier than normal retirement date. For all other employees, the early retirement age is 55 with 15 years of service. Normal pension benefits are reduced by appropriate plan factors for each month younger than normal retirement age.

Disability benefits are available for police officers based on non-service and service disability. Non-service disability includes 50% of salary at point of disability and is available for all police officers who are at least age 50 and have 10 years of services. Service disability for full-time officers who are disabled in the performance of their duties includes 50% of salary reduced by any other compensation from the Town. Payments continue if no employment is available upon the officer’s maximum recovery. All other employees who are at least age 47 with 10 years of service are eligible for annuity payments calculated in accordance with normal retirement benefits.

C. Funding Policy

The contribution requirements of plan members are established and may be amended by the Town Council, subject to union contract negotiation. The actuarially determined contribution rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. The Town is required to contribute the difference between the actuarially determined rate and the contribution rate of plan members.

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Police officers as of October 1, 1996 contribute 2% of W-2 wages. Any officers hired after October 1, 1996 contribute 5% of W-2 wages. Employee contributions are 1.5% for members of UPSEU Local 424, Unit 58 and Local 1303-63 of Council 4 AFSCME, AFL-CIO. All other employees are not required to make contributions to the Town Plan.

D. Investments

Investment Policy

The Town Plan’s policy in regard to the allocation of invested assets is established and may be amended by the Town Council. It is the policy of the Town to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The Town Plan’s investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans.

Rate of Return

For the year ended June 30, 2021, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, for the Town Plan was 25%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

E. Net Pension Liability of the Town

The components of the net pension liability of the Town Plan at June 30, 2021, were as follows:

Total pension liability	\$	35,136,798
Plan fiduciary net position		<u>27,253,325</u>
Net Pension Liability	\$	<u><u>7,883,473</u></u>
Plan fiduciary net position as a percentage of the total pension liability		77.56%

Actuarial Assumptions

The total pension liability for the Town Plan was determined by an actuarial valuation as of January 1, 2021, using the following actuarial assumptions, applied to all periods included in the measurement:

Discount rate	7.25%
Salary increases	Varies by age and position
Investment rate of return	7.25%, net of pension plan investment expense, including inflation

**TOWN OF WOLCOTT, CONNECTICUT
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The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return included in the pension plan's target asset allocation as of June 30, 2021 (see the discussion of the pension plan's investment policy) 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	75.00%	6.65%
Core fixed income	16.00%	0.50%
High-yield fixed Income	5.00%	3.20%
Cash	<u>4.00%</u>	0.00%
Total	<u><u>100.0%</u></u>	

Discount Rate

The discount rate used to measure the total pension liability of the Town Plan was 7.25%. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that the Town contributes at rates equal to the actuarially determined contribution rates. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the Town 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.

The discount rate of 7.25% for the Town plan did not change as of June 30, 2021.

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

Sensitivity of the net pension liability to changes in the discount rate - The following presents the net pension liability of the Town Plan, calculated using the discount rate of 7.25% as well as what the Town Plan's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	<u>1% Decrease (6.25%)</u>	<u>Discount Rate (7.25%)</u>	<u>1% Increase (8.25%)</u>
Net Pension Liability	\$ 12,087,559	\$ 7,883,473	\$ 4,373,130

**TOWN OF WOLCOTT, CONNECTICUT
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Changes in the Net Pension Liability

	Town Pension Plan		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balances as of July 1, 2020	\$ 34,822,343	\$ 22,376,979	\$ 12,445,364
Changes for the year:			
Service cost	497,787		497,787
Interest on total pension liability	2,499,527		2,499,527
Differences between expected and actual experience	(669,545)		(669,545)
Changes in assumptions	(325,514)		(325,514)
Employer contributions		1,287,726	(1,287,726)
Member contributions		91,578	(91,578)
Net investment income		5,238,206	(5,238,206)
Benefit payments, including refund to employee contributions	(1,687,800)	(1,687,800)	
Administrative expenses		(53,364)	53,364
Net changes	<u>314,455</u>	<u>4,876,346</u>	<u>(4,561,891)</u>
Balances as of June 30, 2021	<u>\$ 35,136,798</u>	<u>\$ 27,253,325</u>	<u>\$ 7,883,473</u>

Schedule of Plan Net Position

	Pension Trust Funds		
	General Pension Plan	Board of Education Plan	Total Trust Funds
Assets:			
Cash and cash equivalents	\$ 1,477,655	\$	\$ 1,477,655
Investments	25,775,670	21,460,218	47,235,888
Receivables			
Due from other funds			
Total assets	<u>27,253,325</u>	<u>21,460,218</u>	<u>48,713,543</u>
Liabilities:			
Due to other funds			
Net Position:			
Held in Trust for Pension Benefits	<u>\$ 27,253,325</u>	<u>\$ 21,460,218</u>	<u>\$ 48,713,543</u>

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	Pension Trust Funds		
	General Pension Plan	Board of Education Plan	Total Trust Funds
Additions:			
Contributions:			
Employer	\$ 1,287,726	\$ 583,536	\$ 1,871,262
Plan members	91,578		91,578
Total contributions	<u>1,379,304</u>	<u>583,536</u>	<u>1,962,840</u>
Investment income:			
Net change in fair value of investments	5,031,080	4,709,649	9,740,729
Interest and dividends	330,604	141,229	471,833
Total investment earnings	<u>5,361,684</u>	<u>4,850,878</u>	<u>10,212,562</u>
Less: investment fees	(123,478)	(52,225)	(175,703)
Net investment income	<u>5,238,206</u>	<u>4,798,653</u>	<u>10,036,859</u>
Total additions	<u>6,617,510</u>	<u>5,382,189</u>	<u>11,999,699</u>
Deductions:			
Benefits	1,687,800	874,036	2,561,836
Administration	53,364		53,364
Total deductions	<u>1,741,164</u>	<u>874,036</u>	<u>2,615,200</u>
Change in Net Position	4,876,346	4,508,153	9,384,499
Net Position at Beginning of Year	<u>22,376,979</u>	<u>16,952,065</u>	<u>39,329,044</u>
Net Position at End of Year	<u>\$ 27,253,325</u>	<u>\$ 21,460,218</u>	<u>\$ 48,713,543</u>

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F. Pension Expense and Deferred Outflows of Resources and Deferred inflows of Resources Related to Pensions

For the year ended June 30, 2021, the Town recognized pension expense related to the Town Plan of \$472,230. At June 30, 2021, the Town reported deferred outflows and inflows of resources related to the Town Plan from the following sources:

<u>Governmental Activities</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on pension plan investments	\$ 1,148,790	\$ 2,940,000
Differences between expected and actual experience	35,096	416,887
Changes in assumptions		<u>314,055</u>
Total	<u>\$ 1,183,886</u>	<u>\$ 3,670,942</u>

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

<u>Year Ending June 30</u>	<u>Governmental Activities</u>
2022	\$ (721,608)
2023	(553,380)
2024	(486,270)
2025	<u>(725,798)</u>
Total	<u>\$ (2,487,056)</u>

Board of Education Pension Plan

A. Plan Description and Membership

The Town’s Board of Education administers a single-employer, contributory defined benefit pension plan (the BOE Plan). The BOE Plan provides retirement, disability, and survivorship benefits for eligible employees. The BOE Plan is administered by a Retirement Board composed of selected members.

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Eligible regular full-time employees of the Board of Education are members of the BOE Plan. Eligible employees become members after completion of one year of service. At September 1, 2020, the valuation date, BOE Plan membership consisted of the following:

Retired participants and beneficiaries receiving benefits	85
Terminated members entitled to, but not yet receiving benefits	23
Active plan members	<u>76</u>
	<u><u>184</u></u>

B. Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting

The pension trust funds' financial statements are prepared using the accrual basis of accounting. Contributions are recognized when due, pursuant to formal commitments and contractual requirements, and investment income is recognized when earned. Expenses (benefits and administration) are recognized when due and payable in accordance with the terms of each plan.

Value of Investments

Investments are valued at fair value, based upon quoted market prices. Securities traded on national exchanges are valued at the last reported sales price.

Benefits Provided

The Board of Education Plan provides retirement, disability, and death benefits. The normal retirement age for the custodial group is either 62 with 30 years of service, or age 65 with 5 years of service. The normal retirement age for the non-custodial group (secretaries, nurses, cafeteria workers, and paraprofessionals) is 62 with 5 years of service. The normal retirement age for the business manager is 60 with 22 years of service. The secretarial group is fully vested after ten years of service and all other employees vest after five years of service and are fully vested at that time. Normal retirement benefits consist of yearly annuity.

For all employees, the benefit is based on 50% of final average salary. Final average salary is defined as the highest five-year average within the last 10 years. The benefit is reduced by 1/20 for every year of service less than 20.

All participants are eligible for early retirement not more than ten years prior to normal retirement age with at least 15 years of service. Benefits include normal pension benefits reduced by applying actuarial reduction for each year earlier than normal retirement date. In addition, disability benefits are available for all participants. Disability benefits are available for employees at least 45 years of age with 8 years of completed service. Payments consist of the employees accrued benefit to date of the disability and are payable immediately.

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C. Funding Policy

The contribution requirements are established and may be amended by the Board of Education, Superintendent or his/her designee, subject to union contract negotiation. The actuarially determined contribution rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. Currently, the plan members do not contribute.

D. Investments

Investment Policy

The Board of Education Plan's policy in regard to the allocation of invested assets is established and may be amended by the Superintendent and Board of Education. It is the policy of the Board of Education to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes.

Rate of Return

For the year ended June 30, 2021, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, for the BOE Plan was 28.55%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

E. Net Pension (Asset) Liability of the BOE

The components of the net pension (asset) liability of the BOE Plan at June 30 ,2021, were as follows:

Total pension liability	\$	16,737,055
Plan fiduciary net position		<u>21,460,218</u>
Net Pension (Asset) Liability	\$	<u><u>(4,723,163)</u></u>
Plan fiduciary net position as a percentage of the total pension liability		128.22%

Actuarial Assumptions

The total pension liability for the BOE Plan was determined by an actuarial valuation as of September 1, 2020, using the following actuarial assumptions, applied to all periods included in the measurement:

Discount rate	6.50%
Salary increases	3.50%
Investment rate of return	6.50%, net of pension plan investment expense, including inflation

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The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return included in the pension plan's target asset allocation as of June 30, 2021 (see the discussion of the pension plan's investment policy) 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	60.00%	6.55%
Core fixed income	<u>40.00%</u>	0.40%
Total	<u><u>100.0%</u></u>	

Discount Rate

The discount rate used to measure the total pension liability of the BOE Plan was 6.50%. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that the Board of Education contributes at rates equal to the actuarially determined contribution rates. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the BOE 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.

The discount rate of 6.50% for the BOE plan did not change as of June 30, 2021.

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

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

	<u>1% Decrease (5.50%)</u>	<u>Discount Rate (6.50%)</u>	<u>1% Increase (7.50%)</u>
Net Pension Liability	\$ (2,973,273)	\$ (4,723,163)	\$ (6,211,283)

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Changes in the Net Pension Liability

	BOE Pension Plan		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balances as of July 1, 2020	\$ 17,197,012	\$ 16,952,065	\$ 244,947
Changes for the year:			
Service cost	234,683		234,683
Interest on total pension liability	1,104,654		1,104,654
Differences between expected and actual experience	(808,999)		(808,999)
Changes in assumptions	(116,259)		(116,259)
Employer contributions		583,536	(583,536)
Member contributions			
Net investment income		4,798,653	(4,798,653)
Benefit payments, including refund to employee contributions	(874,036)	(874,036)	
Administrative expenses			
Net changes	<u>(459,957)</u>	<u>4,508,153</u>	<u>(4,968,110)</u>
Balances as of June 30, 2021	<u>\$ 16,737,055</u>	<u>\$ 21,460,218</u>	<u>\$ (4,723,163)</u>

F. Pension Expense and Deferred Outflows of Resources and Deferred inflows of Resources Related to Pensions

For the year ended June 30, 2021, the Town recognized pension expense related to the BOE Plan of \$(1,172,607). At June 30, 2021, the Town reported deferred outflows and inflows of resources related to the BOE Plan from the following sources:

<u>Governmental Activities</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on pension plan investments	\$	\$ 2,915,474
Differences between expected and actual experience		467,649
Changes in assumptions		<u>67,205</u>
	<u>\$ -</u>	<u>\$ 3,450,328</u>

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

<u>Year Ending June 30</u>	<u>Governmental Activities</u>
2022	\$ (1,130,549)
2023	(835,653)
2024	(742,884)
2025	<u>(741,242)</u>
Total	<u>\$ (3,450,328)</u>

Connecticut Teachers Retirement System - Pension

A. Plan Description

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

B. Benefit Provisions

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

Normal Retirement

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

Early Retirement

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

Disability Retirement

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

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C. Contributions

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

Employer (School Districts)

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

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

For the year ended June 30, 2021, the amount of "on-behalf" contributions made by the State was \$4,847,636.

Employees

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

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

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

At June 30, 2021, the Town reports no amounts for its proportionate share of the net pension liability, and related deferred outflows and inflows, due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the Town were as follows:

Town's proportionate share of the net pension liability	\$ -
State's proportionate share of the net pension liability associated with the Town	<u>75,576,967</u>
Total	<u>\$ 75,576,967</u>

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020. At June 30, 2021, the Town has no proportionate share of the net pension liability.

For the year ended June 30, 2021 the Town recognized pension expense and revenue of \$10,826,042 in Exhibit II for the benefits provided by the State.

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Actuarial Assumptions

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

Inflation	2.50%
Salary increase	3.00-6.50%, including inflation
Investment rate of return	6.90%, net of pension plan investment expense, including inflation

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

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

Cost-of-Living Allowance

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

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

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

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

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expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The current capital market assumptions and the target asset allocation as provided by the State of Connecticut Treasurer’s Office are summarized in the following table:

<u>Asset Class</u>	<u>Expected Return</u>	<u>Target Allocation</u>
Domestic Equity Fund	5.60	20.00
Developed Market Intl. Stock Fund	6.00	11.00
Emerging Market Intl. Stock Fund	7.90	9.00
Core Fixed Income Fund	2.10	16.00
Inflation Linked Bond Fund	1.10	5.00
Emerging Market Debt Fund	2.70	5.00
High Yield Bond Fund	4.00	6.00
Real Estate Fund	4.50	10.00
Private Equity	7.30	10.00
Alternative Investments	2.90	7.00
Liquidity Fund	0.40	1.00
Total		<u>100.00</u>

Discount Rate

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

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

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

Other Information

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

Money Purchase Defined Contribution Pension Plan

The Town established a defined contribution pension plan to recognize the contributions made to the successful operation of the Town by its employees and to reward such contributions by providing retirement benefits to eligible participants under this plan. The Trustee of the plan is VOYA Retirement Insurance and Annuity Company with the Town serving as the plan administrator. The plan operates on a calendar year. Employees who are 18 years of age and have 1,000 hours of service to the Town shall become participants under the plan. Employees who are eligible under the Town’s defined benefit

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pension plan are excluded from participation in this plan. The Town contributes 6% of the employee’s salary to the plan. Employees are obligated to make mandatory contributions of 3%, with a maximum of 10%, of aggregate compensation. Town and employee contributions for the year ended June 30, 2021 were \$113,625 and \$56,812, respectively. Employees are 100% vested in mandatory participant contributions. Participants vest in accordance with the following schedule in regard to Town contributions:

Years of Service	Vested Percentage
Less than 2	0%
2	20%
3	40%
4	60%
5	80%
6	100%

In addition, participants become 100% vested in their Town contribution account upon retirement, death, or becoming totally and permanently disabled. Normal retirement age under the plan is 62.

Changes to the plan must be approved by resolution of the Town Council, except for plan changes necessary to comply with changes to Code, Regulation, Revenue Ruling, and other Internal Revenue Service published statements.

Tax Sheltered Annuity Defined Contribution Pension Plan

The Town’s Board of Education established a tax-sheltered annuity plan, also known as a 403(b) Plan. The Wolcott Public Schools 403(b) Plan is a type of defined contribution plan that allows for eligible employees to contribute a portion of their salary to the plan. Participant contributions are solely allowed through salary reduction and are deferred on a pre-tax basis. Employer discretionary contributions are permitted under the plan. This amount is determined uniformly with respect to each employee classification within the applicable collective bargaining agreement, if applicable. Employer contributions for the year ended June 30, 2021 were \$16,274.

Changes to the plan must be approved by resolution of the Board of Education, except for plan changes necessary to comply with changes to Code, Regulation, Revenue Ruling, and other Internal Revenue Service published statements.

5. OTHER POSTEMPLOYMENT BENEFITS

Plan Description

The Town, in accordance with collective bargaining agreements, provides other postemployment benefits to certain eligible retirees, spouses and beneficiaries. The program is considered to be a single-employer defined benefit plan, which is administered by the Town. The other post-employment benefit plan (the OPEB Plan) covers certain Town and Board of Education eligible retirees, spouses, and beneficiaries. Benefit provisions are established through negotiations between the Town Council or the Board of Education and the union representing the employees and are renegotiated each

**TOWN OF WOLCOTT, CONNECTICUT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2021**

three-year bargaining period. The Plan does not issue a publicly available financial report and is not included in the financial statements of another entity.

The Town has opted not to create a trust fund and to remain on a pay-as-you go basis, therefore there is no fund statement presented for this plan within the financial statements. The Town recognizes annual benefit payments as expenses within the internal service fund.

Benefits Provided

The OPEB Plan provides for medical, prescription, dental and life insurance benefits to eligible retirees, spouses, and beneficiaries. All retired program members receiving benefits are required to contribute to the program, except for Medicare retirees in the Town Hall/Dispatchers union hired prior to July 1, 2005 and retirees in the Custodian union hired prior to July 1, 2002. The percentage contribution of the employees and retirees for these benefits vary and are detailed in the Town’s various collective bargaining agreements. Fulltime employees of the Town or Board of Education who retire from the Town are eligible if they meet the following criteria:

Town

- Town Hall/Dispatchers/Non-Union: Age 62 with 15 years of service
- Non-Union Town Administrators: Age 62 with 15 years of service
- Highway - hired prior to July 1, 2004: Age 60 with 15 years of service;
- Highway - hired after July 1, 2004: Age 60 with 18 years of service
- Police: The earlier of age 50 with 25 years of service, or age 60 with 20 years of service, or age 65
- Elected officials: 15 years of service

BOE

- Administrators - hired prior to July 1, 2002: 12 years of service
- Administrators - hired after July 1, 2002: 15 years of service
- CILU Secretaries and Nurses: 15 years of service
- Custodians: Age 55 with 15 years of service
- Teachers: 35 years of service as a Teacher with 25 in the State of Connecticut or age 60 with 20 years of service in the State of Connecticut

The July 1, 2020, plan membership consisted of the following:

Retirees and beneficiaries receiving benefits	140	
Active plan members	303	
		443

Total OPEB Liability

The Town’s total OPEB liability of \$32,718,613 was measured as of June 30, 2021.

**TOWN OF WOLCOTT, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
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Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of July 1, 2020, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Salary increases	3.50%
Discount rate	2.21%
Healthcare cost trend rate	
Medical and Prescriptions	7.00% reduced by .25% per year, 4.50% ultimate rate
Dental	3.00%
Mortality rates	Varies by group

Mortality rates were projected to date of decrement using Scale MP-2019 (generational mortality).

Changes in Total OPEB (Asset) Liability

	Total OPEB Liability
Balances as of July 1, 2020	\$ <u>29,464,422</u>
Changes for the year:	
Service cost	778,513
Interest on total pension liability	1,040,718
Change in benefit terms	24,661
Differences between expected and actual experience	(216,428)
Changes in assumptions	2,651,813
Benefit payments, including refund to employee contributions	<u>(1,025,086)</u>
Other changes	
Net changes	<u>3,254,191</u>
Balances as of June 30, 2021	\$ <u><u>32,718,613</u></u>

The discount rate decreased from 3.50% to 2.21% as of June 30, 2021.

**TOWN OF WOLCOTT, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
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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 one percentage point lower or 1 percentage point higher than the current discount rate:

	<u>1% Decrease (1.21%)</u>	<u>Discount Rate (2.21%)</u>	<u>1% Increase (3.21%)</u>
Total OPEB Liability	\$ 38,476,295	\$ 32,718,613	\$ 28,179,600

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:

	<u>1% Decrease</u>	<u>Health Care Cost Trend Rate</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 28,163,045	\$ 32,718,613	\$ 38,525,828

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

For the year ended June 30, 2021, the Town recognized OPEB expense of \$2,005,742. At June 30, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

<u>Governmental Activities</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Town contributions after the measurement date	\$ 992,674	\$ 1,414,117
Changes in assumptions	4,023,875	
Net difference between projected and actual earnings on pension plan investments		
Differences between expected and actual experience		789,121
Total	<u>\$ 5,016,549</u>	<u>\$ 2,203,238</u>

**TOWN OF WOLCOTT, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

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

<u>Year Ending June 30</u>	<u>Governmental Activities</u>
2022	\$ 161,850
2023	161,850
2024	161,850
2025	401,673
2026	463,577
Thereafter	<u>469,837</u>
Total	<u>\$ 1,820,637</u>

Other Post Employment Benefit - Connecticut State Teachers Retirement Plan

A. Plan Description

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

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

B. Benefit Provisions

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

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

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

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

Survivor Health Care Coverage

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

C. Eligibility

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

Credited Service

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

Normal Retirement

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

Early Retirement

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

Proratable Retirement

Age 60 with 10 years of Credited Service.

Disability Retirement

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

Termination of Employment

Ten or more years of Credited Service.

D. Contributions

State of Connecticut

Per Connecticut General Statutes Section 10-183z, contribution requirements of active employees and the State of Connecticut are approved, amended, and certified by the State Teachers' Retirement Board and appropriated by the General Assembly. The State contributions are not currently actuarially funded. The State appropriates from the General Fund one third of the annual costs of the Plan. Administrative

**TOWN OF WOLCOTT, CONNECTICUT
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costs of the Plan are financed by the State. Based upon Chapter 167a, Subsection D of Section 10-183t of the Connecticut statutes, it is assumed the State will pay for any long-term shortfall arising from insufficient active member contributions.

Employer (School Districts)

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

For the year ended June 30, 2021, the amount of “on-behalf” contributions made by the State was \$116,990.

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.

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

At June 30, 2021, the Town reports no amounts for its proportionate share of the net OPEB liability, and related deferred outflows and inflows, due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the Town was as follows:

Town’s proportionate share of the net OPEB liability	\$	-
State’s proportionate share of the net OPEB liability associated with the Town		<u>11,272,307</u>
Total	\$	<u><u>11,272,307</u></u>

The net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as June 30, 2020. At June 30, 2021, the Town has no proportionate share of the net OPEB liability.

For the year ended June 30, 2021, the Town recognized OPEB expense and revenue of \$520,695 in Exhibit II for the benefits provided by the State.

**TOWN OF WOLCOTT, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

Actuarial Assumptions

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

Inflation	2.50%
Health care costs trend rate:	5.125% decreasing to an ultimate rate of 4.50% by 2023
Salary increases	3.00-6.50%, including inflation
Investment rate of return	2.21%, net of OPEB plan investment expense, including inflation
Year fund net position will be depleted	2021

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

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2014 - June 30, 2015.

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

G. Discount Rate

The discount rate used to measure the total OPEB liability was 2.21%. The projection of cash flows used to determine the discount rate assumed that 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 annually at a rate of 3.00%; employee contributions will be made at the current member contribution rate and that contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members. Annual State contributions were assumed to be equal to the most recent five-year average of State contributions to the fund. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be depleted in 2021 and, as a result, the Municipal Bond Index Rate was used in the determination

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

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

**TOWN OF WOLCOTT, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

I. Other Information

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

6. PRIOR PERIOD ADJUSTMENT AND RESTATEMENT

The Town previously reported the activities of the Student Activity and Performance Bond Agency Funds as fiduciary funds. As a result of implementation of GASB No. 84, *Fiduciary Activities*, as of July 1, 2019, the Town made the following reporting changes: The activities of the Performance Bond fund are reported with the general fund activities, and the Schools Activity Fund is reported as a special revenue fund. Accordingly, the Town restated the beginning assets and liabilities of the General Fund by \$293,447. The remaining assets of \$225,064 previously reported in the agency fund were recognized as assets and fund balance of the newly created special revenue fund. In addition, bond premiums were restated to account for amortization under the interest rate method and deferred outflows were added to reflect contributions made subsequent to the measurement date. The cumulative effect of this restatement was an increase to governmental activities net position by \$859,971 and \$1,025,086 respectively.

Accordingly, the Town restated beginning balances of the assets, liabilities, fund balance and net position as follows:

	<u>Governmental Activities Net Position</u>	<u>Nonmajor Governmental Funds Fund Balance</u>
Balance at June 30, 2020, as previously reported	\$ 16,424,249	\$ 3,064,888
Adjustments:		
Bond premiums amortized on the interest rate method	859,971	
OPEB deferred outflows of resources - contributions subsequent to the measurement date	1,025,086	
Student Activity Fund reported as a special revenue fund	<u>225,064</u>	<u>225,064</u>
Balance at July 1, 2020, as Restated	<u>\$ 18,534,370</u>	<u>\$ 3,289,952</u>

	<u>Agency Funds</u>
Balance at June 30, 2020, as previously reported	\$ 518,511
Adjustments:	
Performance bonds reported in the General Fund	(293,447)
School Activity Fund reported as a special revenue fund	<u>(225,064)</u>
Balance at July 1, 2020, as Restated	<u>\$ -</u>

**TOWN OF WOLCOTT, CONNECTICUT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2021**

7. OTHER INFORMATION

Risk Management

Town

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; error and omissions; injuries to employees; and natural disasters. The Town is a member of the Connecticut Interlocal Risk Management Agency (CIRMA), an unincorporated association of Connecticut local public agencies that was formed in 1980 by the Connecticut Conference of Municipalities for the purpose of establishing and administering an interlocal risk management program pursuant to the provisions of Section 7479a et. seq. of the Connecticut General Statutes. Settled claims from these risks did not exceed commercial insurance coverage during the three years ended June 30, 2021.

The Town purchases commercial insurance for all other risks of loss. Neither the Town nor its insurers have settled any claims which exceeded the Town’s insurance coverage in the past three years. There has been no reduction in any insurance coverage from coverage in the prior year.

The internal service fund was established on July 1, 1996 to provide health coverage for Town and Board of Education employees previously covered by insured hospital and major medical insurance. The Town retains the risk of loss under the plan. A third party processes the claims filed under the self-insured health plan, for which the Town is charged an administrative fee. The Town has purchased a stop-loss policy for total claims in any one year exceeding an aggregate of 125% of expected claims and for individual claims exceeding \$225,000 for combined hospital and major medical.

Changes in the claims liability for the past two years are as follows:

	<u>Liability July 1,</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Liability June 30,</u>
2019-20	\$ 585,909	\$ 6,427,072	\$ 6,663,483	\$ 349,498
2020-21	349,498	8,435,969	8,338,495	446,972

Contingent Liabilities

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

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

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

**TOWN OF WOLCOTT, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

Coronavirus (COVID-19)

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

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

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

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Property taxes				
Current levy	\$ 40,953,150	\$ 40,953,150	\$ 40,972,664	\$ 19,514
Prior year levies	600,000	600,000	816,269	216,269
Interest and lien fees	240,000	240,000	390,232	150,232
Credit card collection	6,500	6,500	3,504	(2,996)
Total property taxes	<u>41,799,650</u>	<u>41,799,650</u>	<u>42,182,669</u>	<u>383,019</u>
Intergovernmental revenues:				
Education equalization grant	12,387,171	12,387,171	12,384,722	(2,449)
School bonded projects - principal	344,937	344,937	344,937	-
School bonded projects - interest	12,046	12,046	12,046	-
Municipal aid adjustment grant	234,916	234,916	234,916	-
Municipal stabilization grant	136,938	136,938	136,938	-
Pequot grant	16,939	16,939	16,939	-
Medicare reimbursement	60,000	60,000	25,724	(34,276)
Veterans tax relief	19,391	19,391	22,344	2,953
Regional Water Authority - PILOT Program	10,426	10,426	10,730	304
Adult Education	4,826	4,826	5,029	203
Totally disabled tax relief	2,429	2,429	2,399	(30)
Payment in lieu of taxes: state-owned property	1,140	1,140	1,140	-
Total intergovernmental revenue	<u>13,231,159</u>	<u>13,231,159</u>	<u>13,197,864</u>	<u>(33,295)</u>
Charges for Services:				
Special education - tuition			18,945	18,945
Records money	1,000	1,000	1,065	65
Parks and recreation	3,200	3,200	3,870	670
Zoning board of appeals	1,000	1,000	500	(500)
Rainbow day camp fees				-
Solicitor and vendor permits	100	100	85	(15)
Inland wetlands permits	1,000	1,000	4,468	3,468
Parking tickets	50	50	50	-
In-kind services	14,200	14,200	14,200	-
Total charges for services	<u>20,550</u>	<u>20,550</u>	<u>43,183</u>	<u>22,633</u>
License and Permits:				
Town clerk	245,000	245,000	442,823	197,823
Planning and zoning	15,000	15,000	16,856	1,856
Building permits	120,000	120,000	193,604	73,604
Recycling permits	45,000	45,000	47,986	2,986
Gun permits	9,225	9,225	26,325	17,100
Fire Marshal permits	500	500	190	(310)
Game permits	150	150	140	(10)
Total licenses and permits	<u>434,875</u>	<u>434,875</u>	<u>727,924</u>	<u>293,049</u>
Interest Income	<u>50,000</u>	<u>50,000</u>	<u>16,969</u>	<u>(33,031)</u>
Other revenues:				
Library fines	6,450	6,450	2,551	(3,899)
False alarm fines	450	450	850	400
Vital statistics	0	0	38	38
Telephone access grant	24,800	24,800	26,352	1,552
Pavilion	1,000	1,000	3,900	2,900
Unanticipated revenues	35,000	35,000	320,802	285,802
Total other revenues	<u>67,700</u>	<u>67,700</u>	<u>354,493</u>	<u>286,793</u>
Total revenues	55,603,934	55,603,934	56,523,102	919,168

**TOWN OF WOLCOTT, CONNECTICUT
 SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
 BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND (CONTINUED)
 FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Other Financing Sources:				
Transfers in:				
Water Assessment Fund	\$ 355,980	\$ 355,980	\$ 355,980	\$
Farmingbury Hills Golf Course	62,739	62,739	62,739	
Capital Improvement Fund	200,000	200,000		(200,000)
Appropriation of fund balance	<u>610,000</u>	<u>610,000</u>		<u>(610,000)</u>
Total other financing sources	<u>1,228,719</u>	<u>1,228,719</u>	<u>418,719</u>	<u>(810,000)</u>
Total Revenue and Other Financing Sources	\$ <u>56,832,653</u>	\$ <u>56,832,653</u>	56,941,821	\$ <u>109,168</u>
Budgetary revenues are different than GAAP revenues because:				
State of Connecticut on-behalf contributions to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted - Pension			4,847,636	
State of Connecticut on-behalf contributions to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted - OPEB			116,990	
State of Connecticut grants for Special Education Excess Costs and Magnet Schools that are netted for budgetary purposes			<u>648,718</u>	
Total Revenues and Other Financing Sources as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds - Exhibit IV			\$ <u>62,555,165</u>	

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

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
General government:				
Mayor's office	\$ 238,810	\$ 238,607	\$ 235,656	\$ 2,951
Treasurer's office	135,332	135,332	125,183	10,149
Finance office	332,390	339,298	339,298	-
Town council	79,350	89,350	85,046	4,304
Town clerk	205,224	204,709	200,804	3,905
Tax Collector	194,349	194,349	179,683	14,666
Assessor	338,088	338,088	316,790	21,298
Board of assessment appeals	4,360	4,360	2,811	1,549
Building inspector	76,697	76,697	75,654	1,043
Planning and zoning	85,776	60,775	60,775	-
Inland/Wetlands conservation	8,050	8,050	4,694	3,356
Industrial development	13,500	13,500	12,039	1,461
Zoning board of appeals	2,540	2,540	1,489	1,051
Registrar of voters	80,722	81,238	81,238	-
Other general government				
Wages	327,373	309,758	308,665	1,093
Benefits and insurance	2,366,978	2,375,355	2,363,368	11,987
Refuse and recycling	1,860,450	1,869,825	1,869,825	-
Legal and consulting	105,000	102,216	102,216	-
Tri-Town Health District	168,987	168,987	168,987	-
Street lighting	47,000	47,000	38,298	8,702
Other	426,498	397,875	386,574	11,301
Total general government	<u>7,097,474</u>	<u>7,057,909</u>	<u>6,959,093</u>	<u>98,816</u>
Public safety:				
Police department	4,221,732	4,221,732	4,158,233	63,499
Public safety	471,723	471,723	459,567	12,156
Animal control officer	88,851	88,851	84,645	4,206
Public safety building	113,011	113,011	85,950	27,061
Fire department	690,398	690,398	669,819	20,579
Fire marshal	51,124	51,124	50,187	937
Civil preparedness	27,856	27,856	24,151	3,705
Emergency planning commission	25,883	25,883	25,500	383
Volunteer ambulance	1,274,855	1,274,855	1,274,855	-
Total public safety	<u>6,965,433</u>	<u>6,965,433</u>	<u>6,832,907</u>	<u>132,526</u>
Public works:				
Highway and streets	1,593,954	1,640,223	1,640,223	-
Culture and recreation :				
Parks and recreation	134,205	134,205	118,844	15,361
Library	414,400	414,400	378,719	35,681
Total culture and recreation	<u>548,605</u>	<u>548,605</u>	<u>497,563</u>	<u>51,042</u>

(Continued on next page)

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Health and welfare:				
Commission on aging	\$ 204,126	\$ 204,126	\$ 178,151	\$ 25,975
Commission for special needs	15,002	15,002	8,668	6,334
Total health and welfare	<u>219,128</u>	<u>219,128</u>	<u>186,819</u>	<u>32,309</u>
Education:				
Board of Education	<u>35,524,031</u>	<u>35,524,031</u>	<u>34,971,912</u>	<u>552,119</u>
Debt Service:				
Principal	3,643,199	3,636,494	3,626,587	9,907
Interest	<u>1,240,829</u>	<u>1,240,829</u>	<u>1,240,217</u>	<u>612</u>
Total debt service	<u>4,884,028</u>	<u>4,877,323</u>	<u>4,866,804</u>	<u>10,519</u>
Total expenditures	<u>56,832,653</u>	<u>56,832,652</u>	<u>55,955,321</u>	<u>877,331</u>
Other Financing Uses:				
Transfers out:		<u>484,452</u>	<u>484,452</u>	<u>-</u>
Total Expenditures and Other Financing Uses	\$ <u>56,832,653</u>	\$ <u>57,317,104</u>	56,439,773	\$ <u>877,331</u>
Budgetary expenditures are different than GAAP expenditures because:				
Encumbrances outstanding at June 30, 2021			(497,321)	
Liquidation of prior year encumbrances			422,402	
Refunding costs not budgeted				
State of Connecticut on-behalf payments to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted - Pension			4,847,636	
State of Connecticut on-behalf payments to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted - OPEB			116,990	
State of Connecticut grants for Special Education Excess Costs and Magnet Schools that are netted for budgetary purposes			648,718	
Total Expenditures and Other Financing Uses as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds - Exhibit IV			\$ <u>61,978,198</u>	

TOWN OF WOLCOTT, CONNECTICUT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - BUDGETARY BASIS - SEWER USAGE
FOR THE YEAR ENDED JUNE 30, 2021

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Sewer usage	\$ 932,130	\$ 932,130	\$ 1,186,778	\$ 254,648
Connection fees	37,500	37,500	30,000	(7,500)
CD Interest	4,400	4,400	3,167	(1,233)
Sewer permits and applications	1,000	1,000	1,500	500
STIF interest sewer usage	10,000	10,000	891	(9,109)
STIF interest STP Upgrade			2	2
Unanticipated revenue			1,256	1,256
Total revenues	<u>985,030</u>	<u>985,030</u>	<u>1,223,594</u>	<u>238,564</u>
Expenditures:				
Salary - administrative	76,402	76,695	76,695	-
Wages - clerical	47,076	46,225	43,316	2,909
Wages - operations	78,151	78,710	78,710	-
Wages - part time engineer	3,556	3,556		3,556
Wages - part time	6,000	6,000	3,526	2,474
Wages - part time billing clerk	23,286	23,286	21,498	1,788
Wages - overtime	5,000	5,000	3,908	1,092
Uniform allowance	825	825	550	275
Group life insurance	700	700	700	-
Medical insurance	89,890	89,890	89,890	-
FICA	18,320	18,320	16,441	1,879
Pension - defined benefit plan	19,865	19,865	19,865	-
Workers' compensation insurance	5,525	5,525	5,525	-
Postage	1,750	1,750	1,750	-
Legal services	15,000	15,000		15,000
QDS assessment support	1,188	1,187	1,187	-
QDS bill preparations	1,318	1,318	1,304	14
Electricity	9,900	9,900	6,937	2,963
Fuel - heating	3,700	3,700	853	2,847
Sewer usage	439,523	439,523	406,661	32,862
Repairs and maintenance - equipment	10,000	10,000	6,559	3,441
Repairs and maintenance - sewer	20,000	20,000	2,975	17,025
Contracted services	4,000	3,793	69	3,724
Tele-communications	6,030	6,030	1,898	4,132
In-kind services	10,000	10,000	10,000	-
Liability insurance	22,925	22,925	22,925	-
Vehicle gasoline & diesel	6,000	6,000	4,297	1,703
Office supplies	3,000	3,000	2,947	53
Capital outlay - equipment	55,000	55,000	27,660	27,340
Bank service fees	1,100	1,307	1,307	-
Total expenditures	<u>985,030</u>	<u>985,030</u>	<u>859,953</u>	<u>125,077</u>
Net change in fund balance	\$ <u>-</u>	\$ <u>-</u>	\$ <u>363,641</u>	\$ <u>363,641</u>

TOWN OF WOLCOTT, CONNECTICUT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
BOARD OF EDUCATION PENSION PLAN
LAST EIGHT FISCAL YEARS*

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Total pension liability:								
Service cost	\$ 299,308	\$ 278,025	\$ 278,025	\$ 266,565	\$ 269,588	\$ 279,024	\$ 302,826	\$ 234,683
Interest	947,559	992,977	1,019,622	1,077,943	1,100,555	1,139,751	1,076,636	1,104,654
Differences between expected and actual experience		(684,393)		(367,559)		(314,074)		(808,999)
Changes of assumptions	353,104	508,697		1,161,385		18,233		(116,259)
Benefit payments, including refunds of member contributions	(670,184)	(719,995)	(760,100)	(800,602)	(795,309)	(843,977)	(886,523)	(874,036)
Net change in total pension liability	<u>929,787</u>	<u>375,311</u>	<u>537,547</u>	<u>1,337,732</u>	<u>574,834</u>	<u>278,957</u>	<u>492,939</u>	<u>(459,957)</u>
Total pension liability - beginning	<u>12,669,905</u>	<u>13,599,692</u>	<u>13,975,003</u>	<u>14,512,550</u>	<u>15,850,282</u>	<u>16,425,116</u>	<u>16,704,073</u>	<u>17,197,012</u>
Total pension liability - ending	<u>13,599,692</u>	<u>13,975,003</u>	<u>14,512,550</u>	<u>15,850,282</u>	<u>16,425,116</u>	<u>16,704,073</u>	<u>17,197,012</u>	<u>16,737,055</u>
Plan fiduciary net position:								
Contributions - employer	557,457	1,226,677	610,934	764,343	724,012	909,674	715,673	583,536
Net investment income (loss)	1,458,383	788,429	202,366	2,086,366	1,231,080	810,052	1,048,226	4,798,653
Benefit payments, including refunds of member contributions	(670,184)	(719,995)	(760,100)	(800,602)	(795,309)	(843,977)	(886,523)	(874,036)
Administrative expense	(57,505)	(61,684)	(19,498)	(20,581)		(19,998)	(21,902)	
Net change in plan fiduciary net position	<u>1,288,151</u>	<u>1,233,427</u>	<u>33,702</u>	<u>2,029,526</u>	<u>1,159,783</u>	<u>855,751</u>	<u>855,474</u>	<u>4,508,153</u>
Plan fiduciary net position - beginning	<u>9,496,251</u>	<u>10,784,402</u>	<u>12,017,829</u>	<u>12,051,531</u>	<u>14,081,057</u>	<u>15,240,840</u>	<u>16,096,591</u>	<u>16,952,065</u>
Plan fiduciary net position - ending	<u>10,784,402</u>	<u>12,017,829</u>	<u>12,051,531</u>	<u>14,081,057</u>	<u>15,240,840</u>	<u>16,096,591</u>	<u>16,952,065</u>	<u>21,460,218</u>
Net Pension Liability - Ending	\$ <u>2,815,290</u>	\$ <u>1,957,174</u>	\$ <u>2,461,019</u>	\$ <u>1,769,225</u>	\$ <u>1,184,276</u>	\$ <u>607,482</u>	\$ <u>244,947</u>	\$ <u>(4,723,163)</u>
Plan fiduciary net position as a percentage of the total pension liability	79.30%	86.00%	83.04%	88.84%	92.79%	96.36%	98.58%	128.22%
Covered payroll	3,196,222	2,984,471	2,984,471	2,721,990	2,721,990	2,736,267	2,736,267	2,552,488
Net pension liability as a percentage of covered payroll	88.08%	65.58%	82.46%	65.00%	43.51%	22.20%	8.95%	-185.04%

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

**TOWN OF WOLCOTT, CONNECTICUT
SCHEDULE OF EMPLOYER CONTRIBUTIONS
BOARD OF EDUCATION PENSION PLAN
LAST EIGHT FISCAL YEARS**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Actuarially determined contribution	\$ 570,934	\$ 642,343	\$ 642,343	\$ 640,013	\$ 673,012	\$ 673,012	\$ 583,536	\$ 583,536
Contributions in relation to the actuarially determined contribution	<u>544,934</u>	<u>655,743</u>	<u>610,934</u>	<u>764,343</u>	<u>727,092</u>	<u>909,674</u>	<u>715,673</u>	<u>583,536</u>
Contribution Deficiency (Excess)	<u>\$ 26,000</u>	<u>\$ (13,400)</u>	<u>\$ 31,409</u>	<u>\$ (124,330)</u>	<u>\$ (54,080)</u>	<u>\$ (236,662)</u>	<u>\$ (132,137)</u>	<u>\$ -</u>
Covered payroll	\$ 3,196,222	\$ 2,984,471	\$ 2,984,471	\$ 2,721,990	\$ 2,721,990	\$ 2,736,267	\$ 2,736,267	\$ 2,552,488
Contributions as a percentage of covered-employee payroll	17.05%	21.97%	20.47%	28.08%	26.71%	33.25%	26.16%	22.86%

Notes to Schedule

Valuation date: September 1, 2020
Measurement date: June 30, 2021

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Actuarial Cost Method
Amortization method	Amortization of unfunded liability as a level dollar
Single equivalent amortization period	14 years as of September 1, 2020
Salary increases	3.50%
Investment rate of return	6.50%

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

TOWN OF WOLCOTT, CONNECTICUT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
TOWN GENERAL PENSION PLAN
LAST EIGHT FISCAL YEARS*

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Total pension liability:								
Service cost	\$ 774,852	\$ 745,140	\$ 745,140	\$ 612,282	\$ 634,477	\$ 634,477	\$ 506,514	\$ 497,787
Interest	1,888,726	1,974,211	2,104,216	2,291,920	2,225,628	2,331,665	2,409,463	2,499,527
Changes of benefit terms				140,289				
Differences between expected and actual experience		(1,339,217)		(1,137,220)		83,390		(669,545)
Changes of assumptions	(1,497,403)	(674,595)		1,506,515		(264,646)		(325,514)
Benefit payments, including refunds of member contributions	(981,367)	(1,024,906)	(1,065,813)	(1,164,865)	(1,439,016)	(1,525,488)	(1,642,195)	(1,687,800)
Other								
Net change in total pension liability	184,808	(319,367)	1,783,543	2,248,921	1,421,089	1,259,398	1,273,782	314,455
Total pension liability - beginning	26,970,169	27,154,977	26,835,610	28,619,153	30,868,074	32,289,163	33,548,561	34,822,343
Total pension liability - ending	27,154,977	26,835,610	28,619,153	30,868,074	32,289,163	33,548,561	34,822,343	35,136,798
Plan fiduciary net position:								
Contributions - employer	1,025,000	1,058,150	1,158,500	1,345,461	1,399,948	1,336,547	1,238,367	1,287,726
Contributions - employee	92,812	107,189	119,043	114,683	103,928	97,180	93,018	91,578
Net investment income (loss)	2,814,892	1,185,216	(182,181)	2,278,742	1,668,453	532,881	378,194	5,238,206
Benefit payments, including refunds of member contributions	(981,367)	(1,024,906)	(1,065,813)	(1,164,865)	(1,439,016)	(1,525,488)	(1,642,195)	(1,687,800)
Administrative expense	(121,809)	(102,275)	(84,969)	(55,341)	(29,526)	(59,917)	(31,272)	(53,364)
Other								
Net change in plan fiduciary net position	2,829,528	1,223,374	(55,420)	2,518,680	1,703,787	381,203	36,112	4,876,346
Plan fiduciary net position - beginning	13,739,715	16,569,243	17,792,617	17,737,197	20,255,877	21,959,664	22,340,867	22,376,979
Plan fiduciary net position - ending	16,569,243	17,792,617	17,737,197	20,255,877	21,959,664	22,340,867	22,376,979	27,253,325
Net Pension Liability - Ending	\$ <u>10,585,734</u>	\$ <u>9,042,993</u>	\$ <u>10,881,956</u>	\$ <u>10,612,197</u>	\$ <u>10,329,499</u>	\$ <u>11,207,694</u>	\$ <u>12,445,364</u>	\$ <u>7,883,473</u>
Plan fiduciary net position as a percentage of the total pension liability	61.02%	66.30%	61.98%	65.62%	68.01%	66.59%	64.26%	77.56%
Covered payroll	5,408,348	5,635,836	5,635,836	5,513,671	5,513,671	4,959,996	4,959,996	3,898,387
Net pension liability as a percentage of covered payroll	195.73%	160.46%	193.09%	192.47%	187.34%	225.96%	250.91%	202.22%

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

**TOWN OF WOLCOTT, CONNECTICUT
SCHEDULE OF EMPLOYER CONTRIBUTIONS
TOWN GENERAL PENSION PLAN
LAST EIGHT FISCAL YEARS**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Actuarially determined contribution	\$ 1,022,367	\$ 1,058,150	\$ 1,158,247	\$ 1,345,461	\$ 1,399,948	\$ 1,336,546	\$ 1,238,367	\$ 1,287,726
Contributions in relation to the actuarially determined contribution	<u>1,025,000</u>	<u>1,058,150</u>	<u>1,158,500</u>	<u>1,345,461</u>	<u>1,399,948</u>	<u>1,336,547</u>	<u>1,238,367</u>	<u>1,287,726</u>
Contribution Deficiency (Excess)	\$ <u>(2,633)</u>	\$ <u>-</u>	\$ <u>(253)</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>(1)</u>	\$ <u>-</u>	\$ <u>-</u>
Covered payroll	\$ 5,408,348	\$ 5,635,836	\$ 5,635,836	\$ 5,513,671	\$ 5,513,671	\$ 4,959,996	\$ 4,959,996	\$ 3,898,387
Contributions as a percentage of covered-employee payroll	18.95%	18.78%	20.56%	24.40%	25.39%	26.95%	24.97%	33.03%

Notes to Schedule

Valuation date: January 1, 2021
Measurement date: June 30, 2021

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Actuarial Cost Method
Amortization method	Amortization assuming 3.50% per year increase, closed
Single equivalent amortization period	20 years remaining as of January 1, 2021
Salary increases	3.50%
Investment rate of return	7.25%

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

**TOWN OF WOLCOTT, CONNECTICUT
SCHEDULE OF INVESTMENT RETURNS
PENSION PLANS
LAST EIGHT FISCAL YEARS***

	2014	2015	2016	2017	2018	2019	2020	2021
Annual money-weighted rate of return, net of investment expense								
Board of Education Plan	15.11%	7.18%	1.51%	16.84%	8.74%	5.31%	6.55%	28.55%
General Pension Plan	20.98%	7.18%	-1.02%	13.04%	8.16%	2.55%	1.71%	25.00%

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

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Town's proportion of the net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Town's proportionate share of the net pension liability	\$	\$	\$	\$	\$	\$	\$
State's proportionate share of the net pension liability associated with the Town	<u>43,148,000</u>	<u>46,682,000</u>	<u>57,772,000</u>	<u>54,759,000</u>	<u>52,281,000</u>	<u>67,804,000</u>	<u>75,576,967</u>
Total	<u>\$ 43,148,000</u>	<u>\$ 46,682,000</u>	<u>\$ 57,772,000</u>	<u>\$ 54,759,000</u>	<u>\$ 52,281,000</u>	<u>\$ 67,804,000</u>	<u>\$ 75,576,967</u>
Town's covered payroll	\$ 16,707,000	\$ 17,333,000	\$ 16,748,000	\$ 17,376,000	\$ 17,163,000	\$ 17,433,000	\$ 17,484,983
Town's proportionate share of the net pension liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	61.51%	59.50%	52.26%	55.93%	57.69%	52.00%	49.24%

Notes to Schedule

Changes in benefit terms	None
Changes of assumptions	The Board adopted new assumptions as the result of an experience study for the five-year period ending June 30, 2019: - Decrease the annual rate of real wage increase assumption from 0.75% to 0.50%. - Decrease payroll growth assumption from 3.25% to 3.00%. - Rates of withdrawal, disability, retirement, mortality, and assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience.
Actuarial cost method	Entry age
Amortization method	Level percent of pay, closed
Single equivalent amortization period	30 years
Asset valuation method	4-year smoothed market
Inflation	2.50%
Salary increase	3.25%-6.50%, including inflation
Investment rate of return	6.90%, net of investment related expense

This schedule is intended to show information for ten years. Additional information will be displayed as it becomes available. The measurement date is one year earlier than the employer's reporting date.

TOWN OF WOLCOTT, CONNECTICUT
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY
OTHER POST-EMPLOYMENT BENEFITS
LAST FOUR FISCAL YEARS*

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Total OPEB liability:				
Service cost	\$ 888,651	\$ 758,253	\$ 724,895	\$ 778,513
Interest	816,041	941,186	1,095,304	1,040,718
Changes of benefit terms				24,661
Differences between expected and actual experience		(1,018,432)		(216,428)
Changes of assumptions	(3,068,057)	2,261,354	544,656	2,651,813
Benefit payments, including refunds of member contributions	(860,811)	(837,454)	(955,922)	(1,025,086)
Net change in total OPEB liability	<u>(2,224,176)</u>	<u>2,104,907</u>	<u>1,408,933</u>	<u>3,254,191</u>
Total OPEB liability - beginning	28,174,758	25,950,582	28,055,489	29,464,422
Total OPEB liability - ending	<u>\$ 25,950,582</u>	<u>\$ 28,055,489</u>	<u>\$ 29,464,422</u>	<u>\$ 32,718,613</u>

Note: No assets are accumulated in a trust for the payment of OPEB benefits

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

** The measurement date is one year earlier than the employer's reporting date

TOWN OF WOLCOTT, CONNECTICUT
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
TEACHERS RETIREMENT PLAN
LAST FOUR FISCAL YEARS*

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Town's proportion of the net OPEB liability	0.00%	0.00%	0.00%	0.00%
Town's proportionate share of the net OPEB liability	\$	\$	\$	\$
State's proportionate share of the net OPEB liability associated with the Town	<u>14,094,000</u>	<u>10,451,000</u>	<u>10,574,000</u>	<u>11,272,307</u>
Total	<u>\$ 14,094,000</u>	<u>\$ 10,451,000</u>	<u>\$ 10,574,000</u>	<u>\$ 11,272,307</u>
Town's covered payroll	\$ 17,376,000	\$ 17,163,000	\$ 17,433,000	\$ 17,484,983
Town's proportionate share of the net OPEB liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	1.79%	1.49%	2.08%	

Notes to Schedule

Changes in benefit terms	none
Changes of assumptions	<p>Based on the procedure described in GASB 75, the discount rate used to measure plan obligations for financial accounting purposes as of June 30, 2020 was updated to equal the Municipal Bond Index Rate as of June 30, 2020;</p> <p>Expected annual per capita claims costs were updated to better reflect anticipated medical and prescription drug claim experience;</p> <p>Long-term health care cost trend rates were updated;</p> <p>The percentages of participating retirees who are expected to enroll in the Medicare Supplement Plan and the Medicare Advantage Plan options were updated based on observed plan experience. Additionally, participants are no longer assumed to migrate from the Medicare Supplement Plan to the Medicare Advantage Plan after selecting an option; and,</p> <p>The Board adopted new assumptions as the result of an experience study for the five-year period ending June 30, 2019. The changes in assumptions are summarized below:</p> <ul style="list-style-type: none"> - Decrease the annual rate of real wage increase assumption from 0.75% to 0.50%. - Decrease payroll growth assumption from 3.25% to 3.00%. - Rates of withdrawal, disability, retirement, mortality, and assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience.
Actuarial cost method	Entry age
Amortization method	Level percent of payroll over an open period
Remaining amortization period	30 years
Asset valuation method	Market value of assets
Investment rate of return	3.00%, net of investment related expense including price inflation
Price inflation	2.75%

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

** The measurement date is one year earlier than the employer's reporting date.

**TOWN OF WOLCOTT, CONNECTICUT
PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING
FOR THE YEAR ENDED JUNE 30, 2021**

Grand List of October 1,	Uncollected Taxes June 30, 2020 and Current Levy	Lawful Additions	Lawful Deductions	Suspense Transfers	Balance To Be Collected	Collections			Uncollected Taxes June 30, 2021
						Taxes	Interest and Liens	Total	
2019	\$ 41,969,688	\$ 48,713	\$ 91,266	\$	\$ 41,927,135	\$ 40,930,351	\$ 108,261	\$ 41,038,612	\$ 996,784
2018	998,117	4,131	10,660		991,588	495,330	106,741	602,071	496,258
2017	508,836	643	4,250		505,229	159,502	65,676	225,178	345,727
2016	325,743	77	644		325,176	88,975	45,799	134,774	236,201
2015	184,861		841		184,020	41,532	31,953	73,485	142,488
2014	110,719		304	52,000	58,415	22,663	20,587	43,250	35,752
2013	2,292	245	245		2,292		6,775	6,775	2,292
2012	742				742		2,283	2,283	742
2011	631				631		819	819	631
2010	-				-		474	474	-
2009 and prior	-				-		2,382	2,382	-
	<u>\$ 44,101,629</u>	<u>\$ 53,809</u>	<u>\$ 108,210</u>	<u>\$ 52,000</u>	<u>\$ 43,995,228</u>	<u>\$ 41,738,353</u>	<u>\$ 391,750</u>	<u>\$ 42,130,103</u>	<u>\$ 2,256,875</u>

TOWN OF WOLCOTT, CONNECTICUT
 COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
 JUNE 30, 2021

	Special Revenue Funds						
	Farmingbury Hills Country Club	Acquired Facilities Woodtick Recreation Area	Water Assessments Fund	Police Dept. Asset Forefeiture Fund	Police Donations Fund	Misc. Grants Fund	Sewer Assessments Fund
ASSETS							
Cash and cash equivalents	\$ 9,835	\$ 120,578	\$ 511,645	\$ 679	\$ 5,597	\$ 476,891	\$ 210,013
Investments							
Receivables	19,106		849,995			158,698	10,536
Inventories							
Due from other funds						213	
Total Assets	<u>\$ 28,941</u>	<u>\$ 120,578</u>	<u>\$ 1,361,640</u>	<u>\$ 679</u>	<u>\$ 5,597</u>	<u>\$ 635,802</u>	<u>\$ 220,549</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable and accrued items	\$ 3,205	\$ 1,375				\$ 415	
Due to other funds	656,016	5,685				172,026	
Unearned revenue						433,782	
Total liabilities	<u>659,221</u>	<u>7,060</u>				<u>606,223</u>	
Deferred Inflows of Resources:							
Unavailable revenue			849,995				10,536
Total deferred inflows of resources			<u>849,995</u>				<u>10,536</u>
Fund Balances:							
Nonspendable							
Restricted				679	5,597	29,579	
Committed		113,518	511,645				210,013
Unassigned	<u>(630,280)</u>						
Total fund balances	<u>(630,280)</u>	<u>113,518</u>	<u>511,645</u>	<u>679</u>	<u>5,597</u>	<u>29,579</u>	<u>210,013</u>
Total Liabilities and Fund Balances	<u>\$ 28,941</u>	<u>\$ 120,578</u>	<u>\$ 1,361,640</u>	<u>\$ 679</u>	<u>\$ 5,597</u>	<u>\$ 635,802</u>	<u>\$ 220,549</u>

TOWN OF WOLCOTT, CONNECTICUT
 COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
 JUNE 30, 2021

Special Revenue Funds							
	Water Usage Fund	Dog Fund	School Lunch Fund	Peterson Park Fund	Planning and Zoning Fund	Open Space Fund	LOCIP Land Preservation Fund
ASSETS							
Cash and cash equivalents	\$ 606,676	\$ 54,765	\$ 9,028	\$ 6,617	\$ 2,006	\$ 65,388	\$ 45,311
Investments	254,804						
Receivables	102,460	9,555	129,202		2,300		609
Inventories			12,032				
Due from other funds							
Total Assets	<u>\$ 963,940</u>	<u>\$ 64,320</u>	<u>\$ 150,262</u>	<u>\$ 6,617</u>	<u>\$ 4,306</u>	<u>\$ 65,388</u>	<u>\$ 45,920</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable and accrued items	\$ 238,503	\$ 8,681					
Due to other funds	1,647	277					
Unearned revenue			22,046		2,300		
Total liabilities	<u>240,150</u>	<u>8,958</u>	<u>22,046</u>		<u>2,300</u>		
Deferred Inflows of Resources:							
Unavailable revenue	<u>85,857</u>						
Total deferred inflows of resources	<u>85,857</u>						
Fund Balances:							
Nonspendable			12,032				
Restricted		55,362	116,184			65,388	45,920
Committed	637,933			6,617	2,006		
Unassigned							
Total fund balances	<u>637,933</u>	<u>55,362</u>	<u>128,216</u>	<u>6,617</u>	<u>2,006</u>	<u>65,388</u>	<u>45,920</u>
Total Liabilities and Fund Balances	<u>\$ 963,940</u>	<u>\$ 64,320</u>	<u>\$ 150,262</u>	<u>\$ 6,617</u>	<u>\$ 4,306</u>	<u>\$ 65,388</u>	<u>\$ 45,920</u>

TOWN OF WOLCOTT, CONNECTICUT
 COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
 JUNE 30, 2021

	Special Revenue Funds						
	Police Private Duty Fund	Insurance Claims Fund	Senior Center Fund	BOE School Studies Fund	BOE Latch Key Program Fund	Town Aid Road Fund	Student Activities Fund
ASSETS							
Cash and cash equivalents	\$ 9,703	\$ 36,311	\$ 12,148	\$ 6,447	\$ 15,753	\$ 244,661	\$ 171,601
Investments							
Receivables	161,561	1,000					
Inventories							
Due from other funds							
Total Assets	<u>\$ 171,264</u>	<u>\$ 37,311</u>	<u>\$ 12,148</u>	<u>\$ 6,447</u>	<u>\$ 15,753</u>	<u>\$ 244,661</u>	<u>\$ 171,601</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable and accrued items	\$	\$ 141	\$	\$	\$ 798	\$ 12,639	\$
Due to other funds	12,369						
Unearned revenue							
Total liabilities	<u>12,369</u>	<u>141</u>			<u>798</u>	<u>12,639</u>	
Deferred Inflows of Resources:							
Unavailable revenue							
Total deferred inflows of resources							
Fund Balances:							
Nonspendable							
Restricted						232,022	171,601
Committed	158,895	37,170	12,148	6,447	14,955		
Unassigned							
Total fund balances	<u>158,895</u>	<u>37,170</u>	<u>12,148</u>	<u>6,447</u>	<u>14,955</u>	<u>232,022</u>	<u>171,601</u>
Total Liabilities and Fund Balances	<u>\$ 171,264</u>	<u>\$ 37,311</u>	<u>\$ 12,148</u>	<u>\$ 6,447</u>	<u>\$ 15,753</u>	<u>\$ 244,661</u>	<u>\$ 171,601</u>

TOWN OF WOLCOTT, CONNECTICUT
 COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
 JUNE 30, 2021

	Revenue	Capital Project Funds			Debt Service Funds	Total
	Fund					
	Education Special Grants and Programs Fund	Capital Nonrecurring Fund	Local Capital Improvement Program Fund	Capital Improvements Fund	Debt Service Reserve Fund	
ASSETS						
Cash and cash equivalents	\$ 41,514	\$ 853	\$	\$ 941,216	\$	3,605,236
Investments						254,804
Receivables			27,836			1,472,858
Inventories						12,032
Due from other funds					129,975	130,188
Total Assets	<u>\$ 41,514</u>	<u>\$ 853</u>	<u>\$ 27,836</u>	<u>\$ 941,216</u>	<u>\$ 129,975</u>	<u>\$ 5,475,118</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable and accrued items	\$	\$	6,975	\$	\$	272,732
Due to other funds			20,861			868,881
Unearned revenue	21,791					479,919
Total liabilities	<u>21,791</u>		<u>27,836</u>			<u>1,621,532</u>
Deferred Inflows of Resources:						
Unavailable revenue						946,388
Total deferred inflows of resources						<u>946,388</u>
Fund Balances:						
Nonspendable						12,032
Restricted	19,723					742,055
Committed		853		941,216	129,975	2,783,391
Unassigned						(630,280)
Total fund balances	<u>19,723</u>	<u>853</u>		<u>941,216</u>	<u>129,975</u>	<u>2,907,198</u>
Total Liabilities and Fund Balances	<u>\$ 41,514</u>	<u>\$ 853</u>	<u>\$ 27,836</u>	<u>\$ 941,216</u>	<u>\$ 129,975</u>	<u>\$ 5,475,118</u>

**TOWN OF WOLCOTT, CONNECTICUT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
 FOR THE YEAR ENDED JUNE 30, 2021**

	Special Revenue Funds						
	Farmingbury Hills Country Club	Acquired Facilities Woodtick Recreation Area	Water Assessments Fund	Police Dept. Asset Forefeiture Fund	Police Donations Fund	Misc. Grants Fund	Sewer Assessments Fund
Revenues:							
Property taxes	\$	\$	\$	\$	\$	\$	\$
Intergovernmental						461,802	
Interest and dividends							
Charges for services	113,018	101,179	178,221		3,847	6,028	2,231
Miscellaneous						2,987	
Total revenues	<u>113,018</u>	<u>101,179</u>	<u>178,221</u>	<u></u>	<u>3,847</u>	<u>470,817</u>	<u>2,231</u>
Expenditures:							
General government						171,291	
Public safety				200	8,045	25,991	
Public works						205,917	
Culture and recreation	14,851	116,592				30,404	
Health and welfare						34,642	
Education							
Capital outlay							
Total expenditures	<u>14,851</u>	<u>116,592</u>	<u></u>	<u>200</u>	<u>8,045</u>	<u>468,245</u>	<u></u>
Excess (Deficiency) of Revenues over Expenditures	98,167	(15,413)	178,221	(200)	(4,198)	2,572	2,231
Other Financing Sources:							
Transfers in							
Transfers out	(62,739)		(355,980)				
Proceeds from capital leases							
Total other financing sources	<u>(62,739)</u>	<u>-</u>	<u>(355,980)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	35,428	(15,413)	(177,759)	(200)	(4,198)	2,572	2,231
Fund Balances at Beginning of Year, as restated	<u>(665,708)</u>	<u>128,931</u>	<u>689,404</u>	<u>879</u>	<u>9,795</u>	<u>27,007</u>	<u>207,782</u>
Fund Balances at End of Year	<u>\$ (630,280) \$</u>	<u>\$ 113,518 \$</u>	<u>\$ 511,645 \$</u>	<u>\$ 679 \$</u>	<u>\$ 5,597 \$</u>	<u>\$ 29,579 \$</u>	<u>\$ 210,013</u>

**TOWN OF WOLCOTT, CONNECTICUT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
 FOR THE YEAR ENDED JUNE 30, 2021**

	Special Revenue Funds						
	Water Usage Fund	Dog Fund	School Lunch Fund	Peterson Park Fund	Planning and Zoning Fund	Open Space Fund	LOCIP Land Preservation Fund
Revenues:							
Property taxes	\$	\$	\$	\$	\$	\$	\$
Intergovernmental			541,816			7,000	6,648
Interest and dividends			89				
Charges for services	468,902	41,281	71,517	236			
Miscellaneous		720		7	2	55	
Total revenues	<u>468,902</u>	<u>42,001</u>	<u>613,422</u>	<u>243</u>	<u>2</u>	<u>7,055</u>	<u>6,648</u>
Expenditures:							
General government							
Public safety		32,592					
Public works	382,312						
Culture and recreation							
Health and welfare							
Education			768,168				
Capital outlay							
Total expenditures	<u>382,312</u>	<u>32,592</u>	<u>768,168</u>	<u></u>	<u></u>	<u></u>	<u></u>
Excess (Deficiency) of Revenues over Expenditures	86,590	9,409	(154,746)	243	2	7,055	6,648
Other Financing Sources:							
Transfers in							
Transfers out							
Proceeds from capital leases							
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	86,590	9,409	(154,746)	243	2	7,055	6,648
Fund Balances at Beginning of Year, as restated	<u>551,343</u>	<u>45,953</u>	<u>282,962</u>	<u>6,374</u>	<u>2,004</u>	<u>58,333</u>	<u>39,272</u>
Fund Balances at End of Year	<u>\$ 637,933</u>	<u>\$ 55,362</u>	<u>\$ 128,216</u>	<u>\$ 6,617</u>	<u>\$ 2,006</u>	<u>\$ 65,388</u>	<u>\$ 45,920</u>

**TOWN OF WOLCOTT, CONNECTICUT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
 FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Special Revenue Funds</u>						
	<u>Police Private Duty Fund</u>	<u>Insurance Claims Fund</u>	<u>Senior Center Fund</u>	<u>BOE School Studies Fund</u>	<u>BOE Latch Key Program Fund</u>	<u>Town Aid Road Fund</u>	<u>Student Activities Fund</u>
Revenues:							
Property taxes	\$	\$	\$	\$	\$	\$	\$
Intergovernmental						302,425	
Interest and dividends					25		534
Charges for services	374,163	40,382			204,112		
Miscellaneous			4,075				107,831
Total revenues	<u>374,163</u>	<u>40,382</u>	<u>4,075</u>	<u></u>	<u>204,137</u>	<u>302,425</u>	<u>108,365</u>
Expenditures:							
General government		12,942					
Public safety	343,673	32,229					
Public works		38,327				358,031	
Culture and recreation							
Health and welfare			5,713				
Education					283,075		161,828
Capital outlay							
Total expenditures	<u>343,673</u>	<u>83,498</u>	<u>5,713</u>	<u></u>	<u>283,075</u>	<u>358,031</u>	<u>161,828</u>
Excess (Deficiency) of Revenues over Expenditures	30,490	(43,116)	(1,638)		(78,938)	(55,606)	(53,463)
Other Financing Sources:							
Transfers in							
Transfers out							
Proceeds from capital leases							
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	30,490	(43,116)	(1,638)		(78,938)	(55,606)	(53,463)
Fund Balances at Beginning of Year, as restated	<u>128,405</u>	<u>80,286</u>	<u>13,786</u>	<u>6,447</u>	<u>93,893</u>	<u>287,628</u>	<u>225,064</u>
Fund Balances at End of Year	<u>\$ 158,895</u>	<u>\$ 37,170</u>	<u>\$ 12,148</u>	<u>\$ 6,447</u>	<u>\$ 14,955</u>	<u>\$ 232,022</u>	<u>\$ 171,601</u>

**TOWN OF WOLCOTT, CONNECTICUT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
 FOR THE YEAR ENDED JUNE 30, 2021**

	Revenue Fund	Capital Project Funds			Debt Service Funds	Total
	Education Special Grants and Programs Fund	Capital Nonrecurring Fund	Local Capital Improvement Program Fund	Capital Improvements Fund	Debt Service Reserve Fund	
Revenues:						
Property taxes	\$	\$	\$	\$	\$	\$
Intergovernmental	1,301,047					2,620,738
Interest and dividends						648
Charges for services						1,605,117
Miscellaneous				497		116,174
Total revenues	<u>1,301,047</u>	<u></u>	<u></u>	<u>497</u>	<u></u>	<u>4,342,677</u>
Expenditures:						
General government						184,233
Public safety				36,188		478,918
Public works				57,192		1,041,779
Culture and recreation				6,348		168,195
Health and welfare						40,355
Education	1,307,630					2,520,701
Capital outlay				184,646		184,646
Total expenditures	<u>1,307,630</u>	<u></u>	<u></u>	<u>284,374</u>	<u></u>	<u>4,618,827</u>
Excess (Deficiency) of Revenues over Expenditures	(6,583)			(283,877)		(276,150)
Other Financing Sources:						
Transfers in				484,452		484,452
Transfers out					(356,983)	(775,702)
Proceeds from capital leases				184,646		184,646
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>669,098</u>	<u>(356,983)</u>	<u>(106,604)</u>
Net Change in Fund Balances	(6,583)			385,221	(356,983)	(382,754)
Fund Balances at Beginning of Year, as restated	<u>26,306</u>	<u>853</u>	<u></u>	<u>555,995</u>	<u>486,958</u>	<u>3,289,952</u>
Fund Balances at End of Year	\$ <u>19,723</u>	\$ <u>853</u>	\$ <u></u>	\$ <u>941,216</u>	\$ <u>129,975</u>	\$ <u>2,907,198</u>

TOWN OF WOLCOTT, CONNECTICUT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS - FARMINGBURY HILLS COUNTRY CLUB FUND
FOR THE YEAR ENDED JUNE 30, 2021

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Facility rentals	\$ 117,600	\$ 117,600	\$ 112,871	\$ (4,729)
Other			147	147
Total revenues	<u>117,600</u>	<u>117,600</u>	<u>113,018</u>	<u>(4,582)</u>
Expenditures:				
Maintenance/repair and supplies	15,000	7,732	2,783	4,949
Liability insurance	4,000	4,000	4,000	-
Dues and fees	800	8,068	8,068	-
Total expenditures	<u>19,800</u>	<u>19,800</u>	<u>14,851</u>	<u>4,949</u>
Excess (deficiency) in revenues over expenditures	97,800	97,800	98,167	367
Other Financing Sources:				
Bond repayment club house - principal	57,199	57,199	57,199	-
Bond repayment club house - interest	5,540	5,540	5,540	-
Payment of debt to General Fund	35,061	35,061		35,061
Total other financing sources	<u>97,800</u>	<u>97,800</u>	<u>62,739</u>	<u>35,061</u>
Net change in fund balance	\$ <u>-</u>	\$ <u>-</u>	<u>35,428</u>	\$ <u>35,428</u>

TOWN OF WOLCOTT, CONNECTICUT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS - ACQUIRED FACILITIES FUND
FOR THE YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Gate receipts	\$ 70,000	\$ 70,000	\$ 57,880	\$ (12,120)
Rental of facilities	17,000	17,000	19,100	2,100
Food sales	15,460	15,460	15,149	(311)
Security deposits	4,000	4,000	6,050	2,050
Housing rental income	3,000	3,000	3,000	-
Appropriation of fund balance	31,443	31,443		(31,443)
Total revenues	<u>140,903</u>	<u>140,903</u>	<u>101,179</u>	<u>(39,724)</u>
Expenditures:				
Salary - administrative	17,272	17,272	17,272	-
Wages - operating	50,000	50,000	48,841	1,159
FICA	5,146	5,146	5,058	88
Workers' compensation insurance	2,280	2,280	2,280	-
Legal & public notices	500	500		500
Electricity	3,700	3,700	3,139	561
Repairs & maintenance - equipment	5,500	5,500	5,408	92
Dam & reservoirs - maintenance	5,000	5,000		5,000
Repairs & maintenance - buildings	9,000	9,000	7,179	1,821
Snack bar supplies	9,500	9,500	7,751	1,749
Maintenance supplies	1,200	1,295	1,295	-
Tele-communications	150	150	150	-
Liability insurance	2,870	2,870	2,870	-
Operating expense	2,400	2,560	2,560	-
Office supplies	700	700	606	94
Capital outlay - equipment	20,285	18,130	4,883	13,247
Refunds	4,000	5,900	5,900	-
In-kind services	1,400	1,400	1,400	-
Total expenditures	<u>140,903</u>	<u>140,903</u>	<u>116,592</u>	<u>24,311</u>
Net change in fund balance	\$ <u>-</u>	\$ <u>-</u>	\$ <u>(15,413)</u>	\$ <u>(15,413)</u>

TOWN OF WOLCOTT, CONNECTICUT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS - WATER ASSESSMENT FUND
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Water Assessment Phase 5	\$ 15,000	\$ 15,000	\$ 6,005	\$ (8,995)
Water Assessment Phase 6	5,000	5,000	19,697	14,697
Water Assessment Phase 7	130,000	130,000	144,915	14,915
Water Assessment Phase 8	4,000	4,000	7,604	3,604
Total revenues	<u>154,000</u>	<u>154,000</u>	<u>178,221</u>	<u>24,221</u>
Other Financing Sources:				
Appropriation of fund balance	(201,980)	(201,980)		201,980
Transfer to General Fund - Clinton Hill Water Principal	193,000	193,000	193,000	-
Transfer to General Fund - Clinton Hill Water Interest	37,980	37,980	37,980	-
Transfer to General Fund - Water Bond Refunding 2010 - Principal	5,000	5,000	5,000	-
Transfer to General Fund - Water Bond Refunding 2010 - Interest	120,000	120,000	120,000	-
Total other financing sources	<u>154,000</u>	<u>154,000</u>	<u>355,980</u>	<u>201,980</u>
Net change in fund balance	\$ <u>-</u>	\$ <u>-</u>	<u>(177,759)</u>	<u>(177,759)</u>

TOWN OF WOLCOTT, CONNECTICUT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS - WATER USAGE FUND
FOR THE YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Water usage	\$ 406,034	\$ 406,034	\$ 398,578	\$ (7,456)
Water meter set-up parts	11,000	11,000	8,914	(2,086)
Unanticipated revenue	15,000	15,000	37,722	22,722
Water connection revenues	18,000	18,000	18,600	600
Water permits and applications	1,000	1,000	1,900	900
CD Interest	4,400	4,400	3,188	(1,212)
Total revenues	<u>455,434</u>	<u>455,434</u>	<u>468,902</u>	<u>13,468</u>
Expenditures:				
Salary - administrative	19,101	19,174	19,174	-
Wages - clerical	13,339	13,044	10,756	2,288
Wages - operations	19,463	19,685	19,685	-
Wages - part time engineer	1,778	1,778		1,778
Group life insurance	170	170	170	-
Medical insurance	22,475	22,475	22,475	-
FICA	4,107	4,107	3,836	271
Pension - defined benefit plan	4,965	4,965	4,965	-
Workers' compensation insurance	1,825	1,825	1,825	-
Postage	1,300	1,300	1,300	-
Legal services	2,000	2,000		2,000
Testing expense	15,574	15,554	5,950	9,604
QDS assessment support	1,187	1,187	1,187	-
QDS bill preparations	1,190	1,210	1,210	-
Education & professional development	1,500	1,500		1,500
Electricity	27,000	27,000	24,517	2,483
Fuel - heating	550	550	165	385
Water usage	240,000	240,000	227,713	12,287
Repairs and maintenance - water	20,000	20,000	10,586	9,414
Water meter set-up parts	17,700	17,700	6,658	11,042
Tele-communications	7,190	7,190	3,393	3,797
In-kind services	2,800	2,800	2,800	-
Liability insurance	6,220	6,220	6,220	-
Office supplies	750	750	275	475
Dues and fees	2,400	2,400	1,775	625
Capital outlay - equipment	20,000	20,000	5,041	14,959
Bank service fees	850	850	636	214
Total expenditures	<u>455,434</u>	<u>455,434</u>	<u>382,312</u>	<u>73,122</u>
Net change in fund balance	\$ <u>-</u>	\$ <u>-</u>	\$ <u>86,590</u>	\$ <u>86,590</u>

**TOWN OF WOLCOTT, CONNECTICUT
STATEMENT OF DEBT LIMITATION
JUNE 30, 2021**

Total tax collections, including interest and lien fees for fiscal year ended June 30, 2020	\$ 41,533,639
State Reimbursement for Revenue Loss on Tax Relief for Elderly	<u>24,460</u>
BASE	<u>\$ 41,558,099</u>

	<u>General Purpose</u>	<u>Schools</u>	<u>Sewers</u>	<u>Urban Renewal</u>	<u>Pension Deficit</u>
Debt limitation:					
2-1/4 times base	\$ 93,505,723	\$	\$	\$	\$
4-1/2 times base		187,011,446			
3-3/4 times base			155,842,871		
3-1/4 times base				135,063,822	
3 times base					124,674,297
	<u>93,505,723</u>	<u>187,011,446</u>	<u>155,842,871</u>	<u>135,063,822</u>	<u>124,674,297</u>
Total debt limitation					
Indebtedness:					
Bonds payable	25,341,250	3,633,410			
	<u>25,341,250</u>	<u>3,633,410</u>			
Net indebtedness	25,341,250	3,633,410	-	-	-
	<u>25,341,250</u>	<u>3,633,410</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt Limitation in Excess of Outstanding and Authorized Debt	<u>\$ 68,164,473</u>	<u>\$ 183,378,036</u>	<u>\$ 155,842,871</u>	<u>\$ 135,063,822</u>	<u>\$ 124,674,297</u>

Note: In no case shall total indebtedness exceed seven times annual receipts from taxation (\$290,906,693).

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