

TOWN OF WOLCOTT, CONNECTICUT

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED JUNE 30, 2022



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**TOWN OF WOLCOTT, CONNECTICUT
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YEAR ENDED JUNE 30, 2022**

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INDEPENDENT AUDITORS' REPORT

Town Council
Town of Wolcott, Connecticut

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Wolcott, Connecticut, as of and for the year ended June 30, 2022, 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.

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, 2022, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Wolcott, Connecticut and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Wolcott, Connecticut's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Town of Wolcott, Connecticut's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Town of Wolcott, Connecticut's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Wolcott, Connecticut's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual nonmajor fund financial statements 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 15, 2022, 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 Town of Wolcott, Connecticut's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

West Hartford, Connecticut
December 15, 2022

**TOWN OF WOLCOTT, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2022**

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, 2022. 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 \$20,793,007 (net position). Of this amount, \$23,536,527 represents a deficit in the Town's unrestricted net position. This deficit is primarily attributed to long-term liabilities for pension and other postemployment benefits.
- The Town's total net position increased by \$38,340 during the current fiscal year.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$12,076,304, an decrease of \$1,449,252 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$7,727,231 or 13.0% of the Town's fiscal year 2023 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 \$193,177 or .3%.
- The Town's total long-term bonded debt decreased by \$2,909,555 or 9.3%.

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).

**TOWN OF WOLCOTT, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2022**

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 14 and 15 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 Capital Improvement 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.

**TOWN OF WOLCOTT, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2022**

The basic governmental fund financial statements can be found on pages 16 through 19 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 20 through 22 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 23 and 24 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 25 through 72 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 73 through 84 of this report. Combining and individual fund financial statements and schedules can be found on pages 86 through 98 of this report.

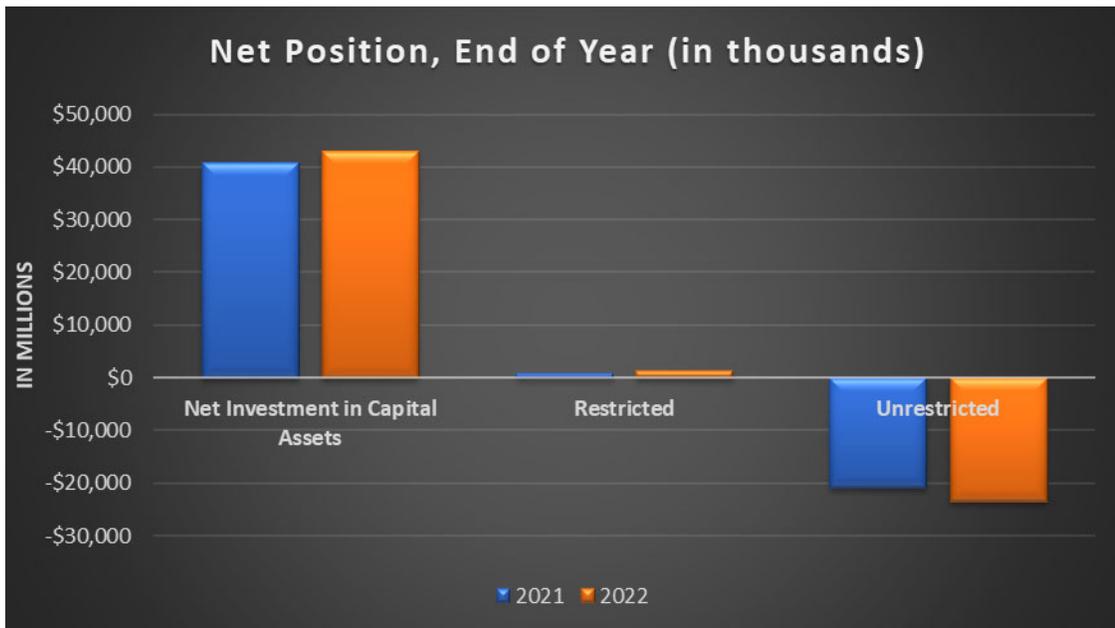
Government-Wide Financial Analysis

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 \$20,793,007 as of June 30, 2022 and \$20,754,667 as of June 30, 2021, as restated, and is summarized as follows:

**TOWN OF WOLCOTT, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2022**

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

	Governmental Activities	
	2022	2021
ASSETS		
Current Assets	\$ 35,778	\$ 29,559
Capital Assets, Net of Accumulated Depreciation	72,144	72,337
Other Assets	1,298	4,723
Total Assets	<u>109,220</u>	<u>106,619</u>
DEFERRED OUTFLOWS OF RESOURCES		
	7,162	6,476
Current Liabilities	16,870	11,176
Long-Term Liabilities:		
Outstanding	75,212	71,830
Total Liabilities	<u>92,082</u>	<u>83,006</u>
DEFERRED INFLOWS OF RESOURCES		
	3,507	9,334
NET POSITION		
Net Investment in Capital Assets	43,055	40,708
Restricted	1,274	850
Unrestricted	<u>(23,537)</u>	<u>(20,803)</u>
Total Net Position	<u>\$ 20,793</u>	<u>\$ 20,755</u>



**TOWN OF WOLCOTT, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2022**

For more detailed information, see the Statement of Net Position (page 14).

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.

6.1% 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 \$38,340.

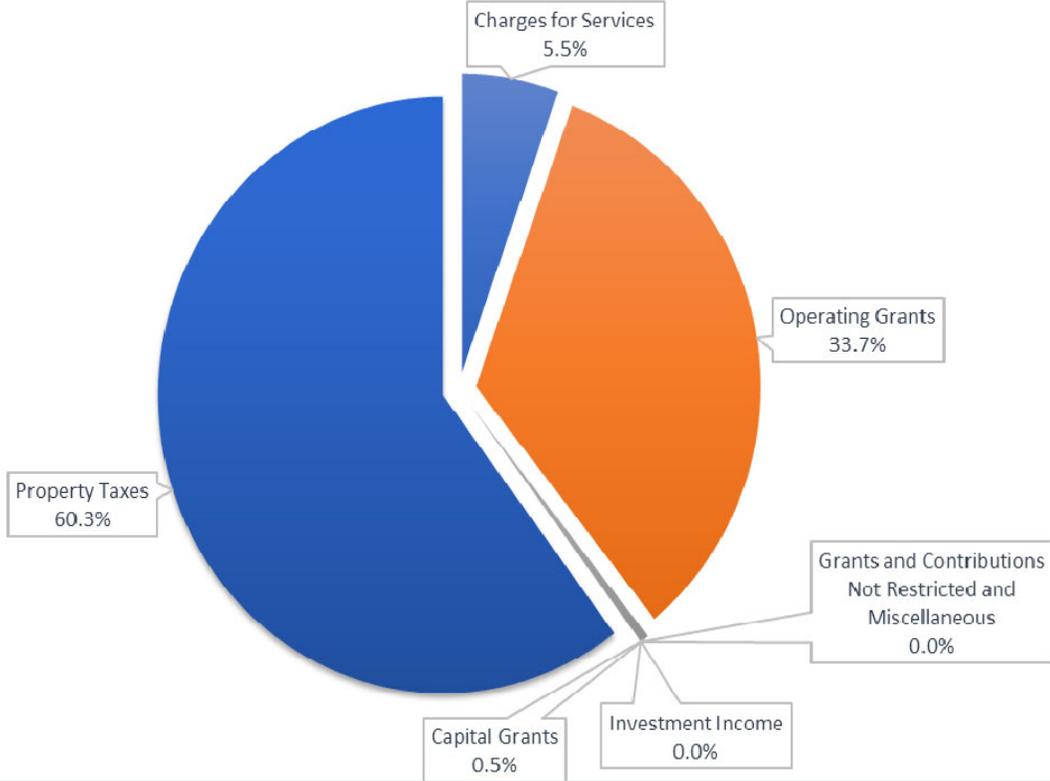
Changes in Net Position. Changes in net position for the years ended June 30, 2022 and 2021 are as follows.

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

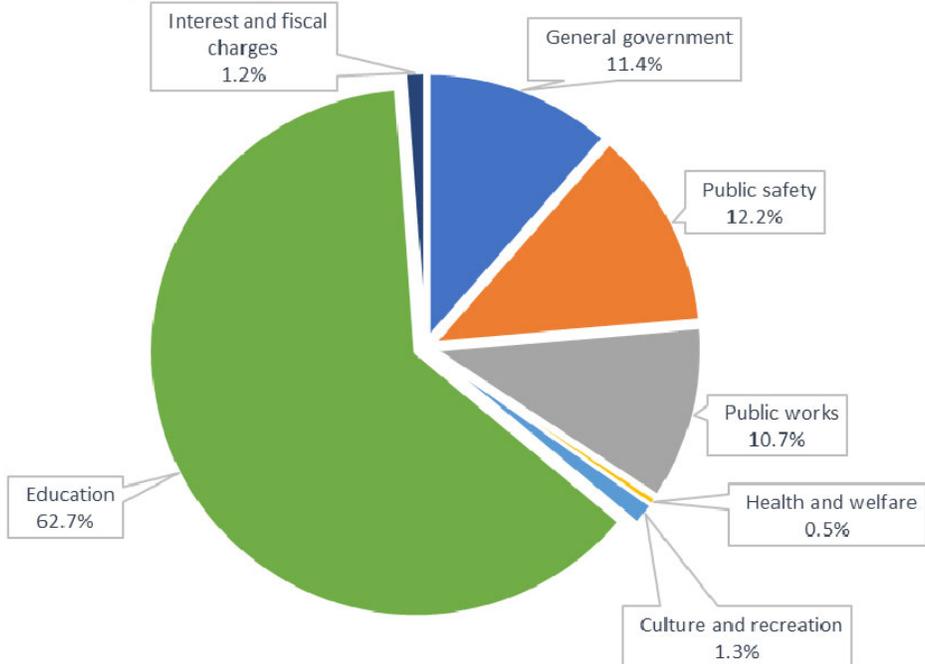
	Governmental Activities	
	2022	2021
REVENUES		
Program Revenues:		
Charges for Services	\$ 3,936	\$ 3,298
Operating Grants and Contributions	24,215	27,308
Capital Grants and Contributions	357	515
General Revenues:		
Property Taxes	43,253	42,416
Grants Not Restricted to Specific Programs	-	-
Unrestricted Investment Earnings	4	1
Miscellaneous	274	266
Total Revenues	72,039	73,804
EXPENSES		
General Government	8,205	7,188
Public Safety	8,811	7,441
Public Works	7,671	5,066
Health and Welfare	333	244
Culture and Recreation	970	917
Education	45,170	49,601
Interest on Long-Term Debt	841	1,127
Total Expenses	72,001	71,584
Change in Net Position Before Transfers and Capital Contribution	\$ 38	\$ 2,220

**TOWN OF WOLCOTT, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2022**

2022 Revenues by Source - Governmental Activities



2022 Expense by Function - Governmental Activities



**TOWN OF WOLCOTT, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2022**

Governmental Activities

Governmental activities increased the Town's net position by \$38,340.

Revenues generated by the Town decreased by \$1,765,648 or 2.3% in comparison to revenues reported in the prior year. Key elements of the current year change in revenues included a decrease in operating grants and contributions of \$3,093,174, an increase in property taxes of \$837,122 and an increase in charges for services of \$637,489.

The decrease in operating grants and contributions was driven by a decrease in the amount of on-behalf pension and OPEB expenses recognized by Town for its participation in the Connecticut Teachers' Retirement System.

Expenses incurred by the Town increased by \$416,309 or .6% in comparison to expenses reported in the prior year. This is attributed to a decrease in education expenses as a result of the decrease 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 and an overall increase in other expenses.

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 \$12,076,304, a decrease of \$1,449,252 in comparison with the restated prior year balance. Of this amount, \$5,520,795 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 \$7,727,231, while total fund balance was \$9,361,295. 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 13.0% of the Town's fiscal year 2023 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 \$659,911 during the current fiscal year as result of favorable budget results as outlined in the General Fund Budgetary Highlights section below.

Capital Improvement Fund. The fund balance of the Capital Improvement Fund is a deficit \$1,613,199. This deficit will be funded when permanent financing is issued. .

Small Cities Grant Program Fund. The fund balance of the Small Cities Grant Fund increased by \$105,279 during the current fiscal year.

**TOWN OF WOLCOTT, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2022**

American Rescue Plan Fund.. As of June 30, 2022, total expenditures incurred were \$2,452,792, primarily attributed to capital asset purchases.

General Fund Budgetary Highlights

The original and final budgets for the year ended June 30, 2022 planned for the utilization of fund balance in the amount of \$475,000. The actual net change in the fund balance of the General Fund on a budgetary basis was an increase of \$1,196,625, resulting in a favorable budgetary variance of \$1,671,625. No supplemental appropriations were made during the fiscal year.

-
- Revenues exceeded budgetary estimates by \$1,348,770 or 2.4%. 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 \$514,402 or .9% less than budgeted.
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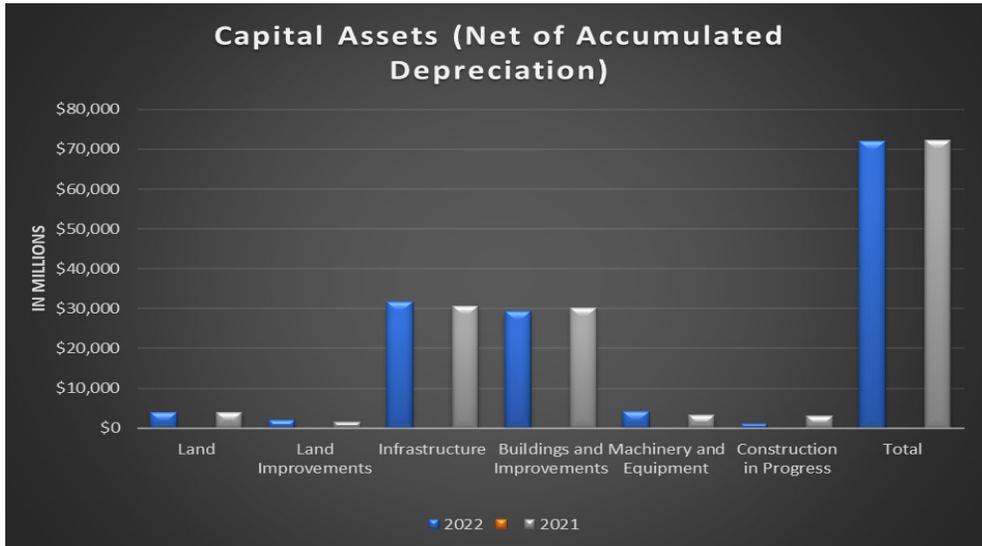
Capital Asset and Debt Administration

Capital Assets. The Town's investment in capital assets for its governmental funds as of June 30, 2022, amounts to approximately \$72.1 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 increased by \$193,177.

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

	Governmental Activities	
	2022	2021
Land	\$ 3,956	\$ 3,956
Land Improvements	2,043	1,452
Infrastructure	31,646	30,677
Buildings and Improvements	29,217	30,072
Machinery and Equipment	4,237	3,192
Construction in Progress	1,045	2,988
Total	<u>\$ 72,144</u>	<u>\$ 72,337</u>

**TOWN OF WOLCOTT, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2022**



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

- Additions of \$1.7 Million in vehicles, machinery, and equipment related to costs incurred in connection with the purchase of new Town vehicles including a sewer vac truck, 2 sweeper trucks, a loader, a public works truck and a police cruiser.
- Additions of \$2.7 million in infrastructure related to road reconstruction.

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) outstanding of \$28,170,470, all of which is backed by the full faith and credit of the Town. The Town’s total principal long-term debt decreased by \$2,486,978 or 8.1%. This decrease can be attributed to an increase in Town note obligations, offset by scheduled debt service payments.

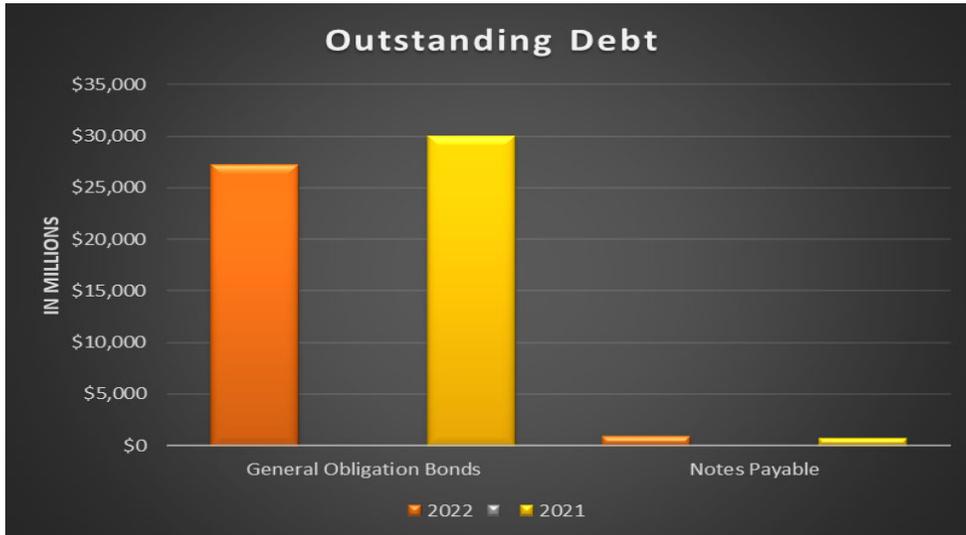
State statutes limit the amount of general obligation debt the Town may issue to seven times its annual receipts from taxation, as defined by the statutes. The current debt limitation for the Town is significantly in excess of the Town’s outstanding general obligation debt.

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

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

	Governmental Activities	
	2022	2021
General Obligation Bonds	\$ 27,260	\$ 29,965
Notes Payable	910	692
Total	\$ 28,170	\$ 30,657

**TOWN OF WOLCOTT, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2022**



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 2023, 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.

All these factors were considered in preparing the Town's budget for fiscal year 2023.

The Town's fiscal year 2023 General Fund budget was approved by the Town Council on June 7, 2022. The approved budget contemplated expenditures of \$59,642,298, which is an increase of \$2,884,645 over the original fiscal year 2022 budgeted expenditures. The Town has assigned \$750,000 from fund balance of the General Fund for spending in the 2023 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, 2022

	Governmental Activities
ASSETS	
Cash and Cash Equivalents	\$ 25,967,876
Investments	770,485
Receivables, Net:	
Property Taxes, Current	1,943,807
Other	7,071,403
Inventories and Prepaids	23,977
Net Pension Asset	1,298,359
Capital Assets, Nondepreciable	5,001,168
Capital Assets, Net of Accumulated Depreciation	67,142,812
Total Assets	109,219,887
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Charge on Refunding	124,734
Deferred Outflows Related to Pension	2,732,722
Deferred Outflows Related to OPEB	4,304,557
Total Deferred Outflows of Resources	7,162,013
LIABILITIES	
Accounts Payable and Accrued Items	4,724,602
Bond Anticipation Notes	9,000,000
Unearned Revenue	244,962
Noncurrent Liabilities:	
Due Within One Year	2,900,310
Due in More Than One Year	75,212,173
Total Liabilities	92,082,047
DEFERRED INFLOWS OF RESOURCES	
Deferred Inflows Related to Pension	448,809
Deferred Inflows Related to OPEB	2,203,228
Lease Receivable	854,809
Total Deferred Inflows of Resources	3,506,846
NET POSITION	
Net Investment in Capital Assets	43,055,244
Restricted	1,274,290
Unrestricted	(23,536,527)
Total Net Position	\$ 20,793,007

See accompanying Notes to Basic Financial Statements.

**TOWN OF WOLCOTT, CONNECTICUT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022**

Function/Program Activities	Expenses	Program Revenues			Net Revenue (Expense) and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Primary Government:					
Governmental Activities:					
General Government	\$ 8,204,853	\$ 700,804	\$ 3,379,908	\$ 6,630	\$ (4,117,511)
Public Safety	8,811,183	393,342	10,071	-	(8,407,770)
Public Works	7,670,743	1,581,608	71,983	350,323	(5,666,829)
Health and Welfare	333,478	11,970	39,548	-	(281,960)
Culture and Recreation	970,041	289,782	4,703	-	(675,556)
Education	45,169,692	958,417	20,709,029	-	(23,502,246)
Interest on Long-Term Debt	840,742	-	-	-	(840,742)
	\$ 72,000,732	\$ 3,935,923	\$ 24,215,242	\$ 356,953	(43,492,614)
General Revenues:					
Property Taxes					43,253,220
Unrestricted Investment Earnings					3,964
Miscellaneous					273,770
Total General Revenues and Transfers					43,530,954
CHANGE IN NET POSITION					38,340
Net Position - Beginning of Year					20,754,667
NET POSITION - END OF YEAR					\$ 20,793,007

See accompanying Notes to Basic Financial Statements.

**TOWN OF WOLCOTT, CONNECTICUT
BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2022**

	General Fund	Capital Improvement Fund	Small Cities Grant Fund	American Rescue Plan Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and Cash Equivalents	\$ 10,122,089	\$ 7,758,515	\$ 214,709	\$ 78,351	\$ 4,223,309	\$ 22,396,973
Investments	255,479	-	-	-	515,006	770,485
Receivables	2,916,942	-	2,231,042	-	3,867,226	9,015,210
Prepays	3,211	-	-	-	-	3,211
Inventories	-	-	-	-	20,766	20,766
Due from Other Funds	1,019,458	-	-	36,889	2,300	1,058,647
	<u>1,019,458</u>	<u>-</u>	<u>-</u>	<u>36,889</u>	<u>2,300</u>	<u>1,058,647</u>
Total Assets	<u>\$ 14,317,179</u>	<u>\$ 7,758,515</u>	<u>\$ 2,445,751</u>	<u>\$ 115,240</u>	<u>\$ 8,628,607</u>	<u>\$ 33,265,292</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
Accounts Payable and Accrued Items	\$ 2,164,233	\$ 323,960	\$ 1,630	\$ 109,736	\$ 1,084,175	\$ 3,683,734
Bond Anticipation Notes Payable	-	9,000,000	-	-	-	9,000,000
Due to Other Funds	39,189	47,754	-	-	950,843	1,037,786
Unearned Revenue	41,911	-	-	-	203,051	244,962
Total Liabilities	<u>2,245,333</u>	<u>9,371,714</u>	<u>1,630</u>	<u>109,736</u>	<u>2,238,069</u>	<u>13,966,482</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable Revenue - Property Taxes	2,638,568	-	-	-	-	2,638,568
Unavailable Revenue - Loans Receivable	-	-	2,231,042	-	-	2,231,042
Unavailable Revenue - Water and Sewer Use	-	-	-	-	1,416,419	1,416,419
Unavailable Revenue - Other Receivables	71,983	-	-	-	864,494	936,477
Total Deferred Inflows of Resources	<u>2,710,551</u>	<u>-</u>	<u>2,231,042</u>	<u>-</u>	<u>2,280,913</u>	<u>7,222,506</u>
FUND BALANCES						
Nonspendable	3,211	-	-	-	20,766	23,977
Restricted	-	-	213,079	5,504	1,055,707	1,274,290
Committed	589,458	-	-	-	3,626,389	4,215,847
Assigned	1,041,395	-	-	-	-	1,041,395
Unassigned	7,727,231	(1,613,199)	-	-	(593,237)	5,520,795
Total Fund Balances	<u>9,361,295</u>	<u>(1,613,199)</u>	<u>213,079</u>	<u>5,504</u>	<u>4,109,625</u>	<u>12,076,304</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 14,317,179</u>	<u>\$ 7,758,515</u>	<u>\$ 2,445,751</u>	<u>\$ 115,240</u>	<u>\$ 8,628,607</u>	<u>\$ 33,265,292</u>

See accompanying Notes to Financial Statements.

**TOWN OF WOLCOTT, CONNECTICUT
BALANCE SHEET – GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2022**

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)	\$ 12,076,304
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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	\$ 141,225,390	
Less Accumulated Depreciation	<u>(69,081,410)</u>	
Net Capital Assets		72,143,980

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	1,918,635
Interest Receivable on Property Taxes	719,933
Loan Receivable	2,231,042
Water and Sewer Receivables	1,416,419
Grant Receivables	81,668
Net Pension Asset	1,298,359
Deferred Outflows Related to Pension	2,732,722
Deferred Outflows Related to OPEB	4,304,557
Deferred Charge on Refunding	124,734

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.

2,691,256

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	(27,260,000)
Bonds Premium	(1,043,000)
Deferred Inflows Related to OPEB	(2,203,228)
Deferred Inflows Related to Pension	(448,809)
Interest Payable on Bonds	(182,082)
Heart and Hypertension Claims	(1,033,333)
Notes Payable	(910,470)
Net OPEB Obligation	(32,790,282)
Compensated Absences	(2,729,341)
Net Pension Liability	<u>(12,346,057)</u>

Net Position of Governmental Activities (Exhibit I)

\$ 20,793,007

See accompanying Notes to Financial Statements.

**TOWN OF WOLCOTT, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022**

	General Fund	Capital Improvement Fund	Small Cities Grant Fund	American Rescue Plan Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES						
Property Taxes	\$ 43,174,064	\$ -	\$ -	\$ -	\$ -	\$ 43,174,064
Intergovernmental Revenues	18,745,351	-	-	2,454,466	4,797,641	25,997,458
Investment Earnings	-	-	-	3,830	134	3,964
Charges for Services	742,502	-	-	-	2,786,415	3,528,917
Other Revenues	31,366	117,740	174,843	-	452,493	776,442
Total Revenues	<u>62,693,283</u>	<u>117,740</u>	<u>174,843</u>	<u>2,458,296</u>	<u>8,036,683</u>	<u>73,480,845</u>
EXPENDITURES						
Current:						
General Government	7,324,143	-	-	253,803	334,843	7,912,789
Public Safety	6,994,570	-	-	481,241	377,416	7,853,227
Public Works	1,731,917	-	-	1,700,213	1,948,991	5,381,121
Health and Welfare	197,840	-	69,564	3,073	43,752	314,229
Culture and Recreation	651,904	-	-	-	152,746	804,650
Education	41,355,956	-	-	14,462	4,344,305	45,714,723
Capital Outlay	-	3,500,221	-	-	36,022	3,536,243
Debt Service:						
Principal Retirement	2,962,888	-	-	-	-	2,962,888
Interest and Other Charges	984,626	24,854	-	-	-	1,009,480
Total Expenditures	<u>62,203,844</u>	<u>3,525,075</u>	<u>69,564</u>	<u>2,452,792</u>	<u>7,238,075</u>	<u>75,489,350</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	489,439	(3,407,335)	105,279	5,504	798,608	(2,008,505)
OTHER FINANCING SOURCES (USES)						
Proceeds from Notes Payable	-	559,253	-	-	-	559,253
Transfers In	472,594	302,122	-	-	-	774,716
Transfers Out	(302,122)	(8,455)	-	-	(464,139)	(774,716)
Total Other Financing Sources (Uses)	<u>170,472</u>	<u>852,920</u>	<u>-</u>	<u>-</u>	<u>(464,139)</u>	<u>559,253</u>
NET CHANGE IN FUND BALANCES	659,911	(2,554,415)	105,279	5,504	334,469	(1,449,252)
Fund Balances - Beginning of Year	8,701,384	941,216	107,800	-	3,775,156	13,525,556
FUND BALANCES - END OF YEAR	<u>\$ 9,361,295</u>	<u>\$ (1,613,199)</u>	<u>\$ 213,079</u>	<u>\$ 5,504</u>	<u>\$ 4,109,625</u>	<u>\$ 12,076,304</u>

See accompanying Notes to Financial Statements.

**TOWN OF WOLCOTT, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

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)	\$ (1,449,252)
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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	3,574,785
Depreciation Expense	(3,755,004)
Loss on Disposition of Capital Assets	(12,958)

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	15,688
Interest Receivable on Property Taxes	63,468
Grant Receivable Collected After 60 Days	81,668
Water and Sewer Collected After 60 Days	18,840
Loans Receivables	(114,507)
Change in Net OPEB Asset	(3,424,804)

Change in Deferred Outflows Related to Pension and OPEB	836,844
---------------------------------------------------------	---------

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:

Proceeds from Notes Payable	(559,253)
Principal Payments on Bonds and Notes Payable	3,046,231

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	204,555
Accrued Interest	31,691
Change in Heart and Hypertension Obligation	57,400
Change in Net OPEB Obligation	(71,669)
Change in Long-Term Compensated Absences	(1,264)
Change in Deferred Inflows Related to Pension and OPEB	6,672,471
Change in Net Pension Liability	(4,462,584)

The net expense of the internal service funds is reported with governmental activities.	(563,156)
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Change in Net Position of Governmental Activities (Exhibit II)	<u>\$ 38,340</u>
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See accompanying Notes to Financial Statements.

TOWN OF WOLCOTT, CONNECTICUT
STATEMENT OF NET POSITION – PROPRIETARY FUNDS
JUNE 30, 2022

	<u>Governmental Activities Internal Service Fund</u>
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 3,570,903
Total Assets	3,570,903
LIABILITIES	
Current Liabilities:	
Accounts Payable and Accrued Items	59,786
Due to Other Funds	20,861
Claims Payable	799,000
Total Current Liabilities	<u>879,647</u>
NET POSITION	
Unrestricted	<u>2,691,256</u>
Total Net Position	<u><u>\$ 2,691,256</u></u>

See accompanying Notes to Financial Statements.

**TOWN OF WOLCOTT, CONNECTICUT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION –
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2022**

	Governmental Activities
	Internal Service Fund
REVENUES	
Operating Revenues	\$ 8,328,937
EXPENSES	
Operating Expenses	8,892,093
Total Expenses	8,892,093
OPERATING INCOME (LOSS)	(563,156)
Net Position - Beginning of Year	3,254,412
NET POSITION - END OF YEAR	\$ 2,691,256

See accompanying Notes to Financial Statements.

**TOWN OF WOLCOTT, CONNECTICUT
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2022**

	Governmental Activities
	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Employer and Employees	\$ 8,328,937
Receipts from Interfund Services Provided	20,861
Payments for Premiums, Claims and Administration	(8,524,542)
Net Cash Provided (Used) by Operating Activities	(174,744)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(174,744)
Cash and Cash Equivalents - Beginning of Year	3,745,647
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 3,570,903
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating Income (Loss)	\$ (563,156)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Change in Assets and Liabilities:	
Increase (Decrease) in Due to Other Funds	20,861
Increase (Decrease) in Accounts Payable and Accrued Items	367,551
Total Adjustments	388,412
Net Cash Provided (Used) by Operating Activities	\$ (174,744)

See accompanying Notes to Financial Statements.

TOWN OF WOLCOTT, CONNECTICUT
STATEMENT OF FIDUCIARY NET POSITION – FIDUCIARY FUNDS
JUNE 30, 2022

	Pension Trust Funds	Private Purpose Trust Fund Scholarship Fund
	<u> </u>	<u> </u>
ASSETS		
Cash and Cash Equivalents	\$ 7,880,025	\$ 224,553
Investments, at Fair Value:		
Mutual Funds	19,557,126	-
Insurance Contracts	4,109,071	-
Common Stock	1,383,068	-
Exchange Traded Funds	9,853,341	-
Total Investments	<u>34,902,606</u>	<u>-</u>
Accounts Receivable	<u>88,798</u>	<u>-</u>
Total Assets	42,871,429	224,553
NET POSITION		
Restricted for Trust	<u>42,871,429</u>	<u>224,553</u>
Total Net Position	<u>\$ 42,871,429</u>	<u>\$ 224,553</u>

See accompanying Notes to Financial Statements.

TOWN OF WOLCOTT, CONNECTICUT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2022

	Pension Trust Funds	Private Purpose Trust Fund Scholarship Fund
	<u> </u>	<u> </u>
ADDITIONS		
Contributions:		
Employer	\$ 1,557,655	\$ -
Plan Members and TRB Subsidy	88,798	-
Total Contributions	<u>1,646,453</u>	<u>-</u>
Investment Earnings:		
Net Change in Fair Value of Investments	(4,992,215)	-
Dividend and Interest	360,116	-
Net Investment Income	<u>(4,632,099)</u>	<u>-</u>
Total Additions	(2,985,646)	-
DEDUCTIONS		
Benefits	2,668,091	-
Administration and Other	188,377	3,096
Total Deductions	<u>2,856,468</u>	<u>3,096</u>
CHANGE IN NET POSITION	(5,842,114)	(3,096)
Net Position - Beginning of Year	<u>48,713,543</u>	<u>227,649</u>
NET POSITION - END OF YEAR	<u>\$ 42,871,429</u>	<u>\$ 224,553</u>

See accompanying Notes to Financial Statements.

**TOWN OF WOLCOTT, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 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 States of America require that the reporting entity include the primary government, organizations for which the primary government is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. A government is financially accountable for a legally separate organization if it appoints a voting majority of the organization's governing body and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the government. 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.

**TOWN OF WOLCOTT, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

**TOWN OF WOLCOTT, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)**

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.

Capital Improvement Fund – This fund is used to account for financial resources designated for capital projects.

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.

**TOWN OF WOLCOTT, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)**

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.

F. Investments

Investments are stated at fair value.

**TOWN OF WOLCOTT, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 one 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.

**TOWN OF WOLCOTT, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Capital Assets (Continued)

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

Land Improvements	20 Years
Buildings	50 Years
Vehicles, Machinery, and Equipment	5 to 15 Years
Infrastructure	10 to 50 Years

J. Leases

Lessor

The Town determines if an arrangement is a lease at inception. Leases are included in other current and noncurrent assets and deferred inflows of resources related to leases in the nonmajor governmental fund Farmingbury Hills Country Club Fund and in the Governmental Activities Statement of Net Position.

Lease receivables represent the Town's claim to receive lease payments over the lease term, as specified in the contract, in an exchange or exchange-like transaction. Lease receivables are recognized at commencement date based on the present value of expected lease payments over the lease term, reduced by any provision for estimated uncollectible amounts. Interest revenue is recognized ratably over the contract term.

Deferred inflows of resources related to leases are recognized at the commencement date based on the initial measurement of the lease receivable, plus any payments received from the lessee at or before the commencement of the lease term that relate to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term. The deferred inflows related to leases are recognized as lease revenue in a systematic and rational manner over the lease term.

K. 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).

**TOWN OF WOLCOTT, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Deferred Outflows/Inflows of Resources (Continued)

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.

L. 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.

M. 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.

**TOWN OF WOLCOTT, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Other Postemployment 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.

O. 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.

P. 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.

**TOWN OF WOLCOTT, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Equity (Continued)

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

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.

Q. 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 30 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 \$200,933 and \$107,161, respectively, as of June 30, 2022.

**TOWN OF WOLCOTT, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. Property Taxes, Assessments, and Usage Charges (Continued)

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 \$48,800 and \$6,600, respectively, as of June 30, 2022. In addition, the Town has established an allowance for uncollectible water and sewer usage charges of \$3,000 and \$29,000, respectively, as of June 30, 2022.

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.

R. 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.

**TOWN OF WOLCOTT, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

S. Adoption of New Accounting Standards

In June 2017, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 87, *Leases*. This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this standard, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

The Town adopted the requirements of the guidance effective July 1, 2021, and has applied the provisions of this standard to the beginning of the period of adoption. The implementation of GASB Statement No. 87 had no impact on beginning net position.

NOTE 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 90 days before the end of the fiscal year present to the Council an annual budget proposal. Not less than 30 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 20 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.

Effective January 1, 2022, appropriations that exceed \$5,000 but less than \$50,000 can be made upon recommendation of the Mayor with the approval by the Council up to a maximum additional appropriation of \$100,000.

Any additional appropriation during the fiscal year that exceeds \$100,000 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.

**TOWN OF WOLCOTT, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

B. Deficit Fund Equity

For the year ended June 30, 2022, the Farmingbury Hills Country Club Fund and the Capital Improvement Fund had fund balance deficits of \$557,215 and \$1,613,199, respectively.

The Town now leases the golf club associated with the Farmingbury Hills Country Club deficit. Pursuant to the lease, the Town will receive rental income on a monthly basis and the lessee 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. The Capital Improvement Fund deficit will be funded when permanent financing is issued.

NOTE 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.

**TOWN OF WOLCOTT, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Cash, Cash Equivalents, and Investments (Continued)

Deposits

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$18,939,136 of the Town's bank balance of \$21,544,286 was exposed to custodial credit risk as follows:

Uninsured and Uncollateralized	\$ 16,906,751
Uninsured and Collateral Held by the Pledging Bank's Trust Department, Not in the Town's Name	2,032,385
Total Amount Subject to Custodial Risk	\$ 18,939,136

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, 2022, the Town's cash equivalents amounted to \$13,721,128. 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, 2022, the Town had the following investments:

Investment Type	Fair Value	Investment Maturities (Years)		
		Less Than 1	1 - 10	More Than 10
Interest-Bearing Investments:				
Certificates of Deposit	* \$ 770,485	\$ 510,957	\$ 259,528	\$ -
Total	770,485	\$ 510,957	\$ 259,528	\$ -
Other Investments:				
Mutual Funds	19,557,126			
Insurance Contracts	4,109,071			
Common Stock	1,383,068			
Exchange Traded Funds	9,853,341			
Total Investments	\$ 35,673,091			

*Subject to coverage by Federal Depository Insurance and collateralization.

**TOWN OF WOLCOTT, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Cash, Cash Equivalents, and Investments (Continued)

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.

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, 2022:

	June 30, 2022	Fair Value		
		Measurements Using		
		Level 1	Level 2	Level 3
Investments by Fair Value Level:				
Common Stock	\$ 1,383,068	\$ 1,383,068	\$ -	\$ -
Exchange Traded Funds	9,853,341	9,853,341	-	-
Mutual Funds	19,557,126	19,557,126	-	-
Total Investments by Fair Value Level	30,793,535	\$ 30,793,535	\$ -	\$ -
Other Investments:				
Certificate of Deposit	Unrated	770,485		
Insurance Contracts	Unrated	4,109,071		
Total		\$ 35,673,091		

**TOWN OF WOLCOTT, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

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	Small Cities Grant	Nonmajor and Other Funds	Total
Receivables:				
Taxes	\$ 2,251,901	\$ -	\$ -	\$ 2,251,901
Interest	827,094	-	-	827,094
Sewer	-	-	1,380,585	1,380,585
Water	-	-	109,410	109,410
Assessments	-	-	880,423	880,423
Loans	-	2,231,042	-	2,231,042
Intergovernmental	71,983	-	578,842	650,825
Leases	-	-	887,054	887,054
Other	74,058	-	207,110	281,168
Less: Allowance for Uncollectible Accounts Net Accounts Receivable	<u>(308,094)</u>	<u>-</u>	<u>(87,400)</u>	<u>(395,494)</u>
	<u>\$ 2,916,942</u>	<u>\$ 2,231,042</u>	<u>\$ 3,956,024</u>	<u>\$ 9,104,008</u>

C. Capital Assets

Capital asset activity for the year ended June 30, 2022, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	\$ 3,955,774	\$ -	\$ -	\$ 3,955,774
Construction in Progress	2,987,985	960,224	2,902,815	1,045,394
Total Capital Assets Not Being Depreciated	6,943,759	960,224	2,902,815	5,001,168
Capital Assets Being Depreciated:				
Land Improvements	5,193,341	777,296	-	5,970,637
Buildings and Improvements	61,639,175	242,115	-	61,881,290
Machinery and Equipment	16,830,654	1,780,202	237,730	18,373,126
Infrastructure	47,367,892	2,717,763	86,486	49,999,169
Total Capital Assets Being Depreciated	131,031,062	5,517,376	324,216	136,224,222
Less Accumulated Depreciation for:				
Land Improvements	3,741,191	186,479	-	3,927,670
Buildings and Improvements	31,566,523	1,098,325	-	32,664,848
Machinery and Equipment	13,638,513	722,470	224,772	14,136,211
Infrastructure	16,691,437	1,747,730	86,486	18,352,681
Total Accumulated Depreciation	65,637,664	3,755,004	311,258	69,081,410
Total Capital Assets Being Depreciated, Net	65,393,398	1,762,372	12,958	67,142,812
Governmental Activities Capital Assets, Net	<u>\$ 72,337,157</u>	<u>\$ 2,722,596</u>	<u>\$ 2,915,773</u>	<u>\$ 72,143,980</u>

**TOWN OF WOLCOTT, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets (Continued)

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

Governmental Activities:	
General Government	\$ 92,015
Public Safety	295,724
Public Works	2,196,846
Health and Welfare	59,671
Culture and Recreation	117,440
Education	993,308
Total Depreciation Expense - Governmental Activities	<u>\$ 3,755,004</u>

Construction Commitments

The active construction projects as of June 30, 2022, are as follows:

<u>Project</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Todd Road LOTCIP Grant	\$ 2,430,577	\$ 122,255
Ambulance Building	16,320	2,083,680
High School Turf Field and Track	342,582	971,621
Total	<u>\$ 2,789,479</u>	<u>\$ 3,177,556</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, 2022, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Nonmajor Governmental Funds	General Fund	\$ 2,300
American Rescue Plan Fund	General Fund	36,889
General Fund	Nonmajor Governmental Funds	950,843
General Fund	Capital Improvement Fund	47,754
General Fund	Internal Service Fund	20,861
	Total	<u>\$ 1,058,647</u>

All balances are expected to be repaid within a year.

**TOWN OF WOLCOTT, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Interfund Receivables, Payables, and Transfers (Continued)

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

	Transfers In		
	General	Capital Improvement Fund	Transfers
Transfers Out:			
General Fund	\$ -	\$ 302,122	\$ 302,122
Nonmajor Governmental Funds	464,139	-	464,139
Capital Improvement Fund	8,455	-	8,455
Total	<u>\$ 472,594</u>	<u>\$ 302,122</u>	<u>\$ 774,716</u>

E. Lease Receivable

The Town, acting as a lessor, leases the Farmingbury Hills Golf Course under a long-term noncancelable lease agreement. The initial lease term commenced March 1, 2020, through February 28, 2025, with three five-year renewal terms through February 28, 2040. The initial term of the lease was \$9,800 a month increased annually based on the lesser of 3% or the percentage change in the Consumer Price Index. During the year ended June 30, 2022, the Town recognized \$111,497 and \$41,428 in lease revenue and interest revenue, respectively, pursuant to this contract.

Total future minimum lease payments to be received under lease agreement are as follows:

Year Ending June 30,	Principal	Interest	Total
2023	\$ 86,606	\$ 37,698	\$ 124,304
2024	94,404	33,628	128,032
2025	102,671	29,197	131,868
2026	111,445	24,383	135,828
2027	120,737	19,163	139,900
2028-2032	371,191	22,231	393,422
Total	<u>\$ 887,054</u>	<u>\$ 166,300</u>	<u>\$ 1,053,354</u>

**TOWN OF WOLCOTT, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Long-Term Debt

Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2022, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds Payable:					
General Obligation Bonds	\$ 29,965,000	\$ -	\$ 2,705,000	\$ 27,260,000	\$ 2,065,000
Unamortized Premium	1,247,555	-	204,555	1,043,000	-
Total Bonds Payable	<u>31,212,555</u>	<u>-</u>	<u>2,909,555</u>	<u>28,303,000</u>	<u>2,065,000</u>
Direct Borrowings:					
Notes Payable	692,448	559,253	341,231	910,470	338,066
Compensated Absences	2,728,077	1,264	-	2,729,341	445,577
Heart and Hypertension	1,090,733	4,643	62,043	1,033,333	51,667
Net Pension Liability	7,883,473	4,462,584	-	12,346,057	-
Total OPEB Liability	<u>32,718,613</u>	<u>71,669</u>	<u>-</u>	<u>32,790,282</u>	<u>-</u>
Total Governmental Activities					
Long-Term Liabilities	<u>\$ 76,325,899</u>	<u>\$ 5,099,413</u>	<u>\$ 3,312,829</u>	<u>\$ 78,112,483</u>	<u>\$ 2,900,310</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:

Description	Date of Issue	Date of Maturity	Interest Rate (%)	Amount of Original Issue	Annual Principal	Balance Outstanding June 30, 2022
Bonds Payable:						
General Obligation Refunding						
General Obligation Bonds	10/2014	10/2033	2.0%-4.0%	\$ 6,960,000	Various	\$ 4,585,000
General Obligation Refunding						
Bonds	1/2015	8/2025	2.0%-4.0%	4,030,000	Various	1,385,000
General Obligation	10/2016	10/2033	2.0%-5.0%	4,590,000	Various	3,430,000
General Obligation	10/2017	10/2042	2.0%-5.0%	11,300,000	Various	9,875,000
General Obligation Refunding						
Bonds	11/2017	6/2030	4.0%-5.0%	2,630,000	Various	1,830,000
General Obligation	10/2019	11/2039	2.0%-5.0%	6,845,000	Various	6,155,000
Total Outstanding				<u>\$ 36,355,000</u>		<u>\$ 27,260,000</u>

**TOWN OF WOLCOTT, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Long-Term Debt (Continued)

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

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 2,065,000	\$ 868,466
2024	2,065,000	777,569
2025	2,050,000	689,619
2026	1,995,000	603,950
2027	1,720,000	528,528
2028-2032	8,105,000	1,848,695
2033-2037	5,420,000	867,191
2038-2042	3,370,000	291,788
2043	470,000	7,344
Total	<u>\$ 27,260,000</u>	<u>\$ 6,483,150</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 \$1,234,525 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, 2022.

Notes Payable – Direct Borrowings

The Town has entered into numerous financing agreements with vendors to purchase equipment and vehicles. Annual debt service requirements to maturity for these direct payments are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 338,066	\$ 20,434
2024	244,247	13,212
2025	136,671	8,043
2026	94,500	5,036
2027	96,986	2,551
Total	<u>\$ 910,470</u>	<u>\$ 49,276</u>

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.

**TOWN OF WOLCOTT, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Long-Term Debt (Continued)

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:

Category	Debt Limit	Net Indebtedness	Balance
General Purpose	\$ 94,848,404	\$ 32,423,700	\$ 62,424,704
Schools	189,696,807	4,290,825	185,405,982
Sewers	158,080,673	-	158,080,673
Urban Renewal	137,003,250	-	137,003,250
Pension Deficit	126,464,538	-	126,464,538

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, 2022, is \$1,033,333.

G. Fund Balance

The components of fund balance for the governmental funds at June 30, 2022, are as follows:

	General Fund	Capital Improvement Fund	Small Cities Grant	American Rescue Plan Fund	Nonmajor and Other Funds	Total
Fund Balances:						
Nonspendable:						
Inventory	\$ -	\$ -	\$ -	\$ -	\$ 20,766	\$ 20,766
Prepays	3,211	-	-	-	-	3,211
Restricted for:						
Grant Programs	-	-	213,079	5,504	106,059	324,642
Donor Restrictions	-	-	-	-	4,892	4,892
Public Safety	-	-	-	-	67,564	67,564
School Lunch Programs	-	-	-	-	608,244	608,244
Student Activities	-	-	-	-	197,402	197,402
Open Space	-	-	-	-	71,546	71,546
Committed to:						
General Government	-	-	-	-	4,312	4,312
Public Safety	-	-	-	-	175,071	175,071
Culture and Recreation	589,458	-	-	-	102,428	691,886
Health and Welfare	-	-	-	-	52,693	52,693
Education	-	-	-	-	192,639	192,639
Capital Purposes	-	-	-	-	855	855
Water and Sewer Operations	-	-	-	-	3,098,391	3,098,391
Assigned to:						
Education - Reserve	28,668	-	-	-	-	28,668
Education - Encumbrances	262,727	-	-	-	-	262,727
Subsequent Year's Budget	750,000	-	-	-	-	750,000
Unassigned	7,727,231	(1,613,199)	-	-	(593,237)	5,520,795
Total Fund Balances	\$ 9,361,295	\$ (1,613,199)	\$ 213,079	\$ 5,504	\$ 4,109,625	\$ 12,076,304

**TOWN OF WOLCOTT, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Fund Balance (Continued)

Encumbrances of \$262,727 at June 30, 2022, are contained in the above table in the assigned category of the General Fund.

NOTE 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. Nonunion Town employees are not permitted to participate in the plan after June 30, 2011. The Town 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	<u>51</u>
Total	<u><u>149</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.

**TOWN OF WOLCOTT, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 4 EMPLOYEE RETIREMENT PLANS (CONTINUED)

Town General Pension Plan (Continued)

B. Summary of Significant Accounting Policies and Plan Asset Matters (Continued)

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 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 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 5 consecutive calendar years in the last 10 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 3 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.

**TOWN OF WOLCOTT, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 4 EMPLOYEE RETIREMENT PLANS (CONTINUED)

Town General Pension Plan (Continued)

B. Summary of Significant Accounting Policies and Plan Asset Matters (continued)

Disability benefits are available for police officers based on non-service and service disability. Nonservice 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. 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, 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, for the Town Plan was (8.39)%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**TOWN OF WOLCOTT, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 4 EMPLOYEE RETIREMENT PLANS (CONTINUED)

Town General Pension Plan (Continued)

E. Net Pension Liability of the Town

The components of the net pension liability of the Town Plan at June 30, 2022, were as follows:

Total Pension Liability	\$ 36,767,245
Plan Fiduciary Net Position	24,421,188
Net Pension Liability	<u>\$ 12,346,057</u>

Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	66.42%
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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

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, 2022 (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 %	6.40%
Core Fixed Income	16.00	0.40%
High-Yield Fixed Income	5.00	2.60%
Cash	4.00	0.00%
Total	<u>100.00 %</u>	

**TOWN OF WOLCOTT, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 4 EMPLOYEE RETIREMENT PLANS (CONTINUED)

Town General Pension Plan (Continued)

E. Net Pension Liability of the Town (Continued)

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, 2022.

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	\$ 16,620,743	\$ 12,346,057	\$ 8,772,581

**TOWN OF WOLCOTT, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 4 EMPLOYEE RETIREMENT PLANS (CONTINUED)

Town General Pension Plan (Continued)

E. Net Pension Liability of the Town (Continued)

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, 2021	\$ 35,136,798	\$ 27,253,325	\$ 7,883,473
Changes for the Year:			
Service Cost	374,267	-	374,267
Interest on Total Pension Liability	2,510,510	-	2,510,510
Change in benefit terms	512,355	-	512,355
Employer Contributions	-	1,298,058	(1,298,058)
Member Contributions	-	88,798	(88,798)
Net Investment Income	-	(2,263,931)	2,263,931
Benefit Payments, Including Refund to Employee Contributions	(1,766,685)	(1,766,685)	-
Administrative Expenses	-	(188,377)	188,377
Net Changes	<u>1,630,447</u>	<u>(2,832,137)</u>	<u>4,462,584</u>
Balances as of June 30, 2022	<u>\$ 36,767,245</u>	<u>\$ 24,421,188</u>	<u>\$ 12,346,057</u>

Schedule of Plan Net Position

	Pension Trust Funds		
	General Pension Plan	Board of Education Plan	Total Trust Funds
ASSETS			
Cash and Cash Equivalents	\$ 7,880,025	\$ -	\$ 7,880,025
Investments	16,452,365	18,450,241	34,902,606
Receivables	88,798	-	88,798
Due from Other Funds	-	-	-
Total Assets	<u>24,421,188</u>	<u>18,450,241</u>	<u>42,871,429</u>
LIABILITIES			
Due to Other Funds	-	-	-
NET POSITION			
Restricted for Pension Benefits	<u>\$ 24,421,188</u>	<u>\$ 18,450,241</u>	<u>\$ 42,871,429</u>

**TOWN OF WOLCOTT, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 4 EMPLOYEE RETIREMENT PLANS (CONTINUED)

Town General Pension Plan (Continued)

E. Net Pension Liability of the Town (Continued)

	Pension Trust Funds		
	General Pension Plan	Board of Education Plan	Total Trust Funds
ADDITIONS			
Contributions:			
Employer	\$ 1,298,058	\$ 259,597	\$ 1,557,655
Plan Members	88,798		88,798
Total Contributions	<u>1,386,856</u>	<u>259,597</u>	<u>1,646,453</u>
Investment Income:			
Net Change in Fair Value of Investments	(2,624,047)	(2,368,168)	(4,992,215)
Interest and Dividends	360,116	-	360,116
Total Investment Earnings	<u>(2,263,931)</u>	<u>(2,368,168)</u>	<u>(4,632,099)</u>
Total Additions	(877,075)	(2,108,571)	(2,985,646)
DEDUCTIONS			
Benefits	1,766,685	901,406	2,668,091
Administration	188,377	-	188,377
Total Deductions	<u>1,955,062</u>	<u>901,406</u>	<u>2,856,468</u>
CHANGE IN NET POSITION	(2,832,137)	(3,009,977)	(5,842,114)
Net Position - Beginning of Year	<u>27,253,325</u>	<u>21,460,218</u>	<u>48,713,543</u>
NET POSITION - END OF YEAR	<u>\$ 24,421,188</u>	<u>\$ 18,450,241</u>	<u>\$ 42,871,429</u>

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

For the year ended June 30, 2022, the Town recognized pension expense related to the Town Plan of \$1,663,674. At June 30, 2022, the Town reported deferred outflows and inflows of resources related to the Town Plan from the following sources:

<u>Governmental Activities</u>	Deferred Outflows of Resources	Deferred Inflows of Resources
Net Difference Between Projected and Actual		
Earnings on Pension Plan Investments	\$ 1,895,273	\$ -
Differences Between Expected and Actual		
Experience	18,998	164,229
Changes in Assumptions	-	140,130
Total	<u>\$ 1,914,271</u>	<u>\$ 304,359</u>

**TOWN OF WOLCOTT, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 4 EMPLOYEE RETIREMENT PLANS (CONTINUED)

Town General Pension Plan (Continued)

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

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>
2023	\$ 290,460
2024	357,570
2025	118,042
2026	843,840
Total	<u>\$ 1,609,912</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.

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	76
Total	<u>184</u>

**TOWN OF WOLCOTT, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 4 EMPLOYEE RETIREMENT PLANS (CONTINUED)

Board of Education Pension Plan (Continued)

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 BOE 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 noncustodial 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 10 years of service and all other employees vest after 5 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 10 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.

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.

**TOWN OF WOLCOTT, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 4 EMPLOYEE RETIREMENT PLANS (CONTINUED)

Board of Education Pension Plan (Continued)

D. Investments

Investment Policy

The BOE 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, 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, for the BOE Plan was (11.2%). 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, 2022, were as follows:

Total Pension Liability	\$ 17,151,882
Plan Fiduciary Net Position	18,450,241
Net Pension (Asset) Liability	<u>\$ (1,298,359)</u>

Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	107.57%
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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

**TOWN OF WOLCOTT, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 4 EMPLOYEE RETIREMENT PLANS (CONTINUED)

Board of Education Pension Plan (Continued)

E. Net Pension (Asset) Liability of the BOE (Continued)

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, 2022 (see the discussion of the pension plan's investment policy) are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	60.00 %	6.55%
Core Fixed Income	40.00	0.40%
Total	100.00 %	

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, 2022.

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:

	1% Decrease (5.50%)	Discount Rate (6.50%)	1% Increase (7.50%)
Net Pension Liability (Asset)	\$ 447,710	\$ (1,298,359)	\$ 2,783,968

**TOWN OF WOLCOTT, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 4 EMPLOYEE RETIREMENT PLANS (CONTINUED)

Board of Education Pension Plan (Continued)

E. Net Pension (Asset) Liability of the BOE (Continued)

Changes in the Net Pension Liability (Asset)

	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, 2021	\$ 16,737,055	\$ 21,460,218	\$ (4,723,163)
Changes for the Year:			
Service Cost	241,897	-	241,897
Interest on Total Pension Liability	1,074,336	-	1,074,336
Differences Between Expected and Actual Experience	-	-	-
Changes in Assumptions	-	-	-
Employer Contributions	-	259,597	(259,597)
Member Contributions	-	-	-
Net Investment Income (Loss)	-	(2,368,168)	2,368,168
Benefit Payments, Including Refund to Employee Contributions	(901,406)	(901,406)	-
Administrative Expenses	-	-	-
Net Changes	<u>414,827</u>	<u>(3,009,977)</u>	<u>3,424,804</u>
Balances as of June 30, 2022	<u>\$ 17,151,882</u>	<u>\$ 18,450,241</u>	<u>\$ (1,298,359)</u>

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

For the year ended June 30, 2022, the Town recognized pension expense related to the BOE Plan of \$(439,928). At June 30, 2022, 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	\$ 818,451	\$ -
Differences Between Expected and Actual Experience	-	126,299
Changes in Assumptions	-	18,151
Total	<u>\$ 818,451</u>	<u>\$ 144,450</u>

**TOWN OF WOLCOTT, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 4 EMPLOYEE RETIREMENT PLANS (CONTINUED)

Board of Education Pension Plan (Continued)

F. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

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>
2023	\$ (87,208)
2024	5,561
2025	7,203
2026	748,445
Total	<u>\$ 674,001</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 Connecticut Teachers' Retirement Board (TRB). Chapter 167a of the state statutes grants authority to establish and amend the benefit terms to the TRB. The TRB 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.

**TOWN OF WOLCOTT, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 4 EMPLOYEE RETIREMENT PLANS (CONTINUED)

Connecticut Teachers' Retirement System – Pension (Continued)

B. Benefit Provisions (Continued)

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.

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 TRB 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, 2022, the amount of "on-behalf" contributions made by the state was \$5,012,119.

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.

**TOWN OF WOLCOTT, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 4 EMPLOYEE RETIREMENT PLANS (CONTINUED)

Connecticut Teachers' Retirement System – Pension (Continued)

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

At June 30, 2022, 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		59,857,598
Total		\$ 59,857,598

The net pension liability was measured as of June 30, 2021, 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, 2022, the Town has no proportionate share of the net pension liability.

For the year ended June 30, 2022, the Town recognized pension expense and revenue of \$3,863,947 in Exhibit II for the benefits provided by the State.

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2021, 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.

**TOWN OF WOLCOTT, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 4 EMPLOYEE RETIREMENT PLANS (CONTINUED)

Connecticut Teachers' Retirement System – Pension (Continued)

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

Actuarial Assumptions (Continued)

Assumption changes since the prior year are as follows:

- There were no changes in assumptions that affected the measurement of the TPL since the prior measurement date.

Benefit changes since the prior year are as follows:

- There were no changes in benefit provisions that affected the measurement of the TPL since the prior measurement date.

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 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:

**TOWN OF WOLCOTT, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 4 EMPLOYEE RETIREMENT PLANS (CONTINUED)

Connecticut Teachers' Retirement System – Pension (Continued)

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

Long-Term Rate of Return (Continued)

<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	.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.

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued financial statements available at www.ct.gov.

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.

**TOWN OF WOLCOTT, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 4 EMPLOYEE RETIREMENT PLANS (CONTINUED)

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 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, 2022, were \$131,489 and \$65,745, respectively. Employees are 100% vested in mandatory participant contributions. Participants vest in accordance with the following schedule in regard to Town contributions:

<u>Years of Service</u>	<u>Vested Percentage</u>
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 (IRS) 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, 2022, were \$16,734.

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 IRS published statements.

**TOWN OF WOLCOTT, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 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 postemployment 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 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/Nonunion: Age 62 with 15 years of service
- Nonunion 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

**TOWN OF WOLCOTT, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 5 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Benefits Provided (Continued)

The July 1, 2021, plan membership consisted of the following:

Retirees and Beneficiaries Receiving Benefits	140
Active Plan Members	<u>303</u>
Total	<u><u>443</u></u>

Total OPEB Liability

The Town's total OPEB liability of \$32,790,282 was measured as of June 30, 2022.

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of July 1, 2021, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Salary Increases	3.50%
Discount Rate	2.16%
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

	<u>Total OPEB Liability</u>
Balances as of July 1, 2021	\$ 32,718,613
Changes for the Year:	
Service Cost	988,774
Interest on Total Pension Liability	734,024
Change in Benefit Terms	-
Differences Between Expected and Actual Experience	-
Changes in Assumptions	(658,455)
Benefit Payments, Including Refund to Employee Contributions	<u>(992,674)</u>
Net Changes	<u>71,669</u>
Balances as of June 30, 2022	<u><u>\$ 32,790,282</u></u>

The discount rate decreased from 2.21% to 2.16% as of June 30, 2022.

**TOWN OF WOLCOTT, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 5 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

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

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

	1% Decrease (1.16%)	Discount Rate (2.16%)	1% Increase (3.16%)
Total OPEB Liability	\$ 38,487,347	\$ 32,790,282	\$ 28,297,155

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

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

	1% Decrease	Health Care Cost Trend Rate	1% Increase
Total OPEB Liability	\$ 28,008,226	\$ 32,790,282	\$ 38,924,527

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

For the year ended June 30, 2022, the Town recognized OPEB expense of \$1,807,905. At June 30, 2022, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

<u>Governmental Activities</u>	Deferred Outflows of Resources	Deferred Inflows of Resources
Town Contributions After the Measurement Date	\$ 1,024,254	\$ -
Changes in Assumptions	3,280,303	1,582,344
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	-
Differences Between Expected and Actual Experience	-	620,884
Total	<u>\$ 4,304,557</u>	<u>\$ 2,203,228</u>

**TOWN OF WOLCOTT, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 5 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

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>
2023	\$ 85,107
2024	85,107
2025	324,930
2026	386,834
2027	280,281
Thereafter	(85,184)
Total	<u>\$ 1,077,075</u>

Other Postemployment 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.

**TOWN OF WOLCOTT, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 5 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

**Other Postemployment Benefit – Connecticut State Teachers Retirement Plan
(Continued)**

B. Benefit Provisions (Continued)

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

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

Survivor Health Care Coverage

Survivors of former employees or retirees remain eligible to participate in the plan and continue to be eligible to receive either the \$110 monthly subsidy or participate in the CTRB 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.

**TOWN OF WOLCOTT, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 5 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

**Other Postemployment Benefit – Connecticut State Teachers Retirement Plan
(Continued)**

C. Eligibility (Continued)

Proratable Retirement

Age 60 with 10 years of Credited Service.

Disability Retirement

No service requirement if incurred in the performance of duty, and five 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 TRB and appropriated by the General Assembly. The state contributions are not currently actuarially funded. The state appropriates from the General Fund one third of the annual costs of the Plan. Administrative costs of the Plan are financed by the state. Based upon Chapter 167a, Subsection D of Section 10-183t of the Connecticut statutes, it is assumed the state will pay for any long-term shortfall arising from insufficient active member contributions.

Employer (School Districts)

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

For the year ended June 30, 2022, the amount of “on-behalf” contributions made by the state was \$117,945 and is recognized in the General Fund as intergovernmental revenues and education expenditures.

Employees Retirees

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

**TOWN OF WOLCOTT, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 5 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

**Other Postemployment Benefit – Connecticut State Teachers Retirement Plan
(Continued)**

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

At June 30, 2022, 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	6,251,376
Total	<u>\$ 6,251,376</u>

The net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as June 30, 2021. At June 30, 2022, the Town has no proportionate share of the net OPEB liability.

For the year ended June 30, 2022, the Town recognized OPEB expense and revenue of \$(240,814) in Exhibit II for the benefits provided by the state.

F. Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2021, 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 Increase	3.00-6.50%, including inflation
Investment Rate of Return	2.17%, net of OPEB plan investment expense, including inflation
Year Fund Net Position Will be Depleted	2023

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, 2019.

**TOWN OF WOLCOTT, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 5 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

**Other Postemployment Benefit – Connecticut State Teachers Retirement Plan
(Continued)**

F. Actuarial Assumptions (Continued)

The changes in the assumptions since the prior year are as follows:

- Discount rate changed from 2.21% to 2.17%
- Expected annual per capita claims costs were updated to better reflect anticipated Medicare and prescription drug claim experience based on scheduled premium increases through calendar year 2024.
- There were no changes to benefit terms in the two years preceding the measurement date.

The changes in the benefit terms since the prior year are as follows:

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 (0.42%).

G. Discount Rate

The discount rate used to measure the total OPEB liability was 2.17%. The projection of cash flows used to determine the discount rate was performed in accordance with GASB 75. The projection was based on an actuarial valuation as of June 30, 2020.

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

- Total payroll for the initial projection year consists of the payroll of the active membership present on the valuation date. In subsequent projection years, total payroll was assumed to increase annually at a rate of 3.00%.

**TOWN OF WOLCOTT, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 5 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

G. Discount Rate (Continued)

- Employee contributions were assumed to be made at the current member contribution rate. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Annual state contributions were assumed to be equal to the most recent five-year average of state contributions toward the fund.

Based on those assumptions, the Plan's fiduciary net position was projected to be depleted in 2023 and, as a result, the Municipal Bond Index Rate was used in the determination of the single equivalent rate.

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.

I. OPEB Plan Fiduciary Net Position

Detailed information about the Connecticut State Teachers OPEB Plan fiduciary net position is available in the separately issued State of Connecticut Annual Comprehensive Financial Report at www.ct.gov.

J. 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.

NOTE 6 OTHER INFORMATION

Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; error and omissions; injuries to employees; and natural disasters. 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, 2022.

**TOWN OF WOLCOTT, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 6 OTHER INFORMATION (CONTINUED)

Risk Management (Continued)

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>
2020-21	\$ 349,498	\$ 8,435,969	\$ 8,338,495	\$ 446,972
2021-22	446,972	8,892,093	8,540,065	799,000

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
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL – BUDGETARY BASIS – GENERAL FUND
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes:				
Current Levy	\$ 41,517,643	\$ 41,517,643	\$ 41,834,232	\$ 316,589
Prior Year Levies	600,000	600,000	889,163	289,163
Interest and Lien Fees	240,000	240,000	446,689	206,689
Credit Card Collection	6,500	6,500	3,980	(2,520)
Total Property Taxes	<u>42,364,143</u>	<u>42,364,143</u>	<u>43,174,064</u>	<u>809,921</u>
Intergovernmental Revenues:				
Education Equalization Grant	12,210,097	12,210,097	12,360,253	150,156
School Bonded Projects - Principal	127,274	127,275	127,278	3
School Bonded Projects - Interest	2,698	2,697	2,697	-
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	15,285	(44,715)
Veterans Tax Relief	21,145	21,145	22,269	1,124
Regional Water Authority - PILOT Program	10,426	10,426	10,730	304
Adult Education	4,826	4,826	4,882	56
Totally Disabled Tax Relief	3,112	3,112	2,519	(593)
Payment in Lieu of Taxes: State-Owned Property	2,015	2,015	2,015	-
Total Intergovernmental Revenues	<u>12,830,386</u>	<u>12,830,386</u>	<u>12,936,721</u>	<u>106,335</u>
Charges for Services:				
Special Education - Tuition	-	-	52,493	52,493
Records Money	900	900	1,041	141
Parks and Recreation	3,200	3,200	16,923	13,723
Zoning Board of Appeals	1,000	1,000	235	(765)
Rainbow Day Camp Fees	-	-	-	-
Solicitor and Vendor Permits	75	75	80	5
Inland Wetlands Permits	1,000	1,000	2,064	1,064
Parking Tickets	10	10	10	-
In-Kind Services	14,200	14,200	14,200	-
Total Charges for Services	<u>20,385</u>	<u>20,385</u>	<u>87,046</u>	<u>66,661</u>
License and Permits:				
Town Clerk	260,000	260,000	431,299	171,299
Planning and Zoning	11,000	11,000	10,205	(795)
Building Permits	125,000	125,000	195,404	70,404
Recycling Permits	45,000	45,000	47,397	2,397
Gun Permits	12,000	12,000	15,120	3,120
Fire Marshal Permits	500	500	90	(410)
Game Permits	125	125	180	55
Total License and Permits	<u>453,625</u>	<u>453,625</u>	<u>699,695</u>	<u>246,070</u>
Interest Income	12,000	12,000	31,366	19,366

**TOWN OF WOLCOTT, CONNECTICUT
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL – BUDGETARY BASIS – GENERAL FUND (CONTINUED)
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES (CONTINUED)				
Other Revenues:				
Library Fines	\$ 5,000	\$ 5,000	\$ 4,249	\$ (751)
False Alarm Fines	650	650	425	(225)
Vital Statistics	-	-	-	-
Telephone Access Grant Pavilion	24,800	24,800	22,428	(2,372)
Unanticipated Revenues	2,500	2,500	3,580	1,080
Total Other Revenues	67,950	67,950	168,367	102,685
Total Revenues	55,748,489	55,748,489	57,097,259	1,348,770
OTHER FINANCING SOURCES				
Transfers In:				
Water Assessment Fund	274,260	274,260	274,260	-
Farmingbury Hills Golf Course	59,904	59,904	59,904	-
Capital Improvement Fund	200,000	200,000	8,455	(191,545)
Appropriation of Fund Balance	475,000	475,000	-	(475,000)
Total Other Financing Sources	1,009,164	1,009,164	342,619	(666,545)
Total Revenues and Other Financing Sources	\$ 56,757,653	\$ 56,757,653	57,439,878	\$ 682,225
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			5,012,119	
State of Connecticut on-behalf contributions to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted - OPEB			117,945	
State of Connecticut grants for Special Education Excess Costs and Magnet Schools that are netted for budgetary purposes			595,935	
Total Revenues and Other Financing Sources as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds - Exhibit IV			\$ 63,165,877	

TOWN OF WOLCOTT, CONNECTICUT
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL – BUDGETARY BASIS – GENERAL FUND
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
General Government:				
Mayor's Office	\$ 243,546	\$ 255,664	\$ 254,554	\$ 1,110
Treasurer's Office	137,270	137,270	136,378	892
Finance Office	326,701	326,701	326,694	7
Town Council	92,850	92,850	88,858	3,992
Town Clerk	208,655	208,655	208,445	210
Tax Collector	197,967	197,967	189,312	8,655
Assessor	342,227	342,227	316,593	25,634
Board of Assessment Appeals	4,360	4,360	3,327	1,033
Building Inspector	78,205	82,405	82,405	-
Planning and Zoning	60,210	74,310	74,310	-
Inland/Wetlands Conservation	8,050	8,050	1,693	6,357
Industrial Development	13,500	13,500	12,000	1,500
Zoning Board of Appeals	2,540	2,540	1,172	1,368
Registrar of Voters	85,028	85,028	67,332	17,696
Other General Government:				
Wages	339,114	339,114	333,641	5,473
Benefits and Insurance	2,381,466	2,581,466	2,556,793	24,673
Refuse and Recycling	1,945,750	1,891,330	1,856,383	34,947
Legal and Consulting	130,000	141,882	141,183	699
Tri-Town Health District	168,987	168,987	168,987	-
Street Lighting	47,000	47,000	44,738	2,262
Other	486,214	498,336	459,345	38,991
Total General Government	<u>7,299,640</u>	<u>7,499,642</u>	<u>7,324,143</u>	<u>175,499</u>
Public Safety:				
Police Department	4,299,006	4,299,006	4,236,543	62,463
Public Safety Communication	482,991	482,991	481,481	1,510
Animal Control Officer	92,339	92,339	87,052	5,287
Public Safety Building	113,011	113,011	88,702	24,309
Fire Department	708,256	708,256	675,862	32,394
Fire Marshal	51,818	51,817	50,481	1,336
Civil Preparedness	28,235	28,235	26,152	2,083
Emergency Planning Commission	31,904	31,904	31,542	362
Volunteer Ambulance	1,316,755	1,316,755	1,316,755	-
Total Public Safety	<u>7,124,315</u>	<u>7,124,314</u>	<u>6,994,570</u>	<u>129,744</u>
Public Works:				
Highway and Streets	1,740,578	1,740,578	1,731,917	8,661
Culture and Recreation:				
Parks and Recreation	183,241	207,226	207,226	-
Library	464,495	464,495	431,872	32,623
Total Culture and Recreation	<u>647,736</u>	<u>671,721</u>	<u>639,098</u>	<u>32,623</u>

**TOWN OF WOLCOTT, CONNECTICUT
SCHEDULE OF EXPENDITURES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL – BUDGETARY BASIS – GENERAL FUND (CONTINUED)
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Health and Welfare:				
Commission on Aging	\$ 205,499	\$ 205,499	\$ 197,840	\$ 7,659
Commission for Special Needs	53,393	29,407	12,806	16,601
Total Health and Welfare	258,892	234,906	210,646	24,260
Education:				
Board of Education	35,524,031	35,524,031	35,395,363	128,668
Debt Service:				
Principal	2,977,572	2,977,572	2,962,888	14,684
Interest	1,184,889	984,889	984,626	263
Total Debt Service	4,162,461	3,962,461	3,947,514	14,947
Total Expenditures	56,757,653	56,757,653	56,243,251	514,402
Other Financing Uses:				
Transfers Out	-	302,122	302,122	-
Total Expenditures and Other Financing Uses	\$ 56,757,653	\$ 57,059,775	56,545,373	\$ 514,402
Budgetary expenditures are different than GAAP expenditures because:				
Encumbrances outstanding at June 30, 2022			(262,727)	
Liquidation of prior year encumbrances			497,321	
Refunding costs not budgeted				
State of Connecticut on-behalf payments to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted - Pension			5,012,119	
State of Connecticut on-behalf payments to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted - OPEB			117,945	
State of Connecticut grants for Special Education Excess Costs and Magnet Schools that are netted for budgetary purposes			595,935	
Total Expenditures and Other Financing Uses as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds - Exhibit IV			\$ 62,505,966	

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Total Pension Liability:									
Service Cost	\$ 299,308	\$ 278,025	\$ 278,025	\$ 266,565	\$ 269,588	\$ 279,024	\$ 302,826	\$ 234,683	\$ 241,897
Interest	947,559	992,977	1,019,622	1,077,943	1,100,555	1,139,751	1,076,636	1,104,654	1,074,336
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)	(901,406)
Net Change in Total Pension Liability	929,787	375,311	537,547	1,337,732	574,834	278,957	492,939	(459,957)	414,827
Total Pension Liability - Beginning	12,669,905	13,599,692	13,975,003	14,512,550	15,850,282	16,425,116	16,704,073	17,197,012	16,737,055
Total Pension Liability - Ending	13,599,692	13,975,003	14,512,550	15,850,282	16,425,116	16,704,073	17,197,012	16,737,055	17,151,882
Plan Fiduciary Net Position:									
Contributions - Employer	557,457	1,226,677	610,934	764,343	724,012	909,674	715,673	583,536	259,597
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	(2,368,168)
Benefit Payments, Including Refunds of Member									
Contributions	(670,184)	(719,995)	(760,100)	(800,602)	(795,309)	(843,977)	(886,523)	(874,036)	(901,406)
Administrative Expense	(57,505)	(61,684)	(19,498)	(20,581)	-	(19,998)	(21,902)	-	-
Net Change in Plan Fiduciary Net Position	1,288,151	1,233,427	33,702	2,029,526	1,159,783	855,751	855,474	4,508,153	(3,009,977)
Plan Fiduciary Net Position - Beginning	9,496,251	10,784,402	12,017,829	12,051,531	14,081,057	15,240,840	16,096,591	16,952,065	21,460,218
Plan Fiduciary Net Position - Ending	10,784,402	12,017,829	12,051,531	14,081,057	15,240,840	16,096,591	16,952,065	21,460,218	18,450,241
Net Pension Liability (Asset) - Ending	\$ 2,815,290	\$ 1,957,174	\$ 2,461,019	\$ 1,769,225	\$ 1,184,276	\$ 607,482	\$ 244,947	\$ (4,723,163)	\$ (1,298,359)
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%	107.57%
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	\$ 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%	-50.87%

* This schedule is intended to show information for 10 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 NINE FISCAL YEARS***

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Actuarially Determined Contribution	\$ 570,934	\$ 642,343	\$ 642,343	\$ 640,013	\$ 673,012	\$ 673,012	\$ 583,536	\$ 583,536	\$ 250,218
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>	<u>259,597</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>	<u>\$ (9,379)</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	\$ 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%	10.17%

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 10 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 NINE FISCAL YEARS*

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Total Pension Liability:									
Service Cost	\$ 774,852	\$ 745,140	\$ 745,140	\$ 612,282	\$ 634,477	\$ 634,477	\$ 506,514	\$ 497,787	\$ 374,267
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	2,510,510
Changes of Benefit Terms	-	-	-	140,289	-	-	-	-	512,355
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)	(1,766,685)
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	1,630,447
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	35,136,798
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	36,767,245
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	1,298,058
Contributions - Employee	92,812	107,189	119,043	114,683	103,928	97,180	93,018	91,578	88,798
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	(2,263,931)
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)	(1,766,685)
Administrative Expense	(121,809)	(102,275)	(84,969)	(55,341)	(29,526)	(59,917)	(31,272)	(53,364)	(188,377)
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	(2,832,137)
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	27,253,325
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	24,421,188
Net Pension Liability - Ending	\$ 10,585,734	\$ 9,042,993	\$ 10,881,956	\$ 10,612,197	\$ 10,329,499	\$ 11,207,694	\$ 12,445,364	\$ 7,883,473	\$ 12,346,057
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%	66.42%
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	\$ 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%	316.70%

* This schedule is intended to show information for 10 years. Additional years' information will be displayed as it becomes available.

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022
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	\$ 1,122,944
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>	<u>1,298,058</u>
Contribution Deficiency (Excess)	<u>\$ (2,633)</u>	<u>\$ -</u>	<u>\$ (253)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (175,114)</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	\$ 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%	33.30%

Notes to Schedule

Valuation Date: January 1, 2021
 Measurement Date: June 30, 2022

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
 Remaining Amortization Period 20 years remaining as of January 1, 2021
 Asset Valuation Method The market value of assets less unrecognized returns in each of the last four years. Unrecognized return is equal to the difference between actual and expected returns on a market value basis and is recognized over a five-year period. The deferred return is further adjusted, if necessary, so that the actuarial value of assets will stay within 20% of the market value of assets.
 Salary Increases Varies by age and position
 Investment Rate of Return 7.25%, net of pension plan investment expense, including inflation

* This schedule is intended to show information for 10 years. Additional years' information will be displayed as it becomes available.

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022
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%	-11.20%
General Pension Plan	20.98%	7.18%	-1.02%	13.04%	8.16%	2.55%	1.71%	25.00%	-8.39%

* This schedule is intended to show information for 10 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
TEACHER'S RETIREMENT PLAN
LAST EIGHT FISCAL YEARS***

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Town's Proportion of the Net Pension Liability	0.00%	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>	<u>59,857,598</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>	<u>\$ 59,857,598</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	\$ 18,213,040
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%	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%	0.00%

Notes to Schedule

Changes in Benefit Terms	None
Changes of Assumptions	None
Actuarial Cost Method	Entry age
Amortization Method	Level percent of pay, closed, grading to a level dollar amortization method for the June 30, 2024 valuation
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 10 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 POSTEMPLOYMENT BENEFITS
LAST FIVE FISCAL YEARS***

	2018	2019	2020	2021	2022
Total OPEB Liability:					
Service Cost	\$ 888,651	\$ 758,253	\$ 724,895	\$ 778,513	\$ 988,774
Interest	816,041	941,186	1,095,304	1,040,718	734,024
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	(658,455)
Benefit Payments, Including Refunds of Member Contributions	(860,811)	(837,454)	(955,922)	(1,025,086)	(992,674)
Net Change in Total OPEB Liability	(2,224,176)	2,104,907	1,408,933	3,254,191	71,669
Total OPEB Liability - Beginning	28,174,758	25,950,582	28,055,489	29,464,422	32,718,613
Total OPEB Liability - Ending	<u>\$ 25,950,582</u>	<u>\$ 28,055,489</u>	<u>\$ 29,464,422</u>	<u>\$ 32,718,613</u>	<u>\$ 32,790,282</u>

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

* This schedule is intended to show information for 10 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
TEACHER'S RETIREMENT PLAN
LAST FIVE FISCAL YEARS***

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Town's Proportion of the Net OPEB Liability	0.00%	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>	<u>6,521,376</u>
Total	<u>\$ 14,094,000</u>	<u>\$ 10,451,000</u>	<u>\$ 10,574,000</u>	<u>\$ 11,272,307</u>	<u>\$ 6,521,376</u>
Town's Covered Payroll	\$ 17,376,000	\$ 17,163,000	\$ 17,433,000	\$ 17,484,983	\$ 18,213,040
Town's Proportionate Share of the Net OPEB Liability as a Percentage of Its Covered Payroll	0.00%	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%	2.50%	6.11%

Notes to Schedule

Changes in Benefit Terms	None
Changes of Assumptions	Based on the procedure described in GASB 75, the discount rate used to measure plan obligations for financial accounting purposes as of June 30, 2021 was updated to equal the Municipal Bond Index Rate as of June 30, 2021;
	Expected annual per capita claims costs were updated to better reflect anticipated medical and prescription drug claim experience based on scheduled premium increases through calendar year 2024
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 10 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
YEAR ENDED JUNE 30, 2022**

Grand List of October 1,	Uncollected Taxes June 30, 2021 and Current Levy	Lawful Additions	Lawful Deductions	Suspense Transfers	Balance To Be Collected	Collections			Uncollected Taxes June 30, 2022
						Taxes	Interest and Liens	Total	
2020	\$ 42,776,380	\$ 86,876	\$ 77,098	\$ -	\$ 42,786,158	\$ 41,855,888	\$ 139,763	\$ 41,995,651	\$ 930,270
2019	996,784	2,322	11,995	-	987,111	517,509	109,969	627,478	469,602
2018	496,258	684	3,406	-	493,536	173,362	77,660	251,022	320,174
2017	345,727	667	2,280	-	344,114	125,081	63,318	188,399	219,033
2016	236,201	317	1,461	-	235,057	35,709	33,507	69,216	199,348
2015	142,488	9	707	18,745	123,045	19,706	19,872	39,578	103,339
2014	35,752	-	-	32,601	3,151	544	1,832	2,376	2,607
2013	2,292	-	-	-	2,292	-	762	762	2,292
2012	742	-	-	-	742	-	860	860	742
2011	631	-	-	-	631	-	560	560	631
2010 and Prior	-	-	-	-	-	-	614	614	-
	<u>\$ 45,033,255</u>	<u>\$ 90,875</u>	<u>\$ 96,947</u>	<u>\$ 51,346</u>	<u>\$ 44,975,837</u>	<u>\$ 42,727,799</u>	<u>\$ 448,717</u>	<u>\$ 43,176,516</u>	<u>\$ 2,248,038</u>

**TOWN OF WOLCOTT, CONNECTICUT
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022**

	Special Revenue Funds						
	Farmingbury Hills Country Club	Acquired Facilities Woodtick Recreation Area	Water Assessments Fund	Police Dept. Asset Forfeiture Fund	Police Donations Fund	Misc. Grants Fund	Sewer Assessments Fund
ASSETS							
Cash and Cash Equivalents	\$ 23,408	\$ 104,716	\$ 336,818	\$ 10,269	\$ 4,892	\$ 398,327	\$ 210,626
Investments	-	-	-	-	-	-	-
Receivables	893,129	-	815,045	-	-	10,743	9,978
Inventories	-	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	-	-
Total Assets	\$ 916,537	\$ 104,716	\$ 1,151,863	\$ 10,269	\$ 4,892	\$ 409,070	\$ 220,604
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
LIABILITIES							
Accounts Payable and Accrued Items	\$ 2,927	\$ 1,830	\$ -	\$ -	\$ -	\$ 44	\$ -
Due to Other Funds	616,016	7,078	-	-	-	226,491	-
Unearned Revenue	-	-	-	-	-	151,635	-
Total Liabilities	618,943	8,908	-	-	-	378,170	-
DEFERRED INFLOWS OF RESOURCES							
Unavailable Revenue	854,809	-	815,045	-	-	9,685	9,978
Total Deferred Inflows of Resources	854,809	-	815,045	-	-	9,685	9,978
FUND BALANCES							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	10,269	4,892	21,215	-
Committed	-	95,808	336,818	-	-	-	210,626
Unassigned	(557,215)	-	-	-	-	-	-
Total Fund Balances	(557,215)	95,808	336,818	10,269	4,892	21,215	210,626
Total Liabilities and Fund Balances	\$ 916,537	\$ 104,716	\$ 1,151,863	\$ 10,269	\$ 4,892	\$ 409,070	\$ 220,604

TOWN OF WOLCOTT, CONNECTICUT
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2022

	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	\$ 656,888	\$ 65,105	\$ 391,135	\$ 6,620	\$ 2,012	\$ 71,546	\$ 52,028
Investments	255,478	-	-	-	-	-	-
Receivables	106,410	9,269	232,745	-	-	-	522
Inventories	-	-	20,766	-	-	-	-
Due from Other Funds	-	-	-	-	2,300	-	-
Total Assets	\$ 1,018,776	\$ 74,374	\$ 644,646	\$ 6,620	\$ 4,312	\$ 71,546	\$ 52,550
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
LIABILITIES							
Accounts Payable and Accrued Items	\$ 251,458	\$ 6,324	\$ 243	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	1,841	486	-	-	-	-	-
Unearned Revenue	-	-	15,393	-	-	-	-
Total Liabilities	253,299	6,810	15,636	-	-	-	-
DEFERRED INFLOWS OF RESOURCES							
Unavailable Revenue	65,367	-	-	-	-	-	-
Total Deferred Inflows of Resources	65,367	-	-	-	-	-	-
FUND BALANCES							
Nonspendable	-	-	20,766	-	-	-	-
Restricted	-	67,564	608,244	-	-	71,546	52,550
Committed	700,110	-	-	6,620	4,312	-	-
Unassigned	-	-	-	-	-	-	-
Total Fund Balances	700,110	67,564	629,010	6,620	4,312	71,546	52,550
Total Liabilities and Fund Balances	\$ 1,018,776	\$ 74,374	\$ 644,646	\$ 6,620	\$ 4,312	\$ 71,546	\$ 52,550

TOWN OF WOLCOTT, CONNECTICUT
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2022

	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
ASSETS						
Cash and Cash Equivalents	\$ 92,884	\$ 39,107	\$ 13,586	\$ 24,075	\$ 169,745	\$ -
Investments	-	-	-	-	-	-
Receivables	102,968	-	-	-	-	-
Inventories	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	-
Total Assets	<u>\$ 195,852</u>	<u>\$ 39,107</u>	<u>\$ 13,586</u>	<u>\$ 24,075</u>	<u>\$ 169,745</u>	<u>\$ -</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
Accounts Payable and Accrued Items	\$ -	\$ -	\$ -	\$ -	\$ 1,181	\$ -
Due to Other Funds	20,781	-	-	-	-	-
Unearned Revenue	-	-	-	-	-	-
Total Liabilities	<u>20,781</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,181</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable Revenue	-	-	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	-	-	-
Committed	175,071	39,107	13,586	24,075	168,564	-
Unassigned	-	-	-	-	-	-
Total Fund Balances	<u>175,071</u>	<u>39,107</u>	<u>13,586</u>	<u>24,075</u>	<u>168,564</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 195,852</u>	<u>\$ 39,107</u>	<u>\$ 13,586</u>	<u>\$ 24,075</u>	<u>\$ 169,745</u>	<u>\$ -</u>

TOWN OF WOLCOTT, CONNECTICUT
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2022

	Special Revenue Funds			Capital Project Funds		Debt Service Funds	Total
	Student Activities Fund	Education Special Grants and Programs Fund	Sewer Usage Fund	Capital Nonrecurring Fund	Local Capital Improvement Program Fund	Debt Service Reserve Fund	
ASSETS							
Cash and Cash Equivalents	\$ 197,402	\$ 33,407	\$ 1,305,189	\$ 855	\$ 12,669	\$ -	\$ 4,223,309
Investments	-	-	259,528	-	-	-	515,006
Receivables	-	275,854	1,351,585	-	58,978	-	3,867,226
Inventories	-	-	-	-	-	-	20,766
Due from Other Funds	-	-	-	-	-	-	2,300
Total Assets	<u>\$ 197,402</u>	<u>\$ 309,261</u>	<u>\$ 2,916,302</u>	<u>\$ 855</u>	<u>\$ 71,647</u>	<u>\$ -</u>	<u>\$ 8,628,607</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
LIABILITIES							
Accounts Payable and Accrued Items	\$ -	\$ 287,236	\$ 530,801	\$ -	\$ 2,131	\$ -	\$ 1,084,175
Due to Other Funds	-	-	8,635	-	69,515	-	950,843
Unearned Revenue	-	-	-	-	36,023	-	203,051
Total Liabilities	-	287,236	539,436	-	107,669	-	2,238,069
DEFERRED INFLOWS OF RESOURCES							
Unavailable Revenue	-	-	526,029	-	-	-	2,280,913
Total Deferred Inflows of Resources	-	-	526,029	-	-	-	2,280,913
FUND BALANCES							
Nonspendable	-	-	-	-	-	-	20,766
Restricted	197,402	22,025	-	-	-	-	1,055,707
Committed	-	-	1,850,837	855	-	-	3,626,389
Unassigned	-	-	-	-	(36,022)	-	(593,237)
Total Fund Balances	<u>197,402</u>	<u>22,025</u>	<u>1,850,837</u>	<u>855</u>	<u>(36,022)</u>	<u>-</u>	<u>4,109,625</u>
Total Liabilities and Fund Balances	<u>\$ 197,402</u>	<u>\$ 309,261</u>	<u>\$ 2,916,302</u>	<u>\$ 855</u>	<u>\$ 71,647</u>	<u>\$ -</u>	<u>\$ 8,628,607</u>

**TOWN OF WOLCOTT, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022**

	Special Revenue Funds						
	Farmingbury Hills Country Club	Acquired Facilities Woodtick Recreation Area	Water Assessments Fund	Police Dept. Asset Forfeiture Fund	Police Donations Fund	Misc. Grants Fund	Sewer Assessments Fund
REVENUES							
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 425,736	\$ -
Interest and Dividends	-	-	-	-	-	-	-
Charges for Services	152,923	108,531	99,433	-	550	9,139	613
Miscellaneous	-	-	-	9,990	-	2,835	-
Total Revenues	<u>152,923</u>	<u>108,531</u>	<u>99,433</u>	<u>9,990</u>	<u>550</u>	<u>437,710</u>	<u>613</u>
EXPENDITURES							
General Government	-	-	-	-	-	333,843	-
Public Safety	-	-	-	400	1,255	18,916	-
Public Works	-	-	-	-	-	48,106	-
Culture and Recreation	19,954	126,241	-	-	-	6,219	-
Health and Welfare	-	-	-	-	-	38,990	-
Education	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
Total Expenditures	<u>19,954</u>	<u>126,241</u>	<u>-</u>	<u>400</u>	<u>1,255</u>	<u>446,074</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	132,969	(17,710)	99,433	9,590	(705)	(8,364)	613
OTHER FINANCING SOURCES (USES)							
Transfers Out	(59,904)	-	(274,260)	-	-	-	-
Total Other Financing Sources (Uses)	<u>(59,904)</u>	<u>-</u>	<u>(274,260)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	73,065	(17,710)	(174,827)	9,590	(705)	(8,364)	613
Fund Balances - Beginning of Year	(630,280)	113,518	511,645	679	5,597	29,579	210,013
FUND BALANCES - END OF YEAR	<u>\$ (557,215)</u>	<u>\$ 95,808</u>	<u>\$ 336,818</u>	<u>\$ 10,269</u>	<u>\$ 4,892</u>	<u>\$ 21,215</u>	<u>\$ 210,626</u>

**TOWN OF WOLCOTT, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

	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							
Intergovernmental	\$ -	\$ -	\$ 1,455,533	\$ -	\$ -	\$ 6,000	\$ 6,630
Interest and Dividends	-	-	94	-	-	-	-
Charges for Services	445,654	27,265	164,923	-	-	-	-
Miscellaneous	-	13,994	-	3	2,306	158	-
Total Revenues	<u>445,654</u>	<u>41,259</u>	<u>1,620,550</u>	<u>3</u>	<u>2,306</u>	<u>6,158</u>	<u>6,630</u>
EXPENDITURES							
General Government	-	-	-	-	-	-	-
Public Safety	-	28,725	-	-	-	-	-
Public Works	383,477	-	-	-	-	-	-
Culture and Recreation	-	332	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-
Education	-	-	1,119,756	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
Total Expenditures	<u>383,477</u>	<u>29,057</u>	<u>1,119,756</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	62,177	12,202	500,794	3	2,306	6,158	6,630
OTHER FINANCING SOURCES (USES)							
Transfers Out	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	62,177	12,202	500,794	3	2,306	6,158	6,630
Fund Balances - Beginning of Year	637,933	55,362	128,216	6,617	2,006	65,388	45,920
FUND BALANCES - END OF YEAR	<u>\$ 700,110</u>	<u>\$ 67,564</u>	<u>\$ 629,010</u>	<u>\$ 6,620</u>	<u>\$ 4,312</u>	<u>\$ 71,546</u>	<u>\$ 52,550</u>

**TOWN OF WOLCOTT, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

	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
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 302,227
Interest and Dividends	-	-	-	-	38	-
Charges for Services	329,231	38,248	-	-	405,329	-
Miscellaneous	-	-	6,200	18,392	-	-
Total Revenues	<u>329,231</u>	<u>38,248</u>	<u>6,200</u>	<u>18,392</u>	<u>405,367</u>	<u>302,227</u>
EXPENDITURES						
General Government	-	1,000	-	-	-	-
Public Safety	313,055	15,065	-	-	-	-
Public Works	-	20,246	-	-	-	534,249
Culture and Recreation	-	-	-	-	-	-
Health and Welfare	-	-	4,762	-	-	-
Education	-	-	-	764	251,758	-
Capital Outlay	-	-	-	-	-	-
Total Expenditures	<u>313,055</u>	<u>36,311</u>	<u>4,762</u>	<u>764</u>	<u>251,758</u>	<u>534,249</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	16,176	1,937	1,438	17,628	153,609	(232,022)
OTHER FINANCING SOURCES (USES)						
Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	16,176	1,937	1,438	17,628	153,609	(232,022)
Fund Balances - Beginning of Year	158,895	37,170	12,148	6,447	14,955	232,022
FUND BALANCES - END OF YEAR	<u>\$ 175,071</u>	<u>\$ 39,107</u>	<u>\$ 13,586</u>	<u>\$ 24,075</u>	<u>\$ 168,564</u>	<u>\$ -</u>

TOWN OF WOLCOTT, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2022

	Special Revenue Funds			Capital Project Funds		Debt	Total
	Student Activities Fund	Education Special Grants and Programs Fund	Sewer Usage Fund	Capital Nonrecurring Fund	Local Capital Improvement Program Fund	Service Funds Debt Service Reserve Fund	
REVENUES							
Intergovernmental	\$ -	\$ 2,601,515	\$ -	\$ -	\$ -	\$ -	\$ 4,797,641
Interest and Dividends	-	-	-	2	-	-	134
Charges for Services	-	-	1,004,576	-	-	-	2,786,415
Miscellaneous	388,165	10,450	-	-	-	-	452,493
Total Revenues	388,165	2,611,965	1,004,576	2	-	-	8,036,683
EXPENDITURES							
General Government	-	-	-	-	-	-	334,843
Public Safety	-	-	-	-	-	-	377,416
Public Works	-	-	962,913	-	-	-	1,948,991
Culture and Recreation	-	-	-	-	-	-	152,746
Health and Welfare	-	-	-	-	-	-	43,752
Education	362,364	2,609,663	-	-	-	-	4,344,305
Capital Outlay	-	-	-	-	36,022	-	36,022
Total Expenditures	362,364	2,609,663	962,913	-	36,022	-	7,238,075
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	25,801	2,302	41,663	2	(36,022)	-	798,608
OTHER FINANCING SOURCES (USES)							
Transfers Out	-	-	-	-	-	(129,975)	(464,139)
Total Other Financing Sources (Uses)	-	-	-	-	-	(129,975)	(464,139)
NET CHANGE IN FUND BALANCES	25,801	2,302	41,663	2	(36,022)	(129,975)	334,469
Fund Balances - Beginning of Year	171,601	19,723	1,809,174	853	-	129,975	3,775,156
FUND BALANCES - END OF YEAR	\$ 197,402	\$ 22,025	\$ 1,850,837	\$ 855	\$ (36,022)	\$ -	\$ 4,109,625

**TOWN OF WOLCOTT, CONNECTICUT
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
 BUDGET AND ACTUAL – BUDGETARY BASIS –
 FARMINGBURY HILLS COUNTRY CLUB
 YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Facility Rentals	\$ 119,482	\$ 119,482	\$ 120,679	\$ 1,197
Total Revenues	119,482	119,482	120,679	1,197
EXPENDITURES				
Maintenance/Repair and Supplies	15,000	396	169	227
Contracted Services	-	11,060	11,060	-
Water System Testing	750	750	381	369
Dues and Fees	800	4,344	4,344	-
Liability Insurance	4,000	4,000	4,000	-
Total Expenditures	20,550	20,550	19,954	596
Excess (Deficiency) in Revenues Over Expenditures	98,932	98,932	100,725	1,793
OTHER FINANCING SOURCES				
Bond Repayment Club House - Principal	57,070	57,070	57,070	-
Bond Repayment Club House - Interest	2,834	2,834	2,834	-
Payment of Debt to General Fund	39,028	39,028	-	39,028
Total Other Financing Sources	98,932	98,932	59,904	39,028
Net Change in Fund Balance	\$ -	\$ -	\$ 40,821	\$ 40,821

**TOWN OF WOLCOTT, CONNECTICUT
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
 BUDGET AND ACTUAL – BUDGETARY BASIS –
 ACQUIRED FACILITIES FUND
 YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Gate Receipts	\$ 70,000	\$ 70,000	\$ 60,218	\$ (9,782)
Rental of Facilities	17,000	17,000	20,175	3,175
Food Sales	15,460	15,460	17,958	2,498
Security Deposits	4,000	4,000	6,100	2,100
Housing Rental Income	3,000	3,000	3,000	-
Unanticipated Revenue	-	-	1,080	1,080
Appropriation of Fund Balance	31,909	31,909	-	(31,909)
Total Revenues	<u>141,369</u>	<u>141,369</u>	<u>108,531</u>	<u>(32,838)</u>
EXPENDITURES				
Salary - Administrative	17,704	17,704	17,704	-
Wages - Operating	50,000	53,161	53,161	-
FICA	5,180	5,421	5,421	-
Workers' Compensation Insurance	2,280	2,280	2,280	-
Legal & Public Notices	500	500	-	500
Electricity	3,700	3,700	3,604	96
Repairs & Maintenance - Equipment	5,500	5,500	5,500	-
Dam & Reservoirs - Maintenance	5,000	5,000	5,000	-
Repairs & Maintenance - Buildings	9,000	5,892	5,396	496
Snack Bar Supplies	9,500	11,200	9,884	1,316
Maintenance Supplies	1,200	4,000	3,306	694
Tele-Communications	150	150	150	-
Liability Insurance	2,870	2,870	2,870	-
Operating Expense	2,400	4,993	4,993	-
Office Supplies	700	700	272	428
Capital Outlay - Equipment	20,285	11,598	-	11,598
Refunds	4,000	5,300	5,300	-
In-Kind Services	1,400	1,400	1,400	-
Total Expenditures	<u>141,369</u>	<u>141,369</u>	<u>126,241</u>	<u>15,128</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (17,710)</u>	<u>\$ (17,710)</u>

TOWN OF WOLCOTT, CONNECTICUT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – BUDGETARY BASIS – WATER ASSESSMENT FUND
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Water Assessment Phase 5	\$ 7,500	\$ 7,500	\$ 3,607	\$ (3,893)
Water Assessment Phase 6	7,500	7,500	1,547	(5,953)
Water Assessment Phase 7	120,000	120,000	92,144	(27,856)
Water Assessment Phase 8	4,000	4,000	1,415	(2,585)
Water Assessment Phase 9	-	-	720	720
Total Revenues	139,000	139,000	99,433	(39,567)
OTHER FINANCING SOURCES (USES)				
Appropriation of Fund Balance	135,260	135,260	-	(135,260)
Transfer to General Fund - Clinton Hill Water Principal	(193,000)	(193,000)	(193,000)	-
Transfer to General Fund - Clinton Hill Water Interest	(30,260)	(30,260)	(30,260)	-
Transfer to General Fund - Water Bond Refunding 2010 - Principal	(1,000)	(1,000)	(1,000)	-
Transfer to General Fund - Water Bond Refunding 2010 - Interest	(50,000)	(50,000)	(50,000)	-
Total Other Financing Sources (Uses)	(139,000)	(139,000)	(274,260)	(135,260)
Net Change in Fund Balance	\$ -	\$ -	\$ (174,827)	\$ (174,827)

**TOWN OF WOLCOTT, CONNECTICUT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – BUDGETARY BASIS – WATER USAGE FUND
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Water Usage	\$ 425,494	\$ 425,494	\$ 396,936	\$ (28,558)
Water Meter Set-Up Parts	11,000	11,000	5,723	(5,277)
Unanticipated Revenue	15,000	15,000	32,521	17,521
Water Connection Revenues	18,000	18,000	8,400	(9,600)
Water Permits and Applications	1,000	1,000	1,400	400
CD Interest	4,400	4,400	674	(3,726)
Total Revenues	474,894	474,894	445,654	(29,240)
EXPENDITURES				
Salary - Administrative	19,483	19,525	19,525	-
Wages - Clerical	13,636	13,594	11,539	2,055
Wages - Operations	19,993	19,993	19,317	676
Group Life Insurance	170	170	170	-
Medical Insurance	22,475	22,475	22,475	-
FICA	4,063	4,063	3,805	258
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	15,574	8,272	7,302
QDS Assessment Support	1,225	1,225	1,225	-
QDS Bill Preparations	1,225	1,225	1,225	-
Education & Professional Development	1,500	1,500	-	1,500
Electricity	27,000	27,000	22,905	4,095
Fuel - Heating	550	550	112	438
Water Usage	260,000	260,000	226,115	33,885
Repairs and Maintenance - Water	20,000	20,000	18,485	1,515
Water Meter Set-Up Parts	17,700	17,700	5,450	12,250
Tele-Communications	7,190	7,190	3,347	3,843
In-Kind Services	2,800	2,800	2,800	-
Liability Insurance	6,220	6,220	6,220	-
Office Supplies	750	750	605	145
Dues and Fees	2,400	2,400	977	1,423
Capital Outlay - Equipment	20,000	20,000	-	20,000
Bank Service Fees	850	850	818	32
Total Expenditures	474,894	474,894	383,477	91,417
Net Change in Fund Balance	\$ -	\$ -	\$ 62,177	\$ 62,177

**TOWN OF WOLCOTT, CONNECTICUT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – BUDGETARY BASIS – SEWER USAGE
JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Sewer Usage	\$ 941,007	\$ 941,007	\$ 970,937	\$ 29,930
Connection Fees	37,500	37,500	25,000	(12,500)
CD Interest	4,400	4,400	1,451	(2,949)
Sewer Permits and Applications	1,000	1,000	1,600	600
STIF Interest Sewer Usage	1,000	1,000	2,702	1,702
STIF Interest STP Upgrade	-	-	6	6
Unanticipated Revenue	-	-	2,880	2,880
Total Revenues	984,907	984,907	1,004,576	19,669
EXPENDITURES				
Salary - Administrative	77,930	78,100	78,100	-
Wages - Clerical	47,298	47,298	47,163	135
Wages - Operations	80,272	80,102	76,259	3,843
Wages - Part-Time	6,000	6,000	2,057	3,943
Wages - Part Time Billing Clerk	22,787	22,787	22,787	-
Wages - Overtime	5,000	5,000	831	4,169
Uniform Allowance	825	825	741	84
Group Life Insurance	700	700	700	-
Medical Insurance	89,890	89,890	89,890	-
FICA	18,305	18,305	16,116	2,189
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	-	-	-
QDS Assessment Support	1,225	1,225	1,225	-
QDS Bill Preparations	1,357	1,357	1,357	-
Electricity	9,900	6,488	6,488	-
Fuel - Heating	3,700	1,251	1,251	-
Sewer Usage	439,523	529,370	529,370	-
Repairs and Maintenance - Equipment	10,000	3,694	3,694	-
Repairs and Maintenance - Sewer	20,000	13,243	12,664	579
Contracted Services	4,000	-	-	-
Tele-Communications	6,030	6,030	917	5,113
In-Kind Services	10,000	10,000	10,000	-
Liability Insurance	22,925	22,925	22,925	-
Vehicle Gasoline and Diesel	6,000	3,656	3,656	-
Office Supplies	3,000	3,000	1,734	1,266
Capital Outlay - Equipment	55,000	4,421	4,421	-
Bank Service Fees	1,100	2,100	1,427	673
Total Expenditures	984,907	984,907	962,913	21,994
Net Change in Fund Balance	\$ -	\$ -	\$ 41,663	\$ 41,663

**TOWN OF WOLCOTT, CONNECTICUT
STATEMENT OF DEBT LIMITATION
JUNE 30, 2022**

Total tax collections, including interest and lien fees for fiscal year ended June 30, 2021	\$ 42,130,103
State Reimbursement for Revenue Loss on Tax Relief for Elderly	<u>24,743</u>
BASE	<u><u>\$ 42,154,846</u></u>

	General Purpose	Schools	Sewers	Urban Renewal	Pension Deficit
Debt Limitation:					
2-1/4 Times Base	\$ 94,848,404	\$ -	\$ -	\$ -	\$ -
4-1/2 Times Base	-	189,696,807	-	-	-
3-3/4 Times Base	-	-	158,080,673	-	-
3-1/4 Times Base	-	-	-	137,003,250	-
3 Times Base	-	-	-	-	126,464,538
Total Debt Limitation	<u>94,848,404</u>	<u>189,696,807</u>	<u>158,080,673</u>	<u>137,003,250</u>	<u>126,464,538</u>
Indebtedness:					
Bonds Payable	23,666,700	2,852,825	-	-	-
Bond Anticipation Notes	7,745,000	1,255,000	-	-	-
Authorized But Unissued Debt	1,012,000	183,000	-	-	-
Net Indebtedness	<u>32,423,700</u>	<u>4,290,825</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt Limitation in Excess of Outstanding and Authorized Debt	<u><u>\$ 62,424,704</u></u>	<u><u>\$ 185,405,982</u></u>	<u><u>\$ 158,080,673</u></u>	<u><u>\$ 137,003,250</u></u>	<u><u>\$ 126,464,538</u></u>

Note: In no case shall total indebtedness exceed seven times annual receipts from taxation (\$295,083,922).