

# **Town of Cromwell, Connecticut**

## **Annual Comprehensive Financial Report**



**For the Year Ended June 30, 2021**

**Annual Comprehensive Financial Report  
of the  
Town of Cromwell, Connecticut**



**For the Year Ended June 30, 2021**

**Prepared By  
Finance Department**

**Marianne Sylvester  
Finance Director**

**Town of Cromwell, Connecticut**

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For the Year Ended June 30, 2021**

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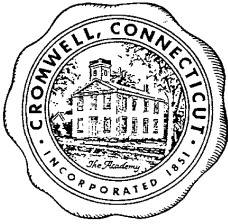
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# Introductory Section

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# Town of Cromwell

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NATHANIEL WHITE BUILDING  
41 WEST STREET  
CROMWELL, CONNECTICUT 06416

December 9, 2021

To the Town Manager, Town Council, Board of Finance and Citizens of the Town of Cromwell:

State law requires that every general-purpose local government publish, within six months of the close of each fiscal year, a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2021.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, in conformity with generally accepted accounting principles (GAAP) and based upon a comprehensive framework of internal control that it has established for this purpose. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

In addition to internal accounting controls, the Town maintains budgetary controls to ensure compliance with legal provisions embodied in the annual appropriated budget for the General Fund approved at the annual referendum and as may be amended during the fiscal year. The General Fund level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is at the departmental level. The Town maintains annual budgets for other funds, such as the Sewer Usage Fund, Sewer Assessment Fund, Sidewalk Fund, and the Dog License Fund. The Town also maintains project length budgets for all capital projects.

PKF O'Connor Davies, a public accounting firm fully licensed and qualified to perform audits of municipalities within the State of Connecticut. PKF O'Connor Davies has issued an unmodified ("clean") opinion on the Town of Cromwell's financial statements for the year ended June 30, 2021. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement; assessing the accounting principles used; and evaluating the overall financial statement presentation. The independent auditor's report is presented as the first component of the financial section of this report.

This report includes all of the funds and accounts of the Town, and includes all activities controlled or dependent on the Town. The Cromwell Board of Education and the Cromwell Water Pollution Control Authority are considered departments of the Town and therefore, these activities are included in this report. The Cromwell Fire/Water District and the Mattabassett District are governmental entities having operations within the Town, but are separate legal entities. Their operations have therefore not been included in the Town's financial statements.



The independent audit of the Town's financial statements was part of broader, state and federally mandated "Single Audit" designed to meet the special needs of state and federal grantor agencies. The standards governing the Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of Federal awards. These reports are available in the Town's separately issued Single Audit Report.

Generally accepted accounting principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's discussion and analysis (MD&A). The MD&A is intended to complement this transmittal letter and should be read in conjunction with it and can be found immediately following the independent auditor's report.

### **Profile of the Town of Cromwell**

The Town comprises 13.5 square miles in the approximate geographical center of the State. It is 14 miles south of Hartford and 28 miles northeast of New Haven. The Connecticut River forms the eastern boundary of the Town. A major north/south highway, Interstate 91, with two Cromwell exits, runs through the Town. Also, Connecticut Routes 99, 372 and 3 bisect the Town. The Central Connecticut Expressway (Route 9) enhances the Town's location as it connects I-95 in Old Saybrook, I-91 in Cromwell and I-84, the State's major east/west highway, in New Britain. Given the Town's location and accessibility to major roadways, the Town contributes a great deal of its residents to the area's labor force. The estimated 2021 population of Cromwell is 14,225.

The Town of Cromwell municipal government operates under a Town Charter with a Council/Manager form of government. The legislative power of the Town is vested in a combination of a Mayor and the six-member Town Council, with a Board of Finance responsible for presenting fiscal operating budgets for Referendum approval. The Town Manager is the chief executive officer and is responsible for the administration of all Town matters with the exception of education.

The Town provides a full range of municipal services including public safety (police, animal control and civil preparedness), public works (roads, building and grounds, solid waste management, engineering, motor pool and building inspections), health, sanitation, zoning compliance, senior citizen services, youth services, social services, recreation, library, education and schools and general government administrative service. As a separate legal entity, the Cromwell Fire District provides fire, ambulance and water services.

### **Local Economy and Major Initiatives**

The Town's position as a residential community is illustrated by the fact that approximately 61.0% of the October 2019 grand list was residential; down 2% from the previous year. On June 30, 2021, 94.8% of the Town's available labor force was employed. This compares favorably to the Hartford labor market area rate of 93.0% and the State rate of 93.2%.

Cromwell's location in the center of the State has always been a draw for businesses and is now drawing a variety residential development. The Town is home to residential developments designed to fit many different lifestyles, prices and ages. The newest subdivision, Arbor Meadows (high-end luxury homes) began construction in 2019 with plans for 75 homes, Phase 1 with 15 homes has been completed and work on Phase II is underway. A new 9 lot subdivision on Hicksville Road was approved in the spring of 2021.

Covenant Living of Cromwell (formerly Covenant Village) completed their major expansion project in April 2021. This project included 54 new residential units, new dining and recreation facilities and a new formal entrance road from West Street (Rt. 372). The community now has 259 total units.

Cromwell Village, a new multi-family development containing 162 luxury apartments is located at the former NIKE Site on Country Squire Drive. The project began leasing units in the spring of 2021. The development offers garages, a community center, a dog park and a swimming pool. Cromwell Village is the first new multi-family product to be built in Cromwell in the past few decades and it has virtually no competition. The scale and variety of new residential development continues to enhance Cromwell's reputation as a great place to live.

Berlin Road State Route 372 continues to be magnet for new businesses. The Marriott Springhill Suites Hotel completed construction of a 125-room hotel at 76 Berlin Road and opened for business in September of 2020, the Starbucks Coffee Shop on Berlin Road opened in January of 2021 and Café Fiore a new restaurant and banquet facility on Berlin Road opened in May of 2021. Investment continues in properties on or near the Berlin Road with the sale of the Stop & Shop shopping center for \$23+ million dollars in March of 2021 and the Cross Roads Shopping Center for \$5+ million dollars in April of 2021. Small businesses continue to move into town with a new martial arts studio, hairdressers, bakeries and a pet food store opening on Main Street.

Cromwell Growers (Cromwell Realty), one of Cromwell's top 10 taxpayers, is almost finished with construction of 119,000 square feet of new greenhouse space and 42,500 square feet of new warehouse and loading dock space. There are several applications for large scale commercial and industrial projects which are currently under review by the various Boards and Commissions.

Regulatory boards and commissions, to the extent possible, continue to evaluate the impact their decisions have on the grand list. Diversification of the grand list is considered as part of the Town's economic development initiatives.

Major initiatives tend to be measured by large expenditures and/or project size and are usually thought of in terms of capital projects. However, presented below are the highlights of the Town's special programmatic and service initiatives followed by the explanation of capital initiatives.

### **Programs and Services:**

- The Health Department continued to provide guidance in the management of the COVID-19 pandemic on State- and Town-wide levels regarding reporting, tracing, and control of the spread of the virus as information on the Delta variant and vaccination of the younger population became more available.
- An Open House was held on March 17, 2021 to showcase the completed new Public Works Facility. The 38,600 square foot building is located next to the Town's Transfer Station and houses the Highway, Sewer, and Vehicle Maintenance divisions.
- Support services and referrals to citizens of Cromwell were provided as needed. Cromwell Human Services partnered with the CT Food Bank to offer perishable food items to the needy and staff provided curbside pickup for food pantry items.
- The Library and Recreation Departments continued to offer virtual programs, however in-person programs also opened back up to more participants as the infection rate dropped. Summer camp, movies, and concerts were held following social distancing guidelines. Library staff provided curbside pickup of books as well as "take and make" projects.

**Capital Projects:**

- The Town continued work on three infrastructure projects, funded primarily through Federal/State grant funds, as well as other improvements to infrastructure.
- School construction projects were put on hold due to the pandemic and the necessity of providing a new paradigm for educating students.

Cromwell's growth in both residential and commercial areas reflect its strong and healthy local economy. Cromwell has maintained a AAA credit rating from Standard & Poor's Rating Agency since 2014.

**Long-Term Financial Planning**

The Town of Cromwell established a Long-Range Capital Planning Committee in March 2007 and has successfully made strategic improvements to the Town's infrastructure and facilities, using a combination of cash reserves and debt. This Committee reviews capital improvement requests from various departments, including Education, with a short- and long-term perspective, prioritizing needs and using financial forecasting and analysis.

The Town's Capital Improvement Program, approved annually by the Town Council, includes a 5-year planning document. The Town has historically used unassigned General Fund fund balance to support a Capital and Non-Recurring Fund. The Board of Finance deferred approval of some capital items proposed during the FY2021 budget until final operating results for FY2020 were known. This included items such as a review of the Town's job descriptions, funds for the update of the Plan of Conservation and Development, and a couple police vehicles. Additional items, including the Town Hall roof replacement, a retaining wall on Main Street, a backhoe, a dump truck, and funds for the Cromwell High School Consumer Sciences kitchen renovations, were addressed by the Board of Finance in April/May 2021.

The Town seeks to maintain a debt ratio (annual service debt to budget) between 8% and 10% with the intention of creating better stability of mill rates and maintaining constant and adequate funding for the capital needs of the community. Discussion is anticipated to resume regarding major school renovations/construction projects in 2021/2022.

**Relevant Financial Policies and Practices**

Cromwell's Town Council has formally adopted key financial policies. The Town's financial policies have been applied consistently with the prior year and had no notable current year effect on the financial statements.

The Town adhered to the adopted fund balance policy (January 8, 2020) and cautiously utilized some of the excess fund balance for additional capital projects as noted above. The level of unassigned fund balance that the Town strives to maintain is an amount no less than 15% of the Town's general fund budget and no greater than 17%, with the intent of the Town to aim for an amount equal to 60 days of operating expenses from the current operating budget. In accordance with prudent budgeting practices, the unassigned fund balance will not be used on a routine basis to lower taxes or to offset normal operating expenditures.

The Board of Finance committed a total of \$1,420,200 toward the 2022 budget. Of this amount, \$729,000 was allocated to fund the 2021-22 Capital and Non-Recurring requests that included \$225,000 for assessment revaluation (5-year cycle), road improvements, vehicles, a server, and TASERs for the police department.

An additional \$121,200 was allocated toward the Town's portion of the Coles Road renovation project. This is in keeping with the Board of Finance's historical practices and philosophy. The balance was committed with the intention to stabilize the mill rate in light of the pandemic's economic impact.

The Town's Debt Management and Capital Planning policy is used in assessing and planning the Town's capital needs, the determination of appropriate funding methods, and the management of debt and capital assets at a portfolio level.

### **Certificate of Achievement and Acknowledgments**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Cromwell, Connecticut for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2020. This was the thirtieth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

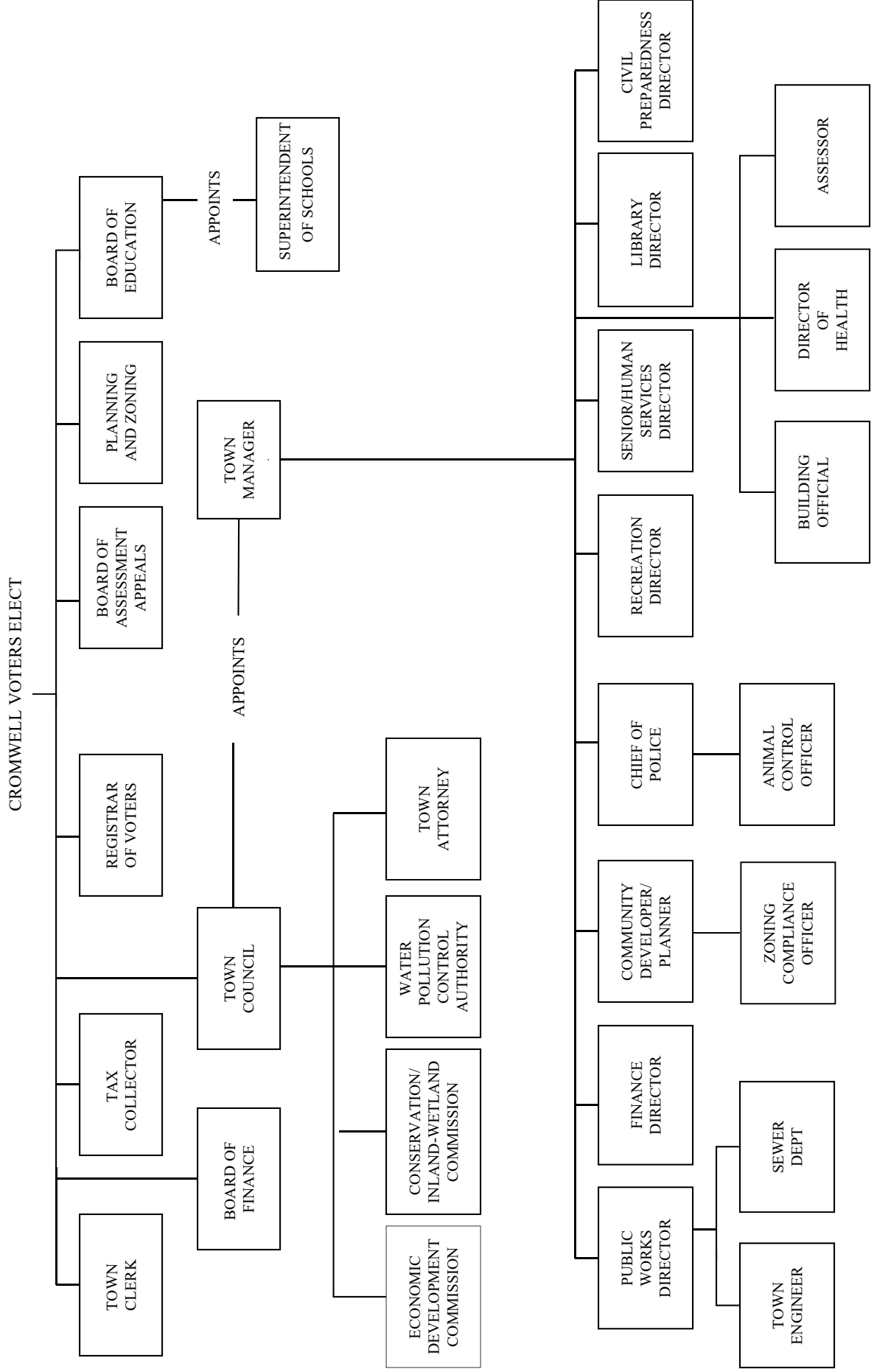
The preparation of this Annual Comprehensive Financial Report on a timely basis was made possible by the efficient and dedicated service of the entire staff of the Finance Department, to whom I extend my sincere appreciation. I also thank the Town Manager, the Town Council, and the Board of Finance for the interest and support in planning and conducting the financial operations of the Town in a responsible and progressive manner.

Respectfully submitted,

A handwritten signature in dark ink, reading "Marianne Sylvester". The signature is written in a cursive, flowing style.

Marianne Sylvester  
Finance Director

# ORGANIZATIONAL CHART



**Town of Cromwell, Connecticut**

**Principal Officials  
June 30, 2021**

Mayor  
Town Clerk  
Tax Collector

Enzo Faienza  
JoAnn Doyle  
Douglas Sienna

**Town Council**

Jennifer Donohue  
Pat Ahlquist  
Jack Henehan

Al Waters  
Steve Fortenbach  
James Demetriades

**Board of Finance**

Julius Neto, Chairman  
Allan Spotts, Vice - Chairman  
Steve Wygonowski

John Ireland  
Daniel Kelly  
Edwin Maley, Jr.

**Board of Education**

Michael J. Camilleri, Chairman  
Jennifer Lamberson  
Jeffrey Matrullo - Chairman  
Kathryn Russ  
John Flanders

Lindsey Merli  
Celine Kelleher  
Dipti Post  
Laurie Cantwell  
Luis Menendez

Superintendent of Schools

Enza Macri

**Administration**

Town Manager  
Animal Control Officer  
Assessor  
Building Official  
Chief of Police  
Developer/Planner  
Director of Finance  
Director of Human Services/Senior Center/Youth Services  
Director of Public Works  
Director of Recreation  
Library Director  
Town Engineer  
Zoning Officer

Anthony J. Salvatore  
Cheryl Gagnon  
Shawna Baron  
John Egan  
Denise LaMontagne  
Stuart Popper  
Marianne Sylvester  
Amy Saada  
Louis Spina  
Scott Kieras  
Kara Canney  
Jonathan Harriman  
Bruce Driska



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Town of Cromwell  
Connecticut**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2020

*Christopher P. Morill*

Executive Director/CEO

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## Financial Section

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## **Independent Auditors' Report**

**Town Council  
Town of Cromwell, Connecticut**

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

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

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

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

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

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

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

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

***Opinions***

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

***Other Matters***

***Required Supplementary Information***

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

***Supplementary and Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The introductory section, supplemental schedules and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

**Town Council  
Town of Cromwell, Connecticut**

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The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2021, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

*PKF O'Connor Davies, LLP*

Wethersfield, Connecticut  
December 9, 2021



# Town of Cromwell

NATHANIEL WHITE BUILDING  
41 WEST STREET  
CROMWELL, CONNECTICUT 06416

## Management's Discussion and Analysis For the Year Ended June 30, 2021

As management of the Town of Cromwell, Connecticut ("Town"), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2021. Please read it in conjunction with the Town's financial statements immediately following this section.

### **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 \$113,164,816 (net position). Unrestricted net position was \$7,788,607.

The Town's total net position increased by \$4,486,967. The increase is substantially due to the following:

➤ negative operations of the general fund of	\$ (1,635,738)
➤ positive operations of the sewer usage fund of	584,591
➤ negative operations of the capital projects fund of	(1,189,627)
➤ negative operations of the other governmental funds of	(213,534)

Conversion to accrual basis on Exhibit E:

➤ net principal debt activity of	2,894,175
➤ amortization of premium of	471,432
➤ change in pension liability of	4,196,288
➤ change in OPEB liability of	424,730
➤ change in pension and OPEB deferred outflows/inflows of resources of	(4,923,595)

The Town's governmental funds reported combined fund balance of \$22,805,038 a decrease of \$2,454,308 compared to the prior year. The change is based on the operating results of each major fund noted above and described in further detail in the Financial Analysis of the Town's Fund section.

- At the end of the current fiscal year, unassigned fund balance for the general fund was \$11,399,241 or 21.00% of total general fund budgetary expenditures and transfers.
- The Town's total bonds and notes payable decreased by \$2,894,175 or 13.30% due to issuance of equipment financing notes of \$283,171 offset by scheduled principal payments.
- Net capital assets increase by \$3,334,741 or 2.80%. The increase is attributable to capital asset additions for construction in progress, infrastructure improvements and vehicles in excess of depreciation expense.

- The investment performance for the Town's pension fund resulted in an annual money weighted return, net of investment expense of 24.80%. As a result, The Town's pension plan is now 101.31% funded.

### **Overview of the basic financial statements**

This discussion and analysis is intended to serve as an introduction to the Town of Cromwell's basic financial statements. The Town's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to financial statements. The statement of fiduciary net position is used to present financial information about activities for which the Town acts solely as an agent for the benefit of employees and others.

### **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, liabilities and deferred inflows of resources with the difference between these accounts 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 Town's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses reported in this statement are for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements present the functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the Town include general government, public safety, public works, culture and recreation, human services and education.

### **Fund financial statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

### **Governmental funds**

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a Town's near-term financing requirements.

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

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, Sewer Usage Fund and Capital Projects Fund, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these other governmental funds is provided in the combining statements on Schedules 4 and 5.

### **Proprietary funds**

The Town maintains two proprietary funds, both of which are internal service 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 its dental benefits and heart and hypertension claims. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

### **Fiduciary funds**

Fiduciary funds are used to account for resources held for the benefit of parties outside the Town. 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 accounting used for fiduciary funds is much like that used for proprietary funds.

### **Notes to 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.

### **Required supplementary information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information as follows:

- A budgetary comparison schedule for the General Fund to demonstrate compliance with this budget.
- Schedules to demonstrate the Town's progress in funding its obligation to provide pension benefits.
- Schedules to demonstrate the Town's progress in funding its obligation to provide other post-employment benefits.

### **Other information**

The combining statements referred to earlier in connection with other governmental funds are presented immediately following the required supplementary information on pensions and other post-employment benefits.

### **Government-wide financial analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$113,164,816 at the close of the most recent fiscal year.

By far the largest portion of the Town's net position (89.69%) reflects its investment in capital assets (e.g., land, construction in progress, buildings and improvements, improvements other than buildings, furniture and equipment, and infrastructure), 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.

### **Government-wide financial analysis**

#### **Summary Statement of Net Position June 30**

	<b><u>2021</u></b>	<b><u>2020</u></b>
Current and other assets	\$ 31,619,093	\$ 33,731,153
Capital assets (net)	<u>122,596,165</u>	<u>119,261,424</u>
Total assets	<u>154,215,258</u>	<u>152,992,577</u>
Deferred outflows of resources	<u>3,878,178</u>	<u>5,372,162</u>
Current liabilities outstanding	9,649,932	9,978,685
Long-term liabilities outstanding	<u>26,928,008</u>	<u>34,844,275</u>
Total liabilities	<u>36,577,940</u>	<u>44,822,960</u>
Deferred inflows of resources	<u>8,350,680</u>	<u>4,863,930</u>
Net position:		
Net investment in capital assets	101,502,036	97,968,700
Restricted	3,874,173	3,679,161
Unrestricted	<u>7,788,607</u>	<u>7,029,988</u>
Total net position	<u>\$ 113,164,816</u>	<u>\$ 108,677,849</u>

A small portion of the Town's net position, 3.42%, represents resources that are subject to external restrictions on how they may be used.

The unrestricted balance is 6.88%, and may be used to meet the Town's ongoing obligations to citizens and creditors.

**Government-wide financial analysis (continued)**
**Statement of Changes in Net Position  
For the Years Ended June 30**

	<b>2021</b>	<b>2020</b>
Revenues:		
Program revenues:		
Charges for services	\$ 5,723,410	\$ 5,737,347
Operating grants and contributions	13,613,745	11,779,381
Capital grants and contributions	4,038,020	1,710,793
General revenues:		
Property taxes	45,576,417	43,949,313
Grants and contributions not restricted to specific programs	95,754	106,486
Income from investments	71,297	585,010
Other	40,748	157,036
Total revenues	<u>69,159,391</u>	<u>64,025,366</u>
Expenses:		
General government	3,901,658	4,056,518
Public safety	6,570,280	5,956,091
Public works	9,882,832	9,658,198
Culture and recreation	1,234,944	1,353,059
Human services	837,594	819,289
Education	41,952,756	40,096,310
Interest	292,360	243,502
Total expenses	<u>64,672,424</u>	<u>62,182,967</u>
Change in net position	4,486,967	1,842,399
Net position - July 1 (as restated)	108,677,849	106,482,889
Restatements (Note VI)	<u>-</u>	<u>352,561</u>
Net position - June 30	<u>\$ 113,164,816</u>	<u>\$ 108,677,849</u>

Property taxes comprise 65.90% of revenues, followed by grants and contributions 25.66%, charges for services 8.28% and investment earnings/other 0.19%.

Significant revenue related changes are as follows:

- Operating grants and contributions increased by \$1,834,364 primarily due to an increase of \$422,260 for the Open Choice Grant and \$1,032,262 for COVID-19 related grants.
- Capital grants and contributions increased by \$2,327,227 primarily due to a \$1,780,321 increase in the amount received for the highway planning grant from the prior year and a \$874,696 increase in State LOTCIP grant.



### **Government-wide financial analysis (continued)**

With respect to expenses, 64.87% of the Town's expenses relate to education, followed by 15.28% to public works, 10.20% to public safety, 5.99% to general government, 1.91% to culture and recreation, 1.30% to human services and 0.45% to interest on long-term debt.

- Public safety expenses increased by \$614,189 primarily due to an increase in police department operations of \$254,945 plus increases in wages of \$125,555 for police outside services.
- Education expenses increased by \$1,856,446 primarily due to an increase in the operational budget of \$1,105,228 and increase in COVID-19 related grant expenditures of \$781,399.

### **Financial analysis of the Town's funds**

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

### **Governmental funds**

The focus of the Town's governmental funds is to provide information on near-term inflows, outflows and balances of expendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a Town's net resources available for spending at the end of the fiscal year.

The Town reports fund balance in 5 categories. The following are the categories and definitions:

- Nonspendable fund balance - not in spendable form such as inventories and prepaid expenditures.
- Restricted fund balance - limitations imposed by external parties, grantors or by legislation.
- Committed fund balance - can only be spent for specific purposes as established by the government's highest level of decision-making authority or contractual obligations.
- Assigned fund balance - amounts that are intended for a specific purpose but do not meet the definition of restricted or committed (i.e., designated for subsequent year's budget).
- Unassigned fund balance - amounts available for any purpose.

As of the end of the current fiscal year, the Town's governmental funds reported a combined ending fund balance of \$22,805,038, a decrease of \$2,454,308 in comparison with the prior year.

The components of fund balance were as follows:

Nonspendable	\$ 6,237
Restricted	3,867,936
Committed	5,887,904
Assigned	1,643,720
Unassigned	11,399,241
Total	<u>\$ 22,805,038</u>

### **Governmental funds (continued)**

**General fund.** The general fund is the operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the general fund was \$11,399,241, while total fund balance was \$13,042,961. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 21.00% of total general fund budgetary expenditures and transfers out, while total fund balance represents 24.03% of that same amount.

During the current fiscal year, the fund balance of the Town's general fund decreased by \$1,635,738. The decrease was primarily due to property tax revenues were under budget by \$424,721 and charges for services exceeding the amount budgeted by \$556,914. In addition, expenditures were underspent by a total of \$688,778. The details of the specific departments that were underspent are discussed under budgetary highlights.

These items were offset by the Town budgeting the use of fund balance of \$363,300 and additional appropriations of \$2,365,366 for capital nonrecurring projects.

**Sewer usage fund.** The fund accounts for the Town's sewer usage operations. During the year, revenues exceeded expenditures by \$584,591, as compared to \$296,070 in the prior year. The increase is primarily due to \$617,225 more in outlet charges as there was more new construction compared to the prior year. Fund balance at year end was \$2,877,474.

Expenditures were \$64,362 higher than the prior year. This is substantially due to increases for employee wages of \$39,864.

**Capital projects fund.** This fund accounts for various capital and capital nonrecurring projects. The Capital Projects Fund's net change in fund balance was a decrease of \$1,189,627. This is a result of the construction costs for the Public Works/WPCA Facility of \$3,199,670 and the North Road Extension Bridge Project and Coles Road projects of \$3,663,260 offset by a transfer in of \$2,788,866 from the general fund and grant funding of \$3,291,217. The deficit operations is due to bonds being issued in prior years for expenditures in the current year.

### **Proprietary funds**

The dental insurance internal service fund and the heart and hypertension fund are the Town's proprietary funds. Unrestricted net position for the dental insurance fund at year end was \$158,120, an increase of \$298 from the prior year, due to actual claims being close to the amount anticipated. Unrestricted net position for the heart and hypertension fund at year end was \$83,657 a decrease of \$10,884 from the prior year due to claims being more than anticipated.

### **General fund budgetary highlights**

The difference between the original budget and the final amended budget was \$2,365,366. The additional appropriations were for various capital projects as discussed above.

#### **Expenditures**

- General government expenditures were underspent by \$293,786 due to the under expending of benefits due to conservative budgeting practices.
- Public works expenditures were underspent by \$125,048 due to parks and grounds less than anticipated and vacancies.
- Public safety expenditures were underspent by \$116,775 due to vacancies in the police department.

## **Capital assets and debt administration**

### **Capital assets**

The Town's investment in capital assets amounts to \$122,596,165 (net of accumulated depreciation). This investment in capital assets is as follows:

<b>Capital Assets (Net of Accumulated Depreciation) June 30</b>		
	<b>2021</b>	<b>2020</b>
Land	\$ 8,795,275	\$ 8,795,275
Construction in progress	15,969,583	14,394,865
Buildings and improvements	46,355,715	45,011,512
Improvements other than buildings	1,566,933	1,597,155
Furniture and equipment	2,291,992	2,463,980
Infrastructure	47,616,667	46,998,637
<b>Total</b>	<b>\$ 122,596,165</b>	<b>\$ 119,261,424</b>

The capital assets (net of depreciation) increased in the current year by \$3,334,741. The increase is due to capital additions exceeding depreciation expense. In the current year, the Town had net capital asset additions totaling \$7,868,639 and deductions totaling \$238,296.

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

Construction in progress additions of:

➤ North road extension bridge	\$ 1,994,570
➤ Coles road reconstruction	1,668,690
➤ Public works facility	3,199,671
➤ River landing park	254,716

Building addition from construction in progress:

➤ Library expansion	3,159,876
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Infrastructure addition from construction in progress:

➤ Willowbrook road project	2,387,822
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Vehicles purchases:

➤ Police cars	119,050
➤ Town and education vehicles	61,334

Additional information on the Town's capital assets can be found in Note III D.

### **Long-term debt**

At the end of the fiscal year, the Town had total bonded debt and notes outstanding of \$18,866,486. All debt is backed by the full faith and credit of the Town.

#### **Long-Term Debt June 30**

	<b>2021</b>	<b>2020</b>
General obligation bonds	\$ 18,460,000	\$ 21,425,000
Equipment financing notes	406,486	335,661
Total	<u>\$ 18,866,486</u>	<u>\$ 21,760,661</u>

During the current fiscal year, the Town's total long-term debt decreased by \$2,894,175 due to issuance of equipment financing notes of \$283,171 offset by scheduled principal payments.

The Town maintains an AAA credit rating from Standard and Poor's during the fiscal year for general obligation debt.

State Statutes limit the amount of general obligation debt a governmental entity may issue to 7 times total prior year tax collections including interest and lien fees. The current debt limitation for the Town is \$338,582,615, which is significantly in excess of the Town's outstanding general obligation debt.

Additional information on the Town's long-term debt can be found in Note III F.

### **Economic factors and next year's budgets and rates**

- The unemployment rate for the State is currently 6.8%, which is a decrease from a rate of 10.1% a year ago. The Town's unemployment rate was 5.2% as compared to 8.9% in the prior year. The decreases are due to the job market recovery subsequent to the coronavirus pandemic.
- The potential impact of the pandemic on the local economy, businesses and Town revenues is being closely monitored. For fiscal year 2021, there was a negative impact on recreation fees, but other revenues such as building permits and conveyance taxes were positively impacted. The Town did not see any impact on tax collections for prior fiscal year and there is no indication that there will be an impact on 2022 collections.
- Inflationary trends in the region compare favorably to national indices.

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

### **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. For questions concerning any of the information provided in this report or requests for additional financial information contact the Finance Department, Town of Cromwell, 41 West Street, Cromwell, Connecticut 06416 or visit [www.cromwellct.com](http://www.cromwellct.com).

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# **Basic Financial Statements**

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Town of Cromwell, Connecticut

Statement of Net Position  
Governmental Activities  
June 30, 2021

Assets

Current assets:	
Cash	\$ 11,247,472
Investments	17,508,017
Receivables (net):	
Property taxes	851,823
Intergovernmental	205,172
Assessments and usage	275,486
Other	357,781
Other assets	15,275
Total current assets	<u>30,461,026</u>
Noncurrent assets:	
Restricted assets:	
Temporarily restricted:	
Cash	3,563
Investments	394,891
Permanently restricted:	
Investments	6,237
Total restricted assets	<u>404,691</u>
Receivables (net):	
Property taxes	275,165
Assessments and usage	67,917
Total receivables (net)	<u>343,082</u>
Net pension asset	<u>410,294</u>
Capital assets (net of accumulated depreciation):	
Land	8,795,275
Construction in progress	15,969,583
Buildings and improvements	46,355,715
Improvements other than buildings	1,566,933
Furniture and equipment	2,291,992
Infrastructure	47,616,667
Total capital assets (net of accumulated depreciation)	<u>122,596,165</u>
Total noncurrent assets	<u>123,754,232</u>
Total assets	<u>154,215,258</u>

Deferred Outflows of Resources

Deferred charge on refunding	181,375
Pension related	3,435,036
OPEB related	261,767
Total deferred outflows of resources	<u>3,878,178</u>

(Continued)

The notes to financial statements are an integral part of this statement.

Town of Cromwell, Connecticut

Statement of Net Position  
Governmental Activities  
June 30, 2021

Liabilities

Liabilities:

Current liabilities:

Accounts payable	\$ 729,704
Retainage payable	250,669
Accrued payroll and related liabilities	430,326
Accrued interest payable	145,550
Unearned revenue	4,702,397
Bonds and notes payable	2,959,108
Compensated absences	299,520
Claims payable	132,658
	<hr/>

Total current liabilities	9,649,932
	<hr/>

Noncurrent liabilities:

Performance bonds	394,128
Bonds, notes and related liabilities	18,001,550
Compensated absences	1,198,082
Net pension liability	5,101,444
Net OPEB liability	2,181,093
Claims payable	51,711
	<hr/>

Total noncurrent liabilities	26,928,008
	<hr/>

Total liabilities	36,577,940
	<hr/>

Deferred Inflows of Resources

Pension related	5,542,557
OPEB related	2,808,123
	<hr/>

Total deferred inflows of resources	8,350,680
	<hr/>

Net Position

Net investment in capital assets	101,502,036
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Restricted for:

Endowments:

Nonexpendable	6,237
Expendable	4,326
Public safety	26,081
Public works	3,514,134
Culture and recreation	148,742
Human services	69,151
Education	105,502
Unrestricted	7,788,607
	<hr/>

Total net position	\$ 113,164,816
	<hr/>

(Concluded)

The notes to financial statements are an integral part of this statement.

## Town of Cromwell, Connecticut

**Statement of Activities  
Governmental Activities  
For The Year Ended June 30, 2021**

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
General government	\$ 3,901,658	\$ 488,203	\$ 314,508	\$ -	\$ (3,098,947)
Public safety	6,570,280	764,162	12,582	-	(5,793,536)
Public works	9,882,832	3,470,858	-	3,938,020	(2,473,954)
Culture and recreation	1,234,944	262,428	147,297	100,000	(725,219)
Human services	837,594	34,370	52,826	-	(750,398)
Education	41,952,756	703,389	13,086,532	-	(28,162,835)
Interest	292,360	-	-	-	(292,360)
<b>Total</b>	<b>\$ 64,672,424</b>	<b>\$ 5,723,410</b>	<b>\$ 13,613,745</b>	<b>\$ 4,038,020</b>	<b>(41,297,249)</b>
General revenues:					
Property taxes					45,576,417
Grants and contributions not restricted to specific programs					95,754
Income from investments					71,297
Other					40,748
<b>Total general revenues</b>					<b>45,784,216</b>
Change in net position					4,486,967
Net position - July 1, 2020 (as restated)					108,677,849
Net position - June 30, 2021					<b>\$ 113,164,816</b>

The notes to financial statements are an integral part of this statement.



Town of Cromwell, Connecticut

Balance Sheet  
Governmental Funds  
June 30, 2021

	General	Sewer Usage	Capital Projects	Other Governmental Funds	Total Governmental Funds
<u>Assets</u>					
Cash	\$ 906,691	\$ 3,683,958	\$ 4,898,013	\$ 1,499,389	\$ 10,988,051
Investments	13,571,062	1,000,000	2,848,831	20,124	17,440,017
Restricted investments	394,128	-	-	-	394,128
Receivables (net):					
Property taxes	1,126,988	-	-	-	1,126,988
Intergovernmental	-	-	-	205,172	205,172
Sewer assessments and use charges	-	198,327	107,251	-	305,578
Other	351,830	-	809	5,142	357,781
Due from other funds	-	-	-	10,295	10,295
Other	-	-	-	15,275	15,275
Total assets	<u>\$ 16,350,699</u>	<u>\$ 4,882,285</u>	<u>\$ 7,854,904</u>	<u>\$ 1,755,397</u>	<u>\$ 30,843,285</u>
<u>Liabilities</u>					
Cash overdraft	\$ -	\$ -	\$ -	\$ 88,162	\$ 88,162
Accounts payable	527,999	13,416	99,906	88,383	729,704
Retainage payable	-	-	250,669	-	250,669
Accrued payroll and related liabilities	415,157	15,169	-	-	430,326
Due to other funds	10,295	-	-	-	10,295
Unearned revenue	833,171	1,777,899	2,047,830	43,497	4,702,397
Performance bonds	394,128	-	-	-	394,128
Total liabilities	<u>2,180,750</u>	<u>1,806,484</u>	<u>2,398,405</u>	<u>220,042</u>	<u>6,605,681</u>
<u>Deferred Inflows of Resources</u>					
Unavailable revenue:					
Property taxes	1,126,988	-	-	-	1,126,988
Sewer assessments and use charges	-	198,327	107,251	-	305,578
Total deferred inflows of resources	<u>1,126,988</u>	<u>198,327</u>	<u>107,251</u>	<u>-</u>	<u>1,432,566</u>
<u>Fund Balances</u>					
Nonspendable	-	-	-	6,237	6,237
Restricted	-	2,877,474	636,660	353,802	3,867,936
Committed	-	-	4,712,588	1,175,316	5,887,904
Assigned	1,643,720	-	-	-	1,643,720
Unassigned	11,399,241	-	-	-	11,399,241
Total fund balances	<u>13,042,961</u>	<u>2,877,474</u>	<u>5,349,248</u>	<u>1,535,355</u>	<u>22,805,038</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 16,350,699</u>	<u>\$ 4,882,285</u>	<u>\$ 7,854,904</u>	<u>\$ 1,755,397</u>	<u>\$ 30,843,285</u>

(Continued)

The notes to financial statements are an integral part of this statement.

**Town of Cromwell, Connecticut**  
**Reconciliation of Fund Balance**  
**to Net Position of Governmental Activities**  
**June 30, 2021**

Amounts reported in the statement of net position (Exhibit A) are different from the governmental fund balance sheet due to:

Total fund balance (Exhibit C, Page 1 of 2)	\$ 22,805,038
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Beginning capital assets	119,261,424
Current year additions (net of construction in progress)	7,868,639
Depreciation expense	(4,533,898)
<b>Total</b>	<b>122,596,165</b>

Other long-term assets and deferred outflows of resources are not available resources and, therefore, are not reported in the funds:

Net pension asset	410,294
Property tax interest and lien accrual	49,825
Allowance for doubtful accounts	(12,000)
Deferred charge on refunding	181,375
Deferred outflows related to pensions	3,435,036
Deferred outflows related to OPEB	261,767
<b>Total</b>	<b>4,326,297</b>

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

Property tax - accrual basis change	1,126,988
Sewer use and assessments receivable - accrual basis change	305,578
<b>Total</b>	<b>1,432,566</b>

Internal service funds are used by management to charge the cost of dental insurance and heart and hypertension to individual departments:

The assets and liabilities of the internal service funds are included in the statement of net position	241,777
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Some liabilities and deferred inflows of resources, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:

Bonds and notes payable	(18,866,486)
Premium	(2,094,172)
Compensated absences	(1,497,602)
Net pension liability	(5,101,444)
Net OPEB liability	(2,181,093)
Accrued interest payable	(145,550)
Deferred inflows related to pensions	(5,542,557)
Deferred inflows related to OPEB	(2,808,123)
<b>Total</b>	<b>(38,237,027)</b>

Net position (Exhibit A)	<b>\$ 113,164,816</b>
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(Concluded)

The notes to financial statements are an integral part of this statement.

## Town of Cromwell, Connecticut

**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For The Year Ended June 30, 2021**

	<u>General</u>	<u>Sewer Usage</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:					
Property taxes	\$ 45,191,914	\$ -	\$ -	\$ -	\$ 45,191,914
Intergovernmental	10,369,389	-	3,762,199	3,557,653	17,689,241
Charges for services	2,128,708	2,800,442	29,458	969,767	5,928,375
Income from investments	55,486	4,542	9,851	1,024	70,903
Contributions	-	-	-	58,278	58,278
Other	40,748	-	-	-	40,748
Total revenues	<u>57,786,245</u>	<u>2,804,984</u>	<u>3,801,508</u>	<u>4,586,722</u>	<u>68,979,459</u>
Expenditures:					
Current:					
General government	6,703,642	-	-	76,631	6,780,273
Public safety	4,038,473	-	-	24,138	4,062,611
Public works	4,323,531	1,920,393	-	-	6,243,924
Culture and recreation	818,869	-	-	186,363	1,005,232
Human services	657,699	-	-	71,930	729,629
Education	36,539,203	-	-	4,155,544	40,694,747
Debt service	3,551,700	-	-	285,650	3,837,350
Capital outlay	-	-	8,363,172	-	8,363,172
Total expenditures	<u>56,633,117</u>	<u>1,920,393</u>	<u>8,363,172</u>	<u>4,800,256</u>	<u>71,716,938</u>
Excess (deficiency) of revenues over expenditures	<u>1,153,128</u>	<u>884,591</u>	<u>(4,561,664)</u>	<u>(213,534)</u>	<u>(2,737,479)</u>
Other financing sources (uses):					
Issuance of debt	-	-	283,171	-	283,171
Transfers in	-	-	3,088,866	-	3,088,866
Transfers out	<u>(2,788,866)</u>	<u>(300,000)</u>	<u>-</u>	<u>-</u>	<u>(3,088,866)</u>
Net other financing sources (uses)	<u>(2,788,866)</u>	<u>(300,000)</u>	<u>3,372,037</u>	<u>-</u>	<u>283,171</u>
Net change in fund balances	<u>(1,635,738)</u>	<u>584,591</u>	<u>(1,189,627)</u>	<u>(213,534)</u>	<u>(2,454,308)</u>
Fund balances - July 1, 2020 (as restated)	<u>14,678,699</u>	<u>2,292,883</u>	<u>6,538,875</u>	<u>1,748,889</u>	<u>25,259,346</u>
Fund balances - June 30, 2021	<u>\$ 13,042,961</u>	<u>\$ 2,877,474</u>	<u>\$ 5,349,248</u>	<u>\$ 1,535,355</u>	<u>\$ 22,805,038</u>

The notes to financial statements are an integral part of this statement.

## Town of Cromwell, Connecticut

**Reconciliation of the Statement of Revenues, Expenditures and Changes  
in Fund Balances of Governmental Funds to Statement of the Activities  
For The Year Ended June 30, 2021**

Amounts reported in the statement of activities (Exhibit B) are different due to:

Net change in fund balances - total governmental funds (Exhibit D) \$ (2,454,308)

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	7,868,639
Depreciation expense	<u>(4,533,898)</u>
Total	<u>3,334,741</u>

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

Change in property tax - accrual basis change	384,503
Change in sewer use/assessments - accrual basis change	(216,440)
Change in sewer interest and lien revenue	<u>11,475</u>
Total	<u>179,538</u>

The issuance of long-term debt (e.g., bonds, equipment financing notes) 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 premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The details of these differences in the treatment of long-term debt and related items are as follows:

Debt issued or incurred:	
General obligation bonds and notes	(283,171)
Principal repayments:	
General obligation bonds and notes	<u>3,177,346</u>
Total	<u>2,894,175</u>

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 premium	471,432
Change in:	
Compensated absences	68,046
Net pension liability	4,196,288
Net pension asset	410,294
Net OPEB liability	424,730
Accrued interest payable	(46,649)
Amortization of deferred charges	(57,139)
Amortization of deferred outflows related to pension	(1,252,797)
Amortization of deferred inflows related to pension	(3,538,267)
Amortization of deferred outflows related to OPEB	(184,048)
Amortization of deferred inflows related to OPEB	<u>51,517</u>
Total	<u>543,407</u>

The net revenue (expense) of the activities of the internal service funds are used by management to account for dental insurance and heart and hypertension claims (10,586)

Change in net position (Exhibit B) \$ 4,486,967

The notes to financial statements are an integral part of this statement.

## Town of Cromwell, Connecticut

**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2021**

	<u>Internal Service Funds</u>
<u>Assets</u>	
Cash	\$ 351,146
Investments	<u>75,000</u>
Total assets	<u>426,146</u>
<u>Liabilities</u>	
Current liabilities:	
Claims payable	132,658
Noncurrent liability:	
Claims payable	<u>51,711</u>
Total liabilities	<u>184,369</u>
<u>Net Position</u>	
Unrestricted	<u><u>\$ 241,777</u></u>

The notes to financial statements are an integral part of this statement.

## Town of Cromwell, Connecticut

**Statement of Revenues, Expenses and Changes in Net Position**  
**Proprietary Funds**  
**For The Year Ended June 30, 2021**

	<u>Internal Service Funds</u>
Operating revenues:	
Charges for services	\$ 323,391
Operating expenses:	
Claims	<u>334,371</u>
Operating income (loss)	(10,980)
Income from investments	<u>394</u>
Change in net position	(10,586)
Total net position - July 1, 2020	<u>252,363</u>
Total net position - June 30, 2021	<u><u>\$ 241,777</u></u>

The notes to financial statements are an integral part of this statement.

## Town of Cromwell, Connecticut

**Statement of Cash Flows**  
**Proprietary Funds**  
**For The Year Ended June 30, 2021**

	<u>Internal Service Funds</u>
Cash flows from (used in) operating activities:	
Cash received for charges for services	\$ 323,391
Cash paid for benefits and claims	(295,816)
Cash paid for administration	<u>(33)</u>
Net cash from (used in) operating activities	27,542
Cash flows from (used in) investing activities:	
Income from investments	<u>394</u>
Net increase (decrease) in cash	27,936
Cash and cash equivalents - July 1, 2020	<u>398,210</u>
Cash and cash equivalents - June 30, 2021	<u><u>\$ 426,146</u></u>
Reconciliation to Exhibit F cash:	
Cash and cash equivalents per above	\$ 426,146
Cash and cash equivalents reported as investments	<u>(75,000)</u>
Cash - Exhibit F	<u><u>\$ 351,146</u></u>
Reconciliation of operating income (loss) to net cash from operating activities:	
Operating income (loss)	\$ (10,980)
Adjustments to reconcile operating income (loss) to net cash from operating activities:	
Increase (decrease) in:	
Accounts payable	(33)
Claims payable	<u>38,555</u>
Net cash from operating activities	<u><u>\$ 27,542</u></u>

The notes to financial statements are an integral part of this statement.

## Town of Cromwell, Connecticut

**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2021**

	Pension and OPEB Trust Funds	Private- Purpose Trust Fund
	<u>                    </u>	<u>                    </u>
<u>Assets</u>		
Cash	\$ 430,745	\$ 51,098
Investments:		
Common stock	17,394,936	-
Common stock - international	6,677,095	-
U.S. government obligations	4,941,124	-
Corporate bonds	2,444,734	-
Real estate investment trusts	816,903	-
Money market mutual fund	829,749	-
Pooled fixed income	375,833	-
	<u>                    </u>	<u>                    </u>
Total investments	33,480,374	-
	<u>                    </u>	<u>                    </u>
Accrued interest	51,471	-
	<u>                    </u>	<u>                    </u>
Total assets	33,962,590	51,098
	<u>                    </u>	<u>                    </u>
<u>Net Position</u>		
Restricted for:		
Pensions	31,711,413	-
OPEB	2,251,177	-
Individuals and organizations	-	51,098
	<u>                    </u>	<u>                    </u>
Total net position	\$ 33,962,590	\$ 51,098
	<u>                    </u>	<u>                    </u>

The notes to financial statements are an integral part of this statement.



## Town of Cromwell, Connecticut

**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For The Year Ended June 30, 2021**

	Pension and OPEB Trust Funds	Private- Purpose Trust Fund
	<u>                    </u>	<u>                    </u>
Additions:		
Contributions:		
Employer	\$ 1,243,299	\$ -
Plan members	284,135	-
State Teachers' Retirement subsidy	26,838	-
Private	<u>-</u>	<u>629</u>
Total contributions	<u>1,554,272</u>	<u>629</u>
Investment income (loss):		
Net change in fair value of investments	6,555,942	-
Interest and dividends	<u>569,278</u>	<u>-</u>
Total investment income (loss)	7,125,220	-
Less investment expenses	<u>265,161</u>	<u>-</u>
Net investment income (loss)	<u>6,860,059</u>	<u>-</u>
Total additions	<u>8,414,331</u>	<u>629</u>
Deductions:		
Benefits	1,922,712	-
Administration	<u>23,078</u>	<u>-</u>
Total deductions	<u>1,945,790</u>	<u>-</u>
Changes in net position	6,468,541	629
Net position - July 1, 2020	<u>27,494,049</u>	<u>50,469</u>
Net position - June 30, 2021	<u><u>\$ 33,962,590</u></u>	<u><u>\$ 51,098</u></u>

The notes to financial statements are an integral part of this statement.

## Town of Cromwell, Connecticut

**Notes to Financial Statements  
As of and for the Year Ended June 30, 2021****History and organization**

The Town of Cromwell, Connecticut ("Town") operates under a Mayor-Council form of government established by a charter. The Town offers a full range of services authorized by the charter, including general government, public safety, public works, culture and recreation, human services and education to its residents.

The accompanying financial statements present the Town and its component units, entities for which the Town is considered to be financially accountable. The Town is financially accountable for the pension and OPEB trust funds and therefore, are considered fiduciary component units. The financial statements of the fiduciary component units they are reported as pension and OPEB trust funds in the fiduciary fund financial statements. The pension and OPEB trust funds do not issue separate financial statements.

**I. Summary of significant accounting policies****A. 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. *Governmental activities* are normally supported by taxes and intergovernmental revenues.

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

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

**B. 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 revenues as soon as all eligibility requirements imposed by the provider have been met.

## Town of Cromwell, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

**B. Measurement focus, basis of accounting and financial statement presentation (continued)**

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 reimbursement grants to be available if they are collected within one year of the end of the current fiscal period. 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, pension and OPEB benefits, certain other employee benefits, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in the governmental funds.

Expenditure reimbursement type grants, certain intergovernmental revenues, charges for services, transfers and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the Town.

The Town reports the following major governmental funds:

General Fund	The Town's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
Sewer Usage Fund	Accounts for and reports resources and expenditures that are restricted, for the operation and maintenance of the sewer plant and related infrastructure.
Capital Projects Fund	Accounts for and reports resources and expenditures that are restricted, committed or assigned for the acquisition and construction of capital facilities, including those that are financed through special assessments.

Additionally, the Town reports the following fund types:

Special Revenue Funds	Accounts for and reports the proceeds of specific revenue resources that are restricted, committed or assigned to expenditures for specified purposes other than debt.
Debt Service Fund	Accounts for and reports resources and expenditures that are assigned for the repayment of debt.
Permanent Funds	Reports resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the Town's programs.

## Town of Cromwell, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

**B. Measurement focus, basis of accounting and financial statement presentation (continued)**

Internal Service Fund	Accounts for risk financing activities for dental insurance benefits and heart and hypertension as allowed by GASB Statement No. 10.
Pension Trust Fund	Accounts for the activities of the Employee Retirement Plan, which accumulates resources for pension benefit payments to qualified employees.
OPEB Trust Fund	Accounts for the activities of the OPEB Plan, which accumulates resources for OPEB benefits.
Private-Purpose Trust Fund	Accounts for the receipt of private donations to be used for student awards.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions are charges between certain Town functions because 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. The principal operating revenues of the Town's internal service fund are charges to other funds for dental insurance and heart and hypertension claims.

For purposes of measuring the net pension and OPEB liability, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, and pension and OPEB expense, information about the fiduciary net position and additions to/deductions from fiduciary net position of the Town pension plans and OPEB, the Connecticut State Teachers' Retirement System (TRS), and the Connecticut State Retiree Health Insurance Plan (RHIP) have been determined on the same basis as they are reported by the Town's pension and OPEB plans, TRS, and RHIP. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms.

**C. Assets, liabilities, deferred outflows/inflows of resources and equity****1. Cash and investments****a. Cash**

The Town considers cash as cash on hand and demand deposits.

For cash flow purposes the Town considers cash equivalents money market accounts and short-term investments with original maturities of three months or less from the date of acquisition.

## Town of Cromwell, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

**C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)****b. Investments**

In general, State of Connecticut Statutes allow the Town to invest in obligations of the United States of America or United States government sponsored corporations, in shares or other interests in any custodial arrangement, pool or no-load, open-end management type investment company or investment trust (as defined), in obligations of any State or political subdivision rated within the top two rating categories of any nationally recognized rating service, or in obligations of the State of Connecticut or political subdivision rated within the top three rating categories of any nationally recognized rating service. For the capital nonrecurring fund, not more than 31% can be invested in equity securities. Investment income is recorded in the fund in which it was earned.

State Treasurer's Short-Term Investment Fund is an investment pool managed by the State of Connecticut Office of the State Treasurer. Investments must be made in instruments authorized by Connecticut General Statutes 3-27c - 3-27e. Investment guidelines are adopted by the State Treasurer. The fair value of the position in the pool is the same as the value of the pool shares.

The Town's pension and OPEB funds have adopted a formal investment policy that defines allowable investments, prohibited investments, prohibited transactions, asset allocation guidelines, diversification guidelines and fixed income and cash guidelines.

The investment guidelines are as follows:

Asset Class	Target Allocation	
	Town Plan	OPEB Plan
Equities	47.00%	57.50%
Fixed income	35.00%	18.00%
International equity	13.00%	20.00%
REITs	5.00%	2.50%
Cash	0.00%	2.00%
Total	100.00%	100.00%

**c. Method used to value investments**

Investments for the Town are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

## Town of Cromwell, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

**C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)****Fair value of investments**

The Town measures and records its investments using fair value measurement guidelines established by accounting principles generally accepted in the United States of America (GAAP). These guidelines recognize a three-tiered fair value hierarchy, as follows:

Level 1	Quoted prices for identical investments in active markets
Level 2	Quoted prices for identical investments in markets that are not active
Level 3	Unobservable inputs

**d. Risk policies**

Interest rate risk	Interest rate risk is the risk that the government will incur losses in fair value caused by changing interest rates.
Credit risk	Credit risk is the risk that an issuer or other counterparty will not fulfill its specific obligation even without the entity's complete failure.
Concentration of credit risk	Concentration of credit risk is the risk attributed to the magnitude of an entity's investments in a single issuer. The Town maintains a diversified portfolio to minimize the risk of loss resulting from an over-concentration of assets in a specific issuer.
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 of its investment or collateral securities that are in the possession of an outside party. The Town does not have a formal policy with respect to custodial credit risk.
Foreign currency risk	Foreign currency risk is the risk that the value of the investment may be affected by changes in the rate of exchange. The Town does not have a formal policy with respect to foreign currency risk.

**2. Receivables and payables****a. Interfunds**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans).

## Town of Cromwell, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

**C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)****b. Property taxes and other receivables**

In the fund financial and government-wide financial statements, all trade and property tax receivables are shown net of an allowance for uncollectibles. Allowance percentages range from 2% to 50% of outstanding receivable balances and are calculated based upon prior collections.

In the fund financial statements, property tax revenues are recognized when they become available. Only taxes collected during the fiscal year are recorded as revenue.

Property taxes are assessed on property as of October 1. Taxes are billed in the following July and are due in two installments, July 1, and January 1. Personal property and motor vehicle taxes are billed in July and are due in one installment, on July 1, and supplemental motor vehicle taxes are due in full January 1. Liens are effective on the assessment date and are continued by filing before the end of the year following the due date.

**3. Restricted assets**

The restricted assets for the Town are restricted for performance bonds and endowments. Performance bonds are restricted until the monies are returned to the vendor after satisfactory completion of contract or the Town calls the bond for nonperformance. The endowment trust agreement restricts the expenditure of the investment income only for the designated purpose.

**4. Capital assets**

Capital assets, which include construction in progress, property, plant, equipment, and infrastructure assets are reported in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than the capitalization threshold for that asset type and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Property, plant and equipment of the Town are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years	Capitalization Threshold
Buildings and improvements	10-50	\$ 5,000
Improvements other than buildings	3-20	5,000
Infrastructure	10-65	5,000
Furniture and equipment	3-20	5,000

## Town of Cromwell, Connecticut

**Notes to Financial Statements  
As of and for the Year Ended June 30, 2021****C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)****5. 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, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

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, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

The Town reports deferred outflows and inflows of resources related to pensions and OPEB in the government-wide statements for differences between expected and actual experience, changes in assumptions, net difference between projected and actual earnings on plan investments, changes in proportionate share and contributions subsequent to measurement date. The deferred outflow or inflow related to differences between expected and actual experience, changes in assumptions, and changes in proportional share will be amortized over the average remaining service life of all plan members. The deferred outflow or inflow related to the net difference between projected and actual earnings on plan investments will be amortized over a five-year period.

Deferred outflows of resources also include deferred outflows relating to advance refunding of debt. These amounts are deferred and are amortized over the shorter of the life of the refunded or refunding debt.

For governmental funds, the Town reports unavailable revenue, which arises only under the modified accrual basis of accounting. Accordingly, unavailable revenue is reported only in the governmental funds' balance sheet. The governmental funds report unavailable revenues from several sources: property taxes (including advance collections, if any), sewer assessment and use charges. These amounts are recognized as an inflow of resources in the period that the amounts become available.

**6. Compensated absences**

Town employees accumulate vacation and sick leave hours for subsequent use or for payment upon termination or retirement. Sick leave and vacation leave expenditures are recognized in the governmental funds in the current year to the extent they are paid during the year or the vested amount is expected to be paid with available resources. A liability for these amounts has been recorded in the government-wide financial statements.



## Town of Cromwell, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

**C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)****7. Long-term obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities' 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. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenses.

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.

**8. Net position and fund balances**

In the government-wide financial statements, net position is classified into the following categories:

Net Investment in Capital Assets	This category presents the net position that reflects capital assets net of depreciation and net of only the debt applicable to the acquisition or construction of these assets. Debt issued for non-capital purposes, and unspent bond proceeds, are excluded.
Restricted Net Position	This category presents the net position restricted by external parties (creditors, grantors, contributors or laws and regulations).
Unrestricted Net Position	This category presents the net position of the Town which is not classified in the preceding two categories.

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

## Town of Cromwell, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

**C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)**

In the fund financial statements, fund balances are classified into the following categories:

Nonspendable	This category presents amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
Restricted	This category presents amounts that can be spent only for specific purposes because of enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors or the laws or regulations of other governments.
Committed	This category presents amounts that can be used only for specific purposes determined by a formal action at the highest level of decision-making authority for the Town. Commitments may be established, modified or rescinded only through resolutions approved by the Town Council.
Assigned	This category presents amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the Town's fund balance policy, the Town Council has by resolution authorized the Finance Director to assign fund balance. Intent is also expressed by a properly approved purchase order (encumbrance).
Unassigned	This category presents amounts that do not meet the criteria above and are available for any purpose. This category is only reported in the general fund for positive amounts and in any other fund that has a fund balance deficit.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Town considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned or unassigned fund balances are available, the Town considers amounts to have been spent first out of committed funds, then assigned funds and finally unassigned funds, as needed, unless Town Council has provided otherwise in its commitment or assignment actions.

## Town of Cromwell, Connecticut

**Notes to Financial Statements  
As of and for the Year Ended June 30, 2021****C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)****Minimum fund balance policy**

The Town Council has adopted a minimum fund balance policy for the General Fund. The policy establishes the intent to maintain a level of unassigned fund balance of an amount no less than 15% of the Town's general fund budget and no greater than 17%, with the goal of an amount equal to 60 days of operating expenditures from the current operating budget. Any excess funds may be utilized for other municipal fiscal purposes, such as capital improvement needs or to take advantage of opportunities that would have a positive impact for the Town, including but not limited to land acquisition or land development rights.

Exception to this policy may be considered for an unassigned fund balance between 12% and 15% if funds are used to support grant opportunities with the expectation of full reimbursement of the Town's appropriation within a specified period of time. In accordance with prudent budgeting practices, the unassigned fund balance will not be used on a routine basis to lower taxes or to offset normal operating expenditures.

**9. Use of estimates**

The preparation of the 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, deferred outflows and inflows of resources including disclosures of contingent assets and liabilities and reported revenues, expenses and expenditures during the fiscal year. Actual results could differ from those estimates.

**10. Reclassifications**

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

**II. Stewardship, compliance and accountability****A. Basis of budgeting**

The Town has legally adopted annual budgets for the General Fund, Sewer Usage, Dog License, Sewer Assessment and Sidewalk funds. The legal level of control is the department level for the General Fund and the fund level for all other funds.

The Town uses the budgetary basis of accounting under which purchase orders for contracts or other commitments are recorded in order to reserve that portion of the applicable appropriation. Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order, contract or other commitment is issued and, accordingly, encumbrances outstanding at year end are reported in the budgetary statements included as required supplementary information.

## Town of Cromwell, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

**II. Stewardship, compliance and accountability (continued)****B. Donor-restricted endowments**

The Town has received certain endowments for the cemetery. The amounts are reflected in net position as restricted for endowments. Investment income is approved for disbursement by the Trustee. At year end, there was no appreciation available for appropriation.

The Town allocates investment income of donor-restricted endowments in accordance with donor restrictions and Connecticut law, which has adopted the provisions of the Uniform Prudent Management of Institutional Funds Act ("UPMIFA"). Under UPMIFA, investment income earned on donor-restricted endowment funds is considered to be unrestricted in the absence of explicit donor restrictions. Further, in the absence of explicit donor restrictions regarding investment appreciation, such appreciation is treated the same as the related investment income. Investment losses that reduce the value of endowment investments below the original principal amount serve to reduce restricted net position or unrestricted net position, depending upon the applicable donor's stipulations regarding the treatment of investment income and appreciation.

**C. Capital projects authorizations**

The following is a summary of certain capital projects:

	Project Authorization	Cumulative Expenditures	Balance
Coles Road	\$ 2,716,078	\$ 2,569,500	\$ 146,578
North Road Extension Bridge	3,026,600	2,369,013	657,587
Public Works Facility	9,300,000	7,910,081	1,389,919
River Landing	326,927	290,928	35,999
Sewer Rehabilitation	1,595,000	1,511,399	83,601
Industrial Park	1,445,000	1,403,039	41,961
Total	<u>\$ 18,409,605</u>	<u>\$ 16,053,960</u>	<u>\$ 2,355,645</u>

**III. Detailed notes****A. Cash and investments****1. Deposits – custodial credit risk**

At year end, the Town's bank balance was \$26,876,571 and was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 16,768,250
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name	<u>6,867,011</u>
Total amount subject to custodial credit risk	<u>\$ 23,635,261</u>

Financial instruments that potentially subject the Town to significant concentrations of credit risk consist primarily of cash. From time to time, the Town's cash account balances exceeded the Federal Deposit Insurance Corporation limit. The Town reduces its credit risk by maintaining its cash deposits with major financial institutions and monitoring their credit ratings.

## Town of Cromwell, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

**A. Cash and investments (continued)****2. Investments**

- a. The Town's investments consisted of the following types and maturities. Specific identification was used to determine maturities:

Type of Investment	Fair Value	Investment Maturities (In Years)				
		N/A	Less Than 1	1-5 Years	5-10 Years	Over 10 Years
Bank money market	\$ 13,008,993	\$ -	\$ 13,008,993	\$ -	\$ -	\$ -
Common stock	17,394,936	17,394,936	-	-	-	-
Common stock - international	6,677,095	6,677,095	-	-	-	-
Pooled fixed income	3,043,276	-	3,043,276	-	-	-
U.S. government obligations	5,438,814	-	1,103,433	3,186,194	1,062,746	86,441
Corporate bonds	2,444,734	-	58,524	892,618	1,328,497	165,095
Certificates of deposit	1,735,019	-	1,735,019	-	-	-
Real estate investment trusts	816,903	816,903	-	-	-	-
Money market mutual funds	829,749	-	829,749	-	-	-
Total	<u>\$ 51,389,519</u>	<u>\$ 24,888,934</u>	<u>\$ 19,778,994</u>	<u>\$ 4,078,812</u>	<u>\$ 2,391,243</u>	<u>\$ 251,536</u>

- b. The Town had the following recurring fair value measurements:

		Quoted Market Prices in Active Markets	Significant Observable Inputs
	Amount	Level 1	Level 2
<u>Investments by fair value level</u>			
Common stock	\$ 17,394,936	\$ 17,394,936	\$ -
Common stock - international	6,677,095	6,677,095	-
U.S. government obligations	5,438,814	5,438,814	-
Corporate bonds	2,444,734	-	2,444,734
Real estate investment trusts	816,903	816,903	-
Money market mutual fund	829,749	829,749	-
Total investments by fair value level	<u>33,602,231</u>	<u>31,157,497</u>	<u>2,444,734</u>
<u>Other investments</u>			
Bank money market	13,008,993		
Pooled fixed income	3,043,276		
Certificates of deposit	<u>1,735,019</u>		
Total other investments	<u>17,787,288</u>		
Total investments	\$ 51,389,519		

## Town of Cromwell, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

**A. Cash and investments (continued)**

Level 1: Quoted prices for identical investments in active markets;

Level 2: Observable inputs other than quoted prices for identical securities in markets that are not active. The fair value was determined based on quoted prices in less active, dealer or broker markets. Fair values are primarily obtained from third party pricing services for identical or comparable assets.

c. The Town's investments subject to credit risk had average ratings by Standard & Poor's as follows:

Type of Investment	Ratings					Total
	AA	A	BBB	BB	B	
Corporate bonds	\$ 507,790	\$ 571,366	\$ 868,575	\$ 402,946	\$ 94,057	\$ 2,444,734

d. Certain investments are covered by the Securities Investor Protection Corporation ("SIPC") up to \$500,000, including \$250,000 of cash from sale or for purchase of investments, but not cash held solely for the purpose of earning interest. SIPC protects securities such as notes, stocks, debentures, certificates of deposit and money funds.

The following Town investments are held by the counterparty's trust department or agent but not in the Town's name and, therefore, are subject to custodial credit risk.

	Total	Less Insured Amounts	Amount Subject to Custodial Credit Risk
Common stock	\$ 17,394,936	\$ 500,000	\$ 16,894,936
Common stock - international	6,677,095	-	6,677,095
U.S. government obligations	5,438,814	-	5,438,814
Corporate bonds	2,444,734	-	2,444,734
Total	\$ 31,955,579	\$ 500,000	\$ 31,455,579

## Town of Cromwell, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

**B. Receivables**

Receivable balances have been disaggregated by type and presented separately in the financial statements. Only receivables with allowances for uncollectible accounts, including the applicable allowances for uncollectible accounts, are presented below.

	Property Taxes		
	Taxes	Interest and Lien Fees	Total
Current portion	\$ 385,048	\$ 466,775	\$ 851,823
Long-term portion	801,540	(21,375)	780,165
Less allowance for uncollectible	(325,000)	(180,000)	(505,000)
Net long-term portion	476,540	(201,375)	275,165
Totals	<u>\$ 861,588</u>	<u>\$ 265,400</u>	<u>\$ 1,126,988</u>
	Sewer assessments and use charges		
	Assessments and Use charges	Interest and Lien Fees	Total
Current portion	\$ 250,574	\$ 24,912	\$ 275,486
Long-term portion	55,004	24,913	79,917
Less allowance for uncollectible	(11,000)	(1,000)	(12,000)
Net long-term portion	44,004	23,913	67,917
Totals	<u>\$ 294,578</u>	<u>\$ 48,825</u>	<u>\$ 343,403</u>

## Town of Cromwell, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

**C. Interfund accounts****1. Interfund payables and receivables**

A summary of interfund balances is as follows:

	Corresponding Fund	Due From	Due To
General Fund	Educational grants	\$ -	\$ 10,295
Other governmental funds			
Educational grants	General Fund	10,295	-
Total		<u>\$ 10,295</u>	<u>\$ 10,295</u>

All interfund balances resulted from the time lag between the dates payments occurred between funds for interfund goods, payroll and services provided or in instances where certain funds do not have a cash account.

**2. Interfund transfers**

A summary of interfund transfers for the fiscal year is as follows:

	Corresponding Fund	Transfers In	Transfers Out
General Fund:			
Capital Projects	N/A	\$ -	\$ 2,788,866
Sewer Usage Fund	Capital Projects	-	300,000
Capital Projects	General Fund	2,788,866	-
Capital Projects	Sewer Usage Fund	300,000	-
Total Capital Projects		<u>3,088,866</u>	<u>-</u>
Total		<u>\$ 3,088,866</u>	<u>\$ 3,088,866</u>

Transfers are used to move budgeted appropriations from the general fund for funding of capital projects and various programs and activities in other funds.



## Town of Cromwell, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

**D. Capital assets**

Capital asset activity for the fiscal year was as follows:

	Balance July 1, 2020	Increases	Decreases	Balance June 30, 2021
<u>Capital assets, not being depreciated:</u>				
Land	\$ 8,795,275	\$ -	\$ -	\$ 8,795,275
Construction in progress	14,394,865	7,122,416	5,547,698	15,969,583
Total capital assets, not being depreciated	23,190,140	7,122,416	5,547,698	24,764,858
<u>Capital assets, being depreciated:</u>				
Buildings and improvements	77,643,730	3,159,876	-	80,803,606
Improvements other than buildings	2,591,888	-	-	2,591,888
Furniture and equipment	10,569,052	382,010	238,296	10,712,766
Infrastructure	108,963,454	2,752,035	-	111,715,489
Total capital assets, being depreciated	199,768,124	6,293,921	238,296	205,823,749
Total capital assets	222,958,264	13,416,337	5,785,994	230,588,607
<u>Less accumulated depreciation for:</u>				
Buildings and improvements	32,632,218	1,815,673	-	34,447,891
Improvements other than buildings	994,733	30,222	-	1,024,955
Furniture and equipment	8,105,072	553,998	238,296	8,420,774
Infrastructure	61,964,817	2,134,005	-	64,098,822
Total accumulated depreciation	103,696,840	4,533,898	238,296	107,992,442
Total capital assets being depreciated, net	96,071,284	1,760,023	-	97,831,307
Governmental activities capital assets, net	<u>\$ 119,261,424</u>	<u>\$ 8,882,439</u>	<u>\$ 5,547,698</u>	<u>\$ 122,596,165</u>

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

General government	\$ 159,809
Public safety	233,163
Public works	2,554,846
Culture and recreation	78,600
Human services	11,632
Education	1,495,848
Total depreciation expense	<u>\$ 4,533,898</u>

## Town of Cromwell, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

**E. Changes in long-term obligations****1. Summary of changes**

Description	Original Amount	Date of Issue	Date of Maturity	Interest Rate	Balance July 1, 2020	Additions	Deductions	Balance June 30, 2021	Current Portion	Long-term Portion
Bonds:										
General purpose:										
Improvement	\$ 3,787,000	4/18/2013	2023	0.52%-2.15%	\$ 1,290,000	\$ -	\$ 437,187	\$ 852,813	\$ 437,187	\$ 415,626
Refunding	6,540,000	12/28/2017	2029	1.26%-2.30%	2,955,000	-	532,000	2,423,000	532,000	1,891,000
Improvement	5,326,800	10/8/2016	2026	3.00%-4.00%	4,701,412	-	218,250	4,483,162	242,500	4,240,662
Refunding	6,940,000	5/30/2019	2039	1.37%-3.02%	6,940,000	-	-	6,940,000	255,000	6,685,000
Total general purpose					15,886,412	-	1,187,437	14,698,975	1,466,687	13,232,288
Schools:										
Improvement	598,000	4/18/2013	2023	0.52%-2.15%	210,000	-	62,813	147,187	62,813	84,374
Refunding	9,690,000	4/18/2013	2023	0.37%-2.15%	3,000,000	-	1,000,000	2,000,000	1,000,000	1,000,000
Refunding	2,656,250	4/18/2015	2021	1.50%	480,000	-	480,000	-	-	-
School	193,200	10/8/2016	2036	3.00%-4.00%	568,588	-	6,750	561,838	7,500	554,338
Refunding	6,540,000	12/28/2017	2029	1.26%-2.30%	1,280,000	-	228,000	1,052,000	228,000	824,000
Total schools					5,538,588	-	1,777,563	3,761,025	1,298,313	2,462,712
Total bonds					21,425,000	-	2,965,000	18,460,000	2,765,000	15,695,000
Notes (direct borrowings):										
Equipment financing notes					335,661	283,171	212,346	406,486	194,108	212,378
Total bonds and notes					21,760,661	283,171	3,177,346	18,866,486	2,959,108	15,907,378
Premium					2,565,604	-	471,432	2,094,172	-	2,094,172
Total bonds, notes and related liabilities					24,326,265	283,171	3,648,778	20,960,658	2,959,108	18,001,550
Compensated absences					1,565,648	629,200	697,246	1,497,602	299,520	1,198,082
Net pension liability					9,297,732	4,004,847	8,201,135	5,101,444	-	5,101,444
Net OPEB liability					2,605,823	481,046	905,776	2,181,093	-	2,181,093
Heart and hypertension claims payable					136,814	36,278	723	172,369	120,658	51,711
Total long-term obligations					\$ 37,932,282	\$ 5,434,542	\$ 13,453,658	\$ 29,913,166	\$ 3,379,286	\$ 26,533,880

All long-term liabilities are generally liquidated by the general fund except for claims payable which is liquidated from the internal service fund.

## Town of Cromwell, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

**E. Changes in long-term obligations (continued)****2. The following is a summary of principal and interest amounts of bond and note maturities:**

Fiscal Year Ended June 30,	Bonds Principal	Notes Principal	Total Interest
2022	\$ 2,765,000	\$ 194,108	\$ 776,829
2023	2,785,000	70,793	648,701
2024	930,000	70,793	534,777
2025	960,000	70,792	492,952
2026	965,000	-	444,300
2027	900,000	-	401,000
2028	1,015,000	-	356,500
2029	970,000	-	309,100
2030	710,000	-	263,950
2031	725,000	-	231,800
2032	740,000	-	199,000
2033	760,000	-	165,300
2034	775,000	-	138,100
2035	795,000	-	107,100
2036	810,000	-	79,950
2037	825,000	-	52,350
2038	505,000	-	30,900
2039	525,000	-	15,750
Total	<u>\$ 18,460,000</u>	<u>\$ 406,486</u>	<u>\$ 5,248,359</u>

**3. Assets pledged as collateral**

The Town's outstanding equipment financing notes of \$406,486 are secured with collateral of the equipment purchased.

## Town of Cromwell, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

**E. Changes in long-term obligations (continued)****4. Statutory debt limitations**

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

Category	Debit Limit	Net Indebtedness	Balance
General purpose	\$ 108,830,126	\$ 17,784,689	\$ 91,045,437
Schools	217,660,253	3,761,025	213,899,228
Sewers	181,383,544	-	181,383,544
Urban renewal	157,199,071	-	157,199,071
Pension deficit	145,106,835	-	145,106,835

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, \$338,582,615.

The indebtedness reflected above includes bonds outstanding in addition to the amount of bonds authorized and unissued against which bond anticipation notes are issued and outstanding.

**5. Overlapping debt**

A summary of overlapping debt is presented below:

<u>Debt outstanding</u>	<u>Total</u>	<u>Overlapping</u>
Cromwell Fire District	\$ 4,816,185	\$ 3,085,714
Mattabassett District	49,854,208	4,292,447
Total	<u>\$ 54,670,393</u>	<u>\$ 7,378,161</u>

**6. Authorized/unissued bonds**

The amount of authorized, unissued bonds are as follows:

	<u>Authorized but Unissued</u>
Public Works Facility	\$ 2,360,000
North Road Extension Bridge	1,716,000
Coles Road Reconstruction	225,000
Total	<u>\$ 4,301,000</u>

## Town of Cromwell, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

**E. Changes in long-term obligations (continued)****7. Prior year defeasance of debt**

In prior years, the Town defeased certain bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Town's financial statements. At year end \$3,895,000 of bonds outstanding are considered defeased.

**F. Fund balances and restricted net position**

Fund balances are composed of the following:

Fund Balance Component	General	Sewer Usage	Capital Projects	Other Governmental Funds	Total
<b>Nonspendable:</b>					
Cemetery maintenance	\$ -	\$ -	\$ -	\$ 6,237	\$ 6,237
<b>Restricted:</b>					
Sewer operations	-	2,877,474	-	-	2,877,474
Sewer assessment	-	-	636,660	-	636,660
Culture and recreation programs	-	-	-	219,819	219,819
Human services programs	-	-	-	24,155	24,155
Cafeteria operations	-	-	-	105,502	105,502
Cemetery maintenance	-	-	-	4,326	4,326
<b>Total restricted</b>	<b>-</b>	<b>2,877,474</b>	<b>636,660</b>	<b>353,802</b>	<b>3,867,936</b>
<b>Committed:</b>					
Public safety programs	-	-	-	483,827	483,827
Public works	-	-	-	13,124	13,124
Culture and recreation programs	-	-	-	326,967	326,967
Human services programs	-	-	-	744	744
Education programs	-	-	-	350,654	350,654
Capital projects	-	-	4,712,588	-	4,712,588
<b>Total committed</b>	<b>-</b>	<b>-</b>	<b>4,712,588</b>	<b>1,175,316</b>	<b>5,887,904</b>
<b>Assigned:</b>					
Subsequent years budget	1,420,200	-	-	-	1,420,200
Contingency	223,520	-	-	-	223,520
<b>Total assigned</b>	<b>1,643,720</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,643,720</b>
<b>Unassigned</b>	<b>11,399,241</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,399,241</b>
<b>Total</b>	<b>\$ 13,042,961</b>	<b>\$ 2,877,474</b>	<b>\$ 5,349,248</b>	<b>\$ 1,535,355</b>	<b>\$ 22,805,038</b>

The amount of restricted net position, which was restricted by enabling legislation, totaled \$3,619,636.

## Town of Cromwell, Connecticut

**Notes to Financial Statements  
As of and for the Year Ended June 30, 2021****IV. Other information****A. Risk management**

The Town is exposed to various risks of loss including torts, theft of, damage to and destruction of assets; errors or omissions; injuries to employees and natural disasters. Generally, the Town obtains commercial insurance for these risks, but has chosen to retain limited risks employee dental claims. The Town contracts with outside organizations to pay claims and provide administrative services. Additionally, insurance coverage has been purchased to limit the Town's liability for worker's compensation, general liability and medical claims. Settled claims have not exceeded commercial coverage in any of the past three years, and there has not been any significant reductions in insurance coverage from amounts held in prior years.

The Town is a self-insured provider of claims under C.G.S. 7-433c, the Heart and Hypertension Act. The liability is adjusted annually to reflect cost of living increases. The plan is funded by budget appropriations.

The Town is a member in Connecticut Interlocal Risk Management Association ("CIRMA"). CIRMA is a public entity risk pool established under the provisions of the Connecticut General Statutes Section 7-479a et. seq. The Town is liable only for contributions to the pool. Members do not retain the risk of loss, as they have transferred the risk by purchasing pool coverage with no deductible retention. A separate agreement limits the member's obligation to pay indemnification obligations and expenses should CIRMA be unable to do so.

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

The Town is also a member of CIRMA's Workers' Compensation Pool, a risk sharing pool. The Workers' Compensation Pool provides statutory benefits pursuant to the provisions of the Connecticut Workers' Compensation Act. The coverage is subject to an insured loss retrospective rating plan and losses incurred in the coverage period will be evaluated at 18, 30 and 42 months after the effective date of coverage. The premium is subject to a payroll audit at the close of the coverage period. CIRMA's Workers' Compensation Pool retains \$1,000,000 per occurrence and purchases reinsurance about that amount to the limit of liability of \$10,000,000 per occurrence.

The Town utilizes a risk management fund (the Internal Service Fund) to account for and finance its uninsured risks of loss for dental claims and heart and hypertension. The fund records all claim expenditures and liabilities when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. All Town departments and agencies are charged premiums by the Internal Service Fund, which are included in department and agency expenditures, to cover the estimated cost of claims payment based on historical cost estimates of the amounts needed to pay prior and current year claims. Claims liabilities include an estimate of claims incurred but not reported and are the Town's best estimate based on available information.

## Town of Cromwell, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

**A. Risk management (continued)**

The Town records all claim expenditures and liabilities when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated in the government-wide statements. The claims liability reported is based upon accounting principles which require that a liability for estimated claims incurred but not reported be accrued. The amount of claim accrual is based on the ultimate costs of settling the claim, which include past experience data, inflation and other future economic and social factors and incremental claim adjustment expenses, net of estimated subrogation recoveries. The claim accrual does not include other allocated or unallocated claims adjustment expenses.

	Claims Payable July 1	Current year Claims and Changes in Estimates	Claims Paid	Claims Payable June 30	Current Portion	Long-Term Portion
<u>Heart and Hypertension</u>						
2019-2020	\$ 126,998	\$ 9,999	\$ 183	\$ 136,814	\$ 95,770	\$ 41,044
2020-2021	<u>136,814</u>	<u>36,278</u>	<u>723</u>	<u>172,369</u>	<u>120,658</u>	<u>51,711</u>
<u>Dental insurance</u>						
2019-2020	12,000	331,739	328,739	15,000	15,000	-
2020-2021	<u>9,000</u>	<u>298,093</u>	<u>295,093</u>	<u>12,000</u>	<u>12,000</u>	<u>-</u>
<u>Totals</u>						
2019-2020	<u>\$ 138,998</u>	<u>\$ 341,738</u>	<u>\$ 328,922</u>	<u>\$ 151,814</u>	<u>\$ 110,770</u>	<u>\$ 41,044</u>
2020-2021	<u>\$ 145,814</u>	<u>\$ 334,371</u>	<u>\$ 295,816</u>	<u>\$ 184,369</u>	<u>\$ 132,658</u>	<u>\$ 51,711</u>

**B. Commitments and litigation**

Amounts received or receivable from Federal and State grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the Town expects such amounts, if any, to be immaterial.

The Town is a defendant in various routine lawsuits and the outcome of these lawsuits is not presently determinable. The lawsuits are not expected to have a significant financial impact on the Town.

In October 2021, the court entered a judgment against the Town for discriminatory practices a related to violations of Fair Housing laws for \$5,000,000 in punitive damages and \$181,000 compensatory damages. The Town and legal counsel have identified a number of issues that will be raised in post-trial motions and on appeal which are believed to have substantial merit. The Town intends to vigorously pursue an appeal of the judgement.

**Town of Cromwell, Connecticut****Notes to Financial Statements  
As of and for the Year Ended June 30, 2021****C. Tax abatements**

An economic development tax incentive program was enacted pursuant to Section 12-65b of the Connecticut General Statutes on June 6, 2019. This program is intended to attract new businesses to the Town and encourage the expansion of existing businesses to strengthen the Town's tax base.

The program is designed to provide the Town with the opportunity to create new employment, enhance the tax base, encourage technological innovation or investment, or address other goals of the Town. The program is available for strategic businesses, locally owned small business, restaurants and other retail establishments, affordable housing, warehousing and distribution centers.

The economic development tax incentive amount is based upon the total cost of improvements to real property. The form of the adjustment or reduction in the assessed value of that portion of the real property is comprised of the qualifying new construction or expansion. Improvements of \$500,000 to \$3,000,000 will qualify for a 3 year phase-in, improvements of \$3,000,001 to \$10,000,000 will qualify for a 5 year phase-in and improvements valued at greater than \$10,000,001 will qualify for a 7 year phase-in.

There are currently 2 companies participating in the economic development tax incentive program.

The amount of the tax abatement under these programs was approximately \$469,749.

**D. Jointly governed organizations****The Mattabassett District**

The Mattabassett District (the "District") is a quasi-municipal district established in accordance with State Statutes to provide sewer treatment services for the constituent Towns of Berlin and Cromwell and the constituent Cities of New Britain and Middletown and contractually to the Metropolitan District and the Town of Farmington. As a result of the 2010 census data released in February 2011 and the June 2011 amendment to the state statutes creating the District, the Mattabassett Board of Directors representation is as follows: New Britain – five members, Middletown – four members, Berlin – three members and Cromwell – three members. The Town pays an annual assessment to the District. The annual assessment includes funds for the payment of the Town's portion of the District's debt service. The District's financial statements can be obtained from [www.mattabassettdistrict.org/audits](http://www.mattabassettdistrict.org/audits).

**E. Contingencies***Coronavirus*

In March 2020, the United States declared the outbreak of Coronavirus a national emergency. Similarly, the Governor of the State of Connecticut declared a state of emergency. Although the national shut down has ended, the Coronavirus continues to have an impact on the economy including effects on the Town's economically sensitive revenues such as park and recreation program fees, interest earnings and certain other charges for services. This has been offset to varying degrees by increases in building permit fees and conveyance taxes. In addition, the supply chain has been disrupted and prices have increased for various type of items, including construction costs. The pandemic has also resulted in labor shortages.



## Town of Cromwell, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

**E. Contingencies (continued)**

In response to the pandemic and the economic impact on local governments, the federal government has provided the following funding beginning in April 2020 and April 2021. The Town had received grants from the federal government for the costs and impact of the pandemic as follows:

Grant Name	Amount
Coronavirus Relief Fund ("CRF")	\$ 150,114
American Rescue Plan Act ("ARPA")	2,047,830
Total	<u>\$ 2,197,944</u>

The second payment of the ARPA grant of \$2,047,830 is to be received in fiscal year 2022.

The Town is continuously monitoring its financial condition and will take proactive measures as necessary to maintain operations and meet its obligations. Given this level of uncertainty, management cannot reasonably estimate the complete impact on the Town's future financial position at this time.

**V. Pensions and other post-employment benefit plans****A. Town pension plans****1. Plan description****a. Plan administration**

The Town of Cromwell is the administrator of a single-employer public employee retirement system plan established and administered by the Town to provide benefits that covers the employees of the Town, except full-time policemen (covered by the State of Connecticut Municipal Employees Retirement Fund) and certified teachers (covered by the State of Connecticut Teachers' Retirement System). The plan is considered to be part of the Town of Cromwell's financial reporting entity and is included in the Town's financial reports as a pension trust fund. The Plan was established by Town Meeting. The plan does not issue a standalone report. Benefits and refunds of post-employment defined plans are recognized when due and payable in accordance with the terms of the Plan. The Town's General Fund contributes an amount as recommended by their Actuary to fund the net pension obligations.

Under the plan, all full-time employees are eligible except for police officers and teachers. Employees are 100 percent vested after ten years of service. Normal retirement age is sixty-two or five years of participation in the plan, whichever is later. If an employee leaves covered employment or dies before 10 years of service, accumulated employee contributions and related investment earnings are refunded. Benefits and contributions are established by the Town, via negotiated contracts, and may be amended only by the approval of the Town Council, and as agreed upon with the appropriate bargaining unit.

The general administration and management of the Town pension plan and the responsibility for carrying out the provision of the plan shall be placed in the Town Retirement Board. This board shall be made up of five members consisting of the following officials of the Town of Cromwell: Mayor, Town Manager, Town Finance Director/Town Treasurer; the Business Manager from the Board of Education; and the Executive Director of the Cromwell Fire District.

## Town of Cromwell, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

**A. Town pension plans (continued)****b. Plan membership**

As of July 1, 2020 for the Town, the memberships in the Plans are comprised of the following:

Retirees and beneficiaries receiving benefits	96
Inactive with vested benefits	68
Active plan members	<u>197</u>
Total	<u><u>361</u></u>

**2. Benefit provisions**

Normal retirement service requirement	62 or 5 years of participation in the plan, whichever is later
Normal retirement benefits	1.00-1.50% of average annual compensation during the highest 3 consecutive years of service multiplied by years of credited service
Early retirement service requirement	Age 55 plus 15 years of credited service
Early retirement benefits	Normal retirement benefit formula, subject to actuarial reduction
Vesting	10 years service

**3. Contributions**

Each participant is required to contribute 2.50% of their pensionable wages to the plan.

**4. Investments****a. Investment policy**

The pension plans' policy in regard to the allocation of invested assets is established and may be amended by the Retirement Board by a majority vote of its members. It is the policy of the Town's Retirement Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes.

The following is the Board's adopted asset allocation policy for the plans:

Asset Class	Target Allocation
U.S. large cap core	30.00%
U.S. mid cap core	10.00%
U.S. small cap core	7.00%
International equity	11.00%
International emerging market equity	2.00%
REITs	5.00%
Fixed income	<u>35.00%</u>
Total	<u><u>100.00%</u></u>

## Town of Cromwell, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

**A. Town pension plans (continued)****b. Concentrations**

There were no investments in any one organization that represented 5% or more of the pension plan's net position.

**c. Rate of return**

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 for each major asset class included in the pension plan's target asset allocation (see the discussion of the pension plan's investment policy) are as follows:

Asset Class	
U.S. large cap core	5.01%
U.S. mid cap core	6.62%
U.S. small cap core	7.70%
International equity	5.11%
International emerging market equity	9.78%
REITs	4.09%
Fixed income	4.04%

Long-term expected nominal rate of return was 6.46%.

**d. Annual money-weighted rate of return**

The annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 24.80%.

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

## Town of Cromwell, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

**A. Town pension plans (continued)****5. Net pension liability (asset)**

The components of the net pension liability (asset) were as follows:

Total pension liability	\$ 31,301,119
Plan fiduciary net position	<u>(31,711,413)</u>
Net pension liability (asset)	<u><u>\$ (410,294)</u></u>
Plan fiduciary net position as a percentage of the total pension liability	101.31%

**6. Actuarial methods and significant assumptions**

Actuarial valuation date	July 1, 2020
Actuarial cost method	Entry age normal
Amortization method	Level percentage
Asset valuation method	5 year smoothing
Investment rate of return	6.90%
Inflation	2.60%
Salary increases	3.60%
Mortality rates	Pub - 2010 Public Retirement Plans amount-weighted mortality tables (with separate tables for general employees, public safety and teachers), projected to the valuation date with scale MP-2020

## Town of Cromwell, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

**A. Town pension plans (continued)****7. Changes from prior year****a. Changes in assumptions**

- The Mortality assumption was updated from Pub-2010 with scale MP-2019 to MP-2020.

**b. Changes in benefit terms**

There were no changes in benefit terms.

**8. 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 Town contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's projected fiduciary net position will be sufficient to cover projected benefit payments and administrative expenses indefinitely. Therefore, the long-term expected rate of return on pension plan investments was used to discount plan liabilities.

**9. Changes in the net pension liability (asset)**

The Town's net pension liability was measured at June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The changes in net pension liability were as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
<u>Town</u>	<u>(a)</u>	<u>(b)</u>	<u>(a) - (b)</u>
Balance at July 1, 2020	<u>\$ 30,591,016</u>	<u>\$ 25,832,889</u>	<u>\$ 4,758,127</u>
Service cost	916,134	-	916,134
Interest	2,118,695	-	2,118,695
Differences between expected and actual experience	(558,949)	-	(558,949)
Changes in assumptions	(135,746)	-	(135,746)
Contributions - employer	-	905,856	(905,856)
Contributions - member	-	284,135	(284,135)
Net investment income	-	6,318,564	(6,318,564)
Benefit payments, including refunds of member contributions	<u>(1,630,031)</u>	<u>(1,630,031)</u>	<u>-</u>
Net change	<u>710,103</u>	<u>5,878,524</u>	<u>(5,168,421)</u>
Balance at June 30, 2021	<u><u>\$ 31,301,119</u></u>	<u><u>\$ 31,711,413</u></u>	<u><u>\$ (410,294)</u></u>

## Town of Cromwell, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

**A. Town pension plans (continued)****10. Sensitivity of the net pension liability to changes in the discount rate**

The following presents the net pension liability, calculated using the discount rate as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate of 6.90%:

	1% Decrease	Current Discount Rate	1% Increase
Net pension liability (Asset)	<u>\$ 2,903,388</u>	<u>\$ (410,294)</u>	<u>\$ (3,246,925)</u>

**11. Pension expense and deferred outflows and inflows of resources**

The Town recognized pension expense of \$37,031 for the plan.

The Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description of Outflows/Inflows	Deferred Outflows of Resources	Deferred Inflows of Resources	Net
Differences between expected and actual experience	\$ 613,257	\$ 1,169,606	\$ (556,349)
Changes in assumptions	777,008	263,838	513,170
Net difference between projected and actual earnings on pension plan investments	<u>-</u>	<u>3,318,775</u>	<u>(3,318,775)</u>
Total	<u>\$ 1,390,265</u>	<u>\$ 4,752,219</u>	<u>\$ (3,361,954)</u>

Actual investment earnings below (or above) projected earnings are amortized over 5 years. Changes of assumptions and experience losses (gains) are amortized over the average remaining service period of actives and inactive employees, which was 6.4 years.

## Town of Cromwell, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

**A. Town pension plans (continued)**

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

Year Ending June 30,	
2022	\$ (896,996)
2023	(865,269)
2024	(737,342)
2025	(805,223)
2026	(13,705)
Thereafter	<u>(43,419)</u>
Total	<u>\$ (3,361,954)</u>

**B. Connecticut municipal employees' retirement system****1. Plan description**

The Connecticut Municipal Employees' Retirement System ("MERS") is the public pension plan offered by the State of Connecticut for municipal employees in participating municipalities. MERS is a cost-sharing multiple employer defined benefit pension plan administered by the Connecticut State Retirement Commission.

Municipalities may designate which departments (including elective officers if so specified) are to be covered under the Connecticut Municipal Employees' Retirement System ("MERS"). This designation may be the result of collective bargaining. Only employees covered under the State Teachers' Retirement System may not be included. There are no minimum age or service requirements. Membership is mandatory for all regular full time employees of participating departments except Police and Fire hired after age 60.

The plan has 4 sub plans as follows:

- General employees with social security
- General employees without social security
- Policemen and firemen with social security
- Policemen and firemen without social security

## Town of Cromwell, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

**B. Connecticut municipal employees' retirement system (continued)****2. Benefit provisions**

<b>Normal retirement</b>	
General Employees	Age 55 with 5 years of continuous service, or 15 years of active aggregate service or 25 years of aggregate service
Police and Firemen	Compulsory retirement age is age 65
Benefit calculation	The maximum benefit is 100% of average final compensation and the minimum benefit is \$1,000 annually. Both the minimum and the maximum include workers' compensation and social security benefits.
With social security	1.50% of the average final compensation not in excess of the year's breakpoint plus 2.00% of average final compensation in excess of the year's breakpoint, times years of service. If any member covered by social security retires before age 62, the benefit until age 62 is reached or a social security disability award is received, is computed as if the member is not under social security.
Without social security	2.00% of average final compensation, times years of service
Final average compensation	Average of the three highest paid years of service
<b>Early retirement</b>	
Early retirement amount	5 years of continuous service or 15 years of active aggregate service Calculated on the basis of average final compensation and service to date of termination. Deferral to normal retirement age, or an actuarially reduced allowance may begin at the time of separation.
Service connected disability amount	Calculated based on compensation and service to the date of the disability with a minimum benefit (including workers' compensation benefits) of 50% of compensation at the time of disability
Non-service connected disability service requirement	10 years of service
Non-service connected disability service amount	Calculated based on compensation and service to the date of the disability
Pre-retirement death benefit amount	Lump-sum return of contributions with interest of if vested and married, the surviving spouse will receive a lifetime benefit
Cost of living increases	2.50% - 6.00% depending on retirement date and increase in CPI



## Town of Cromwell, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

**B. Connecticut municipal employees' retirement system (continued)****3. Contributions**Employer

Participating municipalities make annual contributions consisting of a normal cost contribution, a contribution for the amortization of the net unfunded accrued liability and a prior service amortization payment which covers the liabilities of the system not met by member contributions.

Employees

For employees not covered by social security, each person is required to contribute 6.00% of compensation.

For employees covered by social security, each person is required to contribute 3.25% of compensation up to the social security taxable wage base plus 6.00% of compensation, if any, in excess of such base.

**4. Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions**

The Town reported \$5,101,444 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020. The Town's proportionate share of the net pension liability was based upon the Town's 2020 actuarial (expected) payroll relative to the payroll of all the participating employers as of that date. The Town's proportional share was 6.181821% for the police and fire with social security sub plan. There was no change in the percentage for the general employees sub plan or the police and fire sub plan from the prior year.

Subsequent to the measurement date, there were no changes in benefit terms or any expected changes that will have an impact on the measurement of the net pension liability.

## Town of Cromwell, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

**B. Connecticut municipal employees' retirement system (continued)**

For the fiscal year, the Town recognized pension expense of \$1,057,172. The Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description of Outflows/Inflows	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows and Inflows
Net difference between projected and actual earnings on pension plan investments	\$ 560,062	\$ -	\$ 560,062
Change in assumptions	825,435	-	825,435
Change in proportional share	201,382	137,591	63,791
Difference between expected and actual experience	-	652,747	(652,747)
Contributions subsequent to the measurement date	<u>457,892</u>	<u>-</u>	<u>457,892</u>
Total	<u>\$ 2,044,771</u>	<u>\$ 790,338</u>	1,254,433
Contributions subsequent to the measurement date to be recognized as a reduction of the net pension liability in the subsequent year			<u>(457,892)</u>
Net amortized amount of deferred inflows and outflows			<u>\$ 796,541</u>

Other amounts reported as deferred outflows (inflows) of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	
2022	\$ 283,367
2023	381,612
2024	92,858
2025	<u>38,704</u>
Total	<u>\$ 796,541</u>

**5. Actuarial assumptions**

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

## Town of Cromwell, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

**B. Connecticut municipal employees' retirement system (continued)**

Investment rate of return	7.00%
Inflation	2.50%
Salary increases	3.50-10.00%, including inflation
Cost of living adjustments	Future cost-of-living adjustments for members who retire on or after January 1, 2002 are 60% of the annual increase in the CPI up to 6.00%. The minimum annual COLA is 2.50%, the maximum is 6.00%
Mortality rates	Mortality rates were based on RP-2014 Combined Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB for General Employees and the RP-2014 Blue Collar Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected 2022 with Scale BB for Police and Fire. For disabled retirees, the RP-2014 Disabled Mortality Table projected with Scale BB to 2020 was used

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2017.

**Long-term expected rate of return**

The long-term expected rate of return on pension plan investments was determined using a statistical analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimates of arithmetic real rates of return for each major class are summarized in the following table:

## Town of Cromwell, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

**B. Connecticut municipal employees' retirement system (continued)**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Target Expected Real Rate of Return</u>
Domestic equity	20.00%	5.30%
Developed market international	11.00%	5.10%
Emerging market international	9.00%	7.40%
Core fixed income	16.00%	1.60%
Inflation linked bond	5.00%	1.30%
Emerging market debt	5.00%	2.90%
High yield bond	6.00%	3.40%
Real estate	10.00%	4.70%
Private equity	10.00%	7.30%
Alternative investments	7.00%	3.20%
Liquidity fund	1.00%	0.90%
Total	<u>100.00%</u>	

**6. Discount rate**

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. 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.

**7. Sensitivity of the net pension liability to changes in the discount rate**

The following presents the Town's proportional share of the net pension liability of MERS, calculated using the discount rate, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate of 7.00%:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Town's proportionate share of the net pension liability	<u>\$ 7,353,055</u>	<u>\$ 5,101,444</u>	<u>\$ 3,219,156</u>

## Town of Cromwell, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

**B. Connecticut municipal employees' retirement system (continued)****8. Plan fiduciary net position**

Detailed information about the MERS plan's fiduciary net position is available in the separately issued State of Connecticut Annual Comprehensive Financial Report as of and for the year ended June 30, 2020.

**C. Connecticut state teachers' retirement system****1. Plan description**

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

**2. Benefit provisions**

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
Benefit calculation	2.00% of the average annual salary times the years of credited service (maximum benefit is 75% of average annual salary during the 3 years of highest salary)
Early retirement	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
Early retirement amount	Benefit amounts are reduced by 6.00% per year for the first 5 years preceding normal retirement age and 4.00% per year for the next 5 years preceding the normal retirement age. Effective July 1, 1999, the reduction for individuals with 30 or more years of service is 3.00% per year by which retirement precedes normal retirement date.
Service connected disability amount	2.00% 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. In addition, disability benefits under this plan (without regard to cost-of-living adjustments) plus any initial award of social security benefits and workers' compensation cannot exceed 75% of annual average salary.

## Town of Cromwell, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

**C. Connecticut state teachers' retirement system (continued)**

Non-service connected disability service requirement	Five years of credited service
Vesting - service	10 years of service
Vesting - amount	100%
Pre-retirement death benefit amount	Lump-sum return of contributions with interest or surviving spouse benefit depending on length of service

**3. Contributions****State of Connecticut**

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

**Employer (school districts)**

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

**Employees**

Each teacher is required to contribute 7.00% of their salary for the pension benefit.

**4. Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions**

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 amounts recognized by the Town as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the Town were as follows:

Town's proportionate share of the net pension liability	\$ -
State's proportionate share of the net pension liability associated with the Town	<u>63,268,586</u>
Total	<u>\$ 63,268,586</u>

## Town of Cromwell, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

**C. Connecticut state teachers' retirement system (continued)**

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

During the year, the Town recognized pension expense and revenue of \$4,058,153 for on-behalf amounts for contributions to the plan by the State.

**5. Actuarial assumptions**

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

Investment rate of return	6.90%
Inflation	2.50%
Salary increases	3.00-6.50%, including inflation
Mortality rates	Mortality rates were based on the PubT-2010 Table, projected generationally with MP-2019

Future cost-of-living increases - 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 3.00% and a maximum of 5.00% 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 6.00% per annum. If the return on assets in the previous year was less than 8.50%, the maximum increase is 1.50%. 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 5.00% per annum. If the return on assets in the previous year was less than 11.50%, the maximum increase is 3.00%, and if the return on the assets in the previous year was less than 8.50%, the maximum increase is 1.00%.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the 5-year period ending June 30, 2019.

**Changes in assumptions and inputs**

- The salary increases assumption was decreased from 3.25% to 3.00%.
- The mortality tables were changed from the RPH-2014 White Collar Table, projected to the year 2020 using the BB improvement scale to the PubT-2010 Table, projected generationally with MP-2019.

## Town of Cromwell, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

**C. Connecticut state teachers' retirement system (continued)****Long-term expected 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 target asset allocation and best estimates of geometric rates of return for each major class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity fund	20.00%	5.60%
Developed market international stock fund	11.00%	6.00%
Emerging market international stock fund	9.00%	7.90%
Core fixed income fund	16.00%	2.10%
Inflation linked bond fund	5.00%	1.10%
Emerging market debt fund	5.00%	2.70%
High yield bond fund	6.00%	4.00%
Real estate fund	10.00%	4.50%
Private equity	10.00%	7.30%
Alternative investments	7.00%	2.90%
Liquidity fund	1.00%	0.40%
Total	<u>100.00%</u>	

**6. 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 rates equal to the difference between actuarially determined contribution rates and the member rate. 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.



## Town of Cromwell, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

**C. Connecticut state teachers' retirement system (continued)****7. 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.

**8. Plan fiduciary net position**

Detailed information about the Connecticut State Teachers' Retirement Plan fiduciary net position is available in the separately issued State of Connecticut Annual Comprehensive Financial Report as of and for the year ended June 30, 2020.

**D. Total pension plans**

	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
Town	\$ 1,390,265	\$ 4,752,219	\$ 37,031
MERS	2,044,771	790,338	1,057,172
Total	<u>\$ 3,435,036</u>	<u>\$ 5,542,557</u>	<u>\$ 1,094,203</u>

**E. Other post-employment benefit plan****1. Plan description****a. Plan administration**

The Town administers one single-employer defined benefit, post-retirement healthcare plan for the Town and Board of Education through the Town of Cromwell Other Post-Employment Benefit ("OPEB") trust fund. The plan provides health and life insurance benefits to eligible retirees and their spouses. The plan does not issue standalone financial reports.

**b. Plan membership**

As of July 1, 2019 the plans' membership consisted of:

Retirees and beneficiaries receiving benefits	47
Active members	<u>380</u>
Total	<u>427</u>

**2. Benefit provisions**

In addition to providing pension benefits, various Town employee agreements provide for a portion of health insurance coverage or subsidized coverage to retired employees. These benefits are negotiated through union contracts, personnel policies, and/or individual employment agreements.

## Town of Cromwell, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

**E. Other post-employment benefit plan (continued)****3. Contributions**

Town employees	Employees hired before October 1, 2012, pay any amount over \$6,000 with at least 10 years of service for ages 62 to 65. For ages 65 and above, the retiree pays 100 % of the cost
Police employees	Employees pay any amount over \$6,000 with at least 25 years of service up to age 65. For ages 65 and above, the retiree pays 100 % of the cost
Public works employees	100% of the cost of insurance up to age 65
Noncertified education employees	100% of the cost of insurance after 10-15 years of service upon retiring, for up to 5 years
Teachers and administrators	(1)
Employer	Actuarially determined on a bi-annual basis using the entry age normal method

(1) Teachers who no longer work for the Board of Education are allowed by State Statute to participate in the Town's group medical insurance plan until they formally begin receiving benefits from the State Teachers' Retirement Plan. These retirees are required to contribute the cost of the insurance to the Town.

**4. Investments****a. Investment policy**

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

The following was the Board's adopted asset allocation policy the Employees' OPEB Plan:

Asset Class	Target Allocation
U.S. large cap core	28.00%
U.S. mid cap core	7.00%
U.S. small cap core	4.00%
International equity	20.00%
Emerging markets equity	5.00%
Alternative equity	13.50%
REITs	2.50%
Fixed income	18.00%
Cash	2.00%
Total	<u>100.00%</u>

## Town of Cromwell, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

**E. Other post-employment benefit plan (continued)****b. Concentrations**

There were no investments in any one organization that represents 5% or more of the OPEB plans' net position.

**c. Rate of return**

The long-term expected rate of return on OPEB 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 OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan's target asset allocation (see the discussion of the OPEB plan's investment policy) are as follows:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. large cap core	4.83%
U.S. mid cap core	6.62%
U.S. small cap core	7.70%
International equity	5.33%
Emerging markets equity	9.60%
Alternative equity	4.19%
REITs	4.10%
Fixed income	1.36%
Cash	0.00%
 Inflation rate	 2.60%

- d.** The annual money-weighted rate of return on OPEB plan investments, net of investment expense was 30.80%.

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

## Town of Cromwell, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

**E. Other post-employment benefit plan (continued)****5. Net OPEB liability**

The components of the net OPEB liability were measured as of June 30, 2021 and were as follows:

Total OPEB liability	\$ 4,432,270
Plan fiduciary net position	<u>2,251,177</u>
Net OPEB liability	<u><u>\$ 2,181,093</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u><u>50.79%</u></u>

**6. Actuarial methods and significant assumptions:**

Actuarial valuation date	July 1, 2019
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	6.90%
Salary Increases	2.60%
Inflation	2.60%
Healthcare cost trend rates:	
Initial medical trend rate	6.60%
Ultimate medical trend rate	4.60%
Mortality rates	Pub-2010 Public Retirement Plans Amount-Weighted Mortality Tables (with separate tables for General Employees, Public Safety and Teachers), projected to the valuation date with Scale MP-2019

The discount rate for the plan was based on the Standard and Poors municipal bond 20-year high grade index as of the measurement date for the Board of Education plan only.

## Town of Cromwell, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

**E. Other post-employment benefit plan (continued)****7. Changes from prior year****a. Changes in assumptions**

There were no changes in assumptions.

**b. Changes in benefit terms**

There were no changes in benefit terms in the current year.

**8. Discount rate**

The discount rate used to measure the total OPEB 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 Town contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the OPEB 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 OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

## Town of Cromwell, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

**E. Other post-employment benefit plan (continued)****9. Changes in the net OPEB liability**

The Town's OPEB liability was measured at June 30, 2021 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2019.

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Total OPEB Liability (a) - (b)
Balance at July 1, 2020	\$4,266,983	\$ 1,661,160	\$ 2,605,823
Service cost	161,604	-	161,604
Interest	295,644	-	295,644
Differences between expected and actual experience	720	-	720
Contributions - employer	-	337,443	(337,443)
Contributions - State Teachers' Retirement subsidy	-	26,838	(26,838)
Net investment income	-	541,495	(541,495)
Benefit payments, including refunds of member contributions	(292,681)	(292,681)	-
Administrative expenses	-	(23,078)	23,078
Net change	165,287	590,017	(424,730)
Balance at June 30, 2021	\$4,432,270	\$ 2,251,177	\$ 2,181,093

**10. Sensitivity of the OPEB liability to changes in the discount rate**

The following presents the OPEB liability, as well as what the 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 of 6.90%:

OPEB Liability	1% Decrease	Current Discount Rate	1% Increase
Town OPEB Plan	\$2,624,270	\$ 2,181,093	\$ 1,792,829

**11. Sensitivity of the OPEB liability to changes in the healthcare cost trend rate**

The following presents the OPEB liability, as well as what the OPEB liability would be if it were calculated using trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current trend rates:

OPEB Liability	1% Decrease	Current Trend Rate	1% Increase
Town OPEB Plan	\$1,729,735	\$ 2,181,093	\$ 2,719,424

## Town of Cromwell, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

**E. Other post-employment benefit plan (continued)****12. OPEB expense and deferred outflows of resources related to OPEB**

For the fiscal year, the Town recognized OPEB expense of \$45,244. The Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Description of Inflows	Deferred Outflows of Resources	Deferred Inflows of Resources	Net
Differences between expected and actual experience	\$ 29,242	\$ 1,795,336	\$ (1,766,094)
Changes in assumptions	232,525	810,313	(577,788)
Net difference between projected and actual earnings on OPEB plan investments	-	202,474	(202,474)
Total	<u>\$ 261,767</u>	<u>\$ 2,808,123</u>	<u>\$ (2,546,356)</u>

Actual investment earnings below (or above) projected earnings are amortized over 5 years for both plans. Experience losses (gains) are amortized over the average remaining service period of actives and inactive, which was 13.4 years.

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

Year Ended June 30,

2022	\$ (268,115)
2023	(265,526)
2024	(281,456)
2025	(311,237)
2026	(230,965)
Thereafter	<u>(1,189,057)</u>
Total	<u>\$ (2,546,356)</u>

## Town of Cromwell, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

**F. Connecticut state teachers' retirement board retiree health insurance plan****1. Plan description**

Teachers, principals, superintendents or supervisors engaged in service of public schools that are currently receiving a retirement or disability benefit through the Connecticut Teachers' Retirement System are eligible to participate in the Connecticut State Teachers' Retirement System Retiree Health Insurance Plan ("TRS-RHIP") - a cost sharing multiple-employer defined benefit other post-employment benefit plan administered by the Teachers' Retirement Board ("TRB"). Chapter 167a Section 10-183t of the State Statutes grants authority to establish and amend the benefit terms to the TRB. TRS-RHIP issues a publicly available financial report that can be obtained at [www.ct.gov/trb](http://www.ct.gov/trb).

**2. Benefit provisions**

The Plan provides for retiree health insurance benefits. Eligibility is as follows:

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	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
Service connected disability service requirement	No service requirement
Non-service connected disability service requirement	Five years of credited service
Vesting - service	10 years of service

**Retiree health care coverage**

Any member that is currently receiving a retirement or disability benefit is eligible to participate in the Plan. 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 Supplemental Plans provide coverage for those participating in Medicare, but not receiving Subsidized Local School District Coverage.

Any member that is not currently participating in Medicare Parts A & B is eligible to continue health care coverage with their former employer. A subsidy of up to \$110 per month for a retired member plus an additional \$110 per month for a spouse enrolled in a local school district plan is provided to the school district to first offset the retiree's share of the cost of coverage, any remaining portion is used to offset the district's cost.

The subsidy amount is set by statute, and has not increased since July of 1996. A subsidy amount of \$220 per month may be paid for a retired member, spouse or the surviving spouse of a member who has attained the normal retirement age to participate in Medicare, is not eligible for Part A of Medicare without cost, and contributes at least \$220 per month towards coverage under a local school district plan.



## Town of Cromwell, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

**F. Connecticut state teachers' retirement board retiree health insurance plan (continued)**

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

If a member participating in Medicare Parts A & B so elects, they may enroll in one of the CTRB Sponsored Medicare Supplemental Plans. Active members, retirees, and the State pay equally toward the cost of the basic coverage (medical and prescription drug benefits).

Those participants electing vision, hearing, and/or dental are required by the System's funding policy to pay the full cost of coverage for these benefits, and no liability is assumed by the Plan for these benefits.

**Survivor health care coverage**

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

**3. Contributions****State of Connecticut**

Per Connecticut General Statutes Section 10-183z, contribution requirements of active employees and the State of Connecticut are amended and certified by the State Teachers' Retirement Board and appropriated by the General Assembly. The State contributions are not currently actuarially funded. The State pays for one third of plan costs through an annual appropriation in the General Fund.

**Employer (school districts)**

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

**Employees**

Each member is required to contribute 1.25% of their annual salary.

**4. OPEB liabilities, OPEB expense, deferred outflows of resources and deferred inflows of resources related to OPEB**

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 amounts 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 were as follows:

## Town of Cromwell, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

**F. Connecticut state teachers' retirement board retiree health insurance plan (continued)**

Town's proportionate share of the net OPEB liability	\$ -
State's proportionate share of the net OPEB liability associated with the Town	<u>9,436,512</u>
Total	<u>\$ 9,436,512</u>

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

The Town recognized OPEB expense and revenue of \$97,937 for on-behalf amounts for contributions to the plan by the State.

**5. Actuarial assumptions**

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

Investment rate of return	3.00%
Inflation	2.50%
Health care cost trend rate (Medicare)	5.125% decreasing to 4.50% by 2023
Salary increases	3.00-6.50%, including inflation
Mortality rates	Mortality rates were based on the PubT-2010 Table, projected generationally with MP-2019
Year fund net position will be depleted	2021

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the 5-year period ending June 30, 2019.

**Changes in assumptions and inputs**

- The Medicare health care cost trend rate changed from 5.00% decreasing to 4.75% by 2028 to 5.125% decreasing to 4.50% by 2023.
- The salary increases assumption was decreased from 3.25% to 3.00%.
- The mortality tables were changed from the RPH-2014 White Collar Table, projected to the year 2020 using the BB improvement scale to the PubT-2010 Table, projected generationally with MP-2019.
- The discount rate was decreased from 3.50% 2.21% to reflect the change in the Municipal Bond Index rate.

## Town of Cromwell, Connecticut

**Notes to Financial Statements  
As of and for the Year Ended June 30, 2021****F. Connecticut state teachers' retirement board retiree health insurance plan (continued)**

Additionally, expected annual per capita claims costs were updated to better reflect anticipated medical and prescription drug claim experience both before and after the plan change that became effective on January 1, 2019. Further, the expected rate of inflation was decreased and the real wage growth assumption was increased.

**Long-term expected rate of return**

The long-term expected rate of return on OPEB 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 OPEB 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 weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

All the plan assets are assumed to be invested in cash equivalents due to the need for liquidity. The expected rate of return is 2.00%. Since there have not been any changes to the asset allocation and the recent economic downturn is expected to be temporary, the funding rate of 3.00% continues to be used for the long-term investment rate of return as of June 30, 2020.

**6. Discount rate**

The discount rate used to measure the total OPEB liability was 2.21%. The Municipal Bond Index Rate was used in the determination in the discount rate. 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 annual State contributions will equal the most recent 5-year average of state contributions.

**7. Sensitivity of the OPEB liability to changes in the discount rate and the health care cost trend rate**

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

**8. 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 as of and for the year ended June 30, 2020.

## Town of Cromwell, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

**G. Pension and other post-employment benefit plan statements**

**Combining Statement of Fiduciary Net Position**  
**June 30, 2021**

	Employee Pension Fund	OPEB Trust Fund	Total
<u>Assets</u>			
Cash	\$ 430,745	\$ -	\$ 430,745
Investments:			
Common stock	16,172,819	1,222,117	17,394,936
Common stock - international	6,065,953	611,142	6,677,095
U.S. government obligations	4,941,124	-	4,941,124
Corporate bonds	2,444,734	-	2,444,734
Real estate investment trusts	816,903	-	816,903
Money market mutual fund	787,664	42,085	829,749
Pooled fixed income	-	375,833	375,833
Total investments	31,229,197	2,251,177	33,480,374
Accrued interest	51,471	-	51,471
Total assets	31,711,413	2,251,177	33,962,590
<u>Net Position</u>			
Restricted for:			
Pension benefits	31,711,413	-	31,711,413
OPEB benefits	-	2,251,177	2,251,177
Total net position	\$ 31,711,413	\$ 2,251,177	\$ 33,962,590

## Town of Cromwell, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

**G. Pension and other post-employment benefit plan statements (continued)**

**Combining Statement of Changes in Fiduciary Net Position**  
**For the Year Ended June 30, 2021**

	Employee Pension Fund	OPEB Trust Fund	Total
Additions:			
Contributions:			
Employer	\$ 905,856	\$ 337,443	\$ 1,243,299
Plan members	284,135	-	284,135
State Teachers' Retirement subsidy	-	26,838	26,838
	<u>1,189,991</u>	<u>364,281</u>	<u>1,554,272</u>
Total contributions			
Investment income (loss):			
Net change in fair value of investments	6,086,047	469,895	6,555,942
Interest and dividends	497,678	71,600	569,278
	<u>6,583,725</u>	<u>541,495</u>	<u>7,125,220</u>
Total investment income (loss)			
Less investment expenses	265,161	-	265,161
	<u>6,318,564</u>	<u>541,495</u>	<u>6,860,059</u>
Net investment income (loss)			
Total additions	<u>7,508,555</u>	<u>905,776</u>	<u>8,414,331</u>
Deductions:			
Benefits	1,630,031	292,681	1,922,712
Administration	-	23,078	23,078
	<u>1,630,031</u>	<u>315,759</u>	<u>1,945,790</u>
Total deductions			
Changes in net position	5,878,524	590,017	6,468,541
Net position - July 1, 2020	<u>25,832,889</u>	<u>1,661,160</u>	<u>27,494,049</u>
Net position - June 30, 2021	<u>\$ 31,711,413</u>	<u>\$ 2,251,177</u>	<u>\$ 33,962,590</u>

## Town of Cromwell, Connecticut

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 2021**

**VI. Prior period adjustment and fund reclassification**

The government-wide and custodial funds net position and special revenue fund balance were restated as a result of the implementation of GASB 84 as follows:

	<u>Governmental Activities</u>	<u>Other Governmental Activities</u>
Net position/Fund balance as previously reported at June 30, 2020	\$ 108,325,288	\$ 1,396,328
Reclassification of funds to required fund type	<u>352,561</u>	<u>352,561</u>
Net position/fund balance as restated at July 1, 2020	<u>\$ 108,677,849</u>	<u>\$ 1,748,889</u>

**Fund reclassifications**

Open choice fund was reclassified from a special revenue fund to being combined with the general fund. The reclassification had no impact on fund balances.

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# Required Supplementary Information

Type	Description
Budgetary	Schedule of Revenues and Other Financing Sources - Budget and Actual - General Fund
	Schedule of Revenues and Other Financing Uses - Budget and Actual - General Fund
	Schedule of Revenues, Expenditures and Changes in Fund Balance- Budget and Actual - Sewer Usage Fund
	Notes to Required Supplementary Information - Budgets and Budgetary Accounting
<u>Pension Plans</u> Employees' Municipal Employees' Retirement System State Teachers' Retirement System	Schedule of Changes in Net Pension Liability and Related Ratios and Schedule of Investment Returns
	Schedule of Proportionate Share of the Net Pension Liability
	Schedule of Contributions
	Notes to Required Supplementary Information
<u>Other Post-Employment Benefits Plans</u> OPEB State Teacher's Retirement Board Retiree Health Insurance Plan	Schedule of Changes in Net OPEB Liability and Related Ratios and Schedule of Investment Returns
	Schedule of Proportionate Share of the Net OPEB Liability
	Schedule of Contributions
	Notes to Required Supplementary Information

**Town of Cromwell, Connecticut**  
**Required Supplementary Information**  
**General Fund**  
**Schedule of Revenues and Other Financing Sources**  
**Budget and Actual**  
**For The Year Ended June 30, 2021**

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Property taxes:					
Current taxes	\$ 44,716,135	\$ -	\$ 44,716,135	\$ 44,160,733	\$ (555,402)
Prior year's levies	250,000	-	250,000	255,496	5,496
Interest and liens	150,000	-	150,000	229,017	79,017
Motor vehicle supplement - current year	375,000	-	375,000	418,770	43,770
Other	500	-	500	885	385
Telecommunication - PILOT	25,000	-	25,000	27,013	2,013
Mattabassett - PILOT	100,000	-	100,000	100,000	-
Total property taxes	45,616,635	-	45,616,635	45,191,914	(424,721)
Intergovernmental revenues:					
Town:					
Youth service grant	14,000	-	14,000	14,000	-
Tax relief - disability	950	-	950	1,172	222
Tax relief - veterans	2,600	-	2,600	2,608	8
Town aid road grant	275,736	-	275,736	275,821	85
State owned property - PILOT	8,749	-	8,749	8,749	-
College and university - PILOT	37,974	-	37,974	37,974	-
Emergency management	4,500	-	4,500	7,057	2,557
Judicial department	4,500	-	4,500	7,095	2,595
Other - Town	500	-	500	314,508	314,008
Other - education	500	-	500	-	(500)
Municipal revenue sharing	31,099	-	31,099	31,099	-
Total Town	381,108	-	381,108	700,083	318,975
Education:					
Education cost sharing	4,977,403	-	4,977,403	4,919,751	(57,652)
Adult and vocational education	13,955	-	13,955	14,554	599
Total education	4,991,358	-	4,991,358	4,934,305	(57,053)
Total intergovernmental revenues	5,372,466	-	5,372,466	5,634,388	261,922
Charges for services:					
Copier revenue	14,500	-	14,500	23,069	8,569
Conveyance taxes	185,000	-	185,000	450,088	265,088
Recording fees	75,000	-	75,000	129,586	54,586
Vital statistics	17,000	-	17,000	19,720	2,720
Town clerk miscellaneous	3,000	-	3,000	1,895	(1,105)
Public works miscellaneous	900	-	900	2,168	1,268
Gun permits	3,000	-	3,000	12,585	9,585
Parking tickets	3,500	-	3,500	1,728	(1,772)
Game/peddler permits	1,300	-	1,300	1,330	30
Alarm registration and fees	7,000	-	7,000	9,535	2,535
Communication tower income	40,000	-	40,000	40,000	-
Police outside services - cruiser use	25,000	-	25,000	37,960	12,960
Police copying and lab fees	2,000	-	2,000	2,621	621
Police department miscellaneous	5,000	-	5,000	6,348	1,348
Animal control citations	550	-	550	-	(550)
SRO - Board of Education	70,960	-	70,960	57,065	(13,895)
Salons, pools and hot tubs	7,500	-	7,500	5,600	(1,900)
Health department other	-	-	-	30,000	30,000
Senior services department miscellaneous	1,500	-	1,500	25	(1,475)

(Continued)



Town of Cromwell, Connecticut

Required Supplementary Information  
General Fund  
Schedule of Revenues and Other Financing Sources  
Budget and Actual  
For The Year Ended June 30, 2021

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Charges for services: (continued)					
Library department fines/ fees	\$ 5,000	\$ -	\$ 5,000	\$ 984	\$ (4,016)
Assessor's office miscellaneous	1,000	-	1,000	916	(84)
Planning and zoning	7,500	-	7,500	4,646	(2,854)
Zoning Board of Appeals	1,000	-	1,000	1,474	474
Inland-wetlands	1,000	-	1,000	1,264	264
Sewer usage	37,750	-	37,750	37,908	158
Fire district fees	59,531	-	59,531	59,531	-
School rentals	2,000	-	2,000	-	(2,000)
Lease/rentals	5,000	-	5,000	193	(4,807)
Building inspection	-	-	-	199	199
Senior services other	-	-	-	345	345
Development compliance other	-	-	-	4,050	4,050
Licenses and permits:					
Building department	350,000	-	350,000	529,142	179,142
Food licenses	22,000	-	22,000	20,665	(1,335)
Health department plan review	500	-	500	4,000	3,500
Transfer station	45,000	-	45,000	60,265	15,265
Total charges for services	999,991	-	999,991	1,556,905	556,914
Income from investments	80,000	-	80,000	55,143	(24,857)
Other:					
Board of Education miscellaneous	2,000	-	2,000	-	(2,000)
Insurance dividends/returns	32,500	-	32,500	21,251	(11,249)
Other revenue	40,000	-	40,000	19,497	(20,503)
Total other	74,500	-	74,500	40,748	(33,752)
Total revenues	52,143,592	-	52,143,592	52,479,098	335,506
Other financing sources:					
Appropriation of fund balance	363,300	2,365,366	2,728,666	-	(2,728,666)
Transfers in:					
Outside services fund	100,000	-	100,000	168,301	68,301
Total other financing sources	463,300	2,365,366	2,828,666	168,301	(2,660,365)
Total revenues and other financing sources	\$ 52,606,892	\$ 2,365,366	\$ 54,972,258	\$ 52,647,399	\$ (2,324,859)

(Concluded)

Town of Cromwell, Connecticut

Required Supplementary Information  
General Fund  
Schedule of Expenditures and Other Financing Uses  
Budget and Actual  
For The Year Ended June 30, 2021

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
General government:					
Town manager	\$ 394,157	\$ 483	\$ 394,640	\$ 394,640	\$ -
Town clerk	206,689	3,500	210,189	209,733	456
Elections department	78,164	(1)	78,163	68,093	10,070
Economic development	23,911	-	23,911	18,651	5,260
Town planner	136,177	4,500	140,677	139,379	1,298
Development compliance	109,780	-	109,780	108,015	1,765
Building inspection	208,761	-	208,761	208,636	125
Finance department	430,008	-	430,008	419,360	10,648
Tax collector	154,103	-	154,103	145,756	8,347
Assessor's office	250,335	-	250,335	236,575	13,760
Donations and dues	50,491	2	50,493	42,800	7,693
Legal	223,300	35,000	258,300	258,299	1
Central services	185,300	12,000	197,300	196,034	1,266
Insurance	563,200	-	563,200	549,979	13,221
General expense	10,002	-	10,002	2,763	7,239
Town council	41,755	-	41,755	39,741	2,014
Board of finance	1,350	-	1,350	1,076	274
Charter revision commission	3,000	-	3,000	-	3,000
Board of assessment appeals	1,200	-	1,200	392	808
Commission support disabled	100	-	100	-	100
Planning and zoning commission	3,525	-	3,525	2,001	1,524
Zoning board of appeals	1,250	-	1,250	693	557
Inland wetlands	2,300	-	2,300	595	1,705
Conservation commission	1,210	-	1,210	140	1,070
Employee benefits	3,922,360	(60,484)	3,861,876	3,660,291	201,585
Total general government	7,002,428	(5,000)	6,997,428	6,703,642	293,786
Public works:					
Public works administration	4,443,361	-	4,443,361	4,318,313	125,048
Public safety:					
Emergency management	19,050	-	19,050	15,710	3,340
Police department	3,643,667	3,225	3,646,892	3,534,658	112,234
Animal control	89,247	1,775	91,022	89,821	1,201
Total public safety	3,751,964	5,000	3,756,964	3,640,189	116,775
Human services:					
Health department	201,785	-	201,785	200,487	1,298
Human services	134,809	-	134,809	124,973	9,836
Senior services	127,927	-	127,927	111,293	16,634
Transportation services	170,856	-	170,856	118,537	52,319
Youth services	108,429	-	108,429	102,409	6,020
Total human services	743,806	-	743,806	657,699	86,107
Culture and recreation:					
Recreation department	266,817	-	266,817	248,266	18,551
Library	617,326	-	617,326	570,603	46,723
Total culture and recreation	884,143	-	884,143	818,869	65,274

(Continued)

Town of Cromwell, Connecticut

Required Supplementary Information  
General Fund  
Schedule of Expenditures and Other Financing Uses  
Budget and Actual  
For The Year Ended June 30, 2021

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Education	\$ 31,805,990	\$ -	\$ 31,805,990	\$ 31,804,202	\$ 1,788
Debt service	3,551,700	-	3,551,700	3,551,700	-
Total expenditures	52,183,392	-	52,183,392	51,494,614	688,778
Other financing uses:					
Transfers out:					
Capital projects funds	423,500	2,365,366	2,788,866	2,788,866	-
Total expenditures and other financing uses	\$ 52,606,892	\$ 2,365,366	\$ 54,972,258	\$ 54,283,480	\$ 688,778
					(Concluded)

**Town of Cromwell, Connecticut**  
**Required Supplementary Information**  
**Sewer Usage Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended June 30, 2021**

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Revenues:					
User charges	\$ 1,987,269	\$ -	\$ 1,987,269	\$ 2,038,082	\$ 50,813
Outlet charge	-	-	-	717,430	717,430
Permits and inspection charges	11,000	-	11,000	32,482	21,482
Service charges	15,000	-	15,000	12,448	(2,552)
Income from investments	42,000	-	42,000	4,542	(37,458)
Total revenues	2,055,269	-	2,055,269	2,804,984	749,715
Expenditures:					
Regular wages	445,747	-	445,747	448,645	(2,898)
Part-time wages	16,318	-	16,318	10,322	5,996
Overtime wages	57,783	-	57,783	52,713	5,070
Department expenses	29,700	-	29,700	17,505	12,195
Outside services	95,506	-	95,506	74,087	21,419
Vehicle maintenance	8,000	-	8,000	5,191	2,809
Gasoline and fuel	8,610	-	8,610	8,420	190
Equipment repair and maintenance	25,000	-	25,000	20,581	4,419
Liability and property insurance	39,900	400	40,300	40,205	95
Materials and supplies	26,000	14,600	40,600	39,433	1,167
Utilities and oil	36,050	782	36,832	36,832	-
Payments for sewer treatment	924,000	-	924,000	910,375	13,625
Meter and pump station repairs	24,000	-	24,000	23,240	760
Prior year obligations	3,500	-	3,500	540	2,960
Damage claims	100	-	100	-	100
Employee benefits	293,055	(4,782)	288,273	223,940	64,333
Capital expenditures	22,000	(11,000)	11,000	8,364	2,636
Total expenditures	2,055,269	-	2,055,269	1,920,393	134,876
Excess (deficiency) of revenues over expenditures	-	-	-	884,591	884,591
Other financing sources (uses)					
Transfers out	-	-	-	(300,000)	(300,000)
Net change in fund balance	\$ -	\$ -	\$ -	584,591	\$ 584,591
Fund balance - July 1, 2020				2,292,883	
Fund balance - June 30, 2021				\$ 2,877,474	

## Town of Cromwell, Connecticut

Notes to Required Supplementary Information  
For the Year Ended June 30, 2021

## Budgets and Budgetary Accounting

The Town adheres to the following procedures in establishing the budgetary data included in the General Fund and Sewer Usage Fund financial statements. The operating budget, which is prepared by function and department, includes proposed expenditures and the means of financing them.

The budgets are adopted on a basis consistent with Generally Accepted Accounting Principles (modified accrual basis) with the following exception for the general fund:

- The Town does not recognize as revenue or expenditures payments made for the State Teachers' pension and OPEB by the State of Connecticut on the Town's behalf.
- Certain funds that are required to be reported as part of the general fund under the requirements of GASB 54

<u>Reconciliation to Exhibit D</u>	<u>Revenues</u>	<u>Expenditures</u>
Budgetary Basis - RSI-1	\$ 52,479,098	\$ 51,494,614
Other funds (Schedule 2)	1,151,057	982,413
State Teachers' pension on behalf amount	4,058,153	4,058,153
State Teachers' OPEB on behalf amount	<u>97,937</u>	<u>97,937</u>
GAAP Basis - Exhibit D	<u>\$ 57,786,245</u>	<u>\$ 56,633,117</u>

The Town Manager compiles the budget requests from the Town departments and agencies, with the exception of the Board of Education, and presents the budget to the Town Council. The Town Council reviews and deliberates on the budget and submits it for consideration to the Board of Finance. The Board of Education submits its budget estimates directly to the Board of Finance. The Board of Finance, after its review process, presents a recommended budget for approval to referendum. The Town Charter provides the manner and timetable by which the budget process is initiated for approval by Town Meeting.

The legal level of control is on the department level for the General Fund. The Board of Finance by resolution and only upon the recommendation of a majority of the entire Town Council may make supplemental appropriations not to exceed one percent of the total annual appropriation of the fiscal year. Additional appropriations of more than one percent require Town Meeting approval.

The legal level of control for the sewer usage fund is the fund level.

Additional appropriations for the fiscal year amounted to \$2,365,366.

Unencumbered appropriations for the General Fund and the Sewer Usage Fund lapse at the end of the year.

The Board of Education is authorized under state law to make any transfers required within their budget at their discretion. Any additional appropriations must have Board of Education and Board of Finance approval.

## Town of Cromwell, Connecticut

## Required Supplementary Information

Employees' Pension Plan  
Last Eight Years (1)

	2021	2020	2019	2018	2017	2016	2015	2014
<b>Schedule of Changes in Net Pension Liability and Related Ratios</b>								
Total pension liability:								
Service cost	\$ 916,134	\$ 844,931	\$ 837,849	\$ 803,687	\$ 837,912	\$ 869,728	\$ 844,396	\$ 804,187
Interest	2,118,695	1,869,027	1,878,174	1,758,940	1,781,296	1,671,584	1,642,818	1,522,557
Differences between expected and actual experience	(558,949)	729,657	(400,403)	290,202	(932,074)	(93,482)	(2,263,343)	-
Changes in assumptions	(135,746)	787,826	21,266	-	(588,427)	-	2,184,823	-
Benefit payments, including refunds of member contributions	(1,630,031)	(1,346,631)	(1,227,055)	(1,141,661)	(912,881)	(830,072)	(760,080)	(766,744)
Net change in total pension liability	710,103	2,884,810	1,109,831	1,711,168	185,826	1,617,758	1,648,614	1,560,000
Total pension liability - July 1	30,591,016	27,706,206	26,596,375	24,885,207	24,699,381	23,081,623	21,433,009	19,873,009
Total pension liability - June 30 (a)	<u>\$ 31,301,119</u>	<u>\$ 30,591,016</u>	<u>\$ 27,706,206</u>	<u>\$ 26,596,375</u>	<u>\$ 24,885,207</u>	<u>\$ 24,699,381</u>	<u>\$ 23,081,623</u>	<u>\$ 21,433,009</u>
Plan fiduciary net position:								
Contributions - employer	\$ 905,856	\$ 704,628	\$ 686,652	\$ 674,271	\$ 708,939	\$ 688,458	\$ 704,153	\$ 663,086
Contributions - member	284,135	262,761	257,142	235,765	252,453	205,530	235,516	239,118
Net investment income (loss)	6,318,564	1,293,323	1,581,452	1,303,537	1,728,565	(77,346)	389,952	2,629,667
Benefit payments, including refunds of member contributions	(1,630,031)	(1,346,631)	(1,227,055)	(1,141,661)	(912,881)	(830,072)	(760,080)	(766,744)
Administration expenses	-	-	-	-	(2,272)	(1,530)	(1,530)	(1,530)
Net change in plan fiduciary net position	5,878,524	914,081	1,298,191	1,071,912	1,774,804	(14,960)	568,011	2,763,597
Plan fiduciary net position - July 1	25,832,889	24,918,808	23,620,617	22,548,705	20,773,901	20,788,861	20,220,850	17,457,253
Plan fiduciary net position - June 30 (b)	<u>\$ 31,711,413</u>	<u>\$ 25,832,889</u>	<u>\$ 24,918,808</u>	<u>\$ 23,620,617</u>	<u>\$ 22,548,705</u>	<u>\$ 20,773,901</u>	<u>\$ 20,788,861</u>	<u>\$ 20,220,850</u>
Net pension liability (asset) - June 30 (a)-(b)	<u>\$ (410,294)</u>	<u>\$ 4,758,127</u>	<u>\$ 2,787,398</u>	<u>\$ 2,975,758</u>	<u>\$ 2,336,502</u>	<u>\$ 3,925,480</u>	<u>\$ 2,292,762</u>	<u>\$ 1,212,159</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>101.31%</u>	<u>84.45%</u>	<u>89.94%</u>	<u>88.81%</u>	<u>90.61%</u>	<u>84.11%</u>	<u>90.07%</u>	<u>94.34%</u>
Covered payroll	<u>\$ 9,404,083</u>	<u>\$ 9,534,714</u>	<u>\$ 8,501,263</u>	<u>\$ 9,044,251</u>	<u>\$ 9,072,753</u>	<u>\$ 9,379,937</u>	<u>\$ 9,153,162</u>	<u>\$ 8,987,085</u>
Net pension liability (asset) as a percentage of covered payroll	<u>(4.36%)</u>	<u>49.90%</u>	<u>32.79%</u>	<u>32.90%</u>	<u>25.75%</u>	<u>41.85%</u>	<u>25.05%</u>	<u>13.49%</u>
<b>Schedule of Investment Returns</b>								
Annual money weighted rate of return, net of investment expense	<u>24.80%</u>	<u>5.29%</u>	<u>6.75%</u>	<u>5.87%</u>	<u>8.39%</u>	<u>0.00%</u>	<u>1.89%</u>	<u>14.76%</u>

(1) These schedules are intended to present information for 10 years. Additional years will be presented as they become available.

**Town of Cromwell, Connecticut**  
**Required Supplementary Information**

**Employees' Pension Plan**  
**Schedule of Contributions**  
**Last Ten Years**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Actuarially determined contributions	\$ 905,856	\$ 704,628	\$ 686,652	\$ 674,271	\$ 708,939	\$ 688,375	\$ 704,153	\$ 663,086	\$ 732,759	\$ 711,591
Contributions in relation to the actuarially determined contribution	<u>905,856</u>	<u>686,652</u>	<u>686,652</u>	<u>674,271</u>	<u>708,939</u>	<u>688,458</u>	<u>704,153</u>	<u>663,086</u>	<u>732,759</u>	<u>711,591</u>
Contribution excess (deficiency)	<u>\$ -</u>	<u>\$ (17,976)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 83</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 9,404,083</u>	<u>\$ 8,501,263</u>	<u>\$ 8,501,263</u>	<u>\$ 9,044,251</u>	<u>\$ 9,072,753</u>	<u>\$ 9,379,937</u>	<u>\$ 9,153,162</u>	<u>\$ 8,974,085</u>	<u>\$ 8,546,748</u>	<u>\$ 8,952,815</u>
Contributions as a percentage of covered payroll	<u>9.63%</u>	<u>8.08%</u>	<u>8.08%</u>	<u>7.46%</u>	<u>7.81%</u>	<u>7.34%</u>	<u>7.69%</u>	<u>7.39%</u>	<u>8.57%</u>	<u>7.95%</u>

## Town of Cromwell, Connecticut

## Notes to Required Supplementary Information

**Employees' Pension Plan  
Schedule of Contributions  
Last Ten Years**

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Changes of Benefit Terms	None	None	None	None	None	None	None	None	None	None
The actuarially determined contribution rates are calculated as of	July 1, 2019	July 1, 2018	July 1, 2018	July 1, 2017	July 1, 2016	July 1, 2014	July 1, 2013	July 1, 2013	July 1, 2012	July 1, 2011
Actuarial methods and assumptions used to determine contribution rates:										
Actuarial Cost Method	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit
Amortization Method	Level dollar	Level dollar	Level dollar	Level dollar	Level dollar	Level dollar	Level dollar	Level dollar	Level dollar	Level dollar
Asset Valuation Method	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing
Inflation	2.60%	2.50%	2.50%	2.75%	2.75%	3.00%	3.00%	3.50%	3.50%	3.50%
Salary Increases	3.50%	3.50%	3.50%	2.75% - 6.50% dependent on age	2.75% - 6.50% dependent on age	3.00%-6.50% dependent on age	5.00% (3.5% cost-of living, 1.5% steps)	5.00% (3.5% cost-of living, 1.5% steps)	5.00%	5.00%
Investment Rate of Return (Net)	6.90%	6.90%	6.90%	7.00%	7.00%	7.10%	7.50%	7.50%	7.50%	8.00%
Mortality Rate	Pub-2010 projected with scale MP-2019	RP-2014 projected with scale MP-2018	RP-2014 projected with scale MP-2018	RP-2014 projected with Scale AA	RP-2014 projected with Scale AA	RP-2014 projected with Scale AA	RP-2000 projected with Scale AA	RP-2000 projected with Scale AA	N/A	N/A

N/A - not available




## Town of Cromwell, Connecticut

## Required Supplementary Information

Connecticut Municipal Employees' Retirement System  
Last Seven Years (1)

	2021	2020	2019	2018	2017	2016	2015
<b><u>Schedule of Proportionate Share of the Net Pension Liability</u></b>							
Town's proportion of the net pension (asset) liability	<u>6.181821%</u>	<u>6.230267%</u>	<u>6.171665%</u>	<u>6.940000%</u>	<u>6.940000%</u>	<u>6.900000%</u>	<u>6.890000%</u>
Town's proportionate share of the net pension (asset) liability	<u>\$ 5,101,444</u>	<u>\$ 4,539,605</u>	<u>\$ 3,528,754</u>	<u>\$ 2,835,008</u>	<u>\$ 3,314,849</u>	<u>\$ 2,109,958</u>	<u>\$ 1,667,341</u>
Town's covered payroll	<u>\$ 2,750,078</u>	<u>\$ 2,767,141</u>	<u>\$ 2,942,089</u>	<u>\$ 2,863,631</u>	<u>\$ 2,836,483</u>	<u>\$ 2,762,664</u>	<u>\$ 2,762,664</u>
Town's proportionate share of the net pension (asset) liability as a percentage of its covered payroll	<u>185.50%</u>	<u>164.05%</u>	<u>119.94%</u>	<u>99.00%</u>	<u>116.86%</u>	<u>76.37%</u>	<u>60.35%</u>
Total plan fiduciary net position as a percentage of the total pension liability	<u>71.18%</u>	<u>73.60%</u>	<u>73.60%</u>	<u>91.68%</u>	<u>88.29%</u>	<u>92.72%</u>	<u>90.48%</u>
<b><u>Schedule of Contributions</u></b>							
Contractually required contribution	<u>\$ 548,623</u>	<u>\$ 571,638</u>	<u>\$ 459,149</u>	<u>\$ 470,204</u>	<u>\$ 479,910</u>	<u>\$ 517,138</u>	<u>\$ 423,789</u>
Contributions in relation to the contractually required contribution	<u>548,623</u>	<u>571,638</u>	<u>459,149</u>	<u>470,204</u>	<u>479,910</u>	<u>517,138</u>	<u>423,789</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll	<u>\$ 2,618,726</u>	<u>\$ 2,865,353</u>	<u>\$ 2,680,379</u>	<u>\$ 2,744,915</u>	<u>\$ 2,868,559</u>	<u>\$ 3,091,082</u>	<u>\$ 2,498,756</u>
Contributions as a percentage of covered payroll	<u>20.95%</u>	<u>19.95%</u>	<u>17.13%</u>	<u>17.13%</u>	<u>16.73%</u>	<u>16.73%</u>	<u>16.96%</u>

 The Town participates in the police officers and firefighters with social security.  
 (1) This schedule is intended to present information for 10 years. Additional years will be presented as the information becomes available.

See Notes to Required Supplementary Information.

## Town of Cromwell, Connecticut

## Notes to Required Supplementary Information

**Connecticut Municipal Employees' Retirement System**  
**Schedule of Contributions**  
**Last Seven Years (1)**

	2021	2020	2019	2018	2017	2016	2015
Changes of Benefit Terms	None	None	None	None	None	None	None
The actuarially determined contribution rates are calculated as of	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2016	June 30, 2016	June 30, 2014	June 30, 2014
Actuarial methods and assumptions used to determine contribution rates:							
Actuarial Cost Method	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age
Amortization Method	Level dollar, closed	Level dollar, closed	Level dollar, closed	Level dollar, closed	Level dollar, closed	Level dollar, closed	Level dollar, closed
Remaining Amortization Period	19 years	20 years	21 years	23 years	23 years	27 years	27 years
Asset Valuation Method	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing
Inflation	2.50%	2.50%	2.50%	3.25%	3.25%	3.25%	3.25%
Salary Increases	3.50%-10.00%, average, including inflation	3.50%-10.00%, average, including inflation	3.50%-10.00%, average, including inflation	4.25%-11.00%, average, including inflation	4.25%-11.00%, average, including inflation	4.25%-11.00%, average, including inflation	4.25%-11.00%, average, including inflation
Cost-of-Living Adjustments	After January 1, 2002, 2.5% minimum  Prior to January 1, 2002, 2.5% up to age 65. 3.25% afterwards	After January 1, 2002, 2.5% minimum  Prior to January 1, 2002, 2.5% up to age 65. 3.25% afterwards	After January 1, 2002, 2.5% minimum  Prior to January 1, 2002, 2.5% up to age 65. 3.25% afterwards	After January 1, 2002, 2.5% minimum  Prior to January 1, 2002, 2.5% up to age 65. 3.25% afterwards	After January 1, 2002, 2.5% minimum  Prior to January 1, 2002, 2.5% up to age 65. 3.25% afterwards	After January 1, 2002, 2.5% minimum  Prior to January 1, 2002, 2.5% up to age 65. 3.25% afterwards	After January 1, 2002, 2.5% minimum  Prior to January 1, 2002, 2.5% up to age 65. 3.25% afterwards
Social Security Wage Base	3.00%	3.00%	3.00%	3.50%	3.50%	3.50%	3.50%
Investment Rate of Return (Net)	7.00%	7.00%	7.00%	8.00%	8.00%	8.00%	8.00%
Mortality	General Employees: RP-2014 Combined Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB  Police and Fire: RP-2014 Blue Collar Mortality Table adjusted to 2006 projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB	General Employees: RP-2014 Combined Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB  Police and Fire: RP-2014 Blue Collar Mortality Table adjusted to 2006 projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB	General Employees: RP-2014 Combined Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB  Police and Fire: RP-2014 Blue Collar Mortality Table adjusted to 2006 projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB	RP-2000 Combined Mortality Table projected 19 years using scale AA, with a two year setback for males and females for the period after service retirement and for dependent beneficiaries	RP-2000 Combined Mortality Table projected 19 years using scale AA, with a two year setback for males and females for the period after service retirement and for dependent beneficiaries	RP-2000 Combined Mortality Table projected 19 years using scale AA, with a two year setback for males and females for the period after service retirement and for dependent beneficiaries	RP-2000 Combined Mortality Table projected 19 years using scale AA, with a two year setback for males and females for the period after service retirement and for dependent beneficiaries

(1) This schedule is intended to present information for 10 years. Additional years will be presented as the information becomes available

## Town of Cromwell, Connecticut

## Required Supplementary Information

Connecticut State Teachers' Retirement System  
Last Seven Years (3)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b><u>Schedule of Proportionate Share of the Net Pension Liability</u></b>							
Town's proportion of the net pension liability	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Town's proportionate share of the net pension liability	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
State of Connecticut's proportionate share of the net pension liability associated with the Town	<u>63,268,586</u>	<u>58,819,764</u>	<u>45,353,455</u>	<u>45,941,954</u>	<u>48,469,113</u>	<u>36,803,580</u>	<u>34,017,535</u>
Total	<u>\$ 63,268,586</u>	<u>\$ 58,819,764</u>	<u>\$ 45,353,455</u>	<u>\$ 45,941,954</u>	<u>\$ 48,469,113</u>	<u>\$ 36,803,580</u>	<u>\$ 34,017,535</u>
Town's covered payroll	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>
Town's proportionate share of the net pension liability as a percentage of its covered payroll	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>49.24%</u>	<u>52.00%</u>	<u>57.69%</u>	<u>55.93%</u>	<u>52.26%</u>	<u>59.50%</u>	<u>61.51%</u>

**Schedule of Contributions**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution (1)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Contributions in relation to the contractually required contribution	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>
Contributions as a percentage of covered payroll	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>

(1) Local employers are not required to contribute to the plan.

(2) Not applicable since 0% proportional share of the net pension liability

(3) These schedules are intended to present information for 10 years. Additional years will be presented as they become available.

## Town of Cromwell, Connecticut

## Notes to Required Supplementary Information

Connecticut State Teachers' Retirement System  
Schedule of Contributions  
Last Seven Years (1)

	2021	2020	2019	2018	2017	2016	2015
Changes of Benefit Terms	None	None	None	None	None	None	None
The actuarially determined contribution rates are calculated as of	June 30, 2020	June 30, 2018	June 30, 2018	June 30, 2016	June 30, 2016	June 30, 2014	June 30, 2014
Actuarial methods and assumptions used to determine contribution rates:							
Actuarial Cost Method	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age
Amortization Method	Level percent of salary, closed, grading to a level dollar	Level percent of salary, closed, grading to a level dollar	Level percent of salary, closed, grading to a level dollar	Level percent of salary, closed	Level percent of salary, closed	Level percent of salary, closed	Level percent of salary, closed
Remaining Amortization Period	27.8 years	30 years	30 years	20.4 years	20.4 years	21.4 years	22.4 years
Asset Valuation Method	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing
Inflation	2.50%	2.50%	2.75%	2.75%	2.75%	3.00%	3.00%
Salary Increases	3.00%-6.50%, average, including inflation	3.25%-6.50%, average, including inflation	3.25%-6.50%, average, including inflation	3.25%-6.50%, average, including inflation	3.25%-6.50%, average, including inflation	3.75%-7.00%, average, including inflation	3.75%-7.00%, average, including inflation
Cost-of-Living Adjustments	1.75%-3.00% based on retirement date	1.75%-3.00% based on retirement date	1.75%-3.00% based on retirement date	1.75%-3.00% based on retirement date	1.75%-3.00% based on retirement date	2.00%-3.00% based on retirement date	2.00%-3.00% based on retirement date
Investment Rate of Return (Net)	6.90%	6.90%	8.00%	8.00%	8.00%	8.50%	8.50%
Mortality	PubT-2010 Table projected generationally with MP-2019	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2000 Combined Mortality Table projected 19 years using scale AA	RP-2000 Combined Mortality Table projected 19 years using scale AA

(1) This schedule is intended to present information for 10 years. Additional years will be presented as they become available.

## Town of Cromwell, Connecticut

Other Post-Employment Benefit (OPEB) Plan  
Last Five Years (1)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b><u>Schedule of Changes in Net OPEB Liability and Related Ratios</u></b>					
Total OPEB liability:					
Service cost	\$ 161,604	\$ 162,635	\$ 155,706	\$ 268,162	\$ 260,985
Interest	295,644	298,523	286,889	353,821	339,240
Differences between expected and actual experience	720	(415,727)	36,301	(2,012,609)	(153,061)
Changes of benefit terms	-	-	-	(29,592)	-
Changes of assumptions	-	273,319	-	(1,131,229)	-
Benefit payments, including refunds of member contributions	<u>(292,681)</u>	<u>(302,390)</u>	<u>(336,267)</u>	<u>(294,060)</u>	<u>(183,909)</u>
Net change in total OPEB liability	165,287	16,360	142,629	(2,845,507)	263,255
Total OPEB liability - July 1	<u>4,266,983</u>	<u>4,250,623</u>	<u>4,107,994</u>	<u>6,953,501</u>	<u>6,690,246</u>
Total OPEB liability - June 30 (a)	<u><u>\$ 4,432,270</u></u>	<u><u>\$ 4,266,983</u></u>	<u><u>\$ 4,250,623</u></u>	<u><u>\$ 4,107,994</u></u>	<u><u>\$ 6,953,501</u></u>
Plan fiduciary net position:					
Contributions - employer	\$ 337,443	\$ 406,672	\$ 589,868	\$ 556,379	\$ 407,346
Contributions - TRB subsidy	26,838	27,718	26,399	27,682	26,563
Net investment income	541,495	(15,808)	35,283	71,871	48,235
Benefit payments, including refunds of member contributions	(292,681)	(302,390)	(336,267)	(294,060)	(183,909)
Administration expenses	<u>(23,078)</u>	<u>(19,085)</u>	<u>(16,718)</u>	<u>(6,253)</u>	<u>(3,899)</u>
Net change in plan fiduciary net position	590,017	97,107	298,565	355,619	294,336
Plan fiduciary net position - July 1	<u>1,661,160</u>	<u>1,564,053</u>	<u>1,265,488</u>	<u>909,869</u>	<u>615,533</u>
Plan fiduciary net position - June 30 (b)	<u><u>\$ 2,251,177</u></u>	<u><u>\$ 1,661,160</u></u>	<u><u>\$ 1,564,053</u></u>	<u><u>\$ 1,265,488</u></u>	<u><u>\$ 909,869</u></u>
Net OPEB liability - June 30 (a)-(b)	<u><u>\$ 2,181,093</u></u>	<u><u>\$ 2,605,823</u></u>	<u><u>\$ 2,686,570</u></u>	<u><u>\$ 2,842,506</u></u>	<u><u>\$ 6,043,632</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>50.79%</u>	<u>38.93%</u>	<u>36.80%</u>	<u>30.81%</u>	<u>13.09%</u>
Covered payroll	<u>\$ 25,673,617</u>	<u>\$ 25,023,019</u>	<u>\$ 24,256,883</u>	<u>\$ 23,607,672</u>	<u>\$ 22,740,011</u>
Net OPEB liability as a percentage of covered payroll	<u>8.50%</u>	<u>10.41%</u>	<u>11.08%</u>	<u>12.04%</u>	<u>26.58%</u>
<b><u>Schedule of Investment Returns</u></b>					
Annual money weighted rate of return, net of investment expense	<u>30.80%</u>	<u>(2.17%)</u>	<u>1.37%</u>	<u>7.21%</u>	<u>6.55%</u>

(1) These schedules are intended to present information for 10 years. Additional years will be presented as they become available.

See Notes to Required Supplementary Information.

## Town of Cromwell, Connecticut

## Required Supplementary Information

Other Post-Employment Benefit (OPEB) Plan  
Schedule of Contributions  
Last Ten Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Actuarially determined contributions	\$ 363,600	\$ 417,000	\$ 412,600	\$ 656,000	\$ 648,000	\$ 608,500	\$ 597,900	\$ 808,500	\$ 794,800	\$ 886,430
Contributions in relation to the actuarially determined contribution	<u>337,443</u>	<u>406,672</u>	<u>589,868</u>	<u>556,379</u>	<u>407,346</u>	<u>390,700</u>	<u>496,200</u>	<u>417,000</u>	<u>405,200</u>	<u>298,530</u>
Contribution excess (deficiency)	<u>\$ (26,157)</u>	<u>\$ (10,328)</u>	<u>\$ 177,268</u>	<u>\$ (99,621)</u>	<u>\$ (240,654)</u>	<u>\$ (217,800)</u>	<u>\$ (101,700)</u>	<u>\$ (391,500)</u>	<u>\$ (389,600)</u>	<u>\$ (587,900)</u>
Covered payroll	<u>\$ 25,673,617</u>	<u>\$ 25,023,019</u>	<u>\$ 24,256,893</u>	<u>\$ 23,607,672</u>	<u>\$ 22,740,011</u>	<u>\$ 22,077,700</u>	<u>\$ 24,434,000</u>	<u>\$ 24,434,000</u>	<u>\$ 20,594,000</u>	<u>\$ 20,594,000</u>
Contributions as a percentage of covered payroll	<u>1.31%</u>	<u>1.63%</u>	<u>2.43%</u>	<u>2.36%</u>	<u>1.79%</u>	<u>1.77%</u>	<u>2.03%</u>	<u>1.71%</u>	<u>1.97%</u>	<u>1.45%</u>

See Notes to Required Supplementary Information.

## Town of Cromwell, Connecticut

## Notes to Required Supplementary Information

Other Post-Employment Benefit (OPEB) Plan  
Schedule of Contributions  
Last Ten Years

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Changes of Benefit Terms	None	None	None	None	None	None	None	None	None	None
The actuarially determined contribution rates are calculated as of	July 1, 2019	July 1, 2017	July 1, 2017	July 1, 2015	July 1, 2015	July 1, 2013	July 1, 2013	July 1, 2011	July 1, 2011	July 1, 2009
Actuarial methods and assumptions used to determine contribution rates:										
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Projected unit credit	Projected unit credit	Projected unit credit	Projected unit credit	Projected unit credit	Projected unit credit	Projected unit credit
Amortization Method	Level dollar	Level dollar	Level dollar	Level dollar	Level dollar	Level dollar	Level dollar	Level dollar	Level dollar	Level dollar
Asset Valuation Method	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing
Inflation Rate	2.60%	2.75%	2.75%	None	None	None	None	None	None	None
Salary Increases	2.60%	2.75%	2.75%	5.00%	N/A	N/A	N/A	N/A	N/A	N/A
Healthcare Inflation Rate - Initial	6.60%	8.00%	8.00%	8.00%	8.00%	9.00%	9.00%	10.00%	10.00%	8.00%
Healthcare and dental Inflation Rate - Ultimate	4.60%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Investment Rate of Return (Net)	6.90%	7.00%	7.00%	5.00%	5.00%	5.00%	5.00%	4.50%	4.50%	4.50%
Mortality Rate	Pub-2010 projected with scale MP-2019	Town, Public Works, BOE Non-Certified: RP- 2014 with Scale MP-2016. Police: RP-2014 Scale MP-2016	Town, Public Works, BOE Non-Certified: RP- 2014 with Scale MP-2016. Police: RP-2014 Scale MP-2016	N/A	N/A	N/A	N/A	N/A	N/A	N/A

N/A - not available

## Town of Cromwell, Connecticut

## Required Supplementary Information

Connecticut State Teachers' Retirement Board Retiree Health Insurance Plan  
Last Four Years (3)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b><u>Schedule of Proportionate Share of the Net OPEB Liability</u></b>				
Town's proportionate share of the net OPEB liability	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Town's proportionate share of the collective net OPEB liability	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
State of Connecticut's proportionate share of the net OPEB liability associated with the Town	<u>9,436,512</u>	<u>9,173,275</u>	<u>9,066,455</u>	<u>11,824,927</u>
Total	<u>\$ 9,436,512</u>	<u>\$ 9,173,275</u>	<u>\$ 9,066,455</u>	<u>\$ 11,824,927</u>
Town's covered payroll	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>
Town's proportionate share of the net OPEB liability as a percentage of its covered payroll	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>2.50%</u>	<u>2.08%</u>	<u>1.49%</u>	<u>1.79%</u>
<b><u>Schedule of Contributions</u></b>				
Contractually required contribution (1)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Contributions in relation to the contractually required contribution	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>
Contributions as a percentage of covered payroll	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>

(1) Local employers are not required to contribute to the plan

(2) Not applicable since 0% proportional share of the net OPEB liability

(3) These schedules are intended to present information for 10 years. Additional years will be presented as they become available.

See Notes to Required Supplementary Information.



## Town of Cromwell, Connecticut

**Connecticut State Teachers' Retirement Board Retiree Health Insurance Plan**  
**Notes to Required Supplementary Information**  
**Schedule of Contributions**  
**Last Four Years (1)**

	2021	2020	2019	2018
Changes of Benefit Terms	None	None	None	None
The actuarially determined contribution rates are calculated as of	June 30, 2020	June 30, 2018	June 30, 2018	June 30, 2016
Actuarial methods and assumptions used to determine contribution rates:				
Actuarial Cost Method	Entry age	Entry age	Entry age	Entry age
Amortization Method	Level percentage, closed	Level percentage, open	Level percentage, open	Level percentage, open
Amortization Period	30 years	30 years	30 years	30 years
Asset Valuation Method	Fair Value	Fair Value	Fair Value	Fair Value
Inflation	2.50%	2.75%	2.75%	2.75%
Healthcare Inflation Rate	Initial 5.125% decreasing to 4.50% (ultimate) by 2023	Initial 5.95% decreasing to 4.75% (ultimate) by 2025	Initial 5.95% decreasing to 4.75% (ultimate) by 2025	Initial 7.25% decreasing to 5.00% (ultimate) by 2022
Salary Increases	3.00% to 6.50%, including inflation	3.25% to 6.50%, including inflation	3.25% to 6.50%, including inflation	3.25% to 6.50%, including inflation
Investment Rate of Return (Net)	3.00%	3.00%	3.00%	4.25%
Mortality Rate	PubT-2010 Table projected generationally with MP-2019	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale

(1) These schedules are intended to present information for 10 years. Additional years will be presented as they become available.

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## **Supplemental Schedules**

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# General Fund

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The general fund is the principal fund of the Town and is used to account for all activities of the Town, except those required to be accounted for in another fund. The general fund accounts for the normal recurring activities of the Town (i.e., general government, public safety, public works, culture and recreation, human services, education, etc.). These activities are funded principally by property taxes, user fees and grants from other governmental units.

For reporting in accordance with generally accepted accounting principles, the general fund includes certain funds that are required to be reported as part of the general fund under the requirements of GASB 54.

## Town of Cromwell, Connecticut

General Fund  
Combining Balance Sheet  
June 30, 2021

	General Fund	Contingency Fund	Outside Services Fund	Open Choice	Elimination Entries	Total
<u>Assets</u>						
Cash	\$ -	\$ 73,520	\$ -	\$ 833,171	\$ -	\$ 906,691
Investments	13,421,062	150,000	-	-	-	13,571,062
Restricted investments	394,128	-	-	-	-	394,128
Receivables (net):						
Property taxes	1,126,988	-	-	-	-	1,126,988
Other	147,568	-	204,262	-	-	351,830
Due from other funds	97,083	-	-	-	(97,083)	-
Total assets	<u>\$ 15,186,829</u>	<u>\$ 223,520</u>	<u>\$ 204,262</u>	<u>\$ 833,171</u>	<u>\$ (97,083)</u>	<u>\$ 16,350,699</u>
<u>Liabilities</u>						
Accounts payable	\$ 527,999	\$ -	\$ -	\$ -	\$ -	\$ 527,999
Accrued payroll and related liabilities	307,978	-	107,179	-	-	415,157
Due to other funds	10,295	-	97,083	-	(97,083)	10,295
Unearned revenue	-	-	-	833,171	-	833,171
Performance bonds	394,128	-	-	-	-	394,128
Total liabilities	<u>1,240,400</u>	<u>-</u>	<u>204,262</u>	<u>833,171</u>	<u>(97,083)</u>	<u>2,180,750</u>
<u>Deferred Inflows of Resources</u>						
Unavailable revenue:						
Property taxes	1,126,988	-	-	-	-	1,126,988
<u>Fund Balances</u>						
Assigned	1,420,200	223,520	-	-	-	1,643,720
Unassigned	11,399,241	-	-	-	-	11,399,241
Total fund balances	<u>12,819,441</u>	<u>223,520</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,042,961</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 15,186,829</u>	<u>\$ 223,520</u>	<u>\$ 204,262</u>	<u>\$ 833,171</u>	<u>\$ (97,083)</u>	<u>\$ 16,350,699</u>

## Town of Cromwell, Connecticut

**General Fund**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**For The Year Ended June 30, 2021**

	General Fund	Contingency Fund	Outside Services Fund	Open Choice	Elimination Entries	Total
Revenues:						
Property taxes	\$ 45,191,914	\$ -	\$ -	\$ -	\$ -	\$ 45,191,914
Intergovernmental	9,790,478	-	-	578,911	-	10,369,389
Charges for services	1,556,905	-	571,803	-	-	2,128,708
Income from investments	55,143	343	-	-	-	55,486
Other	40,748	-	-	-	-	40,748
Total revenues	56,635,188	343	571,803	578,911	-	57,786,245
Expenditures:						
Current:						
General government	6,703,642	-	-	-	-	6,703,642
Public safety	3,640,189	-	398,284	-	-	4,038,473
Public works	4,318,313	-	5,218	-	-	4,323,531
Culture and recreation	818,869	-	-	-	-	818,869
Human services	657,699	-	-	-	-	657,699
Education	35,960,292	-	-	578,911	-	36,539,203
Debt service	3,551,700	-	-	-	-	3,551,700
Total expenditures	55,650,704	-	403,502	578,911	-	56,633,117
Excess (deficiency) of revenues over expenditures	984,484	343	168,301	-	-	1,153,128
Other financing sources (uses):						
Transfers in	168,301	-	-	-	(168,301)	-
Transfers out	(2,788,866)	-	(168,301)	-	168,301	(2,788,866)
Net other financing sources (uses)	(2,620,565)	-	(168,301)	-	-	(2,788,866)
Net change in fund balances	(1,636,081)	343	-	-	-	(1,635,738)
Fund balances - July 1, 2020	14,455,522	223,177	-	-	-	14,678,699
Fund balances - June 30, 2021	\$ 12,819,441	\$ 223,520	\$ -	\$ -	\$ -	\$ 13,042,961

## Town of Cromwell, Connecticut

**Report of Tax Collector  
For The Year Ended June 30, 2021**

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Grand List Year	Uncollected Taxes July 1, 2020	Current Year Levy	Lawful Corrections		Transfers To Suspense	Adjusted Taxes Collectible	Collections			Uncollected Taxes June 30, 2021
			Additions	Deductions			Net Taxes Collected	Interest and Liens	Total	
2010	\$ 2,466	\$ -	\$ -	\$ -	\$ 299	\$ 2,167	\$ 249	\$ 436	\$ 685	\$ 1,918
2011	11,887	-	-	-	2,259	9,628	466	701	1,167	9,162
2012	27,054	-	1	-	6,159	20,896	790	1,005	1,795	20,106
2013	60,016	-	1	-	9,131	50,886	3,976	3,675	7,651	46,910
2014	72,560	-	5	171	7,550	64,844	9,454	6,849	16,303	55,390
2015	92,060	-	9	-	5,743	86,326	9,425	6,763	16,188	76,901
2016	88,196	-	10	200	169	87,837	16,304	8,515	24,819	71,533
2017	163,892	-	4,459	665	-	167,686	55,665	23,595	79,260	112,021
2018	<u>369,366</u>	<u>-</u>	<u>3,430</u>	<u>41,022</u>	<u>220</u>	<u>331,554</u>	<u>97,164</u>	<u>325,725</u>	<u>422,889</u>	<u>234,390</u>
Total Prior Years	887,497	-	7,915	42,058	31,530	821,824	193,493	377,264	570,757	628,331
2019	<u>-</u>	<u>45,721,420</u>	<u>75,542</u>	<u>598,937</u>	<u>248</u>	<u>45,197,777</u>	<u>44,639,520</u>	<u>118,522</u>	<u>44,758,042</u>	<u>558,257</u>
Total	<u>\$ 887,497</u>	<u>\$ 45,721,420</u>	<u>\$ 83,457</u>	<u>\$ 640,995</u>	<u>\$ 31,778</u>	<u>\$ 46,019,601</u>	<u>\$ 44,833,013</u>	<u>\$ 495,786</u>	<u>\$ 45,328,799</u>	1,186,588
Tax interest receivable										445,400
Tax allowance for doubtful accounts										(325,000)
Interest allowance for doubtful accounts										<u>(180,000)</u>
Net taxes receivable - General Fund										<u>\$ 1,126,988</u>

# Other Governmental Funds

## Special Revenue Funds

Special revenue funds are used to account for specific revenues that are restricted, committed, or assigned to expenditures for particular purposes.

Fund	Funding Source	Function
Public Health	State grant	Human services programs and emergency assistance
Public Safety	Grants and receipt of fees	Public safety programs
Culture and Recreation	State grant and receipt of fees	Culture and recreation programs
Town Improvement Program	State grant	Project improvements as determined by the Town Council
Public Donations Grant	Donations	Various Town programs
Dog License	Licenses and fees	Animal control program
School Cafeteria	Sale of food and grants	School lunch and breakfast program
Educational Grants	State and Federal grants	Education programs
School Activity Fund	Fees and contributions	Education programs
Solar Incentive	Grant	Public works programs

## Debt Service Fund

The debt service fund is used to account for and report resources for the payment of future debt service payments

## Permanent Funds

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes as categorized by the fund title.

The Town's permanent fund is the Cemetery Trust Fund. The Cemetery Trust Fund accounts for the principal amounts bequeathed to the Town with the stipulation that only the interest thereon may be expended on the care and maintenance of the cemetery.

Town of Cromwell, Connecticut

Combining Balance Sheet  
Other Governmental Funds  
June 30, 2021

Special Revenue Funds

	Public Health	Public Safety	Culture and Recreation	Town Improvement Program	Public Donations Grant	Dog License
<u>Assets</u>						
Cash	\$ 24,234	\$ 465,846	\$ 360,562	\$ -	\$ 217,489	\$ 26,602
Investments	-	-	-	13,124	-	-
Receivables:						
Intergovernmental	-	-	-	-	-	-
Other	-	-	-	-	1,434	3,404
Due from other funds	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total assets	<u>\$ 24,234</u>	<u>\$ 465,846</u>	<u>\$ 360,562</u>	<u>\$ 13,124</u>	<u>\$ 218,923</u>	<u>\$ 30,006</u>
<u>Liabilities</u>						
Cash overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	79	2,272	24,156	-	8,543	9,753
Unearned revenue	-	-	-	-	-	-
Total liabilities	<u>79</u>	<u>2,272</u>	<u>24,156</u>	<u>-</u>	<u>8,543</u>	<u>9,753</u>
<u>Fund Balances</u>						
Nonspendable	-	-	-	-	-	-
Restricted	24,155	-	9,439	-	210,380	-
Committed	-	463,574	326,967	13,124	-	20,253
Total fund balances	<u>24,155</u>	<u>463,574</u>	<u>336,406</u>	<u>13,124</u>	<u>210,380</u>	<u>20,253</u>
Total liabilities and fund balances	<u>\$ 24,234</u>	<u>\$ 465,846</u>	<u>\$ 360,562</u>	<u>\$ 13,124</u>	<u>\$ 218,923</u>	<u>\$ 30,006</u>

(Continued)



Town of Cromwell, Connecticut

Combining Balance Sheet  
Other Governmental Funds  
June 30, 2021

	Special Revenue Funds					Permanent Funds	
	School Cafeteria	Educational Grants	School Activity Fund	Solar Incentive	Total Special Revenue Funds	Cemetery Trust	Total Other Governmental Funds
<u>Assets</u>							
Cash	\$ 50,157	\$ -	\$ 350,192	\$ 744	\$ 1,495,826	\$ 3,563	\$ 1,499,389
Investments	-	-	-	-	13,124	7,000	20,124
Receivables:							
Intergovernmental	116,803	88,369	-	-	205,172	-	205,172
Other	304	-	-	-	5,142	-	5,142
Due from other funds	-	10,295	-	-	10,295	-	10,295
Other	15,275	-	-	-	15,275	-	15,275
Total assets	<u>\$ 182,539</u>	<u>\$ 98,664</u>	<u>\$ 350,192</u>	<u>\$ 744</u>	<u>\$ 1,744,834</u>	<u>\$ 10,563</u>	<u>\$ 1,755,397</u>
<u>Liabilities</u>							
Cash overdraft	\$ -	\$ 88,162	\$ -	\$ -	\$ 88,162	\$ -	\$ 88,162
Accounts payable	43,578	2	-	-	88,383	-	88,383
Unearned revenue	33,459	10,038	-	-	43,497	-	43,497
Total liabilities	<u>77,037</u>	<u>98,202</u>	<u>-</u>	<u>-</u>	<u>220,042</u>	<u>-</u>	<u>220,042</u>
<u>Fund Balances</u>							
Nonspendable	-	-	-	-	-	6,237	6,237
Restricted	105,502	-	-	-	349,476	4,326	353,802
Committed	-	462	350,192	744	1,175,316	-	1,175,316
Total fund balances	<u>105,502</u>	<u>462</u>	<u>350,192</u>	<u>744</u>	<u>1,524,792</u>	<u>10,563</u>	<u>1,535,355</u>
Total liabilities and fund balances	<u>\$ 182,539</u>	<u>\$ 98,664</u>	<u>\$ 350,192</u>	<u>\$ 744</u>	<u>\$ 1,744,834</u>	<u>\$ 10,563</u>	<u>\$ 1,755,397</u>

(Concluded)

Town of Cromwell, Connecticut

Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Other Governmental Funds  
For The Year Ended June 30, 2021

	Special Revenue Funds					
	Public Health	Public Safety	Culture and Recreation	Town Improvement Program	Public Donations Grant	Dog License
Revenues:						
Intergovernmental	\$ 38,826	\$ 12,582	\$ -	\$ -	\$ 89,019	\$ -
Charges for services	-	56,451	260,114	-	-	6,878
Income from investments	-	672	269	20	-	47
Contributions	-	-	-	-	58,278	-
Total revenues	<u>38,826</u>	<u>69,705</u>	<u>260,383</u>	<u>20</u>	<u>147,297</u>	<u>6,925</u>
Expenditures:						
Current:						
General government	-	-	-	-	76,631	-
Public safety	-	15,274	-	-	2,170	6,694
Culture and recreation	-	-	185,863	-	500	-
Human services	27,637	-	-	-	44,293	-
Education	-	-	-	-	23,253	-
Total expenditures	<u>27,637</u>	<u>15,274</u>	<u>185,863</u>	<u>-</u>	<u>146,847</u>	<u>6,694</u>
Net change in fund balances	11,189	54,431	74,520	20	450	231
Fund balances - July 1, 2020 (as restated)	<u>12,966</u>	<u>409,143</u>	<u>261,886</u>	<u>13,104</u>	<u>209,930</u>	<u>20,022</u>
Fund balances - June 30, 2021	<u>\$ 24,155</u>	<u>\$ 463,574</u>	<u>\$ 336,406</u>	<u>\$ 13,124</u>	<u>\$ 210,380</u>	<u>\$ 20,253</u>

(Continued)

Town of Cromwell, Connecticut

Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Other Governmental Funds  
For The Year Ended June 30, 2021

	Special Revenue Funds						Permanent Funds	
	School Cafeteria	Educational Grants	School Activity Fund	Solar Incentive	Total Special Revenue Funds	Debt Service	Cemetery Trust	Total Other Governmental Funds
Revenues:								
Intergovernmental	\$ 775,290	\$ 2,641,936	\$ -	\$ -	\$ 3,557,653	\$ -	\$ -	\$ 3,557,653
Charges for services	31,141	-	615,183	-	969,767	-	-	969,767
Income from investments	-	-	-	-	1,008	-	16	1,024
Contributions	-	-	-	-	58,278	-	-	58,278
Total revenues	806,431	2,641,936	615,183	-	4,586,706	-	16	4,586,722
Expenditures:								
Current:								
General government	-	-	-	-	76,631	-	-	76,631
Public safety	-	-	-	-	24,138	-	-	24,138
Culture and recreation	-	-	-	-	186,363	-	-	186,363
Human services	-	-	-	-	71,930	-	-	71,930
Education	872,803	2,641,936	617,552	-	4,155,544	-	-	4,155,544
Debt service	-	-	-	-	-	285,650	-	285,650
Total expenditures	872,803	2,641,936	617,552	-	4,514,606	285,650	-	4,800,256
Net change in fund balances	(66,372)	-	(2,369)	-	72,100	(285,650)	16	(213,534)
Fund balances - July 1, 2020 (as restated)	171,874	462	352,561	744	1,452,692	285,650	10,547	1,748,889
Fund balances - June 30, 2021	\$ 105,502	\$ 462	\$ 350,192	\$ 744	\$ 1,524,792	\$ -	\$ 10,563	\$ 1,535,355

(Concluded)

## Town of Cromwell, Connecticut

**Dog License Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended June 30, 2021**

	<u>Original Budget</u>	<u>Additional Appropriations and Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues:					
Charges for services	\$ 6,500	\$ -	\$ 6,500	\$ 6,878	\$ 378
Income from investments	-	-	-	47	47
Total revenues	<u>6,500</u>	<u>-</u>	<u>6,500</u>	<u>6,925</u>	<u>425</u>
Expenditures:					
Veterinary fees	3,500	-	3,500	3,142	358
Contracted services	10,000	-	10,000	7,260	2,740
Vehicle maintenance	1,500	-	1,500	814	686
Equipment repair/replacement	1,000	-	1,000	987	13
Departmental expense	1,200	-	1,200	1,150	50
Training/workshops	2,500	-	2,500	205	2,295
Uniforms	1,200	-	1,200	1,200	-
Gasoline/other fluids	3,000	-	3,000	1,836	1,164
Total expenditures	<u>23,900</u>	<u>-</u>	<u>23,900</u>	<u>16,594</u>	<u>7,306</u>
Excess (deficiency) of revenues over expenditures	(17,400)	-	(17,400)	(9,669)	7,731
Other financing sources (uses)					
Appropriation of fund balance	7,500	-	7,500	-	(7,500)
Transfers in	9,900	-	9,900	9,900	-
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	231	<u>\$ 231</u>
Fund balance - July 1, 2020				<u>20,022</u>	
Fund balance - June 30, 2021				<u>\$ 20,253</u>	

**Reconciliation to Schedule 5**

	<u>Expenditures</u>
Budgetary Basis	\$ 16,594
Amount paid from General Fund	<u>(9,900)</u>
GAAP Basis - Schedule 5, Page 1	<u>\$ 6,694</u>

# Internal Service Funds

Internal Service funds are used to account for the providing of goods or services provided by one department to other departments of the Town on a cost reimbursement basis or accounting for risk retention.

Fund	Function
Dental Insurance	To account for dental and other benefits for Town and Board of Education employees.
Heart and Hypertension	To account for Heart and Hypertension claims of Police and Fire employees.

## Town of Cromwell, Connecticut

**Internal Service Funds**  
**Combining Statement of Net Position**  
**June 30, 2021**

	<u>Dental Insurance</u>	<u>Heart and Hypertension</u>	<u>Total</u>
<u>Assets</u>			
Cash	\$ 170,120	\$ 181,026	\$ 351,146
Investments	<u>-</u>	<u>75,000</u>	<u>75,000</u>
Total assets	<u>170,120</u>	<u>\$256,026</u>	<u>426,146</u>
<u>Liabilities</u>			
Current liabilities:			
Claims payable	12,000	120,658	132,658
Noncurrent liability:			
Claims payable	<u>-</u>	<u>51,711</u>	<u>51,711</u>
Total liabilities	<u>12,000</u>	<u>172,369</u>	<u>184,369</u>
<u>Net Position</u>			
Unrestricted	<u>\$ 158,120</u>	<u>\$ 83,657</u>	<u>\$ 241,777</u>

## Town of Cromwell, Connecticut

**Internal Service Funds**  
**Combining Statement of Revenues, Expenses and Changes in Net Position**  
**For The Year Ended June 30, 2021**

	<u>Dental Insurance</u>	<u>Heart and Hypertension</u>	<u>Total</u>
Operating revenues:			
Charges for services	\$ 298,391	\$ 25,000	\$ 323,391
Operating expenses:			
Claims	<u>298,093</u>	<u>36,278</u>	<u>334,371</u>
Operating income (loss)	298	(11,278)	(10,980)
Nonoperating revenues (expenses):			
Income from investments	<u>-</u>	<u>394</u>	<u>394</u>
Change in net position	298	(10,884)	(10,586)
Total net position - July 1, 2020	<u>157,822</u>	<u>94,541</u>	<u>252,363</u>
Total net position - June 30, 2021	<u><u>\$ 158,120</u></u>	<u><u>\$ 83,657</u></u>	<u><u>\$ 241,777</u></u>

## Town of Cromwell, Connecticut

**Internal Service Funds**  
**Combining Statement of Cash Flows**  
**For The Year Ended June 30, 2021**

	<u>Dental Insurance</u>	<u>Heart and Hypertension</u>	<u>Total</u>
Cash flows from (used in) operating activities:			
Cash received for charges for services	\$ 298,391	\$ 25,000	\$ 323,391
Cash paid for benefits and claims	(295,093)	(723)	(295,816)
Cash paid for administration	<u>-</u>	<u>(33)</u>	<u>(33)</u>
Net cash from (used in) operating activities	3,298	24,244	27,542
Cash flows from (used in) investing activities:			
Income from investments	<u>-</u>	<u>394</u>	<u>394</u>
Net increase (decrease) in cash	3,298	24,638	27,936
Cash and cash equivalents - July 1, 2020	<u>166,822</u>	<u>231,388</u>	<u>398,210</u>
Cash and cash equivalents - June 30, 2021	<u><u>\$ 170,120</u></u>	<u><u>\$ 256,026</u></u>	<u><u>\$ 426,146</u></u>
Reconciliation to schedule 7:			
Cash and cash equivalents per above	\$ 170,120	\$ 256,026	\$ 426,146
Cash and cash equivalents reported as investments	<u>-</u>	<u>(75,000)</u>	<u>(75,000)</u>
Cash - schedule 7	<u><u>\$ 170,120</u></u>	<u><u>\$ 181,026</u></u>	<u><u>\$ 351,146</u></u>
Reconciliation of operating income (loss) to net cash from operating activities:			
Operating income (loss)	\$ 298	\$ (11,278)	\$ (10,980)
Adjustments to reconcile operating income (loss) to net cash from operating activities:			
Increase (decrease) in:			
Accounts and other payables	-	(33)	(33)
Claims payable	<u>3,000</u>	<u>35,555</u>	<u>38,555</u>
Net cash from operating activities	<u><u>\$ 3,298</u></u>	<u><u>\$ 24,244</u></u>	<u><u>\$ 27,542</u></u>



# Statistical Section

This part of the Town's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Town's overall financial health.

Table	Description
Financial Trend (Tables 1-4)	These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.
Revenue Capacity (Tables 5-8)	These schedules contain information to help the reader assess the Town's most significant local revenue source, the property tax.
Debt Capacity (Tables 9-12)	These schedules present information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.
Demographic and Economic Information (Tables 13-14)	These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place.
Operating Information (Tables 15-17)	These schedules contain service and infrastructure data to help the reader understand how the information in the Town's financial report relates to the services the Town provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the fiscal year.

Table 1

**Town of Cromwell, Connecticut**  
**Net Position by Component**  
**Governmental Activities**  
**Last Ten Years**  
**(Unaudited)**

	June 30,									
	2021	2020 (as restated)	2019 (as restated)	2018	2017	2016	2015	2014	2013	2012
Net investment in capital assets	\$ 101,502,036	\$ 97,968,700	\$ 94,991,214	\$ 92,647,243	\$ 90,614,975	\$ 90,372,051	\$ 90,158,279	\$ 90,349,694	\$ 91,271,301	\$ 92,786,514
Restricted for:										
Endowments:										
Nonexpendable	6,237	6,237	6,237	56,237	56,237	56,237	56,237	56,237	56,269	56,269
Expendable	4,326	4,310	4,179	5,801	5,287	4,813	4,267	3,825	3,061	3,010
Public safety	26,081	23,212	27,225	24,248	23,879	8,886	8,886	10,068	10,156	11,067
Public works	3,514,134	2,904,870	2,572,726	1,980,141	1,708,358	1,913,160	1,764,852	1,704,788	1,607,149	1,527,723
Culture and recreation	148,742	163,256	108,538	86,998	104,555	105,992	105,677	110,568	108,518	115,767
Human service	69,151	52,841	34,444	32,305	25,535	21,494	21,399	15,359	5,966	7,505
Education	105,502	171,874	228,413	293,160	299,840	207,981	149,950	90,207	-	84,767
Unrestricted	7,788,607	7,029,988	8,509,913	8,252,920	7,805,843	6,425,203	6,221,114	8,400,738	7,519,118	5,874,087
Total net position	<u>\$ 113,164,816</u>	<u>\$ 108,325,288</u>	<u>\$ 106,482,889</u>	<u>\$ 103,379,053</u>	<u>\$ 100,644,509</u>	<u>\$ 99,115,817</u>	<u>\$ 98,490,661</u>	<u>\$ 100,741,484</u>	<u>\$ 100,581,538</u>	<u>\$ 100,466,709</u>

Source: Current and prior year financial statements.

## Town of Cromwell, Connecticut

**Changes in Net Position  
Governmental Activities  
Last Ten Years  
(Unaudited)**

For the Year Ended June 30,

	2021	2020 (as restated)	2019	2018	2017	2016	2015	2014	2013	2012
Expenses:										
General government	\$ 3,901,658	\$ 4,056,518	\$ 3,927,840	\$ 5,467,135	\$ 6,018,788	\$ 5,688,367	\$ 5,472,277	\$ 5,557,370	\$ 5,578,265	\$ 5,018,686
Public safety	6,570,280	5,956,091	5,649,536	3,869,319	3,578,942	4,233,769	3,584,653	3,484,220	3,451,918	3,346,263
Public works	9,882,832	9,658,198	9,277,331	8,439,623	8,312,654	7,819,385	8,199,804	7,687,149	7,507,231	7,781,074
Culture and recreation	1,234,944	1,353,059	1,323,812	1,103,036	1,086,816	1,060,721	1,015,493	1,001,837	1,018,166	1,015,892
Human services	837,594	819,289	746,421	606,146	683,617	623,442	606,338	595,427	610,927	609,527
Education	41,952,756	39,114,940	37,882,197	38,257,417	37,792,620	35,274,601	34,400,356	33,609,091	32,074,662	31,961,198
Interest	292,360	243,502	507,863	667,621	680,936	715,187	881,704	948,731	1,164,077	1,275,276
Total expenses	64,672,424	61,201,597	59,315,000	58,410,297	58,154,373	55,415,472	54,160,625	52,883,825	51,405,246	51,007,916
Program revenues:										
Charges for services:										
General government	488,203	508,943	627,956	716,693	737,467	572,676	700,864	695,823	697,430	518,033
Public safety	764,162	585,833	461,081	465,612	537,403	721,983	527,056	409,662	64,938	318,768
Public works	3,470,858	3,039,697	2,890,947	2,633,822	2,296,825	2,139,166	2,049,278	1,800,683	2,327,371	1,837,469
Culture and recreation	262,428	209,704	354,096	49,834	54,822	52,573	149,472	150,762	54,089	118,897
Human services	34,370	32,549	13,821	17,188	14,474	9,856	7,633	10,859	5,186	7,679
Education	703,389	379,251	526,627	519,432	572,506	591,605	615,086	457,598	516,707	595,128
Operating grants and contributions	13,613,745	11,779,381	11,328,763	12,033,737	12,263,848	9,486,370	9,871,178	9,695,887	9,055,543	9,265,156
Capital grants and contributions	4,038,020	1,710,793	1,944,708	338,128	147,340	880,759	343,140	529,426	206,751	87,739
Total program revenues	23,375,175	18,246,151	18,147,999	16,774,446	16,624,685	14,454,988	14,263,707	13,750,700	12,928,015	12,748,869
Net expenses	(41,297,249)	(42,955,446)	(41,167,001)	(41,635,851)	(41,529,688)	(40,960,484)	(39,896,918)	(39,133,125)	(38,477,231)	(38,259,047)
General revenues:										
Property taxes	45,576,417	43,949,313	44,067,022	43,490,210	42,288,843	41,105,060	40,220,941	38,905,611	38,233,934	37,080,402
Grants and contributions not restricted to specific programs	95,754	106,486	57,517	77,996	144,436	152,474	242,913	244,792	230,094	384,656
Income from investments	71,297	585,010	646,578	371,990	150,791	74,416	45,660	46,556	38,321	34,986
Other	40,748	157,036	171,121	392,924	474,310	253,690	193,413	96,112	89,711	359,789
Total general revenues	45,784,216	44,797,845	44,942,238	44,333,120	43,058,380	41,585,640	40,702,927	39,293,071	38,592,060	37,859,833
Change in net position	\$ 4,486,967	\$ 1,842,399	\$ 3,775,237	\$ 4,553,791	\$ 1,528,692	\$ 625,156	\$ 806,009	\$ 159,946	\$ 114,829	\$ 915,786

Source: Current and prior year financial statements.

**Town of Cromwell, Connecticut**  
**Fund Balances, Governmental Funds**  
**Last Ten Years**  
**(Modified Accrual Basis of Accounting)**  
**(Unaudited)**

	June 30									
	2021	2020 (as restated)	2019	2018	2017	2016	2015	2014	2013	2012
General fund:										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,758
Committed	-	199,866	879,001	629,000	690,000	872,400	1,005,793	161,500	51,000	70,000
Assigned	1,643,720	586,477	251,860	21,595	1,621	24,536	50,402	51,186	15,434	8,146
Unassigned	11,399,241	13,892,356	13,242,255	11,641,051	9,416,756	7,764,001	7,730,698	7,634,146	6,539,226	4,834,817
Total general fund	13,042,961	14,678,699	14,373,116	12,291,646	10,108,377	8,660,937	8,786,893	7,846,832	6,605,660	4,918,721
All other governmental funds:										
Nonspendable	6,237	6,237	6,237	72,390	72,295	72,651	85,239	92,458	95,162	92,587
Restricted	3,867,936	3,320,363	3,222,518	3,103,638	5,244,756	3,317,127	2,841,738	4,072,626	6,056,630	3,859,611
Committed	5,887,904	6,615,836	9,684,102	5,019,276	5,266,008	3,074,316	2,891,600	2,912,762	2,718,022	2,700,839
Assigned	-	285,650	758,771	691,919	435,441	1,778,374	1,478,962	1,516,291	1,659,841	1,616,171
Unassigned	-	-	-	-	(24,100)	-	-	-	(153,504)	(213,923)
Total all other governmental funds	9,762,077	10,228,086	13,671,628	8,887,223	10,994,400	8,242,468	7,297,539	8,594,137	10,376,151	8,055,285
Grand total	<u>\$ 22,805,038</u>	<u>\$ 24,906,785</u>	<u>\$ 28,044,744</u>	<u>\$ 21,178,869</u>	<u>\$ 21,102,777</u>	<u>\$ 16,903,405</u>	<u>\$ 16,084,432</u>	<u>\$ 16,440,969</u>	<u>\$ 16,981,811</u>	<u>\$ 12,974,006</u>

Source: Current and prior year financial statements.

Notes:

General fund:  
    Committed                      Decreased due to decrease in education programs  
    Assigned                        Increased due to increase in subsequent years budget  
    Unassigned                    Decreased due to additional transfers to the capital nonrecurring fund

All other governmental funds:  
    Restricted                      Increased due to increase in sewer operations  
    Committed                    Decreased due to decrease in public works facility fund  
    Assigned                        Decreased due to debt service expenditures

Table 4

## Town of Cromwell, Connecticut

Changes in Fund Balances - Governmental Funds  
Last Ten Years(Modified Accrual Basis of Accounting)  
(Unaudited)

	For the Year Ended June 30									
	2021	2020 (as restated)	2019	2018	2017	2016	2015	2014	2013	2012
Revenues:										
Property taxes	\$ 45,191,914	\$ 44,480,132	\$ 43,939,302	\$ 43,419,649	\$ 42,184,309	\$ 40,874,985	\$ 39,967,103	\$ 38,862,600	\$ 38,277,712	\$ 37,357,669
Intergovernmental	17,689,241	14,023,623	10,530,630	12,575,512	12,688,152	10,649,238	10,628,891	10,509,748	9,523,609	9,945,197
Charges for services	5,928,375	4,600,377	4,224,160	3,989,624	3,798,882	3,745,960	3,562,034	3,088,594	3,261,535	3,096,675
Income from investments	70,903	585,010	646,578	371,990	150,791	74,416	45,660	46,556	38,335	34,986
Contributions	58,278	73,037	59,834	78,659	79,041	43,347	52,472	-	-	145,516
Other	40,748	157,036	694,796	634,892	691,946	436,387	430,639	508,603	490,742	826,604
Total revenues	68,979,459	63,919,215	60,095,300	61,070,326	59,593,121	55,824,333	54,686,799	53,016,101	51,591,933	51,406,647
Expenditures:										
Current:										
General government	6,780,273	6,155,585	5,899,074	5,447,494	5,533,320	5,401,356	5,277,296	5,225,911	5,187,874	5,063,775
Public safety	4,062,611	3,688,508	3,815,962	3,609,148	3,574,082	3,637,247	3,548,071	3,321,403	3,319,469	3,153,617
Public works	6,243,924	5,839,055	5,774,110	6,039,651	5,855,601	5,554,003	5,874,665	5,402,073	5,303,360	5,640,953
Culture and recreation	1,005,232	1,068,101	1,054,597	1,050,555	1,005,917	984,242	939,627	932,059	941,065	938,222
Human services	729,629	663,592	633,652	605,908	633,474	571,553	556,978	546,442	565,727	549,850
Education	40,694,747	37,717,324	34,087,170	36,804,161	35,971,609	33,215,350	32,722,230	31,672,231	30,328,029	30,460,100
Debt service:										
Principal	3,177,346	3,320,800	2,780,000	2,925,343	2,907,414	2,881,922	2,700,000	2,165,000	2,570,000	2,590,000
Interest	660,004	633,244	839,111	867,893	797,683	878,716	1,024,114	1,101,877	2,053,521	1,318,438
Capital outlay	8,363,172	7,968,193	6,012,633	3,735,424	5,253,390	1,922,893	2,408,200	3,189,947	2,431,475	2,251,030
Total expenditures	71,716,938	67,054,402	60,896,309	61,085,577	61,532,490	55,047,282	55,051,181	53,556,943	52,700,520	51,965,985
Excess (deficiency) of revenues over expenditures	(2,737,479)	(3,135,187)	(801,009)	(15,251)	(1,939,369)	777,051	(364,382)	(540,842)	(1,108,587)	(559,338)
Other financing sources (uses):										
Issuance of refunding debt	-	-	6,940,000	6,540,000	-	-	-	-	14,075,000	-
Payment to refunded bond escrow agent	-	-	-	(7,235,849)	-	-	-	-	(10,891,758)	-
Issuance of debt	283,171	-	-	-	5,520,000	-	-	-	14,075,000	-
Premium	-	-	950,014	787,192	618,741	-	-	-	1,933,149	-
Transfers in	3,088,866	3,130,943	1,874,344	1,415,747	2,731,682	3,398,598	850,726	1,455,919	564,388	1,026,429
Transfers out	(3,088,866)	(3,130,943)	(1,874,344)	(1,415,747)	(2,731,682)	(3,398,598)	(850,726)	(1,455,919)	(564,388)	(1,026,429)
Net other financing sources (uses)	283,171	-	7,890,014	91,343	6,138,741	-	-	-	5,116,391	-
Net change in fund balances	\$ (2,454,308)	\$ (3,135,187)	\$ 7,089,005	\$ 76,092	\$ 4,199,372	\$ 777,051	\$ (364,382)	\$ (540,842)	\$ 4,007,804	\$ (559,338)
Debt service as a percentage of noncapital expenditures	6.01%	6.66%	6.59%	6.61%	6.58%	7.08%	7.07%	6.49%	9.20%	7.86%

Source: Current and prior year financial statements.

Table 5

**Town of Cromwell, Connecticut**  
**Assessed and Estimated Actual Value of Taxable Property**  
**Last Ten Years**  
**(Unaudited)**

Year Ended June 30	Real Property			Personal Property				Totals				
	(1)	(1)	(2)	(1)	(1)	(1)	(1)	(1)	(2)	(2)	(3)	
	Residential	Industrial and Commercial				Total Motor Vehicle and Personal Property Assessed Value		Total Motor Vehicle and Personal Property Estimated Actual Value		Percentage of Total Assessed Value to Total Estimated Actual Value	Total Direct Tax Rate	
	Net Assessed Value	Assessed Value	Real Property Estimated Actual Value	Motor Vehicle Assessed Value	Personal Property Assessed Value		Less Exempt Property		Total Assessed Value	Total Estimated Actual Value		
2021	\$ 913,128,378	\$ 384,175,159	\$ 1,853,290,767	\$ 121,203,497	\$ 204,082,555	\$ 325,286,052	\$ 117,377,227	\$ 464,694,360	\$ 1,505,212,362	\$ 2,150,303,374	70.00%	30.33
2020	913,393,280	403,215,194	1,880,869,249	117,983,740	170,625,700	288,609,440	154,761,795	412,299,200	1,450,456,119	2,072,080,170	70.00%	30.33
2019	907,313,244	404,893,598	1,874,581,203	116,742,813	164,241,820	280,984,633	148,445,958	401,406,619	1,444,745,517	2,063,922,167	70.00%	30.33
2018	879,765,080	313,842,920	1,705,154,286	115,518,845	149,529,320	265,048,165	105,902,880	378,640,236	1,352,753,285	1,932,504,693	70.00%	31.68
2017	875,706,010	313,087,250	1,698,276,086	113,093,380	125,194,040	238,287,420	103,740,845	340,410,600	1,323,339,835	1,890,485,479	70.00%	31.38
2016	869,068,040	310,767,740	1,685,479,686	110,848,030	100,078,570	210,926,600	100,443,445	301,323,714	1,290,318,935	1,843,312,764	70.00%	31.38
2015	859,849,100	310,009,490	1,671,226,557	108,712,650	91,992,430	200,705,080	98,711,015	286,721,543	1,271,852,655	1,816,932,364	70.00%	31.18
2014	855,174,540	307,626,058	1,661,143,711	106,322,210	85,231,700	191,553,910	97,046,655	273,648,443	1,257,307,853	1,796,154,076	70.00%	30.75
2013	988,568,681	346,750,399	1,907,598,686	105,985,220	80,652,960	186,638,180	110,139,555	266,625,971	1,411,817,705	2,016,882,436	70.00%	27.06
2012	979,848,650	344,645,530	1,892,134,543	99,133,353	77,960,740	177,094,093	109,326,488	252,991,561	1,392,261,785	1,988,945,407	70.00%	26.80

Source: Town Assessor Department.

Notes:

- (1) Assessed actual values taken from the Board of Assessment Appeals corrected abstracts for the respective year.
- (2) Personal property value based on a 70% assessment ratio.
- (3) From Table 7.

Table 6

## Town of Cromwell, Connecticut

Principal Property Taxpayers  
Current Year and Nine Years Ago  
(Unaudited)

Name	2021			2012		
	Assessed Value	Rank	Percentage Net Taxable Grand List	Assessed Value	Rank	Percentage Net Taxable Grand List
Algonquin Gas Trans Co.	\$ 77,937,760	1	5.18%	\$ 9,872,740	3	0.72%
Covenant Home Inc.	26,824,150	2	1.78%	25,068,720	1	1.82%
HBN-CSC LLC	16,842,210	3	1.12%	-	-	0.00%
Cromwell Realty LLC	15,464,678	4	1.03%	-	-	0.00%
Connecticut Light and Power	13,701,220	5	0.91%	7,680,270	6	0.56%
TNO Cromwell LLC	11,027,590	6	0.73%	-	-	0.00%
Tournament Playes Club	9,251,200	7	0.61%	-	-	0.00%
Infinitely Cromwell Property Limited	8,958,740	8	0.60%	8,761,700	4	0.64%
Main Street Equity LLC	8,518,300	9	0.57%	8,733,930	5	0.63%
R A Cromwell LLC	8,050,000	10	N/A	6,878,190	9	0.50%
Shaner SPE Associates Limited	-	-	N/A	10,395,000	2	0.75%
IRNM Fee Cromwell LLC	-	-	N/A	7,175,000	7	0.52%
CSE Cromwell LLC	-	-	N/A	6,904,780	8	0.50%
Leigh Cromwell LLC	-	-	N/A	670,000	10	0.05%
Totals	<u>\$ 196,575,848</u>		<u>12.53%</u>	<u>\$ 92,140,330</u>		<u>6.69%</u>

Source: Town Assessor Department.

N/A - Not applicable.

Table 7

**Town of Cromwell, Connecticut**  
**Property Tax Rates, Levies and Collections**  
**Last Ten Years**  
**(Unaudited)**

Year Ended June 30	(1) Tax Rate in Mills	Grand List of October 1,	Total Adjusted Tax Levy	Net Current Tax Collections	Percent of Current Levy Collected	Total Collections to Date			
						Collections in Subsequent Years	Total Collections	Percentage of Levy Collected	Current Delinquent Balance
2021	30.33	2019	\$ 45,058,394	\$44,577,861	98.93%	\$ -	\$ 44,577,861	98.9%	\$ 558,257
2020	30.33	2018	43,903,189	43,693,746	99.17%	193,493	43,875,025	99.2%	234,390
2019	30.33	2017	43,606,214	43,272,536	99.23%	55,665	43,328,201	99.4%	112,021
2018	31.68	2016	42,885,783	42,431,842	98.94%	382,408	42,814,250	99.8%	71,533
2017	31.38	2015	42,023,539	41,732,354	99.31%	214,284	41,946,638	99.8%	76,901
2016	31.38	2014	40,523,481	40,371,928	99.63%	96,163	40,468,091	99.9%	55,390
2015	31.18	2013	39,984,367	39,681,046	99.24%	256,411	39,937,457	99.9%	46,910
2014	30.75	2012	38,809,552	38,491,271	99.18%	298,175	38,789,446	99.9%	20,106
2013	27.06	2011	38,242,374	37,862,390	99.01%	370,822	38,233,212	100.0%	9,162
2012	26.80	2010	37,316,375	36,967,505	99.07%	346,952	37,314,457	100.0%	1,918

Source: Town Tax Collector

Notes:

(1) Tax levy is per \$1,000 of the assessed value of taxable property.



**Table 8****Town of Cromwell, Connecticut****Direct and Overlapping Property Tax Rates  
Last Ten Years  
(Unaudited)**

<u>Fiscal Year</u>	<u>(1) Town Operating Millage</u>	<u>(1) Debt Service Millage</u>	<u>(1) School Operating Millage</u>	<u>Total Town Millage</u>	<u>Cromwell Fire District</u>	<u>Total Direct and Overlapping Rate</u>
2021	10.00	2.13	18.20	30.33	2.50	32.83
2020	10.00	2.13	18.20	30.33	2.50	32.83
2019	10.00	2.13	18.20	30.33	2.50	32.83
2018	10.46	2.22	19.00	31.68	2.25	33.93
2017	10.35	2.20	18.83	31.38	2.25	33.63
2016	9.41	2.51	19.46	31.38	2.25	33.63
2015	9.98	2.54	18.66	31.18	2.10	33.28
2014	10.10	2.23	18.42	30.75	2.10	32.85
2013	8.70	2.31	16.05	27.06	1.89	28.95
2012	8.52	2.40	15.88	26.80	1.89	28.69

Source: Cromwell Fire District, and Town of Cromwell

Notes:

(1) The Town has no individual direct rates

Table 9

**Town of Cromwell, Connecticut**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Years**  
**(Unaudited)**

Year Ended June 30	General Obligation Bonds	Equipment Financing Notes	Premium	Total	Percentage of Actual Taxable Value of Property	Percentage of Personnel Income	Debt Per Capita
2021	\$ 18,460,000	\$ 406,486	\$ 2,094,172	\$ 20,960,658	1.01%	2.99%	\$ 1,474
2020	21,425,000	335,661	2,565,604	24,326,265	1.18%	3.43%	1,657
2019	24,435,000	646,461	3,037,036	28,118,497	1.36%	4.26%	2,005
2018	22,750,605	-	2,475,605	25,226,210	1.31%	4.06%	1,796
2017	25,565,187	-	2,020,187	27,585,374	1.46%	4.44%	1,958
2016	22,516,126	-	1,661,126	24,177,252	1.31%	4.08%	1,718
2015	25,502,134	-	1,882,134	27,384,268	1.51%	4.62%	1,945
2014	26,320,000	-	2,103,142	28,423,142	1.58%	4.86%	2,022
2013	28,485,000	-	2,324,150	30,809,150	1.53%	4.65%	2,183
2012	27,625,000	889,864	450,914	28,965,778	1.46%	4.56%	2,078

Source: Current and prior year financial statements.

Table 10

## Town of Cromwell, Connecticut

**Direct and Overlapping Governmental Activities Debt**  
**June 30, 2021**  
**(Unaudited)**

<u>Government Unit</u>	<u>Debt Outstanding</u>	<u>Percentage Applicable to Town (1) (2)</u>	<u>Amount Applicable to Town</u>
Overlapping debt:			
Cromwell Fire District			
Governmental funds	\$ 3,085,714	100.00%	\$ 3,085,714
(Water) Enterprise fund	1,730,471	0.00%	-
Mattabassett District	49,854,208	8.61%	<u>4,292,447</u>
Subtotal, overlapping debt			7,378,161
Town of Cromwell, direct debt			<u>20,960,658</u>
Total direct and overlapping debt			<u><u>\$ 28,338,819</u></u>

Source: Cromwell Fire District, Mattabassett District and Town of Cromwell.

Note:

(1) 100% of the residents of the Fire Districts are also residents of the Town of Cromwell; accordingly all tax supported debt for the Fire District is included with the Town of Cromwell as overlapping debt. Debt supported by revenue sourced by the enterprise fund are not included.

(2) The Town is responsible for a pro-rata share of the Mattabassett District's debt based on population

**Town of Cromwell, Connecticut**  
**Schedule of Debt Limitation**  
**Connecticut General Statutes, Section 7-374 (b)**  
**For The Year Ended June 30, 2021**  
**(Unaudited)**

Tax Base:

Total tax collections (including interest and lien fees) for prior year

Town	\$ 44,723,775
Cromwell Fire District	<u>3,645,170</u>
Total Base (1)	<u><u>\$ 48,368,945</u></u>

Debt limitation:	General Purpose	Schools	Sewers	Urban Renewal	Pension Deficit
2 1/4 times base	\$ 108,830,126	\$ -	\$ -	\$ -	\$ -
4 1/2 times base	-	217,660,253	-	-	-
3 3/4 times base	-	-	181,383,544	-	-
3 1/4 times base	-	-	-	157,199,071	-
3 times base	-	-	-	-	145,106,835
Total debt limitation	<u>108,830,126</u>	<u>217,660,253</u>	<u>181,383,544</u>	<u>157,199,071</u>	<u>145,106,835</u>
Indebtedness:					
Bonds payable	14,698,975	3,761,025	-	-	-
Cromwell Fire District	<u>3,085,714</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total indebtedness	<u>17,784,689</u>	<u>3,761,025</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt limitation in excess of outstanding debt	<u><u>\$ 91,045,437</u></u>	<u><u>\$ 213,899,228</u></u>	<u><u>\$ 181,383,544</u></u>	<u><u>\$157,199,071</u></u>	<u><u>\$145,106,835</u></u>
The total net indebtedness above amounts to:					<u><u>\$ 21,545,714</u></u>
In no event shall total indebtedness exceed seven times the base for debt limitation computation:					<u><u>\$338,582,615</u></u>

Source: Current and prior year financial statements.

Notes:

(1) Mattabassett District debt is not included as part of the Town's debt limitation as the debt is not repaid from property taxes.

**Table 12****Town of Cromwell, Connecticut****Legal Debt Margin Information  
Last Ten Years  
(Unaudited)**

<u>Year Ended June 30</u>	<u>Debt Limit</u>	<u>Net Debt Applicable To Limit</u>	<u>Legal Debt Margin</u>	<u>Total Net Debt Applicable</u>
2021	\$ 338,582,615	\$ 21,545,714	\$ 317,036,901	6.36%
2020	329,906,374	24,998,571	304,907,803	7.58%
2019	332,493,497	33,342,428	299,151,069	10.03%
2018	323,300,411	26,495,286	296,805,125	8.20%
2017	314,497,673	29,993,143	284,504,530	9.54%
2016	306,281,304	37,046,449	269,234,855	12.10%
2015	300,113,527	39,855,090	260,258,437	13.28%
2014	291,022,753	40,104,676	250,918,077	13.78%
2013	286,559,168	40,486,360	246,072,808	14.13%
2012	281,084,951	32,602,147	248,482,804	11.60%

Source: Current and prior year financial statements.

Table 13

**Town of Cromwell, Connecticut**  
**Demographic and Economic Statistics**  
**Last Ten Years**  
**(Unaudited)**

	(1)	(2)	(2)	(2)	(3)	(4)	(5)	
Year Ended June 30	Population	Per Capita Income	Personal Income	Median Age	Median Household Income	Education Level in Years of Schooling	School Enrollment	Unemployment Percentage
2021	14,225	\$ 49,348	\$ 701,975,300	44	\$ 89,243	47% at least 4 yrs of college	1,996	5.2%
2020	14,684	48,862	717,489,608	43	85,856	46% at least 4 yrs of college	1,998	8.9%
2019	14,021	45,954	644,321,034	43	85,856	46% at least 4 yrs of college	1,946	3.0%
2018	14,049	39,906	560,639,394	45	83,739	42% at least 4 yrs of college	1,973	4.0%
2017	14,086	40,905	576,187,830	44	82,081	42% at least 4 yrs of college	2,013	4.7%
2016	14,077	39,178	551,508,706	44	80,028	40% at least 4 yrs of college	1,993	4.9%
2015	14,076	38,463	541,405,188	44	80,134	N/A	1,982	4.5%
2014	14,059	43,611	613,127,049	44	80,134	N/A	1,969	5.6%
2013	14,116	42,900	605,576,400	43	81,718	N/A	1,971	6.7%
2012	13,940	43,249	602,891,060	45	83,670	N/A	1,992	6.8%

Sources:

- (1) State of Connecticut Health Department, except 2013 and 2015 which is a CERC estimate.
- (2) State of Connecticut Fiscal Indicators - CERC (estimate used for 2006)
- (3) Connecticut Economic Resource Center Town Profile
- (4) Superintendent of Schools
- (5) Connecticut Labor Department

N/A - Not available

Table 14

## Town of Cromwell, Connecticut

Principal Employers  
Current Year and Nine Years Ago  
(Unaudited)

Employer	Nature of Business	2021			2012		
		Number of Employees	Rank	Percentage of Total Employment	Number of Employees	Rank	Percentage of Total Employment
Adelbrook Behavioral & Developmental Services (formerly The Children's Home)	Residential School	358	1	5.08%	175	6	2.65%
Wal-Mart	Department Store	330	2	4.68%	220	2	3.33%
Stop & Shop	Supermarket	316	3	4.48%	350	1	5.30%
GKN Aerospace	Aircraft Parts	270	4	3.83%	N/A	N/A	N/A
Covenant Village	Retirement Village	243	5	3.45%	200	5	3.03%
Cromwell Growers	Landscaping/Florist	200	6	2.84%	N/A	N/A	N/A
Shop Rite	Supermarket	145	7	2.06%	N/A	N/A	N/A
Autumn Lake Health Care (formerly Haven Health Center)	Convalescent Home	130	8	1.84%	200	4	3.03%
Tournament Players Club	Country Club	125	9	1.77%	N/A	N/A	N/A
Lowe's	Home Supply Store	118	10	1.67%	150	8	2.27%
Liturgical Publication	Publisher	N/A	N/A	N/A	130	10	1.97%
Conference Center	Hotel/Conference Center	N/A	N/A	N/A	200	3	3.03%
Safe Home Security	Home Security	N/A	N/A	N/A	170	7	2.57%
K-Mart	Department Store	N/A	N/A	N/A	150	9	2.27%
	Totals	2,235		31.70%	1,945		29.45%

Source: Town Economic Development department.

N/A - Not applicable.

## Town of Cromwell, Connecticut

**Full-Time Equivalent Employees by Function/Program  
Last Ten Years  
(Unaudited)**

Function/Program	Full-Time Equivalent Employees as of June 30									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General government	37	37	35	36	36	36	37	36	36	35
Police	38	36	38	37	37	37	38	36	36	36
Fire	14	14	10	10	10	10	10	11	9	9
Refuse collection	1	1	1	1	1	1	1	2	2	2
Other public works	28	29	30	30	30	30	30	31	31	32
Parks and recreation	3	3	3	3	2	2	2	2	2	2
Library	6	6	5	5	5	5	5	17	17	17
Education	<u>324</u>	<u>324</u>	<u>304</u>	<u>296</u>	<u>301</u>	<u>304</u>	<u>304</u>	<u>306</u>	<u>311</u>	<u>313</u>
Total	<u>451</u>	<u>450</u>	<u>426</u>	<u>418</u>	<u>422</u>	<u>425</u>	<u>427</u>	<u>441</u>	<u>444</u>	<u>446</u>

Source: Town Manager department.



Table 16

**Town of Cromwell, Connecticut**  
**Operating Indicators by Function/Program**  
**Last Ten Years**  
**(Unaudited)**

Function / Program	Fiscal Year Ended June 30									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General government: (1)										
Building permits issued	871	712	688	667	603	638	855	853	916	930
Police: (2)										
Physical arrests	390	345	350	261	326	347	428	492	399	428
Parking violations	48	107	96	114	126	132	141	113	61	104
Traffic violations	1,374	1,447	469	646	611	683	782	901	570	558
Other public works: (3)										
Street resurfacing (miles)	4.90	2.00	2.80	5.30	2.00	N/A	1.93	2.73	2.00	1.73
Parks and recreation:										
Athletic field permits issued	230	195	225	223	216	N/A	N/A	N/A	N/A	N/A
Library: (4)										
Volumes in collection	56,760	65,078	62,096	68,924	70,525	77,728	83,765	83,647	83,423	82,536
Total volumes borrowed	70,377	94,450	95,092	74,931	71,227	81,501	99,986	101,772	99,038	105,223

Sources:

- (1) Town of Cromwell Building Inspector
- (2) Town of Cromwell Police Department Records (per calendar year)
- (3) Town of Cromwell Public Works Department (per calendar year)
- (4) Town of Cromwell Librarian

N/A - Not applicable.

## Town of Cromwell, Connecticut

**Capital Asset Statistics by Function/Program**  
**Last Ten Years**  
**(Unaudited)**

	June 30									
<b>Function / Program</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
Police: (1)										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	17	16	16	16	16	16	16	15	15	14
Other Public Works: (2)										
Streets (miles)	57.78	57.78	57.78	56.70	56.70	56.70	56.70	56.70	56.35	56.34
Streetlights*	1,234	1,228	1,227	1,218	1,218	1,208	1,208	1,166	1,164	1,163
Traffic signals*	25	21	21	21	21	21	21	15	15	15
Park and Recreation: (3)										
Acreage**	218	215	200	200	200	200	200	200	157	157
Playgrounds	2	2	2	2	2	2	2	2	3	3
Baseball/softball diamonds	15	15	15	15	15	15	15	15	15	15
Soccer/football fields	18	18	18	18	18	14	14	14	10	10
Community centers	1	1	1	1	1	1	1	1	1	1

Sources:

- (1) Town of Cromwell Police Department Records  
(2) Town of Cromwell Public Works Department  
(3) Town of Cromwell Recreation Department

Notes:

\* Street lights and traffic signals are not owned by the Town

\*\* Acreage does not include any fields that are maintained by the Board of Education

N/A - Not applicable.