

Town of Cromwell, Connecticut

Comprehensive Annual Financial Report



For the Year Ended June 30, 2020

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



For the Year Ended June 30, 2020

**Prepared By
Finance Department**

**Marianne Sylvester
Finance Director**

Town of Cromwell, Connecticut
Comprehensive Annual Financial Report
For the Year Ended June 30, 2020

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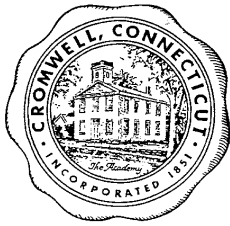
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Introductory Section



Town of Cromwell

NATHANIEL WHITE BUILDING
41 WEST STREET
CROMWELL, CONNECTICUT 06416

December 2, 2020

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, 2020.

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, was appointed by the Town Council in April 2020. PKF O'Connor Davies has issued an unmodified ("clean") opinion on the Town of Cromwell's financial statements for the year ended June 30, 2020. 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 Reports.

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 2020 population of Cromwell is 14,684.

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 63.0% of the October 2018 grand list was residential; relatively unchanged from the previous year. On June 30, 2020, 91.1% of the Town's available labor force was employed. This compares favorably to the Hartford labor market area rate of 90.1% and the State rate of 89.8%.

The Town has several residential subdivisions that are more than 50% and an additional subdivision, Arbor Meadows began construction in 2019 with plans for 75 homes. Covenant Village's Retirement facility continued construction on a major expansion project. The first phase will include 54 new residential units, new dining and recreation facilities and a new entrance road from West Street (Rt. 372). Construction also began for Cromwell Village, a new multi-family development containing 162 luxury residential units, located at the former NIKE Site on Country Squire Drive. The scale and variety of new residential development continues to enhance Cromwell's reputation as a great place to live.

In Cromwell's "northern tier", Scannell Properties leased the 403,000 square foot warehouse to Amazon. Amazon began the site modifications and interior construction of the building in January 2020. Also in the "northern tier", NIC Systems Corporation completed their 13,000 square foot office and warehouse building, and the Planning and Zoning Commission approved two 31,000 square foot warehouse buildings and one 5,000 square foot office building on Commerce Drive.

Cromwell Growers, one of Cromwell's top 10 taxpayers, began construction of 119,000 square feet of new greenhouse space and 42,500 square feet of new warehouse and loading dock space. Marriott Springhill Suites Hotel continued construction of a 125-room hotel at 76 Berlin Road. Construction also began on a new Starbucks Coffee Shop on Route 372. Renovation and expansion of existing commercial facilities continued with several new businesses opening this year on Berlin Road (Rt. 372), Shunpike Road (Rt. 3), and on Main Street (Rt. 99).

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 actively participated in management of the COVID-19 pandemic on State- and Town-wide levels regarding reporting, tracing, and control of the spread of the virus.
- An Open House was held on February 20, 2020 to showcase the completed library expansion and renovation project. This project was partially funded by a State grant. The Library provided curbside pickup of books, DVDs, and other materials due to the pandemic. Virtual programs were also held.
- In 2020, the Recreation Department continued offer programs for pre-school and school age children, adults, and individuals with special needs. Virtual programs were provided to the community during the pandemic. Summer camp, movies, and concerts were held following social distancing guidelines.
- 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.

Capital Projects:

- Construction continued on the new 38,600 square foot Public Works Facility, with an estimated completion by the end of calendar year 2020. 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 Nonrecurring Fund. The Town Council established a Capital Fund in February 2020 to support higher cost requests, such as the future acquisition or construction of facilities, large equipment, or major infrastructure improvements. The Town Council identified several projects and pieces of equipment to be funded, or partially funded, with cash reserves through the Capital Fund. These items, including the Town Hall roof replacement, the Watrous Park tennis court refurbishment, and road improvements, will be addressed by the Board of Finance later in calendar year 2020.

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. Various school facility projects have been discussed, as well as the expansion of parks for sports/community use and a senior/community center.

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 Council adopted a revised Fund Balance Policy at their January 8, 2020 meeting. The policy provides guidelines for budgeting decisions and to insure adequate reserves to fund operations by providing sufficient working capital and a margin of safety to address local and regional emergencies without borrowing. 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. The policy also addresses use of fund balance. 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.

Elected officials and management decided to maintain a higher level of unassigned fund balance due to a 90-day property tax deferral for July 2020 and other uncertainties related to the pandemic. The Town of Cromwell's General Fund fund balance has historically been used to fund large capital projects and prefund reimbursement-type grant opportunities. The Board of Finance committed \$325,000 toward the 2021 budget to fund the 2020-21 request for road improvements. This is in keeping with the Board of Finance's historical practices and philosophy. An additional \$38,300 was allocated toward 2020-21 General Fund expenses. Additional allocation for capital projects will be reviewed in fiscal year 2020-21.

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 Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2019. This was the twenty-ninth 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 Comprehensive Annual 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 Comprehensive Annual 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.

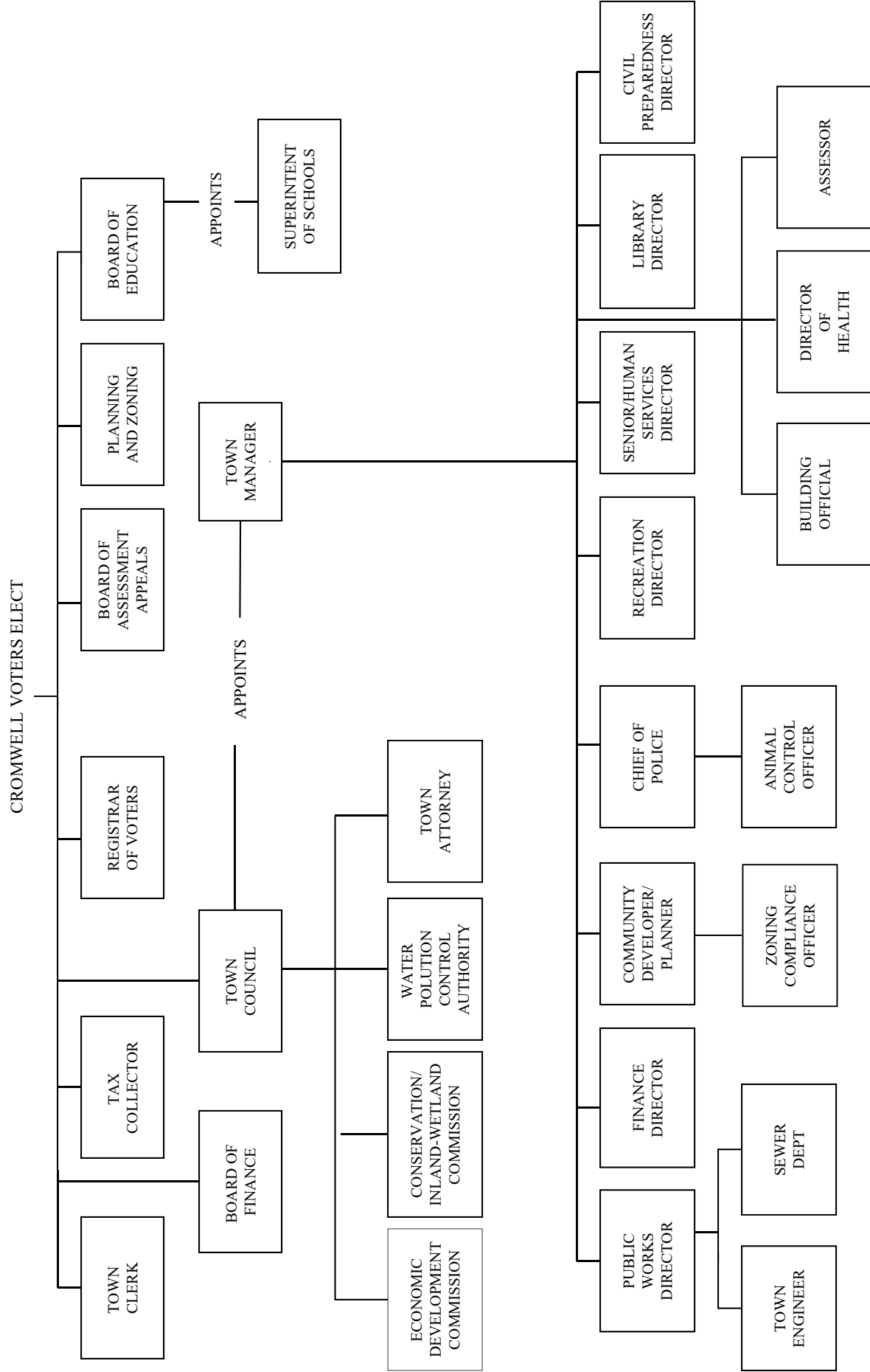
The preparation of this comprehensive annual financial report on a timely basis was made possible by the efficient and dedicated service of the entire staff of the Finance Department, to whom I extend my sincere appreciation. I also thank the Town Manager, the Town Council, and the Board of Finance for 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, 2020**

Mayor
Town Clerk
Tax Collector

Enzo Faienza
JoAnn Doyle
Douglas Sienna

Town Council

Jennifer Donohue
Pat Ahlquist
Jack Henehan

Al Walters
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
Kathryn Russ
John Flanders

Lindsey Merli
Celine Kelleher
Dipti Post
Laurie Cantwell

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
David Jolley
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, 2019

Christopher P. Morill

Executive Director/CEO

Financial Section

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, 2020, 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.

**Town Council
Town of Cromwell, Connecticut**

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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, 2020, 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 2, 2020, 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 2, 2020



Town of Cromwell

NATHANIEL WHITE BUILDING
41 WEST STREET
CROMWELL, CONNECTICUT 06416

Management's Discussion and Analysis For the Year Ended June 30, 2020

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, 2020. 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 \$108,325,288 (net position). Unrestricted net position was \$7,029,988.

The Town's total net position increased by \$1,842,399. The increase is substantially due to the following:

➤ positive operations of the general fund of	\$ 305,583
➤ positive operations of the sewer usage fund of	296,070

The positive operations were offset by:

➤ the negative operations in the capital projects fund of	(3,323,589)
➤ the negative operations in other governmental funds of	(413,251)

Conversion to accrual basis on Exhibit E:

➤ capital outlay net of depreciation expense of	\$ 3,173,274
➤ net principal debt activity of	3,320,800
➤ change in pension liability of	(2,981,580)
➤ change in pension and OPEB deferred inflows/outflows	1,826,393

The Town's governmental funds reported combined fund balance of \$24,906,785 a decrease of \$3,135,187 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 \$13,892,356 or 26.75% of total general fund budgetary expenditures and transfers.
- The Town's total bonds and notes payable decreased by \$3,320,800 or 13.24% due to scheduled principal payments.
- Net capital assets increase by \$3,173,274 or 2.73%. The increase is attributable to capital asset additions for construction in progress, infrastructure improvements and vehicles in excess of depreciation expense.

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 \$108,325,288 at the close of the most recent fiscal year.

By far the largest portion of the Town's net position (90.44%) 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

	2020	2019 (as restated)
Current and other assets	\$ 33,378,592	\$ 34,349,381
Capital assets (net)	119,261,424	116,088,150
Total assets	152,640,016	150,437,531
Deferred outflows of resources	5,372,162	4,141,462
Current liabilities outstanding	9,978,685	4,049,267
Long-term liabilities outstanding	34,844,275	38,663,487
Total liabilities	44,822,960	42,712,754
Deferred inflows of resources	4,863,930	5,383,350
Net position:		
Net investment in capital assets	97,968,700	94,991,214
Restricted	3,326,600	2,981,762
Unrestricted	7,029,988	8,509,913
Total net position	\$ 108,325,288	\$ 106,482,889

A small portion of the Town's net position, 3.07%, represents resources that are subject to external restrictions on how they may be used.

The unrestricted balance is 6.49%, 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**

	2020	2019
Revenues:		
Program revenues:		
Charges for services	\$ 4,755,977	\$ 4,874,528
Operating grants and contributions	11,779,381	11,328,763
Capital grants and contributions	1,710,793	1,944,708
General revenues:		
Property taxes	43,949,313	44,067,022
Grants and contributions not restricted to specific programs	106,486	57,517
Income from investments	585,010	646,578
Other	157,036	171,121
Total revenues	<u>63,043,996</u>	<u>63,090,237</u>
Expenses:		
General government	4,056,518	3,927,840
Public safety	5,956,091	5,649,536
Public works	9,658,198	9,277,331
Culture and recreation	1,353,059	1,323,812
Human services	819,289	746,421
Education	39,114,940	37,882,197
Interest	243,502	507,863
Total expenses	<u>61,201,597</u>	<u>59,315,000</u>
Change in net position	1,842,399	3,775,237
Net position - July 1 (as restated)	106,482,889	103,379,053
Restatements (Note VI)	-	(671,401)
Net position - June 30	<u>\$ 108,325,288</u>	<u>\$ 106,482,889</u>

Property taxes comprise 69.71% of revenues, followed by grants and contributions 21.57%, charges for services 7.54% and investment earnings/other 1.18%.

Significant revenue related changes are as follows:

- Operating grants and contributions increased by \$450,618 primarily due to an increase in education grants of \$269,913 for the following: Excess Cost, Education Cost Sharing, Child Nutrition Cluster and on-behalf amount for Connecticut State Teachers' Retirement pension and OPEB.
- Capital grants and contributions decreased by \$233,915 primarily due a \$911,006 decrease in the amount received for the highway planning grant from the prior year, offset against a \$808,190 increase in State LOTCIP grant.

Government-wide financial analysis (continued)

With respect to expenses, 63.91% of the Town's expenses relate to education, followed by 15.78% to public works, 9.73% to public safety, 6.63% to general government, 2.21% to culture and recreation, 1.34% to human services and 0.40% to interest on long-term debt.

- Public safety expenses increased by \$306,555 primarily due to an increase in MERS pension expense of \$571,071 offset by decreases in wages of \$123,849 for police outside services.
- Public works expenses increased by \$380,867 primarily due to an increase in various road repairs below the capitalization threshold of \$298,442.
- Education expenses increased by \$1,232,743 primarily due to an increase in the operational budget of \$976,548.

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 \$24,906,785, a decrease of \$3,135,187 in comparison with the prior year.

The components of fund balance was as follows:

Nonspendable for endowments	\$ 6,237
Restricted	3,320,363
Committed	6,815,702
Assigned	872,127
Unassigned	13,892,356
Total	<u>\$ 24,906,785</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 \$13,892,356, while total fund balance was \$14,678,699. 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 26.75% of total general fund budgetary expenditures and transfers out, while total fund balance represents 28.26% of that same amount.

During the current fiscal year, the fund balance of the Town's general fund increased by \$305,583. The increase was primarily due to property tax revenues exceeding the amount budgeted by \$547,797 and charges for services exceeding the amount budgeted by \$571,016. In addition, expenditures were underspent by a total of \$1,612,918. The discussion of expenditures that were underspent are discussed further under budgetary highlights.

These items were offset by the Town budgeting the use of fund balance of \$879,001 and additional appropriations of \$2,200,000 which are discussed under budgetary highlights.

Sewer usage fund. The fund accounts for the Town's sewer usage operations. During the year, revenues exceeded expenditures by \$296,070, a decrease in change in fund balance compared to \$533,784 in the prior year. The decrease is primarily due to there being \$199,595 less outlet charges as there was less new construction compared to the prior year. Fund balance at year end was \$2,292,883.

Expenditures were \$83,808 high than the prior year. This is substantially due to increases for employee benefits of \$29,287 and payments for sewer treatment of \$29,375.

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 \$3,323,589 for the fiscal year. This is a result of the construction costs for the Public Works/WPCA Facility of \$4,559,562 and the Library Construction Renovation Project of \$871,797 offset by a transfer in of \$2,200,000 from the general fund. The deficit operations is due to bonds being issued in the prior year for expenditures in the current year.

Proprietary funds

The dental insurance internal service fund and the heart and hypertension fund are the Town's only proprietary funds. Unrestricted net position for the dental insurance fund at year end was \$157,822, an increase of \$48,933 from the prior year, due to claims coming in less than anticipated due to the impact of the coronavirus pandemic. Unrestricted net position for the heart and hypertension fund at year end was \$94,541 an increase of \$17,876 from the prior year due to due to claims coming in less than anticipated.

General fund budgetary highlights

The difference between the original budget and the final amended budget was \$2,200,000. The significant additional appropriations were:

- Appropriation of fund balance of \$2,200,000 for the Library Renovation and Reconstruction Project.

Expenditures

- General government expenditures were underspent by \$695,102 due to the under expending of benefits due to conservative budgeting practices.
- Public safety expenditures were underspent by \$300,299 due to vacancies in the police department.
- Public works expenditures were underspent \$264,036 due to less vehicle maintenance than anticipated and vacancies.

Capital assets and debt administration

Capital assets

The Town's investment in capital assets amounts to \$119,261,424 (net of accumulated depreciation). This investment in capital assets is as follows:

Capital Assets (Net of Accumulated Depreciation) June 30		
	2020	2019
Land	\$ 8,795,275	\$ 8,683,782
Construction in progress	14,394,865	7,678,495
Buildings and improvements	45,011,512	46,828,330
Improvements other than buildings	1,597,155	1,627,377
Furniture and equipment	2,463,980	2,766,814
Infrastructure	46,998,637	48,503,352
Total	\$ 119,261,424	\$ 116,088,150

The capital assets (net of depreciation) increased in the current year by \$3,173,274. The increase is due to capital additions exceeding depreciation expense. In the current year, the Town had capital asset additions totaling \$7,757,901 and deductions totaling \$88,150.

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

Construction in progress additions of:

➤ Public Works/WPCA Facility	\$ 4,559,562
➤ Library Expansion and Renovation	871,798
➤ Coles Road Reconstruction	808,191

Vehicle purchases:

➤ 2020 Ford Escape	26,093
➤ 2019 Ford Expedition	47,747
➤ 2020 Chevrolet Silverado	49,881
➤ 2019 Spartan Bus	67,392

Infrastructure Improvements:

➤ Various Road Projects	583,812
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Land additions of:

➤ Main Street Downtown Parking Lot	111,493
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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 \$21,760,661. All debt is backed by the full faith and credit of the Town.

Long-Term Debt June 30

	2020	2019
General obligation bonds	\$ 21,425,000	\$ 24,435,000
Equipment financing notes	335,661	646,461
Total	<u>\$ 21,760,661</u>	<u>\$ 25,081,461</u>

During the current fiscal year, the Town's total long-term debt decreased by \$3,320,800 due to 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 \$329,906,374, 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 10.1%, which is an increase from a rate of 3.6% a year ago. The Town's unemployment rate was 8.9% as compared to 3.0% in the prior year. The increases are due to the impact of the coronavirus pandemic.
- Inflationary trends in the region compare favorably to national indices.
- The potential impact of the pandemic on the local economy, businesses and Town revenues is being closely monitored. The July 2020 collections were in line with the prior year. Any impact on the property tax revenues is expected to occur with the January 2021 semi-annual payment, if at all. The State of Connecticut through the Governor's executive order, required local governments to offer taxpayers/rate payers one or both of the following programs: interest rate reduction program and/or the payment deferral program through October 1, 2020. The Town implemented the payment deferral program. For the collection period ended July 31, 2020, collections were in line with the prior year.

All of these factors were considered in preparing the Town's budget for the 2021 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.

Basic Financial Statements

Town of Cromwell, Connecticut

Statement of Net Position
Governmental Activities
June 30, 2020

Assets

Current assets:	
Cash	\$ 4,934,230
Investments	26,286,283
Receivables (net):	
Property taxes	503,157
Intergovernmental	108,648
Assessments and usage	447,230
Other	221,435
Other assets	18,400
Total current assets	<u>32,519,383</u>
Noncurrent assets:	
Restricted assets:	
Temporarily restricted:	
Cash	271,249
Investments	241,257
Permanently restricted:	
Investments	6,237
Total restricted assets	<u>518,743</u>
Receivables (net):	
Property taxes	239,328
Assessments and usage	101,138
Total receivables (net)	<u>340,466</u>
Capital assets (net of accumulated depreciation):	
Land	8,795,275
Construction in progress	14,394,865
Buildings and improvements	45,011,512
Improvements other than buildings	1,597,155
Furniture and equipment	2,463,980
Infrastructure	46,998,637
Total capital assets (net of accumulated depreciation)	<u>119,261,424</u>
Total noncurrent assets	<u>120,120,633</u>
Total assets	<u>152,640,016</u>

Deferred Outflows of Resources

Deferred charge on refunding	238,514
Pension related	4,687,833
OPEB related	445,815
Total deferred outflows of resources	<u>5,372,162</u>

(Continued)

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

Town of Cromwell, Connecticut

Statement of Net Position
Governmental Activities
June 30, 2020

Liabilities

Liabilities:

Current liabilities:

Accounts payable	\$ 1,696,850
Retainage payable	318,392
Accrued payroll and related liabilities	424,715
Accrued interest payable	98,901
Unearned revenue	3,935,721
Bonds and notes payable	3,086,206
Compensated absences	313,130
Claims payable	104,770

Total current liabilities	<u>9,978,685</u>
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Noncurrent liabilities:

Performance bonds	407,099
Bonds, notes and related liabilities	21,240,059
Compensated absences	1,252,518
Net pension liability	9,297,732
Net OPEB liability	2,605,823
Claims payable	41,044

Total noncurrent liabilities	<u>34,844,275</u>
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Total liabilities	<u>44,822,960</u>
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Deferred Inflows of Resources

Pension related	2,004,290
OPEB related	2,859,640

Total deferred inflows of resources	<u>4,863,930</u>
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Net Position

Net investment in capital assets	97,968,700
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Restricted for:

Endowments:

Nonexpendable	6,237
Expendable	4,310

Public safety	23,212
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Public works	2,904,870
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Culture and recreation	163,256
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Human services	52,841
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Education	171,874
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Unrestricted	<u>7,029,988</u>
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Total net position	<u>\$ 108,325,288</u>
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(Concluded)

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

Town of Cromwell, Connecticut

**Statement of Activities
Governmental Activities
For The Year Ended June 30, 2020**

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	\$ 4,056,518	\$ 508,943	\$ 12,958	\$ -	\$ (3,534,617)
Public safety	5,956,091	585,833	15,995	-	(5,354,263)
Public works	9,658,198	3,039,697	-	1,310,793	(5,307,708)
Culture and recreation	1,353,059	209,704	88,733	400,000	(654,622)
Human services	819,289	32,549	24,000	-	(762,740)
Education	39,114,940	379,251	11,637,695	-	(27,097,994)
Interest	243,502	-	-	-	(243,502)
Total	<u>\$ 61,201,597</u>	<u>\$ 4,755,977</u>	<u>\$ 11,779,381</u>	<u>\$ 1,710,793</u>	<u>(42,955,446)</u>
General revenues:					
Property taxes					43,949,313
Grants and contributions not restricted to specific programs					106,486
Income from investments					585,010
Other					<u>157,036</u>
Total general revenues					<u>44,797,845</u>
Change in net position					1,842,399
Net position - July 1, 2019 (as restated)					<u>106,482,889</u>
Net position - June 30, 2020					<u>\$ 108,325,288</u>

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

Town of Cromwell, Connecticut

Balance Sheet
Governmental Funds
June 30, 2020

	General	Sewer Usage	Capital Projects	Other Governmental Funds	Total Governmental Funds
<u>Assets</u>					
Cash	\$ 73,177	\$ 2,940,581	\$ -	\$ 1,600,809	\$ 4,614,567
Restricted cash	267,702	-	-	-	267,702
Investments	15,275,264	1,000,000	9,637,265	305,754	26,218,283
Restricted investments	240,494	-	-	-	240,494
Receivables (net):					
Property taxes	742,485	-	-	-	742,485
Intergovernmental	34,235	-	566	73,847	108,648
Sewer assessments and use charges	-	345,495	176,523	-	522,018
Other	218,286	-	809	2,340	221,435
Due from other funds	-	-	-	85,384	85,384
Other	-	-	-	18,400	18,400
Total assets	<u>\$ 16,851,643</u>	<u>\$ 4,286,076</u>	<u>\$ 9,815,163</u>	<u>\$ 2,086,534</u>	<u>\$ 33,039,416</u>
<u>Liabilities</u>					
Accounts payable	\$ 534,520	\$ 34,400	\$ 1,098,487	\$ 29,410	\$ 1,696,817
Retainage payable	-	-	318,392	-	318,392
Accrued payroll and related liabilities	403,456	12,868	-	8,391	424,715
Due to other funds	85,384	-	-	-	85,384
Unearned revenue	-	1,600,430	1,682,886	652,405	3,935,721
Performance bonds	407,099	-	-	-	407,099
Total liabilities	<u>1,430,459</u>	<u>1,647,698</u>	<u>3,099,765</u>	<u>690,206</u>	<u>6,868,128</u>
<u>Deferred Inflows of Resources</u>					
Unavailable revenue:					
Property taxes	742,485	-	-	-	742,485
Sewer assessments and use charges	-	345,495	176,523	-	522,018
Total deferred inflows of resources	<u>742,485</u>	<u>345,495</u>	<u>176,523</u>	<u>-</u>	<u>1,264,503</u>
<u>Fund Balances</u>					
Nonspendable	-	-	-	6,237	6,237
Restricted	-	2,292,883	611,987	415,493	3,320,363
Committed	199,866	-	5,926,888	688,948	6,815,702
Assigned	586,477	-	-	285,650	872,127
Unassigned	13,892,356	-	-	-	13,892,356
Total fund balances	<u>14,678,699</u>	<u>2,292,883</u>	<u>6,538,875</u>	<u>1,396,328</u>	<u>24,906,785</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 16,851,643</u>	<u>\$ 4,286,076</u>	<u>\$ 9,815,163</u>	<u>\$ 2,086,534</u>	<u>\$ 33,039,416</u>

(Continued)

The notes to the 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, 2020

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)	\$ 24,906,785
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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	116,088,150
Current year additions (net of construction in progress)	7,669,751
Depreciation expense	(4,496,477)

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

Allowance for doubtful accounts	(12,000)
Deferred charge on refunding	238,514
Deferred outflows related to pensions	4,687,833
Deferred outflows related to OPEB	445,815

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	742,485
Sewer use and assessments receivable - accrual basis change	522,018

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	252,363
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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	(21,760,661)
Premium	(2,565,604)
Compensated absences	(1,565,648)
Net pension liability	(9,297,732)
Net OPEB liability	(2,605,823)
Accrued interest payable	(98,901)
Deferred inflows related to pensions	(2,004,290)
Deferred inflows related to OPEB	(2,859,640)

Net position (Exhibit A)	\$ 108,325,288
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(Concluded)

The notes to the 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, 2020

	<u>General</u>	<u>Sewer Usage</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:					
Property taxes	\$ 44,480,132	\$ -	\$ -	\$ -	\$ 44,480,132
Intergovernmental	9,905,753	-	1,935,057	2,182,813	14,023,623
Charges for services	1,841,994	2,118,511	53,940	585,932	4,600,377
Income from investments	391,685	33,568	158,550	1,207	585,010
Contributions	-	-	-	73,037	73,037
Other	157,014	22	-	-	157,036
Total revenues	<u>56,776,578</u>	<u>2,152,101</u>	<u>2,147,547</u>	<u>2,842,989</u>	<u>63,919,215</u>
Expenditures:					
Current:					
General government	6,136,323	-	-	19,262	6,155,585
Public safety	3,656,951	-	-	31,557	3,688,508
Public works	3,983,024	1,856,031	-	-	5,839,055
Culture and recreation	800,919	-	-	267,182	1,068,101
Human services	617,696	-	-	45,896	663,592
Education	35,074,925	-	-	2,642,399	37,717,324
Debt service	3,704,100	-	-	249,944	3,954,044
Capital outlay	-	-	7,968,193	-	7,968,193
Total expenditures	<u>53,973,938</u>	<u>1,856,031</u>	<u>7,968,193</u>	<u>3,256,240</u>	<u>67,054,402</u>
Excess (deficiency) of revenues over expenditures	<u>2,802,640</u>	<u>296,070</u>	<u>(5,820,646)</u>	<u>(413,251)</u>	<u>(3,135,187)</u>
Other financing sources (uses):					
Transfers in	316,943	-	2,814,000	-	3,130,943
Transfers out	<u>(2,814,000)</u>	<u>-</u>	<u>(316,943)</u>	<u>-</u>	<u>(3,130,943)</u>
Net other financing sources (uses)	<u>(2,497,057)</u>	<u>-</u>	<u>2,497,057</u>	<u>-</u>	<u>-</u>
Net change in fund balances	305,583	296,070	(3,323,589)	(413,251)	(3,135,187)
Fund balances - July 1, 2019 (as restated)	<u>14,373,116</u>	<u>1,996,813</u>	<u>9,862,464</u>	<u>1,809,579</u>	<u>28,041,972</u>
Fund balances - June 30, 2020	<u><u>\$ 14,678,699</u></u>	<u><u>\$ 2,292,883</u></u>	<u><u>\$ 6,538,875</u></u>	<u><u>\$ 1,396,328</u></u>	<u><u>\$ 24,906,785</u></u>

The notes to the 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 Activities
For The Year Ended June 30, 2020**

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

Net change in fund balances - total governmental funds (Exhibit D) \$ (3,135,187)

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	7,669,751
Depreciation expense	<u>(4,496,477)</u>
Total	<u>3,173,274</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	(530,819)
Change in sewer use/assessments - accrual basis change	129,250
Change in sewer interest and lien revenue	38,350
Change in allowance for doubtful accounts	(12,000)
Library grant	<u>(500,000)</u>
Total	<u>(875,219)</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:

Principal repayments:	
General obligation bonds and notes	<u>3,320,800</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	(23,380)
Net pension liability	(2,981,580)
Net OPEB liability	80,747
Accrued interest payable	(5,351)
Amortization of deferred charges	(76,339)
Amortization of deferred outflows related to pension	950,895
Amortization of deferred inflows related to pension	681,090
Amortization of deferred outflows related to OPEB	356,144
Amortization of deferred inflows related to OPEB	<u>(161,736)</u>
Total	<u>(708,078)</u>

Internal Service Funds are used by management to charge costs of dental insurance and heart and hypertension to individual departments	<u>66,809</u>
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Change in net position (Exhibit B)	<u><u>\$ 1,842,399</u></u>
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The notes to the financial statements are an integral part of this statement.

Town of Cromwell, Connecticut

Statement of Net Position
Proprietary Funds
June 30, 2020

	<u>Internal Service Funds</u>
<u>Assets</u>	
Cash	\$ 323,210
Investments	<u>75,000</u>
Total assets	<u>398,210</u>
<u>Liabilities</u>	
Current liabilities:	
Accounts payable	33
Claims payable	<u>104,770</u>
Total current liabilities	104,803
Noncurrent liability:	
Claims payable	<u>41,044</u>
Total liabilities	<u>145,847</u>
<u>Net Position</u>	
Unrestricted	<u><u>\$ 252,363</u></u>

The notes to the 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, 2020

	<u>Internal Service Funds</u>
Operating revenues:	
Charges for services	\$ 321,603
Operating expenses:	
Claims	<u>254,794</u>
Change in net position	66,809
Total net position - July 1, 2019 (as restated)	<u>185,554</u>
Total net position - June 30, 2020	<u><u>\$ 252,363</u></u>

The notes to the 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, 2020

	<u>Internal Service Funds</u>
Cash flows from (used in) operating activities:	
Cash received for charges for services	\$ 321,603
Cash paid for benefits and claims	(250,978)
Cash paid for administration	<u>33</u>
Net cash from (used in) operating activities	70,658
Cash and cash equivalents - July 1, 2019 (as restated)	<u>327,552</u>
Cash and cash equivalents - June 30, 2020	<u><u>\$ 398,210</u></u>
Reconciliation to Exhibit F cash:	
Cash and cash equivalents per above	\$ 398,210
Cash and cash equivalents reported as investments	<u>(75,000)</u>
Cash - Exhibit F	<u><u>\$ 323,210</u></u>
Reconciliation of operating income (loss) to net cash from operating activities:	
Operating income (loss)	\$ 66,809
Adjustments to reconcile operating income (loss) to net cash from operating activities:	
Increase (decrease) in:	
Accounts payable	33
Claims payable	<u>3,816</u>
Net cash from operating activities	<u><u>\$ 70,658</u></u>

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

Town of Cromwell, Connecticut
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2020

	Pension and OPEB Trust Funds	Private- Purpose Trust Fund	Agency Funds
	<u> </u>	<u> </u>	<u> </u>
<u>Assets</u>			
Cash	\$ 354,775	\$ 50,469	\$ 352,561
Investments:			
Common stock	13,288,393	-	-
Common stock - international	4,702,067	-	-
U.S. government obligations	4,930,999	-	-
Corporate bonds	2,472,562	-	-
Real estate investment trusts	770,360	-	-
Money market mutual fund	593,627	-	-
Pooled fixed income	333,655	-	-
	<u>27,091,663</u>	<u>-</u>	<u>-</u>
Total investments	27,091,663	-	-
Accrued interest	47,611	-	-
	<u>47,611</u>	<u>-</u>	<u>-</u>
Total assets	<u>27,494,049</u>	<u>50,469</u>	<u>352,561</u>
<u>Liabilities</u>			
Payable to student organizations	-	-	352,561
	<u>-</u>	<u>-</u>	<u>352,561</u>
<u>Net Position</u>			
Restricted for:			
Pension benefits	25,832,889	-	-
OPEB benefits	1,661,160	-	-
Individuals	-	50,469	-
	<u>-</u>	<u>50,469</u>	<u>-</u>
Total net position	<u>\$ 27,494,049</u>	<u>\$ 50,469</u>	<u>\$ -</u>

The notes to the 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, 2020

	Pension and OPEB Trust Funds	Private- Purpose Trust Fund
	<u> </u>	<u> </u>
Additions:		
Contributions:		
Employer	\$ 1,111,300	\$ -
Plan members	262,761	-
State Teachers' Retirement subsidy	27,718	-
Private	<u>-</u>	<u>1,578</u>
Total contributions	<u>1,401,779</u>	<u>1,578</u>
Investment income (loss):		
Net change in fair value of investments	937,197	-
Interest and dividends	<u>556,970</u>	<u>-</u>
Total investment income (loss)	1,494,167	-
Less investment expenses	<u>216,652</u>	<u>-</u>
Net investment income (loss)	<u>1,277,515</u>	<u>-</u>
Total additions	<u>2,679,294</u>	<u>1,578</u>
Deductions:		
Benefits	1,649,021	-
Administration	19,085	-
Scholarships	<u>-</u>	<u>3,341</u>
Total deductions	<u>1,668,106</u>	<u>3,341</u>
Changes in net position	1,011,188	(1,763)
Net position - July 1, 2019 (as restated)	<u>26,482,861</u>	<u>52,232</u>
Net position - June 30, 2020	<u><u>\$ 27,494,049</u></u>	<u><u>\$ 50,469</u></u>

The notes to the 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, 2020**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.

Accounting principles generally accepted in the United States of America require that the reporting entity include (1) the primary government; (2) organizations for which the primary government is financially accountable; and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The Town does not report any component units.

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. Agency funds do not have a measurement focus but are accounted for using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as 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, 2020**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:

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

The *Sewer Usage Fund* is used to account for and report resources and expenditures that are restricted, for the operation and maintenance of the sewer plant.

The *Capital Projects Fund* is used to account for and report 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 are used to account for and report the proceeds of specific revenue resources that are restricted, committed or assigned to expenditures for specified purposes other than debt.

The *Debt Service Fund* is used to account for and report resources and expenditures that are assigned for the repayment of debt.

The *Permanent Funds* are used to report 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, 2020

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

The *Internal Service Fund* accounts for risk financing activities for dental insurance benefits and heart and hypertension as allowed by GASB Statement No. 10.

The *Pension Trust Fund* accounts for the activities of the Employee Retirement Plan, which accumulates resources for pension benefit payments to qualified employees.

The *OPEB Trust Fund* accounts for the activities of the OPEB Plan, which accumulates resources for OPEB benefits.

The *Private-Purpose Trust Fund* accounts for the receipt of private donations to be used for student awards.

Agency Funds account for monies held on behalf of student groups.

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, 2020

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 Treasurers 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	<u>100.00%</u>	<u>100.00%</u>

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, 2020**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; and

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.

Town of Cromwell, Connecticut

**Notes to Financial Statements
As of and for the Year Ended June 30, 2020****C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)****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).

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, employee HRA accounts 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. Amounts in employee HRA accounts are restricted for employees. The trust agreement restricts the expenditure of the investment income only for the designated purpose.

Town of Cromwell, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)**4. Capital assets**

Capital assets, which include 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

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, deferred outflows of resources, 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, deferred inflows of resources, 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 proportional 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.

Town of Cromwell, Connecticut

**Notes to Financial Statements
As of and for the Year Ended June 30, 2020****C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)**

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

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 only the debt applicable to the acquisition or construction of these assets. Debt issued for non-capital purposes, and unspent bond proceeds, are excluded.

Town of Cromwell, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020**C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)**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 restricted.

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.

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.

Town of Cromwell, Connecticut

**Notes to Financial Statements
As of and for the Year Ended June 30, 2020**

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

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.

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, particularly given the significant social and economic disruptions and uncertainties associated with the ongoing COVID-19 pandemic and the mitigation responses. Any such differences are not expected to be material for the year ended June 30, 2020.

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, 2020

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	\$ 2,479,933	\$ 236,145
Library Expansion and Renovation	3,660,000	3,198,864	461,136
North Road Extension Bridge	1,716,000	445,371	1,270,629
Public Works Facility	9,300,000	7,581,082	1,718,918
River Landing	300,377	40,737	259,640
Willowbrook Road	3,250,000	2,419,215	830,785
Sewer Rehabilitation	1,595,000	1,510,500	84,500
Industrial Park	1,445,000	1,403,039	41,961
Total	<u>\$ 23,982,455</u>	<u>\$ 19,078,741</u>	<u>\$ 4,903,714</u>

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

At year end, the Town's bank balance was \$21,519,494 and was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 12,941,380
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name	<u>5,590,114</u>
Total amount subject to custodial credit risk	<u>\$ 18,531,494</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, 2020

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	\$ 15,888,099	\$ -	\$ 15,888,099	\$ -	\$ -	\$ -
Common stock	13,288,393	13,288,393	-	-	-	-
Common stock - international	4,702,067	4,702,067	-	-	-	-
Pooled fixed income	9,491,333	-	9,491,333	-	-	-
U.S. government obligations	4,930,999	-	1,105,548	2,796,496	943,133	85,823
Corporate bonds	2,472,562	-	99,601	873,803	1,311,917	187,240
Certificates of deposit	1,488,000	-	1,488,000	-	-	-
Real estate investment trusts	770,360	770,360	-	-	-	-
Money market mutual funds	593,627	-	593,627	-	-	-
Total	<u>\$ 53,625,440</u>	<u>\$ 18,760,820</u>	<u>\$ 28,666,208</u>	<u>\$ 3,670,298</u>	<u>\$ 2,255,050</u>	<u>\$ 273,063</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	\$ 13,288,393	\$ 13,288,393	\$ -
Common stock - international	4,702,067	4,702,067	-
U.S. government obligations	4,930,999	-	4,930,999
Corporate bonds	2,472,562	-	2,472,562
Real estate investment trusts	770,360	770,360	-
Money market mutual fund	593,627	593,627	-
Total investments by fair value level	26,758,008	19,354,447	7,403,561
<u>Other investments</u>			
Bank money market	15,888,099		
Pooled fixed income	9,491,333		
Certificates of deposit	1,488,000		
Total other investments	26,867,432		
Total investments	\$ 53,625,440		

Town of Cromwell, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

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						Totals
	AAA	AA	A	BBB	BB	B	
U.S. government obligations	\$ 4,930,999	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,930,999
Corporate bonds	335,013	415,664	661,412	535,640	369,254	155,579	2,472,562
Total	<u>\$ 5,266,012</u>	<u>\$ 415,664</u>	<u>\$ 661,412</u>	<u>\$ 535,640</u>	<u>\$ 369,254</u>	<u>\$ 155,579</u>	<u>\$ 7,403,561</u>

- 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	\$ 13,288,393	\$ 500,000	\$ 12,788,393
Common stock - international	4,702,067	-	4,702,067
U.S. government obligations	4,930,999	-	4,930,999
Corporate bonds	<u>2,472,562</u>	<u>-</u>	<u>2,472,562</u>
Total	<u>\$ 25,394,021</u>	<u>\$ 500,000</u>	<u>\$ 24,894,021</u>

Town of Cromwell, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

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	<u>\$ 291,898</u>	<u>\$ 211,259</u>	<u>\$ 503,157</u>
Long-term portion	<u>\$ 595,599</u>	<u>\$ 148,729</u>	<u>\$ 744,328</u>
Less allowance for uncollectible	<u>(325,000)</u>	<u>(180,000)</u>	<u>(505,000)</u>
Net long-term portion	<u>\$ 270,599</u>	<u>\$ (31,271)</u>	<u>\$ 239,328</u>
Totals	<u>\$ 562,497</u>	<u>\$ 179,988</u>	<u>\$ 742,485</u>

	Sewer assessments and use charges		
	Assessments and Use charges	Interest and Lien Fees	Total
Current portion	<u>\$ 428,055</u>	<u>\$ 19,175</u>	<u>\$ 447,230</u>
Long-term portion	<u>\$ 93,963</u>	<u>\$ 19,175</u>	<u>\$ 113,138</u>
Less allowance for uncollectible	<u>(11,000)</u>	<u>(1,000)</u>	<u>(12,000)</u>
Net long-term portion	<u>\$ 82,963</u>	<u>\$ 18,175</u>	<u>\$ 101,138</u>
Totals	<u>\$ 511,018</u>	<u>\$ 37,350</u>	<u>\$ 548,368</u>

Town of Cromwell, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

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	\$ -	\$ 85,384
Other governmental funds			
Educational grants	General Fund	85,384	-
Total		<u>\$ 85,384</u>	<u>\$ 85,384</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	\$ 316,943	\$ 2,814,000
Capital Projects	General Fund	2,814,000	316,943
Total		<u>\$ 3,130,943</u>	<u>\$ 3,130,943</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, 2020

D. Capital assets

Capital asset activity for the fiscal year was as follows:

	Balance July 1, 2019	Increases	Decreases	Balance June 30, 2020
<u>Capital assets, not being depreciated:</u>				
Land	\$ 8,683,782	\$ 111,493	\$ -	\$ 8,795,275
Construction in progress	7,678,495	6,804,520	88,150	14,394,865
Total capital assets, not being depreciated	16,362,277	6,916,013	88,150	23,190,140
<u>Capital assets, being depreciated:</u>				
Buildings and improvements	77,643,730	-	-	77,643,730
Improvements other than buildings	2,591,888	-	-	2,591,888
Furniture and equipment	10,310,976	258,076	-	10,569,052
Infrastructure	108,379,642	583,812	-	108,963,454
Total capital assets, being depreciated	198,926,236	841,888	-	199,768,124
Total capital assets	215,288,513	7,757,901	88,150	222,958,264
<u>Less accumulated depreciation for:</u>				
Buildings and improvements	30,815,400	1,816,818	-	32,632,218
Improvements other than buildings	964,511	30,222	-	994,733
Furniture and equipment	7,544,162	560,910	-	8,105,072
Infrastructure	59,876,290	2,088,527	-	61,964,817
Total accumulated depreciation	99,200,363	4,496,477	-	103,696,840
Total capital assets being depreciated, net	99,725,873	(3,654,589)	-	96,071,284
Governmental activities capital assets, net	<u>\$ 116,088,150</u>	<u>\$ 3,261,424</u>	<u>\$ 88,150</u>	<u>\$ 119,261,424</u>

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

General government	\$ 156,985
Public safety	243,374
Public works	2,511,844
Culture and recreation	79,995
Human services	7,353
Education	1,496,926
Total depreciation expense	<u>\$ 4,496,477</u>

E. Construction commitments

The Town has the following construction commitments:

Coles road reconstruction	\$ 1,357,283
WPCA facility	3,558,270
Total	<u>\$ 4,915,553</u>

Town of Cromwell, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

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

Description	Original Amount	Date of Issue	Date of Maturity	Interest Rate	Balance July 1, 2019 (as restated)	Additions	Deductions	Balance June 30, 2020	Current Portion	Long-term Portion
Bonds:										
General purpose:										
Improvement	\$ 3,787,000	4/18/2013	2023	0.52%-2.15%	\$ 1,727,187	\$ -	\$ 437,187	\$ 1,290,000	\$ 437,187	\$ 852,813
Refunding	6,540,000	12/28/2017	2029	1.26%-2.30%	3,487,000	-	532,000	2,955,000	532,000	2,423,000
Improvement	5,326,800	10/8/2016	2026	3.00%-4.00%	5,326,800	-	242,831	5,083,969	218,250	4,865,719
Total general purpose					10,540,987	-	1,212,018	9,328,969	1,187,437	8,141,532
Schools:										
Improvement	598,000	4/18/2013	2023	0.52%-2.15%	272,813	-	62,813	210,000	62,813	147,187
Refunding	9,690,000	4/18/2013	2023	0.37%-2.15%	4,000,000	-	1,000,000	3,000,000	1,000,000	2,000,000
Refunding	2,656,250	4/18/2015	2021	1.50%	980,000	-	500,000	480,000	480,000	-
School	193,200	10/8/2016	2036	3.00%-4.00%	193,200	-	7,169	186,031	6,750	179,281
Refunding	6,540,000	12/28/2017	2029	1.26%-2.30%	1,508,000	-	228,000	1,280,000	228,000	1,052,000
Total schools					6,954,013	-	1,797,982	5,156,031	1,777,563	3,378,468
Sewer:										
Refunding	6,940,000	5/30/2019	2039	1.37%-3.02%	6,940,000	-	-	6,940,000	-	6,940,000
Total bonds					24,435,000	-	3,010,000	21,425,000	2,965,000	18,460,000
Notes:										
Equipment financing notes					646,461	-	310,800	335,661	121,206	214,455
Total bonds and notes					25,081,461	-	3,320,800	21,760,661	3,086,206	18,674,455
Premium					3,037,036	-	471,432	2,565,604	-	2,565,604
Total bonds, notes and related liabilities					28,118,497	-	3,792,232	24,326,265	3,086,206	21,240,059
Compensated absences					1,542,268	738,235	714,855	1,565,648	313,130	1,252,518
Net pension liability					6,316,152	5,594,779	2,613,199	9,297,732	-	9,297,732
Net OPEB liability					2,686,570	769,370	850,117	2,605,823	-	2,605,823
Heart and hypertension claims payable					126,998	9,999	183	136,814	95,770	41,044
Total long-term obligations					\$ 38,790,485	\$ 7,112,383	\$ 7,970,586	\$ 37,932,282	\$ 3,495,106	\$ 34,437,176

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, 2020

F. 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
2021	\$ 2,965,000	\$ 212,346	\$ 600,626
2022	2,765,000	123,315	772,627
2023	2,785,000	-	644,499
2024	930,000	-	530,575
2025	960,000	-	488,750
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>\$ 21,425,000</u>	<u>\$ 335,661</u>	<u>\$ 5,832,177</u>

3. Assets pledged as collateral

The Town's outstanding equipment financing notes of \$335,661 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, 2020

F. 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	\$ 106,041,335	\$ 12,902,540	\$ 93,138,795
Schools	212,082,669	5,156,031	206,926,638
Sewers	176,735,558	6,940,000	169,795,558
Urban renewal	153,170,817	-	153,170,817
Pension deficit	141,388,446	-	141,388,446

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, \$329,906,374.

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:

Debt outstanding	Total	Overlapping
Cromwell Fire District	\$ 5,887,789	\$ 3,573,571
Mattabassett District	57,112,706	4,917,404
Total	<u>\$ 63,000,495</u>	<u>\$ 8,490,975</u>

6. Authorized/unissued bonds

The amount of authorized, unissued bonds are as follows:

	Authorized but Unissued
Willowbrook Road	\$ 3,250,000
Public Works Facility	2,360,000
North Road Extension Bridge	1,716,000
Coles Road Reconstruction	225,000
Total	<u>\$ 7,551,000</u>

Town of Cromwell, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

F. 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 \$5,720,000 of bonds outstanding are considered defeased.

G. 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
Nonspendable:					
Cemetery maintenance	\$ -	\$ -	\$ -	\$ 6,237	\$ 6,237
Restricted:					
Sewer operations	-	2,292,883	-	-	2,292,883
Sewer assessment	-	-	611,987	-	611,987
Culture and recreation programs	-	-	-	226,343	226,343
Human services programs	-	-	-	12,966	12,966
Cafeteria operations	-	-	-	171,874	171,874
Cemetery maintenance	-	-	-	4,310	4,310
Total restricted	-	2,292,883	611,987	415,493	3,320,363
Committed:					
Public safety programs	-	-	-	429,165	429,165
Public works	-	-	2,795,027	13,104	2,808,131
Culture and recreation programs	-	-	-	245,473	245,473
Human services programs	-	-	-	744	744
Education programs	199,866	-	-	462	200,328
Capital projects	-	-	3,131,861	-	3,131,861
Total committed	199,866	-	5,926,888	688,948	6,815,702
Assigned:					
Subsequent years budget	363,300	-	-	-	363,300
Contingency	223,177	-	-	-	223,177
Debt service	-	-	-	285,650	285,650
Total assigned	586,477	-	-	285,650	872,127
Unassigned	13,892,356	-	-	-	13,892,356
Total	\$ 14,678,699	\$ 2,292,883	\$ 6,538,875	\$ 1,396,328	\$ 24,906,785

The amount of restricted net position, which was restricted by enabling legislation, totaled \$3,076,744.

Town of Cromwell, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

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, 2020

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
<u>Dental insurance</u>						
2018-2019	12,000	331,739	328,739	15,000	15,000	-
2019-2020	15,000	244,795	250,795	9,000	9,000	-
<u>Totals</u>						
2018-2019	\$ 12,000	\$ 331,739	\$ 328,739	\$ 15,000	\$ 15,000	\$ -
2019-2020	\$ 141,998	\$ 254,794	\$ 250,978	\$ 145,814	\$ 104,770	\$ 41,044

*Reported as an internal service fund for the first time for this fiscal year.

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 lawsuits and the outcome of these lawsuits is not presently determinable. In the opinion of the Town attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the Town.

Town of Cromwell, Connecticut

**Notes to Financial Statements
As of and for the Year Ended June 30, 2020****C. 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.

D. 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 and has since issued over 70 executive orders regarding the pandemic. One of the most significant executive orders required local governments to offer taxpayers/rate payers one or both of the following programs: interest rate reduction program and payment deferral program. The interest rate reduction program reduced the interest rate charged on delinquent taxes/user fees from 18% to 3% for the period April 1, 2020 through October 1, 2020. The payment deferral program also was effective April 1, 2020 for local governments with quarterly payments and July 1, 2020 for those with semi-annual payments. This program allowed taxpayers/rate payers to defer payment of amounts due without incurring any penalty interest until October 1, 2020. The Town implemented the payment deferral program. The impact of this program on property tax and user fee revenues and delinquent interest collections was not significant during this period.

The state of emergency has had a negative impact on the Town's economically sensitive revenues such as park and recreation program fees, interest earnings and certain other charges for services for the last quarter of the fiscal year and the impact continues into the 2021 fiscal year. On the expenditure side, expenditures for health and safety measures, including additional personnel costs, technology and supplies are expected to increase and may exceed adopted budgets. There continues to be uncertainty related to the duration, possible reemergence and future severity of the pandemic, as well as to what actions may be taken by the Federal government, the State of Connecticut and health care authorities to contain or mitigate its effects. This includes the nature and extent of any financial support.

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.

Town of Cromwell, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

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.

b. Plan membership

As of July 1, 2019 for the Town, the memberships in the Plans are comprised of the following:

Retirees and beneficiaries receiving benefits	91
Inactive with vested benefits	70
Active plan members	<u>180</u>
Total	<u><u>341</u></u>

Town of Cromwell, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

A. Town pension plans (continued)**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 salary 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	11.00%
U.S small cap core	6.00%
International equity	11.00%
International emerging market equity	2.00%
REITs	5.00%
Fixed income	35.00%
Total	100.00%

Town of Cromwell, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

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	1.29%

Long-term expected nominal rate of return was 6.57%.

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 5.29%.

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, 2020

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

The components of the net pension liability were as follows:

Total pension liability	\$ 30,591,016
Plan fiduciary net position	<u>25,832,889</u>
Net pension liability	<u>\$ 4,758,127</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>84.45%</u>

6. Actuarial methods and significant assumptions

Actuarial valuation date	July 1, 2019
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-2019

Town of Cromwell, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

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

- The inflation assumption was increased from 2.50% to 2.60%, this impacted both the salary scale and payroll growth assumptions.
- Projected salary increases were increased from 3.50% to 3.60%.
- The Mortality assumption was updated from RP-2014 with scale MP-2018 to Pub-2010 with scale MP-2019. The change in mortality assumptions increased liabilities by 2.8%.

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

The Town's net pension liability was measured at June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The changes in net pension liability were as follows:

Town	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at July 1, 2019	\$ 27,706,206	\$ 24,918,808	\$ 2,787,398
Service cost	844,931	-	844,931
Interest	1,869,027	-	1,869,027
Differences between expected and actual experience	729,657	-	729,657
Changes in assumptions	787,826	-	787,826
Contributions - employer	-	704,628	(704,628)
Contributions - member	-	262,761	(262,761)
Net investment income	-	1,293,323	(1,293,323)
Benefit payments, including refunds of member contributions	(1,346,631)	(1,346,631)	-
Net change	2,884,810	914,081	1,970,729
Balance at June 30, 2020	\$ 30,591,016	\$ 25,832,889	\$ 4,758,127

Town of Cromwell, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

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:

	1% Decrease	Current Discount Rate	1% Increase
Net pension liability	<u>\$ 8,120,083</u>	<u>\$ 4,758,127</u>	<u>\$ 1,891,671</u>

11. Pension expense and deferred outflows and inflows of resources

The Town recognized pension expense of \$1,180,318 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	\$ 771,912	\$ (1,202,650)	\$ (430,738)
Changes in assumptions	1,183,535	(237,127)	946,408
Net difference between projected and actual earnings on pension plan investments	<u>418,107</u>	<u>-</u>	<u>418,107</u>
Total	<u>\$ 2,373,554</u>	<u>\$ (1,439,777)</u>	<u>\$ 933,777</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, 2020

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,	
2021	\$ 69,228
2022	121,639
2023	153,366
2024	281,293
2025	213,410
Thereafter	<u>94,841</u>
Total	<u>\$ 933,777</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 defined benefit pension plan administered by the Connecticut State Retirement Commission.

Municipalities may designate which departments (including elected officials 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, 2020

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

Normal retirement	
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

Early retirement	
Early retirement amount	5 years of continuous service or 15 years of active aggregate service
Service connected disability amount	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
Non-service connected disability service requirement	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 amount	10 years of service
Pre-retirement death benefit amount	Calculated based on compensation and service to the date of the disability
Cost of living increases	Lump-sum return of contributions with interest of if vested and married, the surviving spouse will receive a lifetime benefit
	2.50% - 6.00% depending on retirement date and increase in CPI

3. ContributionsEmployer

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.

Town of Cromwell, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

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

For employees not covered by social security, each person is required to contribute 5.00% of compensation.

For employees covered by social security, each person is required to contribute 2.25% of compensation up to the social security taxable wage base plus 5% 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 \$4,539,605 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019. The Town's proportionate share of the net pension liability was based upon the Town's 2019 actuarial (expected) payroll relative to the payroll of all the participating employers as of that date. The Town's proportional share was 6.230267% 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 net pension liability.

For the fiscal year, the Town recognized pension expense of \$1,370,588. 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	\$ 209,444	\$ -	\$ 209,444
Change in assumptions	1,254,189	-	1,254,189
Change in proportional share	280,086	(195,152)	84,934
Difference between expected and actual experience	55,715	(369,361)	(313,646)
Contributions subsequent to the measurement date	514,845	-	514,845
Total	<u>\$ 2,314,279</u>	<u>\$ (564,513)</u>	1,749,766
Contributions subsequent to the measurement date to be recognized as a reduction of the net pension liability in the subsequent year			<u>(514,845)</u>
Net amortized amount of deferred inflows and outflows			<u>\$ 1,234,921</u>

Town of Cromwell, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

B. Connecticut municipal employees' retirement system (continued)

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	\$ 497,584
2023	276,914
2024	375,919
2025	<u>84,504</u>
Total	<u>\$ 1,234,921</u>

5. Actuarial assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2019, using the following actuarial assumptions, applied to all periods included in the measurement:

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 to 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.

Town of Cromwell, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

B. Connecticut municipal employees' retirement system (continued)

The actuarial assumptions used in the June 30, 2019 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:

<u>Asset Class</u>	<u>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>	

Town of Cromwell, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

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

	1% Decrease (6.00%)	Current Discount (7.00%)	1% Increase (8.00%)
Town's proportional share of the net pension liability	<u>\$ 6,808,508</u>	<u>\$ 4,539,605</u>	<u>\$ 2,643,970</u>

8. Plan fiduciary net position

Detailed information about the MERS plan's fiduciary net position is available in the separately issued State of Connecticut Comprehensive Annual Financial Report as of and for the year ended June 30, 2019.

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.

Town of Cromwell, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

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

Town of Cromwell, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

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

Effective January 1, 2018, 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>58,819,764</u>
Total	<u><u>\$ 58,819,764</u></u>

The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018. The Town has no proportionate share of the net pension liability.

During the year the Town recognized pension expense and revenue of \$4,452,343 for on-behalf amounts for contributions to the plan by the State.

Town of Cromwell, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

C. Connecticut state teachers' retirement system (continued)**5. Actuarial assumptions**

The total pension liability was determined by an actuarial valuation as of June 30, 2018, using the following actuarial assumptions, applied to all periods included in the measurement:

Investment rate of return	6.90%
Inflation	2.50%
Salary increases	3.25-6.50%, including inflation
Mortality rates	Mortality rates were based on the RP-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale.

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% 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, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2010 - June 30, 2015.

Changes in assumptions and inputs

- The inflation assumption was decreased from 2.75% to 2.50%.
- The investment rate of return was decreased from 8.00% to 6.90%.

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.

Town of Cromwell, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

C. Connecticut state teachers' retirement system (continued)

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
Public equity - US equity	20.00%	8.10%
Public equity - international developed equity	11.00%	8.50%
Public equity - emerging markets equity	9.00%	10.40%
Fixed income - core fixed income	16.00%	4.60%
Fixed income - inflation linked bonds	5.00%	3.60%
Fixed income - high yield	6.00%	6.50%
Fixed income - emerging market debt	5.00%	5.20%
Private equity	10.00%	9.80%
Real estate	10.00%	7.00%
Alternative investments - real assets	4.00%	8.20%
Alternative investments - hedge funds	3.00%	5.40%
Liquidity fund	1.00%	2.90%
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.

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 Comprehensive Annual Financial Report as of and for the year ended June 30, 2019.

Town of Cromwell, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

D. Total pension plans

	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
Town	\$ 4,758,127	\$ 2,373,554	\$ (1,439,777)	\$ 1,180,318
MERS	4,539,605	2,314,279	(564,513)	1,370,588
Total	<u>\$ 9,297,732</u>	<u>\$ 4,687,833</u>	<u>\$ (2,004,290)</u>	<u>\$ 2,550,906</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, 2020

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, 2020

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	1.29%
Cash	0.00%
 Inflation rate	 2.60%

- d.** The annual money-weighted rate of return on OPEB plan investments, net of investment expense was (2.17%).

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, 2020

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

The components of the net OPEB liability were measured as of June 30, 2020 and were as follows:

Total OPEB liability	\$ 4,266,983
Plan fiduciary net position	<u>1,661,160</u>
Net OPEB liability	<u><u>\$ 2,605,823</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u><u>38.93%</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, 2020**E. Other post-employment benefit plan (continued)****7. Changes from prior year****a. Changes in assumptions**

The Town's plan had the following changes in assumptions:

- The discount rate decreased from 7.00% to 6.90%.
- Salary increases and the inflation rate were reduced from 2.75% to 2.60%.
- The healthcare cost trend rate decreased from 6.80% to 6.60%.
- The mortality assumption was updated to better reflect anticipated experiences and was based on the Pub-2010 Public Retirement with Scale MP-2019 from the RP-2014 with Scale MP-2016.

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, 2020

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

The Town's OPEB liability was measured at June 30, 2020 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, 2019	\$ 4,250,623	\$ 1,564,053	\$ 2,686,570
Service cost	162,635	-	162,635
Interest	298,523	-	298,523
Differences between expected and actual experience	(415,727)	-	(415,727)
Changes in assumptions	273,319	-	273,319
Contributions - employer	-	406,672	(406,672)
Contributions - State Teachers' Retirement subsidy	-	27,718	(27,718)
Net investment income	-	(15,808)	15,808
Benefit payments, including refunds of member contributions	(302,390)	(302,390)	-
Administrative expenses	-	(19,085)	19,085
Net change	16,360	97,107	(80,747)
Balance at June 30, 2020	<u>\$ 4,266,983</u>	<u>\$ 1,661,160</u>	<u>\$ 2,605,823</u>

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:

OPEB Liability	1% Decrease	Current Discount Rate	1% Increase
Town OPEB Plan	<u>\$ 3,030,492</u>	<u>\$ 2,605,823</u>	<u>\$ 2,234,299</u>

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	<u>\$ 2,207,306</u>	<u>\$ 2,605,823</u>	<u>\$ 3,078,492</u>

Town of Cromwell, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

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 \$131,517. 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	\$ 31,151	\$ (1,969,098)	\$ (1,937,947)
Changes in assumptions	252,922	(890,542)	(637,620)
Net difference between projected and actual earnings on OPEB plan investments	161,742	-	161,742
Total	<u>\$ 445,815</u>	<u>\$ (2,859,640)</u>	<u>\$ (2,413,825)</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,

2021	\$ (187,897)
2022	(187,895)
2023	(185,306)
2024	(201,236)
2025	(231,019)
Thereafter	<u>(1,420,472)</u>
Total	<u>\$ (2,413,825)</u>

Town of Cromwell, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

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.

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 TRB Sponsored Medicare Supplemental Plans provide coverage for those participating in Medicare, but not receiving Subsidized Local School District Coverage.

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

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

Town of Cromwell, Connecticut

**Notes to Financial Statements
As of and for the Year Ended June 30, 2020**

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 appropriates from the General Fund one third of the annual costs of the Plan. Administrative costs of the Plan are financed by the State. Based upon Chapter 167a, Subsection D of Section 10-183t of the Connecticut statutes, it is assumed the State will pay for any long-term shortfall arising from insufficient active member contributions.

Employer (School Districts)

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

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, 2020

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>9,173,275</u>
Total	<u>\$ 9,173,275</u>

The net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2018. The Town has no proportionate share of the net OPEB liability.

The Town recognized OPEB expense and revenue of \$121,686 for on-behalf amounts for the benefits provided by the State.

5. Actuarial methods and significant assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2018, 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	
Pre-Medicare	5.95% decreasing to 4.75% by 2025
Medicare	5.00% decreasing to 4.75% by 2028
Salary increases	3.25-6.50%, including inflation
Mortality rates	Mortality rates were based on the RP-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale.
Year fund net position will be depleted	2020

Mortality rates were based on the RP-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2010 - June 30, 2015.

Changes in assumptions and inputs

- The discount rate was decreased from 3.87% to 3.50% to reflect the change in the Municipal Bond Index rate.

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.

Town of Cromwell, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020**F. Connecticut state teachers' retirement board retiree health insurance plan (continued)****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 3.00%.

Affordable Care Act (ACA)

The impact of the Affordable Care Act (ACA) was addressed in this valuation. Review of the information currently available did not identify any specific provisions of the ACA that are anticipated to significantly impact results. While the impact of certain provisions such as the excise tax on high-value health insurance plans beginning in 2020 (if applicable), mandated benefits and participation changes due to the individual mandate should be recognized in the determination of liabilities, overall future plan costs and the resulting liabilities are driven by amounts employers and retirees can afford (i.e., trend). The trend assumption forecasts the anticipated increase to initial per capita costs, taking into account health care cost inflation, increases in benefit utilization, plan changes, government-mandated benefits, and technological advances.

Given the uncertainty regarding the ACA's implementation (e.g., the impact of excise tax on high-value health insurance plans, changes in participation resulting from the implementation of state-based health insurance exchanges), continued monitoring of the ACA's impact on the Plan's liability will be required.

6. Discount rate

The discount rate used to measure the total OPEB liability was 3.50%. 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 no future employer contributions were assumed to be made.

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 Comprehensive Annual Financial Report as of and for the year ended June 30, 2019.

Town of Cromwell, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

G. Pension and other post-employment benefit plan statements

Combining Statement of Fiduciary Net Position
June 30, 2020

	Employee Pension Fund	OPEB Trust Fund	Total
<u>Assets</u>			
Cash	\$ 354,775	\$ -	\$ 354,775
Investments:			
Common stock	12,427,635	860,758	13,288,393
Common stock - international	4,270,614	431,453	4,702,067
U.S. government obligations	4,930,999	-	4,930,999
Corporate bonds	2,472,562	-	2,472,562
Real estate investment trusts	770,360	-	770,360
Money market mutual fund	558,333	35,294	593,627
Pooled fixed income	-	333,655	333,655
Total investments	25,430,503	1,661,160	27,091,663
Accrued interest	47,611	-	47,611
Total assets	25,832,889	1,661,160	27,494,049
<u>Net Position</u>			
Restricted for:			
Pension benefits	25,832,889	-	25,832,889
OPEB benefits	-	1,661,160	1,661,160
Total net position	\$ 25,832,889	\$ 1,661,160	\$ 27,494,049

Town of Cromwell, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

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

Combining Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2020

	Employee Pension Fund	OPEB Trust Fund	Total
Additions:			
Contributions:			
Employer	\$ 704,628	\$ 406,672	\$ 1,111,300
Plan members	262,761	-	262,761
State Teachers' Retirement subsidy	-	27,718	27,718
Total contributions	967,389	434,390	1,401,779
Investment income (loss):			
Net change in fair value of investments	988,326	(51,129)	937,197
Interest and dividends	521,649	35,321	556,970
Total investment income (loss)	1,509,975	(15,808)	1,494,167
Less investment expenses	216,652	-	216,652
Net investment income (loss)	1,293,323	(15,808)	1,277,515
Total additions	2,260,712	418,582	2,679,294
Deductions:			
Benefits	1,346,631	302,390	1,649,021
Administration	-	19,085	19,085
Total deductions	1,346,631	321,475	1,668,106
Changes in net position	914,081	97,107	1,011,188
Net position - July 1, 2019	24,918,808	1,564,053	26,482,861
Net position - June 30, 2020	\$ 25,832,889	\$ 1,661,160	\$ 27,494,049

Town of Cromwell, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

VI. Prior period adjustment and fund reclassification

Beginning equity balances were restated as follows:

	Governmental Activities	General Fund	Capital Projects Fund	Other Governmental Activities	Internal Service Funds	Private- Purpose Trust Funds
Net position/Fund balance as previously reported at June 30, 2019	\$ 107,154,290	\$14,553,116	\$ 9,403,827	\$ 2,524,111	\$ 108,889	\$ -
To reclassify funds to capital projects funds	-	-	458,637	(458,637)	-	-
To record allowance for tax interest receivable	-	(180,000)	-	-	-	-
To record equipment financing notes	(492,171)	-	-	-	-	-
To record liability for heart and hypertension claims	(126,998)	-	-	-	(126,998)	-
To reclassify funds to private purpose trust funds	(52,232)	-	-	(52,232)	-	52,232
To reclassify funds to internal service funds	-	-	-	(203,663)	203,663	-
Net position/fund balance as restated at July 1, 2019	<u>\$ 106,482,889</u>	<u>\$14,373,116</u>	<u>\$ 9,862,464</u>	<u>\$ 1,809,579</u>	<u>\$ 185,554</u>	<u>\$ 52,232</u>

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
	Notes to Required Supplementary Information - Budgets and Budgetary Accounting
<u>Pension Plans</u>	
Employees'	Schedule of Changes in Net Pension Liability and Related Ratios and Schedule of Investment Returns
State Teachers' Retirement System	
Municipal Employees' Retirement System	Schedule of Contributions
	Notes to Required Supplementary Information
<u>Other Post-Employment Benefits Plans</u>	
OPEB	Schedule of Changes in Net OPEB Liability and Related Ratios and Schedule of Investment Returns
State Teacher's Retirement Board Retiree	
Health Insurance Plan	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, 2020

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Property taxes:					
Current taxes	\$ 43,131,835	\$ -	\$ 43,131,835	\$ 43,170,933	\$ 39,098
Prior year's levies	200,000	-	200,000	478,295	278,295
Interest and liens	125,000	-	125,000	268,977	143,977
Motor vehicle supplement - current year	350,000	-	350,000	433,925	83,925
Other	500	-	500	2,635	2,135
Telecommunication - PILOT	25,000	-	25,000	25,367	367
Mattabassett - PILOT	100,000	-	100,000	100,000	-
Total property taxes	43,932,335	-	43,932,335	44,480,132	547,797
Intergovernmental revenues:					
Town:					
Youth service grant	14,000	-	14,000	14,000	-
Tax relief - disability	900	-	900	1,107	207
Tax relief - veterans	3,152	-	3,152	2,608	(544)
Town aid road grant	276,136	-	276,136	275,736	(400)
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	-	(4,500)
Judicial department	4,000	-	4,000	6,969	2,969
Senior/disabled grant	17,980	-	17,980	17,980	-
Other - Town	500	-	500	12,958	12,458
Other - education	500	-	500	21,277	20,777
Municipal revenue sharing	31,099	-	31,099	31,099	-
Total Town	399,490	-	399,490	430,457	30,967
Education:					
Education cost sharing	15,027	-	15,027	15,364	337
Special education excess cost	4,831,486	-	4,831,486	4,885,903	54,417
Total education	4,846,513	-	4,846,513	4,901,267	54,754
Total intergovernmental revenues	5,246,003	-	5,246,003	5,331,724	85,721
Charges for services:					
Copier revenue	13,000	-	13,000	17,056	4,056
Conveyance taxes	185,000	-	185,000	178,492	(6,508)
Recording fees	75,000	-	75,000	87,913	12,913
Vital statistics	18,000	-	18,000	16,961	(1,039)
Town clerk miscellaneous	3,000	-	3,000	3,523	523
Public works miscellaneous	300	-	300	1,261	961
Gun permits	4,000	-	4,000	3,272	(728)
Parking tickets	5,500	-	5,500	4,860	(640)
Game/peddler permits	1,200	-	1,200	1,553	353
Alarm registration and fees	7,000	-	7,000	10,905	3,905
Communication tower income	40,000	-	40,000	40,000	-
Police outside services - cruiser use	19,000	-	19,000	32,905	13,905
Police copying and lab fees	1,500	-	1,500	2,841	1,341
Police department miscellaneous	10,000	-	10,000	3,637	(6,363)
Animal control citations	750	-	750	225	(525)
SRO - Board of Education	64,969	-	64,969	67,636	2,667
Senior services department	1,500	-	1,500	644	(856)
Senior services department miscellaneous	-	-	-	750	750

(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, 2020

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Charges for services: (continued)					
Recreation department miscellaneous	\$ -	\$ -	\$ -	\$ 20	\$ 20
Youth service department	4,000	-	4,000	810	(3,190)
Library department fines/ fees	8,000	-	8,000	2,791	(5,209)
Assessor's office miscellaneous	500	-	500	1,297	797
Planning and zoning	7,500	-	7,500	4,038	(3,462)
Zoning Board of Appeals	1,000	-	1,000	868	(132)
Inland-wetlands	750	-	750	1,333	583
Sewer usage	36,454	-	36,454	36,454	-
Fire district fees	57,617	-	57,617	57,665	48
School rentals	2,000	-	2,000	1,160	(840)
Lease/rentals	4,000	-	4,000	3,645	(355)
Licenses and permits:					
Building department	225,000	-	225,000	752,665	527,665
Food licenses	20,000	-	20,000	16,880	(3,120)
Health department plan review	500	-	500	2,705	2,205
Transfer station	45,000	-	45,000	49,706	4,706
Salons, pools & hot tubs	5,000	-	5,000	3,135	(1,865)
Health department	-	-	-	28,450	28,450
Total charges for services	867,040	-	867,040	1,438,056	571,016
Income from investments	300,000	-	300,000	388,913	88,913
Other:					
Board of Education miscellaneous	2,000	-	2,000	878	(1,122)
Insurance dividends/returns	20,000	-	20,000	49,582	29,582
Other revenue	30,000	-	30,000	106,554	76,554
Total other	52,000	-	52,000	157,014	105,014
Total revenues	50,397,378	-	50,397,378	51,795,839	1,398,461
Other financing sources:					
Appropriation of fund balance	879,001	2,200,000	3,079,001	-	(3,079,001)
Transfers in:					
Capital projects fund	-	-	-	316,943	316,943
Outside services fund	75,000	-	75,000	128,490	53,490
Total other financing sources	954,001	2,200,000	3,154,001	445,433	(2,708,568)
Total revenues and other financing sources	\$ 51,351,379	\$ 2,200,000	\$ 53,551,379	\$ 52,241,272	\$ (1,310,107)

(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, 2020

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
General government:					
Town manager	\$ 381,915	\$ -	\$ 381,915	\$ 369,043	\$ 12,872
Town clerk	219,242	-	219,242	210,238	9,004
Elections department	79,203	-	79,203	54,446	24,757
Economic development	23,530	-	23,530	18,883	4,647
Town planner	133,323	-	133,323	132,741	582
Development compliance	103,201	-	103,201	102,523	678
Building inspection	203,710	-	203,710	201,801	1,909
Finance department	421,531	-	421,531	404,582	16,949
Tax collector	144,353	-	144,353	137,121	7,232
Assessor's office	241,994	-	241,994	239,021	2,973
Donations and dues	50,522	-	50,522	46,317	4,205
Legal	228,764	30,000	258,764	258,114	650
Central services	186,800	-	186,800	181,410	5,390
Insurance	584,000	-	584,000	554,010	29,990
General expense	10,002	-	10,002	3,995	6,007
Town council	39,905	-	39,905	39,203	702
Board of finance	1,350	16	1,366	1,365	1
Charter revision commission	100	-	100	-	100
Board of assessment appeals	1,200	-	1,200	940	260
Commission support disabled	100	-	100	-	100
Planning and zoning commission	3,525	-	3,525	1,127	2,398
Zoning board of appeals	1,250	-	1,250	389	861
Inland wetlands	2,300	-	2,300	785	1,515
Conservation commission	1,210	-	1,210	140	1,070
Employee benefits	3,846,399	(108,020)	3,738,379	3,178,129	560,250
Total general government	6,909,429	(78,004)	6,831,425	6,136,323	695,102
Public works:					
Public works administration	4,211,223	33,118	4,244,341	3,980,305	264,036
Public safety:					
Emergency management	19,050	-	19,050	18,264	786
Police department	3,531,214	44,886	3,576,100	3,279,713	296,387
Animal control	89,371	-	89,371	86,245	3,126
Total public safety	3,639,635	44,886	3,684,521	3,384,222	300,299
Human services:					
Health department	198,293	-	198,293	194,386	3,907
Human services	131,951	-	131,951	131,131	820
Senior services	109,980	-	109,980	70,420	39,560
Transportation services	189,396	-	189,396	130,425	58,971
Youth services	95,298	-	95,298	91,334	3,964
Total human services	724,918	-	724,918	617,696	107,222
Culture and recreation:					
Recreation department	252,731	-	252,731	243,790	8,941
Library	594,581	-	594,581	557,129	37,452
Total culture and recreation	847,312	-	847,312	800,919	46,393

(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, 2020

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Education	\$ 30,700,762	\$ -	\$ 30,700,762	\$ 30,500,896	\$ 199,866
Debt service	3,704,100	-	3,704,100	3,704,100	-
Total expenditures	50,737,379	-	50,737,379	49,124,461	1,612,918
Other financing uses:					
Transfers out:					
Capital projects funds	614,000	2,200,000	2,814,000	2,814,000	-
Total expenditures and other financing uses	<u>\$ 51,351,379</u>	<u>\$ 2,200,000</u>	<u>\$ 53,551,379</u>	<u>\$ 51,938,461</u>	<u>\$ 1,612,918</u>

Reconciliation to Exhibit D

	Revenues	Expenditures
Budgetary Basis - RSI-1	\$ 51,795,839	\$ 49,124,461
Other funds (Schedule 2)	406,710	275,448
State Teachers' pension on behalf amount	4,452,343	4,452,343
State Teachers' OPEB on behalf amount	<u>121,686</u>	<u>121,686</u>
GAAP Basis - Exhibit D	<u>\$ 56,776,578</u>	<u>\$ 53,973,938</u>

(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, 2020

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Revenues:					
User charges	\$ 2,059,750	\$ -	\$ 2,059,750	\$ 1,993,323	\$ (66,427)
Prior year collections (all components)	20,000	-	20,000	-	(20,000)
Outlet charge	-	-	-	100,205	100,205
Permits and inspection charges	20,000	-	20,000	16,270	(3,730)
Service charges	15,000	-	15,000	8,713	(6,287)
Income from investments	17,445	-	17,445	33,568	16,123
Other	-	-	-	22	22
Total revenues	2,132,195	-	2,132,195	2,152,101	19,906
Expenditures:					
Regular wages	420,746	-	420,746	425,831	(5,085)
Part-time wages	16,071	(4,600)	11,471	9,108	2,363
Overtime wages	56,254	-	56,254	36,877	19,377
Department expenses	29,700	-	29,700	16,198	13,502
Outside services	95,049	-	95,049	74,446	20,603
Vehicle maintenance	8,000	-	8,000	5,581	2,419
Gasoline and fuel	8,610	-	8,610	7,270	1,340
Equipment repair and maintenance	25,000	-	25,000	17,634	7,366
Liability and property insurance	38,000	1,400	39,400	39,301	99
Materials and supplies	26,000	-	26,000	25,840	160
Utilities and oil	35,000	3,200	38,200	30,761	7,439
Payments for sewer treatment	926,471	-	926,471	922,157	4,314
Meter and pump station repairs	24,000	-	24,000	22,608	1,392
Prior year obligations	3,500	-	3,500	-	3,500
Damage claims	100	-	100	-	100
Employee benefits	266,007	-	266,007	222,419	43,588
Interest	100,000	-	100,000	-	100,000
Total expenditures	2,078,508	-	2,078,508	1,856,031	222,477
Net change in fund balance	\$ 53,687	\$ -	\$ 53,687	296,070	\$ 242,383
Fund balance - July 1, 2019				1,996,813	
Fund balance - June 30, 2020				\$ 2,292,883	

Town of Cromwell, Connecticut**Notes to Required Supplementary Information
For the Year Ended June 30, 2020****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

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 fund is the fund level

Additional appropriations for the fiscal year amounted to approximately \$2,200,000.

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 Seven Years (1)

	2020	2019	2018	2017	2016	2015	2014
Schedule of Changes in Net Pension Liability and Related Ratios							
Total pension liability:							
Service cost	\$ 844,931	\$ 837,849	\$ 803,687	\$ 837,912	\$ 869,728	\$ 844,396	\$ 804,187
Interest	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	729,657	(400,403)	290,202	(932,074)	(93,482)	(2,263,343)	-
Changes in assumptions	787,826	21,266	-	(588,427)	-	2,184,823	-
Benefit payments, including refunds of member contributions	(1,346,631)	(1,227,055)	(1,141,661)	(912,881)	(830,072)	(760,080)	(766,744)
Net change in total pension liability	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	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>\$ 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	\$ 704,628	\$ 686,652	\$ 674,271	\$ 708,939	\$ 688,458	\$ 704,153	\$ 663,086
Contributions - member	262,761	257,142	235,765	252,453	205,530	235,516	239,118
Net investment income (loss)	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	(1,346,631)	(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	914,081	1,298,191	1,071,912	1,774,804	(14,960)	568,011	2,763,597
Plan fiduciary net position - July 1	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>\$ 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>\$ 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>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>\$ 9,534,714</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 as a percentage of covered payroll	<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>
Schedule of Investment Returns							
Annual money weighted rate of return, net of investment expense	<u>5.29%</u>	<u>6.75%</u>	<u>5.87%</u>	<u>8.39%</u>	<u>(0.37%)</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>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>	<u>2011</u>
Actuarially determined contributions	\$ 704,628	\$ 686,652	\$ 674,271	\$ 708,939	\$ 688,375	\$ 704,153	\$ 663,086	\$ 732,759	\$ 711,591	\$ 684,425
Contributions in relation to the actuarially determined contribution	<u>704,628</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>	<u>684,425</u>
Contribution excess (deficiency)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 83</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<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>\$ 8,974,085</u>	<u>\$ 8,546,748</u>	<u>\$ 8,952,815</u>	<u>\$ 8,558,671</u>
Contributions as a percentage of covered payroll	<u>7.39%</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>	<u>8.00%</u>

Town of Cromwell, Connecticut

Notes to Required Supplementary Information

Employees' Pension Plan
Schedule of Contributions
Last Ten Years

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
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, 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	July 1, 2010
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	2.50%	2.50%	2.75%	2.75%	3.00%	3.00%	3.50%	3.50%	3.50%	3.50%
Salary Increases	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%	5.00%
Investment Rate of Return	6.90%	6.90%	7.00%	7.00%	7.10%	7.50%	7.50%	7.50%	8.00%	8.00%
Mortality Rate	RP-2014 adjusted to 2006 Total Dataset Mortality Table projected to valuation date with scale MP-2018.	RP-2014 adjusted to 2006 Total Dataset Mortality Table projected to valuation date with scale MP-2018.	RP-2014 Mortality Table with separate male and female rates, with no collar adjustments, combined table for non-annuitants and annuitants, projected to the valuation date with Scale AA.	RP-2014 Mortality Table with separate male and female rates, with no collar adjustments, combined table for non-annuitants and annuitants, projected to the valuation date with Scale AA.	RP-2014 Mortality Table with separate male and female rates, with no collar adjustments, combined table for non-annuitants and annuitants, projected to the valuation date with Scale AA.	RP-2000 Mortality Table with separate male and female rates, with no collar adjustments, combined table for non-annuitants and annuitants, projected to the valuation date with Scale AA.	RP-2000 Mortality Table with separate male and female rates, with no collar adjustment, combined table for non-annuitants and annuitants, projected to the valuation date with Scale AA.	N/A	N/A	N/A

N/A - not available

Town of Cromwell, Connecticut

Required Supplementary Information

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

	2020	2019	2018	2017	2016	2015
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Schedule of Proportionate Share of the Net Pension Liability

Town's proportion of the net pension (asset) liability	<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>\$ 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>\$ 2,767,141</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>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>73.60%</u>	<u>73.60%</u>	<u>91.68%</u>	<u>88.29%</u>	<u>92.72%</u>	<u>90.48%</u>

Schedule of Contributions

Contractually required contribution	\$ 571,638	\$ 459,149	\$ 470,204	\$ 479,910	\$ 517,138	\$ 423,789
Contributions in relation to the contractually required contribution	<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>
Town's covered payroll	<u>\$ 2,767,141</u>	<u>\$ 3,030,352</u>	<u>\$ 2,863,631</u>	<u>\$ 2,836,483</u>	<u>\$ 2,762,664</u>	<u>\$ 2,762,664</u>
Contributions as a percentage of covered payroll	<u>20.66%</u>	<u>15.15%</u>	<u>16.42%</u>	<u>16.92%</u>	<u>18.72%</u>	<u>15.34%</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.

Town of Cromwell, Connecticut

Notes to Required Supplementary Information

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

	2020	2019	2018	2017	2016	2015
Changes of Benefit Terms	None	None	None	None	None	None
The actuarially determined contribution rates are calculated as of	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
Amortization Method	Level dollar, closed	Level dollar, closed	Level dollar, closed	Level dollar, closed	Level dollar, closed	Level dollar, closed
Remaining Amortization Period	21 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
Inflation	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	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
Social Security Wage Base	3.00%	3.00%	3.50%	3.50%	3.50%	3.50%
Investment Rate of Return	7.00%	7.00%	8.00%	8.00%	8.00%	8.00%

(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 Six Years (3)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<u>Schedule of Proportionate Share of the Net Pension Liability</u>						
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>
Town's proportionate share of the net pension liability	<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>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>\$ 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>
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>
Plan fiduciary net position as a percentage of the total pension liability	<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>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>
Contributions in relation to the contractually required contribution	<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>
Town's covered payroll	<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>

(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 Six Years (1)

	2020	2019	2018	2017	2016	2015
Changes of Benefit Terms	None	Beginning January 1, 2018, member contributions increased from 6% to 7% of salary	None	None	None	None
The actuarially determined contribution rates are calculated as of	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
Amortization Method	Level percent of salary, closed	Level percent of salary, closed	Level percent of salary, closed	Level percent of salary, closed	Level percent of salary, closed	Level percent of salary, closed
Remaining Amortization Period	17.6 years	17.6 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
Inflation	2.50%	2.50%	2.75%	2.75%	3.00%	3.00%
Salary Increases	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
Investment Rate of Return	8.00%	8.00%	8.00%	8.00%	8.50%	8.50%
Mortality	RP-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale and further adjusted to grade in increases (5% for females and 8% for males) to rates over age 80. For disabled retirees, the RPH-2014 Disabled Mortality table projected to 2017 using the BB improvement scale.	RP-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale and further adjusted to grade in increases (5% for females and 8% for males) to rates over age 80. For disabled retirees, the RPH-2014 Disabled Mortality table projected to 2017 using the BB improvement scale.	RP-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale and further adjusted to grade in increases (5% for females and 8% for males) to rates over age 80. For disabled retirees, the RPH-2014 Disabled Mortality table projected to 2017 using the BB improvement scale.	RP-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale and further adjusted to grade in increases (5% for females and 8% for males) to rates over age 80. For disabled retirees, the RPH-2014 Disabled Mortality table projected to 2017 using the BB improvement scale.	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 they become available.

Town of Cromwell, Connecticut

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<u>Schedule of Changes in Net OPEB Liability and Related Ratios</u>				
Total OPEB liability:				
Service cost	\$ 162,635	\$ 155,706	\$ 268,162	\$ 260,985
Interest	298,523	286,889	353,821	339,240
Differences between expected and actual experience	(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>(302,390)</u>	<u>(336,267)</u>	<u>(294,060)</u>	<u>(183,909)</u>
Net change in total OPEB liability	16,360	142,629	(2,845,507)	263,255
Total OPEB liability - July 1	<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>\$ 4,266,983</u>	<u>\$ 4,250,623</u>	<u>\$ 4,107,994</u>	<u>\$ 6,953,501</u>
Plan fiduciary net position:				
Contributions - employer	\$ 406,672	\$ 589,868	\$ 556,379	\$ 407,346
Contributions - TRB subsidy	27,718	26,399	27,682	26,563
Net investment income	(15,808)	35,283	71,871	48,235
Benefit payments, including refunds of member contributions	(302,390)	(336,267)	(294,060)	(183,909)
Administration expenses	<u>(19,085)</u>	<u>(16,718)</u>	<u>(6,253)</u>	<u>(3,899)</u>
Net change in plan fiduciary net position	97,107	298,565	355,619	294,336
Plan fiduciary net position - July 1	<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>\$ 1,661,160</u>	<u>\$ 1,564,053</u>	<u>\$ 1,265,488</u>	<u>\$ 909,869</u>
Net OPEB liability - June 30 (a)-(b)	<u>\$ 2,605,823</u>	<u>\$ 2,686,570</u>	<u>\$ 2,842,506</u>	<u>\$ 6,043,632</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>38.93%</u>	<u>36.80%</u>	<u>30.81%</u>	<u>13.09%</u>
Covered payroll	<u>\$25,023,019</u>	<u>\$24,256,883</u>	<u>\$ 23,607,672</u>	<u>\$ 22,740,011</u>
Net pension liability as a percentage of covered payroll	<u>10.41%</u>	<u>11.08%</u>	<u>12.04%</u>	<u>26.58%</u>

Schedule of Investment Returns

Annual money weighted rate of return, net of investment expense	<u>(2.17%)</u>	<u>1.37%</u>	<u>7.21%</u>	<u>6.55%</u>
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(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

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

	<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>	<u>2011</u>
Actuarially determined contributions	\$ 417,000	\$ 412,600	\$ 656,000	\$ 648,000	\$ 608,500	\$ 597,900	\$ 808,500	\$ 794,800	\$ 886,430	\$ 870,192
Contributions in relation to the actuarially determined contribution	<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>	<u>252,465</u>
Contribution excess (deficiency)	<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>	<u>\$ (617,727)</u>
Covered payroll	<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>	<u>\$ 20,257,000</u>
Contributions as a percentage of covered payroll	<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>	<u>1.25%</u>

Town of Cromwell, Connecticut

Notes to Required Supplementary Information

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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
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, 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	July 1, 2009
Actuarial methods and assumptions used to determine contribution rates:										
Actuarial Cost Method	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	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	2.75%	2.75%	None	None	None	None	None	None	None	None
Salary Increases	2.75%	2.75%	5.00%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Healthcare Inflation Rate - Initial	8.00%	8.00%	8.00%	8.00%	9.00%	9.00%	10.00%	10.00%	8.00%	8.00%
Healthcare and dental Inflation Rate - Ultimate	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Investment Rate of Return	7.00%	7.00%	5.00%	5.00%	5.00%	5.00%	4.50%	4.50%	4.50%	4.50%
Mortality Rate	Town, Public Works, BOE Non-Certified: RP-2014 Adjusted to 2006 Total Dataset Mortality Table projected to valuation date with Scale MP-2016. Police: RP-2014 Adjusted to 200 Blue Collar Mortality Table projected to valuation date with Scale MP-2016.	Town, Public Works, BOE Non-Certified: RP-2014 Adjusted to 2006 Total Dataset Mortality Table projected to valuation date with Scale MP-2016. Police: RP-2014 Adjusted to 200 Blue Collar Mortality Table projected to valuation date with Scale MP-2016.	N/A	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 Three Years (3)

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

(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.

Town of Cromwell, Connecticut

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

	2020	2019	2018
Changes of Benefit Terms	None	None	None
The actuarially determined contribution rates are calculated as of	July 1, 2018	July 1, 2018	July 1, 2016
Actuarial methods and assumptions used to determine contribution rates:			
Actuarial Cost Method	Entry age	Entry age	Entry age
Amortization Method	Level percent of payroll	Level percent of payroll	Level percentage, open
Amortization Period	30 years	30 years	30 years
Asset Valuation Method	Fair Value	Fair Value	Fair Value
Inflation	2.75%	2.75%	2.75%
Healthcare Inflation Rate	Initial 7.25% decreasing to 5.00% (ultimate) by 2022	Initial 7.25% decreasing to 5.00% (ultimate) by 2022	Initial 7.25% decreasing to 5.00% (ultimate) by 2022
Salary Increases	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	3.00%	3.00%	4.25%
Mortality Rate	RP-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale and further adjusted to grade in increases (5% for females and 8% for males) to rates over age 80. For disabled retirees, the RPH-2014 Disabled Mortality table projected to 2017 using the BB improvement scale.	RP-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale and further adjusted to grade in increases (5% for females and 8% for males) to rates over age 80. For disabled retirees, the RPH-2014 Disabled Mortality table projected to 2017 using the BB improvement scale.	RP-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale and further adjusted to grade in increases (5% for females and 8% for males) to rates over age 80. For disabled retirees, the RPH-2014 Disabled Mortality table projected to 2017 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.

Supplemental Schedules

General Fund

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, 2020**

	General Fund	Contingency Fund	Outside Services Fund	Elimination Entries	Total
<u>Assets</u>					
Cash	\$ -	\$ 73,177	\$ -	\$ -	\$ 73,177
Restricted cash	267,702	-	-	-	267,702
Investments	15,125,264	150,000	-	-	15,275,264
Restricted investments	240,494	-	-	-	240,494
Receivables (net):					
Property taxes	742,485	-	-	-	742,485
Intergovernmental	34,235	-	-	-	34,235
Other	61,448	-	156,838	-	218,286
Due from other funds	75,038	-	-	(75,038)	-
Total assets	<u>\$ 16,546,666</u>	<u>\$ 223,177</u>	<u>\$ 156,838</u>	<u>\$ (75,038)</u>	<u>\$ 16,851,643</u>
<u>Liabilities</u>					
Accounts payable	\$ 534,520	\$ -	\$ -	\$ -	\$ 534,520
Accrued payroll and related liabilities	321,656	-	81,800	-	403,456
Due to other funds	85,384	-	75,038	(75,038)	85,384
Performance bonds	407,099	-	-	-	407,099
Total liabilities	<u>1,348,659</u>	<u>-</u>	<u>156,838</u>	<u>(75,038)</u>	<u>1,430,459</u>
<u>Deferred Inflows of Resources</u>					
Unavailable revenue:					
Property taxes	<u>742,485</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>742,485</u>
<u>Fund Balances</u>					
Committed	199,866	-	-	-	199,866
Assigned	363,300	223,177	-	-	586,477
Unassigned	<u>13,892,356</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,892,356</u>
Total fund balances	<u>14,455,522</u>	<u>223,177</u>	<u>-</u>	<u>-</u>	<u>14,678,699</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 16,546,666</u>	<u>\$ 223,177</u>	<u>\$ 156,838</u>	<u>\$ (75,038)</u>	<u>\$ 16,851,643</u>

Town of Cromwell, Connecticut

General Fund

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For The Year Ended June 30, 2020

	General Fund	Contingency Fund	Outside Services Fund	Elimination Entries	Total
Revenues:					
Property taxes	\$44,480,132	\$ -	\$ -	\$ -	\$ 44,480,132
Intergovernmental	9,905,753	-	-	-	9,905,753
Charges for services	1,438,056	-	403,938	-	1,841,994
Income from investments	388,913	2,772	-	-	391,685
Other	157,014	-	-	-	157,014
Total revenues	<u>56,369,868</u>	<u>2,772</u>	<u>403,938</u>	<u>-</u>	<u>56,776,578</u>
Expenditures:					
Current:					
General government	6,136,323	-	-	-	6,136,323
Public safety	3,384,222	-	272,729	-	3,656,951
Public works	3,980,305	-	2,719	-	3,983,024
Culture and recreation	800,919	-	-	-	800,919
Human services	617,696	-	-	-	617,696
Education	35,074,925	-	-	-	35,074,925
Debt service	3,704,100	-	-	-	3,704,100
Total expenditures	<u>53,698,490</u>	<u>-</u>	<u>275,448</u>	<u>-</u>	<u>53,973,938</u>
Excess (deficiency) of revenues over expenditures	<u>2,671,378</u>	<u>2,772</u>	<u>128,490</u>	<u>-</u>	<u>2,802,640</u>
Other financing sources (uses):					
Transfers in	445,433	-	-	(128,490)	316,943
Transfers out	<u>(2,814,000)</u>	<u>-</u>	<u>(128,490)</u>	<u>128,490</u>	<u>(2,814,000)</u>
Net other financing sources (uses)	<u>(2,368,567)</u>	<u>-</u>	<u>(128,490)</u>	<u>-</u>	<u>(2,497,057)</u>
Net change in fund balances	302,811	2,772	-	-	305,583
Fund balances - July 1, 2019 (as restated)	<u>14,152,711</u>	<u>220,405</u>	<u>-</u>	<u>-</u>	<u>14,373,116</u>
Fund balances - June 30, 2020	<u>\$14,455,522</u>	<u>\$ 223,177</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,678,699</u>

Town of Cromwell, Connecticut

Report of Tax Collector
For The Year Ended June 30, 2020

Grand List Year	Uncollected Taxes July 1, 2019*	Current Year Levy	Lawful Corrections		Adjusted Taxes Collectible	Collections			Uncollected Taxes June 30, 2020
			Additions	Deductions		Net Taxes Collected	Interest and Liens	Total	
2010	\$ 2,544	\$ -	\$ -	\$ -	\$ 2,544	\$ 78	\$ -	\$ 78	\$ 2,466
2011	17,751	-	-	-	17,751	5,864	328	6,192	11,887
2012	29,941	-	-	-	29,941	2,887	366	3,253	27,054
2013	77,478	-	-	-	77,478	17,462	3,989	21,451	60,016
2014	102,571	-	4	-	102,575	30,015	10,993	41,008	72,560
2015	143,215	-	168	-	143,383	51,323	19,065	70,388	92,060
2016	198,273	-	1,166	81,623	117,816	29,620	38,781	68,401	88,196
2017	<u>656,710</u>	<u>-</u>	<u>4,197</u>	<u>277,279</u>	<u>383,628</u>	<u>219,736</u>	<u>73,206</u>	<u>292,942</u>	<u>163,892</u>
Total Prior Years	1,228,483	-	5,535	358,902	875,116	356,985	146,728	503,713	518,131
2018	<u>-</u>	<u>44,453,357</u>	<u>110,283</u>	<u>319,249</u>	<u>44,244,391</u>	<u>43,875,025</u>	<u>345,037</u>	<u>44,220,062</u>	<u>369,366</u>
Total	<u>\$ 1,228,483</u>	<u>\$ 44,453,357</u>	<u>\$ 115,818</u>	<u>\$ 678,151</u>	<u>\$ 45,119,507</u>	<u>\$ 44,232,010</u>	<u>\$ 491,765</u>	<u>\$ 44,723,775</u>	887,497
Tax interest receivable									359,988
Tax allowance for doubtful accounts									(325,000)
Interest allowance for doubtful accounts									<u>(180,000)</u>
Net taxes receivable - General Fund									<u>\$ 742,485</u>

* Amount restated for overpayments

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
Human Services	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
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, 2020

Special Revenue Funds

	Public Health	Public Safety	Culture and Recreation	Town Improvement Program	Public Donations Grant	Dog License
<u>Assets</u>						
Cash	\$ 12,966	\$ 410,993	\$ 274,424	\$ -	\$ 216,690	\$ 26,226
Investments	-	-	-	13,104	-	-
Receivables:						
Intergovernmental	-	-	-	-	-	-
Other	-	-	-	-	183	2,157
Due from other funds	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total assets	<u>\$ 12,966</u>	<u>\$ 410,993</u>	<u>\$ 274,424</u>	<u>\$ 13,104</u>	<u>\$ 216,873</u>	<u>\$ 28,383</u>
<u>Liabilities</u>						
Accounts payable	\$ -	\$ 1,850	\$ 4,147	\$ -	\$ 6,943	\$ 8,361
Accrued payroll and related liabilities	-	-	8,391	-	-	-
Unearned revenue	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>1,850</u>	<u>12,538</u>	<u>-</u>	<u>6,943</u>	<u>8,361</u>
<u>Fund Balances</u>						
Nonspendable	-	-	-	-	-	-
Restricted	12,966	-	16,413	-	209,930	-
Committed	-	409,143	245,473	13,104	-	20,022
Assigned	-	-	-	-	-	-
Total fund balances	<u>12,966</u>	<u>409,143</u>	<u>261,886</u>	<u>13,104</u>	<u>209,930</u>	<u>20,022</u>
Total liabilities and fund balances	<u>\$ 12,966</u>	<u>\$ 410,993</u>	<u>\$ 274,424</u>	<u>\$ 13,104</u>	<u>\$ 216,873</u>	<u>\$ 28,383</u>

(Continued)

Town of Cromwell, Connecticut

Combining Balance Sheet
Other Governmental Funds
June 30, 2020

	Special Revenue Funds					Permanent Funds	
	School Cafeteria	Educational Grants	Solar Incentive	Total Special Revenue Funds	Debt Service	Cemetery Trust	Total Other Governmental Funds
<u>Assets</u>							
Cash	\$ 116,200	\$ 539,019	\$ 744	\$1,597,262	\$ -	\$ 3,547	\$ 1,600,809
Investments	-	-	-	13,104	285,650	7,000	305,754
Receivables:							
Intergovernmental	73,847	-	-	73,847	-	-	73,847
Other	-	-	-	2,340	-	-	2,340
Due from other funds	-	85,384	-	85,384	-	-	85,384
Other	18,400	-	-	18,400	-	-	18,400
Total assets	<u>\$ 208,447</u>	<u>\$ 624,403</u>	<u>\$ 744</u>	<u>\$1,790,337</u>	<u>\$ 285,650</u>	<u>\$ 10,547</u>	<u>\$ 2,086,534</u>
<u>Liabilities</u>							
Accounts payable	\$ 8,109	\$ -	\$ -	\$ 29,410	\$ -	\$ -	\$ 29,410
Accrued payroll and related liabilities	-	-	-	8,391	-	-	8,391
Unearned revenue	28,464	623,941	-	652,405	-	-	652,405
Total liabilities	<u>36,573</u>	<u>623,941</u>	<u>-</u>	<u>690,206</u>	<u>-</u>	<u>-</u>	<u>690,206</u>
<u>Fund Balances</u>							
Nonspendable	-	-	-	-	-	6,237	6,237
Restricted	171,874	-	-	411,183	-	4,310	415,493
Committed	-	462	744	688,948	-	-	688,948
Assigned	-	-	-	-	285,650	-	285,650
Total fund balances	<u>171,874</u>	<u>462</u>	<u>744</u>	<u>1,100,131</u>	<u>285,650</u>	<u>10,547</u>	<u>1,396,328</u>
Total liabilities and fund balances	<u>\$ 208,447</u>	<u>\$ 624,403</u>	<u>\$ 744</u>	<u>\$1,790,337</u>	<u>\$ 285,650</u>	<u>\$ 10,547</u>	<u>\$ 2,086,534</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, 2020

	Special Revenue Funds					
	Public Health	Public Safety	Culture and Recreation	Town Improvement Program	Public Donations Grant	Dog License
Revenues:						
Intergovernmental	\$ 10,000	\$ 15,995	\$ 5,500	\$ -	\$ 10,196	\$ -
Charges for services	-	65,585	202,205	-	-	7,687
Income from investments	-	466	127	163	-	320
Contributions	-	-	-	-	73,037	-
Total revenues	<u>10,000</u>	<u>82,046</u>	<u>207,832</u>	<u>163</u>	<u>83,233</u>	<u>8,007</u>
Expenditures:						
Current:						
General government	-	-	-	-	19,262	-
Public safety	-	20,652	-	-	5,143	5,762
Culture and recreation	-	-	257,498	-	9,684	-
Human services	5,706	-	-	-	40,190	-
Education	-	-	-	-	-	-
Total expenditures	<u>5,706</u>	<u>20,652</u>	<u>257,498</u>	<u>-</u>	<u>74,279</u>	<u>5,762</u>
Net change in fund balances	4,294	61,394	(49,666)	163	8,954	2,245
Fund balances - July 1, 2019 (as restated)	<u>8,672</u>	<u>347,749</u>	<u>311,552</u>	<u>12,941</u>	<u>200,976</u>	<u>17,777</u>
Fund balances - June 30, 2020	<u>\$ 12,966</u>	<u>\$ 409,143</u>	<u>\$ 261,886</u>	<u>\$ 13,104</u>	<u>\$ 209,930</u>	<u>\$ 20,022</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, 2020

	Special Revenue Funds					Permanent Funds	Total Other Governmental Funds
	School Cafeteria	Educational Grants	Solar Incentive	Total Special Revenue Funds	Debt Service	Cemetery Trust	
Revenues:							
Intergovernmental	\$ 405,165	\$ 1,735,957	\$ -	\$ 2,182,813	\$ -	\$ -	\$ 2,182,813
Charges for services	310,455	-	-	585,932	-	-	585,932
Income from investments	-	-	-	1,076	-	131	1,207
Contributions	-	-	-	73,037	-	-	73,037
Total revenues	<u>715,620</u>	<u>1,735,957</u>	<u>-</u>	<u>2,842,858</u>	<u>-</u>	<u>131</u>	<u>2,842,989</u>
Expenditures:							
Current:							
General government	-	-	-	19,262	-	-	19,262
Public safety	-	-	-	31,557	-	-	31,557
Culture and recreation	-	-	-	267,182	-	-	267,182
Human services	-	-	-	45,896	-	-	45,896
Education	781,862	1,860,537	-	2,642,399	-	-	2,642,399
Debt service	-	-	-	-	249,944	-	249,944
Total expenditures	<u>781,862</u>	<u>1,860,537</u>	<u>-</u>	<u>3,006,296</u>	<u>249,944</u>	<u>-</u>	<u>3,256,240</u>
Net change in fund balances	(66,242)	(124,580)	-	(163,438)	(249,944)	131	(413,251)
Fund balances - July 1, 2019 (as restated)	<u>238,116</u>	<u>125,042</u>	<u>744</u>	<u>1,263,569</u>	<u>535,594</u>	<u>10,416</u>	<u>1,809,579</u>
Fund balances - June 30, 2020	<u>\$ 171,874</u>	<u>\$ 462</u>	<u>\$ 744</u>	<u>\$ 1,100,131</u>	<u>\$ 285,650</u>	<u>\$ 10,547</u>	<u>\$ 1,396,328</u>

(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, 2020

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance With Final Budget
Revenues:					
Charges for services	\$ 6,500	\$ -	\$ 6,500	\$ 7,687	\$ 1,187
Income from investments	-	-	-	320	320
Total revenues	6,500	-	6,500	8,007	1,507
Expenditures:					
Veterinary fees	4,000	-	4,000	1,612	2,388
Contracted services	10,924	-	10,924	8,463	2,461
Vehicle maintenance	1,500	-	1,500	246	1,254
Equipment repair/replacement	1,000	-	1,000	608	392
Departmental expense	1,200	-	1,200	1,176	24
Training/workshops	1,200	-	1,200	1,014	186
Uniforms	1,200	-	1,200	674	526
Gasoline/other fluids	3,000	-	3,000	1,993	1,007
Total expenditures	24,024	-	24,024	15,786	8,238
Excess (deficiency) of revenues over expenditures	(17,524)	-	(17,524)	(7,779)	9,745
Other financing sources (uses)					
Appropriation of fund balance	7,500	-	7,500	-	(7,500)
Transfers in	10,024	-	10,024	10,024	-
Net change in fund balance	\$ -	\$ -	\$ -	2,245	\$ 2,245
Fund balance - July 1, 2019				17,777	
Fund balance - June 30, 2020				\$ 20,022	

Reconciliation to Schedule 5

	<u>Expenditures</u>
Budgetary Basis	\$ 15,786
Amount paid from General Fund	(10,024)
GAAP Basis - Schedule 5, Page 1	<u>\$ 5,762</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, 2020

	<u>Dental Insurance</u>	<u>Heart and Hypertension</u>	<u>Total</u>
<u>Assets</u>			
Cash	\$ 166,822	\$ 156,388	\$ 323,210
Investments	<u>-</u>	<u>75,000</u>	<u>75,000</u>
Total assets	<u>166,822</u>	<u>231,388</u>	<u>398,210</u>
<u>Liabilities</u>			
Current liabilities:			
Accounts payable	-	33	33
Claims payable	<u>9,000</u>	<u>95,770</u>	<u>104,770</u>
Total current liabilities	9,000	95,803	104,803
Noncurrent liability:			
Claims payable	<u>-</u>	<u>41,044</u>	<u>41,044</u>
Total liabilities	<u>9,000</u>	<u>136,847</u>	<u>145,847</u>
<u>Net Position</u>			
Unrestricted	<u><u>\$ 157,822</u></u>	<u><u>\$ 94,541</u></u>	<u><u>\$ 252,363</u></u>

Town of Cromwell, Connecticut

Internal Service Funds
Combining Statement of Revenues, Expenses and Changes in Net Position
For The Year Ended June 30, 2020

	<u>Dental Insurance</u>	<u>Heart and Hypertension</u>	<u>Total</u>
Operating revenues:			
Charges for services	\$ 293,728	\$ 27,875	\$ 321,603
Operating expenses:			
Claims	<u>244,795</u>	<u>9,999</u>	<u>254,794</u>
Change in net position	48,933	17,876	66,809
Total net position - July 1, 2019 (as restated)	<u>108,889</u>	<u>76,665</u>	<u>185,554</u>
Total net position - June 30, 2020	<u><u>\$ 157,822</u></u>	<u><u>\$ 94,541</u></u>	<u><u>\$ 252,363</u></u>

Town of Cromwell, Connecticut

Internal Service Funds
Combining Statement of Cash Flows
For The Year Ended June 30, 2020

	<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	\$ 293,728	\$ 27,875	\$ 321,603
Cash paid for benefits and claims	(250,795)	(183)	(250,978)
Cash paid for administration	<u>-</u>	<u>33</u>	<u>33</u>
Net cash from (used in) operating activities	42,933	27,725	70,658
Cash and cash equivalents - July 1, 2019 (as restated)	<u>123,889</u>	<u>203,663</u>	<u>327,552</u>
Cash and cash equivalents - June 30, 2020	<u><u>\$ 166,822</u></u>	<u><u>\$ 231,388</u></u>	<u><u>\$ 398,210</u></u>
Reconciliation to schedule 7:			
Cash and cash equivalents per above	\$ 166,822	\$ 231,388	\$ 398,210
Cash and cash equivalents reported as investments	<u>-</u>	<u>(75,000)</u>	<u>(75,000)</u>
Cash - schedule 7	<u><u>\$ 166,822</u></u>	<u><u>\$ 156,388</u></u>	<u><u>\$ 323,210</u></u>
Reconciliation of operating income (loss) to net cash from operating activities:			
Operating income (loss)	\$ 48,933	\$ 17,876	\$ 66,809
Adjustments to reconcile operating income (loss) to net cash from operating activities:			
Increase (decrease) in:			
Accounts and other payables	-	33	33
Claims payable	<u>(6,000)</u>	<u>9,816</u>	<u>3,816</u>
Net cash from operating activities	<u><u>\$ 42,933</u></u>	<u><u>\$ 27,725</u></u>	<u><u>\$ 70,658</u></u>

Fiduciary Funds

Fiduciary Funds

Fiduciary funds are used to account for assets held by the Town in a trustee capacity for individuals, private organizations, other governments, and/or other funds. These include pension trust, private-purpose trust, and agency funds.

Pension Trust Fund

Fund	Function
Employees Pension Fund	To account for the activities of the Employees' Retirement System, which accumulates resources for pension benefit payments to qualified employees.

OPEB Trust Fund

Fund	Function
OPEB Trust Fund	To account for the activities of the Town OPEB Plan which accumulates resources for OPEB benefits.

Private - Purpose Trust

Fund	Function
The Pitruzzello Scholarship Fund	To account for the principle amounts bequeathed to the Town with the stipulation that only the interest thereon may be expended annually for two scholarships to the Cromwell High School graduating class.

Agency Funds

Fund	Function
Student Activities Fund	To account for various activities as defined by State Statutes undertaken by students of the public school system.

Town of Cromwell, Connecticut

Agency Funds

Statement of Changes in Assets and Liabilities

For the Year Ended June 30, 2020

	<u>Balance July 1, 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2020</u>
<u>Assets</u>				
Student activities:				
Cash	\$ 367,786	\$ 966,145	\$ 981,370	\$ 352,561
Due from other funds	<u>1,000</u>	<u>-</u>	<u>1,000</u>	<u>-</u>
Total assets	<u>\$ 368,786</u>	<u>\$ 966,145</u>	<u>\$ 982,370</u>	<u>\$ 352,561</u>
<u>Liabilities</u>				
Student activities:				
Payable to student organizations	<u>\$ 368,786</u>	<u>\$ 966,145</u>	<u>\$ 982,370</u>	<u>\$ 352,561</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
Last Ten Years
(Unaudited)

	June 30,									
	2020	2019 (as restated)	2018	2017	2016	2015	2014	2013	2012	2011
Net investment in capital assets	\$ 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	\$ 90,389,434
Restricted for:										
Endowments:										
Nonexpendable	6,237	6,237	56,237	56,237	56,237	56,237	56,237	56,269	56,269	6,269
Expendable	4,310	4,179	5,801	5,287	4,813	4,267	3,825	3,061	3,010	3,749
Public safety	23,212	27,225	24,248	23,879	8,886	8,886	10,068	10,156	11,067	9,439
Public works	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	1,634,286
Culture and recreation	163,256	108,538	86,998	104,555	105,992	105,677	110,568	108,518	115,767	64,941
Human service	52,841	34,444	32,305	25,535	21,494	21,399	15,359	5,966	7,505	7,059
Education	171,874	228,413	293,160	299,840	207,981	149,950	90,207	-	84,767	80,844
Unrestricted	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	7,354,902
Total net position	<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>	<u>\$ 99,550,923</u>

Table 2

Town of Cromwell, Connecticut

Changes in Net Position
Last Ten Years
(Unaudited)

For the Year Ended June 30,

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Expenses:										
General government	\$ 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	\$ 4,745,753
Public safety	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	3,266,290
Public works	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	7,084,009
Culture and recreation	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	980,589
Human services	819,289	746,421	606,146	683,617	623,442	606,338	595,427	610,927	609,527	586,961
Education	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	31,258,609
Interest	243,502	507,863	667,621	680,936	715,187	881,704	948,731	1,164,077	1,275,276	1,377,511
Total expenses	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	49,299,722
Program revenues:										
Charges for services:										
General government	508,943	627,956	716,693	737,467	572,676	700,864	695,823	697,430	518,033	449,200
Public safety	585,833	461,081	465,612	537,403	721,983	527,056	409,662	64,938	318,768	370,556
Public works	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	1,750,064
Culture and recreation	209,704	354,096	49,834	54,822	52,573	149,472	150,762	54,089	118,897	122,853
Human services	32,549	13,821	17,188	14,474	9,856	7,633	10,859	5,186	7,679	5,779
Education	379,251	526,627	519,432	572,506	591,605	615,086	457,598	516,707	595,128	563,268
Operating grants and contributions	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	8,646,431
Capital grants and contributions	1,710,793	1,944,708	338,128	147,340	880,759	343,140	529,426	206,751	87,739	2,705,585
Total program revenues	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	14,613,736
Net expenses	(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)	(34,685,986)
General revenues:										
Property taxes	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	36,897,559
Grants and contributions not restricted to specific programs	106,486	57,517	77,996	144,436	152,474	242,913	244,792	230,094	384,656	246,964
Income from investments	585,010	646,578	371,990	150,791	74,416	45,660	46,556	38,321	34,986	71,930
Other	157,036	171,121	392,924	474,310	253,690	193,413	96,112	89,711	359,789	2,922,546
Total general revenues	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	40,138,999
Capital contributions	-	-	1,856,522	-	-	-	-	-	1,315,000	-
Change in net position	\$ 1,842,399	\$ 3,775,237	\$ 4,553,791	\$ 1,528,692	\$ 625,156	\$ 806,009	\$ 159,946	\$ 114,829	\$ 915,786	\$ 5,453,013

Town of Cromwell, Connecticut

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

June 30

	2020	2019 (as restated)	2018	2017	2016	2015	2014	2013	2012	2011
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	37,600
Assigned	586,477	249,088	21,595	1,621	24,536	50,402	51,186	15,434	8,146	9,830
Unassigned	<u>13,892,356</u>	<u>13,245,027</u>	<u>11,641,051</u>	<u>9,416,756</u>	<u>7,764,001</u>	<u>7,730,698</u>	<u>7,634,146</u>	<u>6,539,226</u>	<u>4,834,817</u>	<u>4,242,189</u>
Total general fund	<u>14,678,699</u>	<u>14,373,116</u>	<u>12,291,646</u>	<u>10,108,377</u>	<u>8,660,937</u>	<u>8,786,893</u>	<u>7,846,832</u>	<u>6,605,660</u>	<u>4,918,721</u>	<u>4,289,619</u>
All other governmental funds:										
Nonspendable	6,237	6,237	72,390	72,295	72,651	85,239	92,458	95,162	92,587	45,464
Restricted	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	4,295,655
Committed	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	3,306,672
Assigned	285,650	755,999	691,919	435,441	1,778,374	1,478,962	1,516,291	1,659,841	1,616,171	1,595,934
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>(24,100)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(153,504)</u>	<u>(213,923)</u>	<u>-</u>
Total all other governmental funds	<u>10,228,086</u>	<u>13,668,856</u>	<u>8,887,223</u>	<u>10,994,400</u>	<u>8,242,468</u>	<u>7,297,539</u>	<u>8,594,137</u>	<u>10,376,151</u>	<u>8,055,285</u>	<u>9,243,725</u>
Grand total	<u>\$ 24,906,785</u>	<u>\$ 28,041,972</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>	<u>\$ 13,533,344</u>

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									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Revenues:										
Property taxes	\$ 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	\$ 36,823,715
Intergovernmental	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	10,959,068
Charges for services	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	3,143,438
Income from investments	585,010	646,578	371,990	150,791	74,416	45,660	46,556	38,335	34,986	71,930
Contributions	73,037	59,834	78,659	79,041	43,347	52,472	-	-	145,516	85,306
Other	157,036	694,796	634,892	691,946	436,387	430,639	508,603	490,742	826,604	731,873
Total revenues	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	51,815,330
Expenditures:										
Current:										
General government	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	4,911,295
Public safety	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	3,052,028
Public works	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	5,111,350
Culture and recreation	1,068,101	1,054,597	1,050,555	1,005,917	984,242	939,627	932,059	941,065	938,222	897,512
Human services	663,592	633,652	605,908	633,474	571,553	556,978	546,442	565,727	549,850	546,407
Education	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	29,616,635
Debt service:										
Principal	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	2,703,589
Interest	633,244	839,111	867,893	797,683	878,716	1,024,114	1,101,877	2,053,521	1,318,438	1,485,189
Capital outlay	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	8,488,214
Total expenditures	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	56,812,219
Excess (deficiency) of revenues over expenditures	(3,135,187)	(801,009)	(15,251)	(1,939,369)	777,051	(364,382)	(540,842)	(1,108,587)	(559,338)	(4,996,889)
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	-	-	-	5,520,000	-	-	-	14,075,000	-	-
Premium	-	950,014	787,192	618,741	-	-	-	1,933,149	-	-
Transfers in	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	1,522,014
Transfers out	(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)	(1,522,014)
Net other financing sources (uses)	-	7,890,014	91,343	6,138,741	-	-	-	5,116,391	-	-
Net change in fund balances	\$ (3,135,187)	\$ 7,089,005	\$ 76,092	\$ 4,199,372	\$ 777,051	\$ (364,382)	\$ (540,842)	\$ 4,007,804	\$ (559,338)	\$ (4,996,889)
Debt service as a percentage of noncapital expenditures	6.66%	6.59%	6.61%	6.58%	7.08%	7.07%	6.49%	9.20%	7.86%	8.67%

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		
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
2011	968,599,140	347,044,110	1,879,490,357	95,397,097	74,082,420	169,479,517	107,479,838	242,113,596	1,377,642,929	1,968,061,327	70.00%	26.84

(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	2020			2011		
	Assessed Value	Rank	Percentage Net Taxable Grand List	Assessed Value	Rank	Percentage Net Taxable Grand List
Algonquin Gas Trans Co.	\$ 89,471,670	1	6.17%	\$ 9,961,440	3	0.72%
Covenant Home Inc.	22,989,700	2	1.58%	24,961,440	1	1.81%
Scannell LLC	16,504,320	3	1.14%	-	N/A	0.00%
HBN-CSC LLC	16,482,210	4	1.14%	-	N/A	0.00%
Connecticut Light and Power	12,089,410	5	0.83%	7,525,020	6	0.55%
TNO Cromwell LLC	10,994,340	6	0.76%	-	N/A	0.00%
Cromwell Realty LLC	10,114,338	7	0.70%	-	N/A	0.00%
Tournament Playes Club	9,251,200	8	0.64%	-	N/A	0.00%
Infinitely Cromwell Property Limited	8,958,740	9	0.62%	8,761,700	4	0.64%
Main Street Equity LLC	8,518,300	10	0.59%	8,733,930	5	0.63%
Shaner SPE Associates Limited	N/A	N/A	N/A	10,395,000	2	0.75%
IRNM Fee Cromwell LLC	N/A	N/A	N/A	7,175,000	7	0.52%
CSE Cromwell LLC	N/A	N/A	N/A	6,835,040	8	0.50%
R A Cromwell LLC	N/A	N/A	N/A	6,789,200	9	0.49%
Leigh Cromwell LLC	N/A	N/A	N/A	6,720,000	10	0.49%
Totals	<u>\$ 205,374,228</u>		<u>14.17%</u>	<u>\$ 97,857,770</u>		<u>7.10%</u>

Based on October 1, 2018 and 2009 net taxable grand list of:

\$1,450,456,119\$ 1,377,642,929

N/A - Not applicable.

Source: Town Assessor Department.

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
2020	30.33	2018	\$ 44,244,391	\$43,875,025	99.17%	\$ -	\$ 43,875,025	99.2%	\$ 369,366
2019	30.33	2017	43,606,214	43,272,536	99.23%	219,736	43,492,272	99.7%	163,892
2018	31.68	2016	42,885,783	42,431,842	98.94%	365,745	42,797,587	99.8%	88,196
2017	31.38	2015	42,023,539	41,732,354	99.31%	199,125	41,931,479	99.8%	92,060
2016	31.38	2014	40,523,481	40,371,928	99.63%	78,993	40,450,921	99.8%	72,560
2015	31.18	2013	39,984,367	39,681,046	99.24%	243,305	39,924,351	99.8%	60,016
2014	30.75	2012	38,809,552	38,491,271	99.18%	291,227	38,782,498	99.9%	27,054
2013	27.06	2011	38,242,374	37,862,390	99.01%	368,097	38,230,487	100.0%	11,887
2012	26.80	2010	37,316,375	36,967,505	99.07%	346,404	37,313,909	100.0%	2,466
2011	26.84	2009	36,870,036	36,484,059	98.95%	385,977	36,870,036	100.0%	-

Source: Town Tax Collector

(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>
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
2011	8.46	2.62	15.76	26.84	1.80	28.64

(1) The Town has no individual direct rates

Source: Cromwell Fire District, and Town of Cromwell

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
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
2011	30,215,000	946,243	478,608	31,639,851	1.61%	5.01%	2,265

Note: Details regarding the Town's outstanding debt can be found in the notes to the financial statements.

Town of Cromwell, Connecticut

Direct and Overlapping Governmental Activities Debt
June 30, 2020
(Dollars in Thousands)
(Unaudited)

<u>Government Unit</u>	<u>Debt Outstanding</u>	<u>Percentage Applicable to Town (1)</u>	<u>Amount Applicable to Town</u>
Overlapping debt:			
Cromwell Fire District			
Governmental funds	\$ 3,573,571	100.00%	\$ 3,573,571
(Water) Enterprise fund	2,314,218	0.00%	-
Mattabassett District	57,112,706	8.61%	<u>4,917,404</u>
Subtotal, overlapping debt			8,490,975
Town of Cromwell, direct debt			<u>24,326,265</u>
Total direct and overlapping debt			<u><u>\$ 32,817,240</u></u>

(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.

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

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

Town of Cromwell, Connecticut
Schedule of Debt Limitation
Connecticut General Statutes, Section 7-374 (b)
For The Year Ended June 30, 2020
(Unaudited)

Tax Base:

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

Town	\$ 43,510,899
Cromwell Fire District	<u>3,618,583</u>
Total Base (1)	<u><u>\$ 47,129,482</u></u>

Debt limitation:	General Purpose	Schools	Sewers	Urban Renewal	Pension Deficit
2 1/4 times base	\$ 106,041,335	\$ -	\$ -	\$ -	\$ -
4 1/2 times base	-	212,082,669	-	-	-
3 3/4 times base	-	-	176,735,558	-	-
3 1/4 times base	-	-	-	153,170,817	-
3 times base	-	-	-	-	141,388,446
Total debt limitation	<u>106,041,335</u>	<u>212,082,669</u>	<u>176,735,558</u>	<u>153,170,817</u>	<u>141,388,446</u>
Indebtedness:					
Bonds payable	9,328,969	5,156,031	6,940,000	-	-
Cromwell Fire District	<u>3,573,571</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total indebtedness	<u>12,902,540</u>	<u>5,156,031</u>	<u>6,940,000</u>	<u>-</u>	<u>-</u>
Debt limitation in excess of outstanding debt	<u><u>\$ 93,138,795</u></u>	<u><u>\$ 206,926,638</u></u>	<u><u>\$ 169,795,558</u></u>	<u><u>\$153,170,817</u></u>	<u><u>\$141,388,446</u></u>
The total net indebtedness above amounts to:					<u><u>\$ 24,998,571</u></u>
In no event shall total indebtedness exceed seven times the base for debt limitation computation:					<u><u>\$329,906,374</u></u>

(1) Mattabassett District debt is not included as part of the Town's debt limitation as the debt is not repaid from property taxes, but with other revenue sources.

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>
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%
2011	275,077,180	37,208,816	237,868,364	13.53%

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
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%
2011	13,968	44,206	617,469,408	44	73,665	N/A	2,018	7.3%

(1) Source: State of Connecticut Health Department, except 2013 and 2015 which is a CERC estimate.

(2) Source: State of Connecticut Fiscal Indicators - CERC (estimate used for 2006)

(3) Source: Connecticut Economic Resource Center Town Profile

(4) Source: Superintendent of Schools

(5) Source: 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	2020			2011		
		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	354	1	4.84%	N/A	1	N/A
Wal-Mart	Department Store	312	2	4.27%	200	2	3.01%
Stop & Shop	Supermarket	298	3	4.07%	180	4	2.71%
GKN Aerospace	Aircraft Parts	270	4	3.69%	N/A	N/A	N/A
Covenant Village	Retirement Village	234	5	3.20%	185	3	2.79%
Cromwell Growers	Landscaping/Florist	200	6	2.73%	N/A	N/A	N/A
Shop Rite	Supermarket	148	7	2.02%	N/A	N/A	N/A
Autumn Lake Health Care (formerly Haven Health Center)	Convalescent Home	130	8	1.78%	145	5	2.19%
Lowe's	Home Supply Store	125	9	1.71%	115	8	1.73%
Tournament Players Club	Country Club	120	10	1.64%	N/A	N/A	N/A
Liturgical Publication	Publisher	N/A	N/A	N/A	127	6	1.91%
Conference Center	Hotel/Conference Center	N/A	N/A	N/A	122	7	1.84%
Safe Home Security	Home Security	N/A	N/A	N/A	115	9	1.73%
K-Mart	Department Store	N/A	N/A	N/A	112	10	1.69%
	Totals	2,191		29.95%	1,301		19.60%

N/A - Not applicable.

Source: Connecticut Department of Labor

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									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General government	37	35	36	36	36	37	36	36	35	35
Police	36	38	37	37	37	38	36	36	36	36
Fire	14	10	10	10	10	10	11	9	9	9
Refuse collection	1	1	1	1	1	1	2	2	2	2
Other public works	29	30	30	30	30	30	31	31	32	32
Parks and recreation	3	3	3	2	2	2	2	2	2	2
Library	6	5	5	5	5	5	17	17	17	17
Education	<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>	<u>310</u>
Total	<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>	<u>443</u>

Source: Town's payroll department.

Table 16

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

Function / Program	Fiscal Year Ended June 30									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General government: (1)										
Building permits issued	712	688	667	603	638	855	853	916	930	785
Police: (2)										
Physical arrests	345	350	261	326	347	428	492	399	428	443
Parking violations	107	96	114	126	132	141	113	61	104	144
Traffic violations	1,447	469	646	611	683	782	901	570	558	601
Other public works: (3)										
Street resurfacing (miles)	2.00	2.80	5.30	2.00	N/A	1.93	2.73	2.00	1.73	6.00
Parks and recreation:										
Athletic field permits issued	195	225	223	216	N/A	N/A	N/A	N/A	N/A	N/A
Library: (4)										
Volumes in collection	65,078	62,096	68,924	70,525	77,728	83,765	83,647	83,423	82,536	81,990
Total volumes borrowed	94,450	95,092	74,931	71,227	81,501	99,986	101,772	99,038	105,223	105,252

Source:

- (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									
Function / Program	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Police: (1)										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	16	16	16	16	16	16	15	15	14	14
Other Public Works: (2)										
Streets (miles)	57.78	57.78	56.70	56.70	56.70	56.70	56.70	56.35	56.34	56
Streetlights*	1,228	1,227	1,218	1,218	1,208	1,208	1,166	1,164	1,163	1,153
Traffic signals*	21	21	21	21	21	21	15	15	15	15
Park and Recreation: (3)										
Acreage**	215	200	200	200	200	200	200	157	157	157
Playgrounds	2	2	2	2	2	2	2	3	3	3
Baseball/softball diamonds	15	15	15	15	15	15	15	15	15	15
Soccer/football fields	18	18	18	18	14	14	14	10	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.