

Town of Granby Connecticut



Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2018

TOWN OF GRANBY CONNECTICUT

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2018

Prepared by:

Administration/Finance Departments

John D. Ward
Town Manager



Barbarajean C. Scibelli
Administration Finance Officer

**TOWN OF GRANBY, CONNECTICUT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
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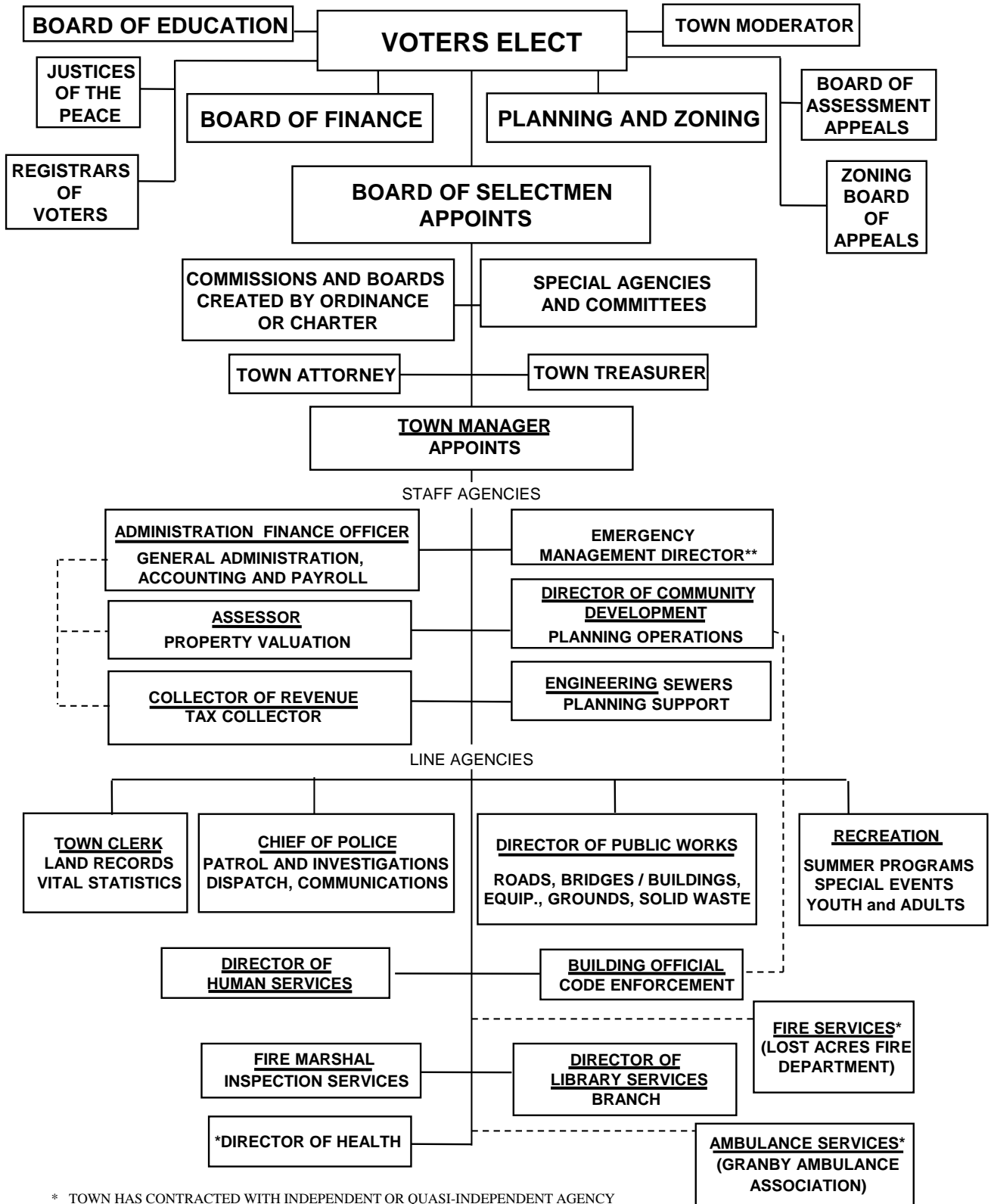
Introductory Section

TOWN OF GRANBY

Principal Municipal Officials

<u>Office</u>	<u>Name</u>	<u>Manner of Selection</u>	<u>Term</u>
First Selectman	B. Scott Kuhnly	Elected	2 years
Selectman	Sally S. King	Elected	2 years
Selectman	James C. Lofink	Elected	2 years
Selectman	Mark C. Neumann	Elected	2 years
Selectman	Edward E. Ohannessian	Elected	2 years
Town Manager	John D. Ward.	Appointed	3 years
Town Clerk	Karen I. Hazen	Appointed	Indefinite
Collector of Revenue	Lauren C. Stuck	Appointed	Indefinite
Assessor	Susan J. Altieri	Appointed	Indefinite
Treasurer	John E. Adams	Appointed	2 years
Administration Finance Officer	Barbarajean C. Scibelli	Appointed	Indefinite
Board of Finance - Chair	Michael B. Guarco, Jr.	Elected	4 years
Board of Education - Chair	Melissa E. Migliaccio.	Elected	4 years
Superintendent of Schools	Alan Addley, Ed.D.	Appointed	3 years
Town Attorney	Richard P. Roberts	Appointed	2 years

TOWN GOVERNMENT GRANBY, CONNECTICUT



* TOWN HAS CONTRACTED WITH INDEPENDENT OR QUASI-INDEPENDENT AGENCY

** THE EMERGENCY MANAGEMENT DIRECTOR COOPERATES WITH OTHER TOWN DEPARTMENTS AND EXTERNAL AND SUPPORT AGENCIES. ADDITIONAL SUPPORT STAFF PROVIDED AS NEEDED.



TOWN OF GRANBY

Incorporated 1786

15 NORTH GRANBY ROAD
GRANBY, CONNECTICUT 06035-2125

(860) 844-5300

JOHN D. WARD
TOWN MANAGER

December 18, 2018

Town of Granby
Granby, Connecticut

To the members of the Board of Selectmen, Board of Finance, and citizens of the Town of Granby:

This Comprehensive Annual Financial Report (CAFR) of the Town of Granby (the "Town") is submitted for the fiscal year ended June 30, 2018. The appointed auditors from Blum, Shapiro & Company, P.C., Certified Public Accountants, have issued an unmodified opinion on Granby's financial statements for the Fiscal Year 2017-18. The independent auditors' report is located at the front of the financial section of this report. Management's Discussion and Analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the Town. To the best of our knowledge and belief, the enclosed information is accurate in all material respects and is reported in a manner to present fairly the financial position and results of operations of the Town. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework that is designed to protect the government's assets from loss, theft, or misuse and to compile sufficient dependable information for the preparation of the Town's financial statements in conformity with Generally Accepted Accounting Principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the Town's detailed configuration of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. All disclosures necessary to enable the reader to gain an understanding of the Town's financial activities have been included.

The Town is required to undergo an annual audit in conformity with the provisions of the Federal Single Audit Act and the U.S. Office of Management and Uniform Guidance, as well as the Connecticut Single Audit Act. Information related to these single audits, including the schedule of expenditures of federal awards and state financial assistance, findings and recommendations, and auditors' reports on the internal control structure and compliance with applicable laws and regulations, are issued under separate cover and are not included in this report. Copies of these reports are on file in the Granby Town Clerk's office and electronically at www.granby-ct.gov.

Profile of the Government

The Town of Granby covers approximately 40.8 square miles and is located sixteen miles northwest of Hartford. Granby is surrounded by the Connecticut towns of Barkhamsted, Canton, Hartland, Suffield, East Granby, Simsbury, and the Massachusetts towns of Granville and Southwick located to the north of Granby. Granby is primarily a rural residential community of single family homes, with a growing mix of multifamily housing developments and housing for the elderly. Throughout the years a wide variety of commercial businesses have followed the residential growth. The Town's 2010 Census population was 11,282. The current information shows Granby with a 2018 population of 11,357. The Town, originally part of the Town of Simsbury, was incorporated in 1786.

The Town functions under the Selectmen-Town Manager form of government. A Town Charter was first adopted in 1960. The Town Charter was last revised November 6, 2012. A Charter Revision Committee was appointed in the fall of 2011 in order to comply with the requirements of the Town Charter and the Connecticut General Statutes. The vote on November 6, 2012 approved the changes recommended by the Charter Revision Committee. The most significant change was in the budget approval process, which is now by automatic referendum.

The legislative body of the Town is the Board of Selectmen. The Board of Selectmen consists of five members, including a separately elected First Selectman who serves as Chairman and presiding officer of the Board. The Board and the First Selectman each are elected at-large for two-year terms. The Board of Selectmen appoints the Town Manager who is the Chief Executive Officer of the Town. The Town Manager is responsible to the Board of Selectmen for the supervision and administration of town departments and its boards and commissions, except those elected by the people. The Board of Selectmen appoints the Town Treasurer and the Town Attorney for two-year terms.

The Board of Education membership consists of seven members, elected at-large for four-year overlapping terms. The election of members is conducted in accordance with the Town Charter and section 9-204b of the General Statutes.

A six-member elected Board of Finance serves as the Town's budget-making authority. Board members are elected for four-year overlapping terms. The Board of Finance appoints the Town Auditor and recommends the annual town budget for town approval.

The Administration Finance Officer oversees the accounting division and assists the Town Manager in administration of finance and administrative operations. This office administers the accounts for all town funds. The Assessor's office discovers, lists, and prices real estate, personal property, and motor vehicles for the purposes of taxation. The Collector of Revenue collects taxes, interest, and fees on all taxable property in the Town. This office also bills, collects, processes, and deposits money from all town departments. The Town Treasurer oversees the Town's bank deposits and trust funds and countersigns all checks for payment made with town funds.

The Town provides the following municipal services as authorized by Charter or by the Board of Selectmen: public safety (police protection and dispatch services for police, fire, and ambulance); library; parks and recreation; public works; senior and youth services, health and social services; community development; building; education; and general administrative services.

Economic Condition and Outlook

Granby's local economy is primarily a component of residential properties and local businesses. Granby's housing base is made up primarily of single-family homes and the homeownership rate is about 90%. The median home value in Granby is \$265,900 which is \$41,400 above the median home value in Hartford County of \$224,500. Recent sales show home sales prices ranging from \$150,000 to over \$600,000. The Town's residential component comprises about 94% of its tax base. In addition to the single family homes, Granby has six condominium developments containing 301 units and two elderly housing developments containing 86 units. Renovations were recently completed at the Salmon Brook Elderly Housing Complex, with funding from the Town's successful \$800,000 Small Cities grant application. The Stony Hill Village Elderly housing complex is currently undergoing renovations with the help of another \$800,000 Small Cities grant.

Granby's multifamily housing is located primarily within Granby Center and along the southern Route 10 corridor where public water, natural gas, and public sewer is available. Construction is well underway on the new Copper Brook, Planned Unit Development, which when completed will add an additional 33 single family homes in a common interest community. In the southeast part of Granby, the Planning and Zoning Commission approved the Ridgewood residential community, which will have 130 apartment units in 5 separate buildings of 3 stories each, along with 50 single family homes in a common interest community. Also within this area, the Greenway Village apartment complex, which has 34 units, received Certificates of Occupancy. This area has experienced the greatest amount of new commercial development over the past few years with over 150,000 square feet of new building space constructed. The area infrastructure can support additional commercial and residential development and the town regularly receives inquiries concerning new developments.

The recent extension of natural gas lines has facilitated economic activity and provides significant costs savings for the Town. The Granby Memorial Middle School and High School and the Town's Municipal Complex are now served by natural gas. Property owners all along the new gas line have been actively converting to natural gas and the line was extended to serve the Meadowbrook Nursing Home. Construction activities are currently underway to extend the gas line to the Bank Street area and many of the existing businesses have expressed interest in connecting to the line. In addition to the recent extension of gas lines, the Town extended the sewer line by approximately 3,000 feet along Canton Road, Archie Lane, and Burleigh Drive. Residents continue to connect to the line, which has generated additional investment within the area.

Overall, Granby business activity is designed primarily to serve Town residents and, to a degree, the region. Most retail, office, and personal services are located within the Granby Center. Granby Center has experienced significant changes over the years and now includes medical, attorney, real estate, financial, architectural, engineering, surveying, and other office types normally found within a thriving Town Center. Retail services range from national and local drug stores, a supermarket, health food store, specialty stores, hardware and kitchen design stores, package stores, and more. Naturally, the Center has several restaurants. These range from the fast food national chain stores to a bagel shop, local eateries, and a Starbucks. Also included are restaurants serving Mexican, Asian, and continental cuisines. The Town has supported its Center businesses with flexible zoning regulations, through business linkage initiatives, sidewalks, and the installation of traditional street lighting. Over the past few years the Town added over 2,000 feet of new sidewalk improvements to this area and recently added an additional 2,500 feet of sidewalk extending from the Center to Salmon Brook Park. Most

three new restaurants received Planning and Zoning Commission approval and construction has been completed. Grassroots is a very successful ice cream shop that is expanding to a full restaurant. At 9 Bank Street, the former McDonalds restaurant was combined with adjacent retail space to accommodate the new La Figata Italian restaurant. A third restaurant, Farmer's Kitchen, opened at 10 Hartford Avenue. "Anytime Fitness" has found success within 7,250 square feet of previously vacant retail space and a historic home in the Granby Center at 2 East Granby Road is being renovated to accommodate a new attorney's office. Overall, these Center commercial, residential and infrastructure improvements are bringing to fruition the Town's goal of creating a walkable Village Center. State DOT improvements scheduled for 2021 will further this goal.

A variety of businesses are located to the north of Granby Center. These businesses include: Arrow Concrete, a state of the art industrial concrete plant containing 50,000 square feet; and State Line Oil & Propane which provide local fuel delivery service and retail and wholesale sales to the area. There are a variety of other industrial and retail service buildings within this area and the area continues to see new business occupancies and general improvements to buildings. In 2016 two new industrial buildings, containing a total of 14,000 square feet received Certificates of Occupancy. A new auto repair center recently opened and a new motorcycle sales and repair shop opened in a previously vacant building and shortly thereafter constructed an addition. Currently a new 3,600 sq. ft. building is under construction for LandTek, a multi-service landscaping company. Overall, this area should see additional industrial and commercial construction to meet the demand of local contractors and businesses.

While Granby is known as a highly desirable residential and educationally based community, it continues to build on its commercial base. The Town has earned an exemplary reputation for its work in fostering new business, as well as assisting existing businesses.

The Town's Grand List is comprised of a balanced mix of manufacturing and light industry and its top ten taxpayers represent about 3.6% of the total assessed value on the October 1, 2016 Grand List. The Town's 2016 Grand List saw an increase of approximately .61% due to new home activity, home renovations and new motor vehicles. This is a similar percentage as the previous year, which has been the trend for the last few years. The last revaluation was completed for the October 1, 2012 Grand List which saw a decrease of 10.58%. The Town is currently working on the next revaluation that will be effective for the October 1, 2017 Grand List. The Town's property tax collection rate for the year ended on June 30, 2018 was \$759,383 above the budgeted amount. This represents a 102.2% tax collection rate. For Fiscal Year 2018, building permit activity fees totaled \$252,704. This was a significant increase of \$76,790 due mostly to a severe hail storm in May causing a multitude of roof repairs and new home and commercial activity. Town Clerk fees for 2017-18 were \$272,698. This was an increase of \$40,704 due to mortgage activity.

As of 2016 Granby's median household income was \$109,901. This exceeded the Hartford County average of \$68,027 by \$41,874 and exceeded the state average by \$38,146. The Town's August 2018 unemployment rate of 3.1% compared favorably to the statewide average of 4.0% and the national average of 3.9%. The Town's unemployment rate has fallen steadily since June of 2013 when it was 6.0%.

Long Term Financial Planning

Town staff developed a multi-year, long-range model for operations and major capital projects that shows previous budget activity and proposed future activity. This computer model considers estimated future grand list growth, revenue projections, operating budgets, fund balance and other reserves, and potential mill rate increases.

By resolution, the Board of Selectmen appointed the Capital Program Priority Advisory Committee (CPPAC) to oversee and report to the Selectmen on major capital projects. The Committee consists of two members each of the Boards of Selectmen, Finance, and Education. The Town Treasurer is the seventh member of the Committee. Once CPPAC proposes a major capital program, it is brought to the Selectmen for review and approval. This Committee approved various projects for the Board of Selectmen to consider in Fiscal Year 2011-12. The town approved 11 different projects on January 17, 2012 for a total cost of \$11,400,000. The net cost after grants was \$8,700,000. Among other items, the projects ranged from purchases of land, refurbish tennis courts, replacement of the Granby Public Library roof, a new Salmon Brook Park House, Silver Street Bridge replacement, an addition to the Public Works facility, a new computer lab at the high school, and new athletic fields at the Granby Memorial High School, which included two artificial turf fields, grandstand, lighting, score boards, and handicap access. Recently the Town was awarded a grant for \$500,710 from the State LOTCIP program for sidewalks from the Center to Salmon Brook Park. Construction for this activity took place in the spring and summer of 2018. The Town was awarded a STEAP grant for \$500,000 and renovated the north barn at Holcomb Farm. In July 2014, the Town's financial status was reviewed by Standard & Poor's Rating Agency. Following its review, the Town's rating was upgraded to AA+.

The Board of Education is experiencing declining enrollment and after careful consideration it was decided to close the PreK through second grade school. The other schools were reconfigured and one of the schools was retrofitted to accommodate the children from the closed school. This was accomplished with remaining funds from some of the above projects and from a bond premium received from the above borrowing.

Relevant Financial Policies

Every fall, a Plus-One Budget is developed for short-term budget planning. It identifies existing budget needs, typically items over \$5,000, for the upcoming fiscal year. The Plus-One Budget is reviewed by the operating boards and forwarded to the Board of Finance. A Three Board meeting (Board of Selectmen, Board of Education, and Board of Finance) is then held in January to review where the town is financially. This leads to the development of a budget guideline for the boards to prepare a budget for the ensuing fiscal year.

During budget preparation, goals and objectives are reviewed annually. They have remained fairly constant for several years. Some of the policies include: Maintain or increase the effectiveness and efficiency of town services, pay by cash for capital expenditures when deemed appropriate, update the long-range operating and capital forecast model, and budget reasonable user fees as a revenue source.

In 2014 the Town appointed a seven member committee to explore opportunities and methods to improve Town and School District services. Some of the areas reviewed included building maintenance, information technology, finance management, and human resources. The Committee provided a final report in December 2015. The three operating boards - selectmen, education, and finance signed a Memorandum of Understanding to support their commitment to the continued coordination of sharing opportunities between the Town and the School.

The Town continues to look at ways to increase staff over a five-year period because service effectiveness and efficiencies are wearing thin. With the increased age in staff, there is an awareness that as retirements occur, the same level of services will not be able to be offered. In addition, there are staff service demands in the work force along with mandates for general government, police, library, and public works activities.

Regional Initiative

The Town is a leader in the state for participating in regional initiatives in order to have programs that would otherwise not be practical to offer on our own. The latest regional effort was the purchase of equipment with six area towns through a grant program that will assist with trail maintenance that runs through these towns. The Town continues with efforts to participate in future regional initiatives.

Budgetary Control

On or before the third Monday in March of each year, the Town Manager submits to the Board of Selectmen a proposed budget including estimated revenues for the Town for the ensuing fiscal year beginning July 1. The proposed budget includes proposed expenditures for the town, except for Board of Education operations, which are separately submitted to the Board of Finance. On or before the first Monday in April, the Board of Selectmen and the Board of Education each present to the Board of Finance a proposed annual operating budget. On the second Monday of April a public hearing is called by the Board of Finance. An annual budget vote is held on the fourth Monday in April; the vote may adopt the budget. If the budget is not adopted, the budget goes to another informational hearing and vote until passed. Prior to the vote, the budget may be amended by the Board of Finance.

Upon request from the Town Manager and with approval by the Board of Selectmen, the Board of Finance may transfer appropriations from one classification to another, except within the Board of Education. The Board of Finance may also make additional special appropriations, provided that the resolution making the appropriation includes certification from the Town Manager that the appropriation does not exceed 1-½% of the annual tax levy. Special appropriations above 1-½% and up to 3% require special town meeting approval called by the Board of Selectmen.

The Town's budgeting system for the General Fund requires accounting for certain transactions to be on a basis other than Generally Accepted Accounting Principles (GAAP). The major difference between a Budget basis and a GAAP basis is that on a Budget basis encumbrances are recognized as a charge against a budget appropriation in the year in which the purchase order is issued. On a Budget basis, encumbrances outstanding at year-end are recorded in budgetary reports as expenditures in that year. On a GAAP basis, encumbrances at year-end are recorded as reservations of fund balance. Additionally, the State of Connecticut makes payments, on behalf of Granby teachers, into the state teacher retirement system. They are reported for GAAP purposes only.

Budgetary control is maintained by an encumbrance system. All purchases, except certain services as outlined in the Town's Purchasing Policy, require a purchase requisition and a purchase order. In addition, purchases over \$1,000 require evidence that bids or at least three quotations are received and that the lowest quote, consistent with quality, is selected.

All unencumbered appropriations lapse at year-end, except in the capital projects funds where appropriations are continued until the completion of projects. Budgetary control in a capital project fund is achieved by constraints imposed by project authorization or grant awards related to the fund.

Cash Management

Connecticut law restricts investments of municipal funds to direct and indirect securities of the U.S. Government and deposits at qualified banks. Any uninsured and uncollateralized deposits in institutions must be invested in "qualified public depositories" covered under Connecticut General Statutes. State law requires that each financial institution accepting public deposits be responsible for pledging collateral for its public deposits, based on each bank's risk-based capital ratio. In addition, by Connecticut Statute, a public depository may not accept deposits from any one municipality, which would exceed 75 percent of the capital of the depository.

During the fiscal year, idle cash is invested principally in: United Bank; Simsbury Bank; Westfield Bank; Windsor Federal Savings Bank, Farmington Bank, and the State of Connecticut Treasurer's Short-Term Investment Fund (STIF). Short-term interest rates remained fairly stable during the year as a result of actions by the Federal Reserve and the stock market. Simsbury Bank, where a large portion of the Town's idle cash is invested, yielded .97% on July 1, 2017 and ended with a rate of 1.7% through June 2018. The Town continually reviews its short-term investment actions to maximize its investment return.

Risk Management

The Town has a partially self-insured administered services only account with the employee health insurance carrier, Anthem Blue Cross/Blue Shield, which is accounted for in the Town Health Benefits Fund (Internal Service Fund). The Town, Board of Education, and employees contribute funds to cover costs associated with providing medical benefits to current full-time employees and eligible former employees. The Town paid claims up to \$150,000 per participant per year with an individual stop loss policy covering amounts exceeding that limit. The Town seeks to maintain a reserve in the Health Benefits Fund of at least 25% of expected claims. This reserve is intended to cover the Town's claims exposure; that is, the difference between the expected or estimated claims for the plan year, which the Town budgets annually. The Granby Employee Health Benefits Advisory Committee reviews the Town's health benefit budget requirements with the assistance of Arthur J. Gallagher & Co., the Town's agent for employee health insurance benefits.

In 2009, the Town engaged the actuarial firm of Milliman, Inc. to prepare a valuation as to how the Town and the Board of Education might be fiscally impacted relative to providing post-retirement healthcare benefits for eligible retirees. The Town met the mandatory implementation date, as required in Governmental Accounting Standards Board (GASB) Statement No. 45, by adopting a systematic plan to phase in the costs associated with *Accounting and Financial Reporting by Employers for Post Employment Benefits Other than Pensions* (OPEB). The Town will continue to update the valuation every two years. The July 1, 2017 valuation will be received soon.

The Town has insurance coverage for workers compensation, general liability, automobile liability, physical damage, and professional liability. Coverage is provided from the Connecticut Interlocal Risk Management Association (CIRMA). The Town engaged USI Insurance Services, LLC to determine the Town's insurance needs, and they review insurance proposals, loss data, and other information, and make recommendations to the Town Manager and Board of Education to review and monitor our insurance program and experience.

Other Information

Independent Audit

Connecticut General Statutes require that all municipalities have their accounts audited annually by an independent public accountant as required under Connecticut General Statutes Section 7-392. The Board of Finance appointed Blum, Shapiro & Company, P.C., certified public accountants, to conduct the 2017-18 Town's audit. The independent auditors' report is included in this document.

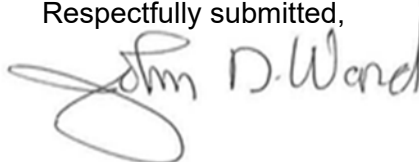
Certificate of Achievement

This report has been prepared following the guidelines of the Government Finance Officers Association (GFOA) of the United States and Canada and the Governmental Accounting Standards Board (GASB). The GFOA awards a Certificate of Achievement for Excellence in Financial Reporting to governmental units that publish an easily readable and efficiently organized Comprehensive Annual Financial Report whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. A **Certificate of Achievement**, which is valid for one year only, is the highest form of recognition in the area of governmental accounting and financial reporting, and its attainment represents a significant accomplishment for a government unit and its management. The Town has continually received this award for 12 years. The Town intends to submit this report to GFOA for review under this program.

Acknowledgments

The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the Board of Selectmen, Board of Finance, and the Finance Department, especially Administration Finance Officer, Barbarajean C. Scibelli and her staff. I would again like to express my appreciation to them and other town departments who assisted in compiling this report. My office aims to provide support and advice necessary to carry out the policies of the Granby Board of Selectmen and Board of Finance, along with any challenging issues that may confront Granby in the years ahead.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "John D. Ward". The signature is fluid and cursive, with a large loop at the end of the last name.

John D. Ward
Town Manager



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Town of Granby
Connecticut**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morill

Executive Director/CEO



Financial Section

Independent Auditors' Report

To the Board of Finance
Town of Granby, 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 Granby, Connecticut, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Town of Granby, Connecticut's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Granby, Connecticut, as of June 30, 2018 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.

Change in Accounting Principle

As discussed in Note 15 to the financial statements, during the fiscal year ended June 30, 2018, the Town of Granby, Connecticut adopted new accounting guidance, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. The net position of the Town of Granby, Connecticut, has been restated to recognize the net other postemployment benefit liability in accordance with GASB No. 75. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

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

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

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.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the Town of Granby, Connecticut, as of and for the year ended June 30, 2017 (not presented herein), and have issued our report thereon dated December 21, 2017, which contained unmodified opinions on the respective financial statements of the governmental activities, each major fund and the aggregate remaining fund information. The accompanying General Fund balance sheet as of June 30, 2017 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the 2017 financial statements. The accompanying General Fund balance sheet has been subjected to the auditing procedures applied in the audit of the 2017 basic financial statements and certain additional procedures including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the General Fund balance sheet is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2017.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2018 on our consideration of the Town of Granby, Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Granby, Connecticut's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Granby, Connecticut's internal control over financial reporting and compliance.

Blum, Shapiro & Company, P.C.

West Hartford, Connecticut
December 18, 2018

Management's Discussion and Analysis

This Annual Financial Report is prepared using the financial reporting requirements of the Government Accounting Standards Board (GASB) Statement 34. GASB Statement 34 requires that we, as the managers of the Town of Granby, prepare a report that focuses on our most important, or "major" funds, including the general fund.

Fund statements measure and report the "operating results" of many funds by measuring cash on hand and other assets that can easily be converted to cash. These statements show the short-term performance of individual funds using the same measures governments use when financing current operations. On the other hand, if we charge a fee to users for services, fund information will continue to be based on accrual accounting. Budgetary compliance remains an important part of governmental accountability. Our financial statements include the *original* budget as well as the final amended budget.

Our hope is to provide you, the reader, with an objective and readable analysis of our financial performance for the year. Taken together, the following statements should enable you to assess whether Granby's financial position has improved or deteriorated as a result of the year's operations. The annual financial report includes government-wide financial statements prepared on the accrual basis for all of the government's activities. Accrual accounting measures not just current assets and current liabilities, but long-term assets and liabilities as well. It also reports all revenues and all costs of providing services each year, not just those received or paid in the current fiscal year (or shortly thereafter).

In summary, the government-wide financial statements will assist the reader to:

- Assess the finances of Granby in its entirety, including the year's operating results;
- Determine whether our overall financial position improved or deteriorated;
- Evaluate whether our current-year revenues were sufficient to pay for current-year services;
- See the costs of providing you the services you have requested of us;
- See how we finance the programs you have asked for – through user fees and other program revenues versus general tax revenues;
- Understand the extent to which your government has invested in capital assets, including roads, bridges, schools, parks, and other infrastructure assets; and
- Make better comparisons between governments.

The Annual Financial Report includes the following information and financial statements as defined by GASB Statement 34:

- ✱ **Management's Discussion and Analysis (MD&A)** – An introduction to the basic financial statements and an analytical overview of the government's financial activities. The MD&A provides an objective and easily readable analysis of the Town's financial activities based on currently known facts, decisions, or conditions. The MD&A:
 - ❑ Includes comparisons of the current year to the prior year based on government-wide information;
 - ❑ Provides an analysis of our overall financial position and the results of operations to assist you in assessing whether our financial position has improved or deteriorated as a result of the year's activities;
 - ❑ Analyzes significant changes in fund and major budget variances;
 - ❑ Describes capital asset and long-term debt activity during the year; and

- ❑ Concludes with a description of currently known facts, decisions, or conditions that are expected to have a significant effect on our financial position or the results of our operations.

Basic Financial Statements

➤ **Government-Wide Financial Statements** are designed to provide readers with a broad overview of the Town of Granby's finances, in a manner similar to private-sector business.

- *Government-Wide Financial Statements* include a *statement of net position* which presents information on all of the Town of Granby's assets and liabilities, with the difference between the two 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 of Granby is improving or deteriorating. The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused employee vacation and sick leave). The statement of activities is prepared using the economic resources measurement focus and the accrual basis of accounting. These statements report all assets, liabilities, revenues, expenses, and gains and losses of the government. Both of the government-wide financial statements distinguish functions of the Town of Granby that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Town include general government, public safety, public works and environment, recreation and social services, education, and interest on long-term debt.
- Fiduciary activities whose resources are not available to finance our governmental programs are excluded from these statements.

Capital assets, including infrastructure, are reported along with accumulated depreciation expense in the statement of net position. Net position is reported as capital assets net of related debt, restricted, and unrestricted. Permanent endowments or permanent fund principal amounts included in restricted net position are shown as either expendable or nonexpendable.

Expenses are presented reduced by program revenues, resulting in a measurement of "net (expense) revenue" for each of the government's functions. Program expenses include all direct expenses. General revenues such as taxes and special and extraordinary items are reported separately, ultimately arriving at the change in net assets for the period. Special items are significant transactions or other events that are either unusual or infrequent and are within the control of management.

➤ **Fund Financial Statements** are a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Granby, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

- *Governmental fund* financial statements include financial data for the general fund, capital projects fund, special revenue funds, and permanent funds and are prepared using the current financial resources measurement focus and the modified accrual basis of accounting. *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 government's near-term financing requirements. The focus of governmental funds is narrower than that of the government-wide financial statements, thus it is useful to compare the information presented for *governmental activities* in the government-wide financial statements with similar information presented for *governmental funds* in the long-term impact of the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*. The Town of Granby maintains thirty-one individual governmental funds. The twenty-six special revenue funds and two permanent funds are included in the nonmajor governmental funds category. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the capital projects fund, and the small cities fund, all of which are considered to be major funds. Data from the other twenty-eight governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the twenty-eight nonmajor governmental funds is provided in the form of *combining statements* under Supplemental Information, *Exhibits B-1 and B-2*. The Town of Granby adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with budget appropriations.
- *Proprietary fund* financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. The Town of Granby maintains one type of proprietary fund, an internal service fund. *Internal service funds* are an accounting device used to calculate and allocate costs internally among the Town of Granby's various functions. The Town uses an internal service fund to account for its employee health benefits, collecting employer and employee payments and disbursing payments as required. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

- *Fiduciary fund* financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the Town of Granby's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Fund financial statements are presented for primary government and proprietary funds. Governmental fund statements include a balance sheet and a statement of revenues, expenditures, and changes in fund balances. Proprietary fund statements are comprised of a statement of net position, a statement of revenues, expenses, and changes in net fund position, and a statement of cash flows. A summary reconciliation of the fund and government-wide statements accompanies the fund financial statements.

Separate columns are shown for the general fund, the capital projects fund, and the small cities fund, the three major governmental funds. Major funds are funds whose revenues, expenditures/expenses, assets, or liabilities (excluding extraordinary items) are at least 10 percent of corresponding totals for all governmental or enterprise funds and at least 5 percent of the aggregate amount for all governmental and enterprise funds. Non-major funds are reported in the aggregate in a separate column as are internal service funds on the proprietary fund statements.

Governmental fund balances are segregated into five categories: nonspendable, restricted, committed, assigned, and unassigned. (See Exhibit III – Balance Sheet, Governmental Funds, Note 1.M, and Note 9, Fund Balance, of the Notes to the Financial Statements for a detailed explanation).

Proprietary fund net position is reported in the same categories required for government-wide financial statements. Proprietary fund statements of net position distinguish between current and non-current assets and liabilities and display restricted assets.

The statements distinguish between operating and non-operating revenues and expenses in proprietary fund statements of revenues, expenses, and changes in net fund assets. At the bottom of these statements, we reflect capital contributions, contributions to permanent and term endowments, special and extraordinary items, and transfers in arriving at the all-inclusive change in fund net position.

We present separate fiduciary fund statements used to report assets held in a trustee or agency capacity for others and which cannot be used for our own programs. We must show a statement of fiduciary net position and a statement of changes in fiduciary net position. Fiduciary fund statements also disclose interfund loans, interfund services provided and used, and interfund transfers.

- Notes to the Financial Statements
 - Consist of notes that provide information essential to your understanding of the data provided in the government-wide and fund financial statements.
- Required Supplementary Information (RSI) consists of MD&A, budgetary comparison schedules, pension information, and retiree health insurance.

General Fund

RSI-1 Schedule of Revenues and Other Financing Sources - Budget and Actual

RSI-2 Schedule of Expenditures and Other Financing Uses - Budget and Actual

Pension Trust Fund:

RSI-3 Schedule of Changes in Net Pension Liability and Related Ratios

RSI-4 Schedule of Employer Contributions

RSI-5 Schedule of Investment Returns

Teachers Retirement Plan

RSI-6 Schedule of the Town's Proportionate Share of the Net Pension Liability

OPEB Plan

RSI-7 Schedule of Changes in Net OPEB Liability and Related Ratios

RSI-8 Schedule of Employer Contributions

RSI-9 Schedule of Investment Returns

Teachers OPEB Plan

RSI-10 Schedule of the Town's Proportionate Share of the Net OPEB Liability

The combining statements referred to earlier in connection with nonmajor governmental funds and fiduciary funds are presented immediately following the required supplementary information.

As management of the Town of Granby, 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, 2018. We encourage readers to consider the information presented here and in the Town's financial statements, Exhibits I to IX, and the Notes to the Financial Statements.

Financial Highlights

- The assets of the Town of Granby exceeded its liabilities at the close of the most recent year by \$51,333,382 (net position). Of this amount, \$1,413,107 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors. Our net position as of June 30, 2017 was \$56,718,740. However, we needed to adjust that figure by a positive \$359,383 to eliminate net OPEB obligations as reported per GASB No. 45 and by a negative \$5,405,645 to record total net OPEB liability per GASB No. 75.
- The government's total net position decreased by \$339,096.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$10,383,501, an increase of \$481,164 in comparison with the prior year. Unassigned fund balances amounted to a collective \$4,081,689, or 7.51% of total revenues of \$54,376,397.
- At the end of the 2018 fiscal year, unassigned fund balance for the general fund was \$4,121,451. Unassigned general fund balance represents 8.22% of total general fund revenues of \$50,132,608.
- The Town of Granby paid \$2,820,000 in maturing bond principal and issued no new bonds reducing our long-term debt to \$15,305,000.

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 of Granby, assets exceeded liabilities by \$51,333,382 at the close of the most recent fiscal year. By far the largest portion of the Town's net position, \$49,697,799 (96.81%) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. The Town of Granby 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.

Table 1. Net Position

	Governmental Activities	
	2018	2017 (as Restated)
Current and other assets	\$ 14,876,397	\$ 14,999,415
Capital assets, net of accumulated depreciation	67,799,889	69,782,438
Total assets	<u>82,676,286</u>	<u>84,781,853</u>
Deferred Outflow of Resources:	<u>1,468,236</u>	<u>734,318</u>
Long-Term Debt Outstanding	28,546,677	30,438,744
Other liabilities	3,797,553	3,323,336
Total liabilities	<u>32,344,230</u>	<u>33,762,080</u>
Deferred Inflow of Resources	<u>466,910</u>	<u>81,613</u>
Net Position:		
Net investment in capital assets	49,697,799	49,033,010
Restricted	222,476	193,562
Unrestricted	<u>1,413,107</u>	<u>2,445,906</u>
Total Net Position	<u>\$ 51,333,382</u>	<u>\$ 51,672,478</u>

A portion of the Town's net position, \$222,476 (0.43%), represents resources that are subject to external restrictions on how they may be used. An amount of \$204,921 is set aside for debt service and \$17,555 is restricted for expendable trust purposes. The remaining balance of *unrestricted net position*, \$1,413,107, may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the Town of Granby is able to report positive balances in all three categories of net position both for government as a whole as well as for its separate governmental activities. The same situation held true for the prior fiscal year.

The government's net position decreased by \$339,096 from operations during the current fiscal year. There were a number of negative and positive influences on this outcome. Reducing net position was a net increase in a variety of expenditures by \$1,450,034 led by an OPEB expense of \$1,249,288 and a change in deferred inflows related to pensions of \$745,714; an excess of expenditures over revenues in the internal service funds of \$911,392; and an excess of depreciation charges over new capital outlays of \$1,922,571. Offsetting these declines in net position was a net gain of \$2,620,335 (reduction in liability) in various debt related transactions and a \$481,164 increase in governmental fund balances (Exhibit IV).

The Town brought in total general revenues of \$37,180,481 which fell short of its net program expenses of \$37,519,577 by the amount of the net asset decrease. Gross expenses of \$55,608,607 were offset by \$3,626,727 in charges for services, \$14,322,149 in operating grants and contributions, and \$140,154 in capital grants and contributions. The balance of the Town's total revenues of \$55,269,511 came in the form of \$36,595,870 of local property tax collections, \$225,875 as unrestricted grants and contributions, \$183,774 of unrestricted investment earnings, and \$174,962 of miscellaneous income. Of the net program expenses, \$26,022,136 was attributable to the Board of Education. Net general government expenses accounted for \$3,470,927, public safety \$2,711,401, public works and environment \$3,665,534, recreation and social services \$950,945, and interest on long-term debt \$698,634.

Governmental activities. Governmental activities decreased the Town's net position by \$339,096 as discussed above and shown in the following chart, accounting for 100% of the total increase in our net position. Key elements of this increase are as follows:

Table 2. Changes in Net Position

	Governmental Activities	
	2018	2017
Revenues:		
Program revenues:		
Charges for services	\$ 3,626,727	\$ 3,420,631
Operating grants and contributions	14,322,149	14,431,210
Capital grants and contributions	140,154	
General revenues:		
Property taxes	36,595,870	35,962,069
Grants and contributions not restricted to specific purpose	225,875	486,336
Unrestricted investment earnings	183,774	97,578
Other general revenues	174,962	156,866
Total revenues	<u>55,269,511</u>	<u>54,554,690</u>
Program Expenses:		
General government	4,830,162	5,119,003
Public safety	2,927,337	3,499,740
Public works and environment	4,669,781	4,676,148
Recreation and social services	1,638,304	1,776,257
Education	40,844,389	39,795,286
Interest on long-term debt	698,634	814,201
Total program expenses	<u>55,608,607</u>	<u>55,680,635</u>
Change in Net Position	(339,096)	(1,125,945)
Net Position at July 1	51,672,478	57,844,685
Restatement		<u>(5,046,262)</u>
Net Position at End of Year	<u>\$ 51,333,382</u>	<u>\$ 51,672,478</u>

On the revenue side, total revenues from the prior year increased by \$714,821 or 1.31%. Property tax collections were up \$633,801 (1.76%) reflecting a healthy collection rate. Charges for services improved by \$206,096 (6.03%) comprised of a \$399,018 rise in education fees and \$296,984 more in general government fees which were offset somewhat by \$586,280 less in public safety charges. Gross expenses remained essentially flat year to year.

Chart 1 following presents the costs of each of the Town's six programs as well as each program's net cost (total cost less revenues generated by the activities). The Net Cost shows the financial burden that was placed on the Town's taxpayers by each of these functions.

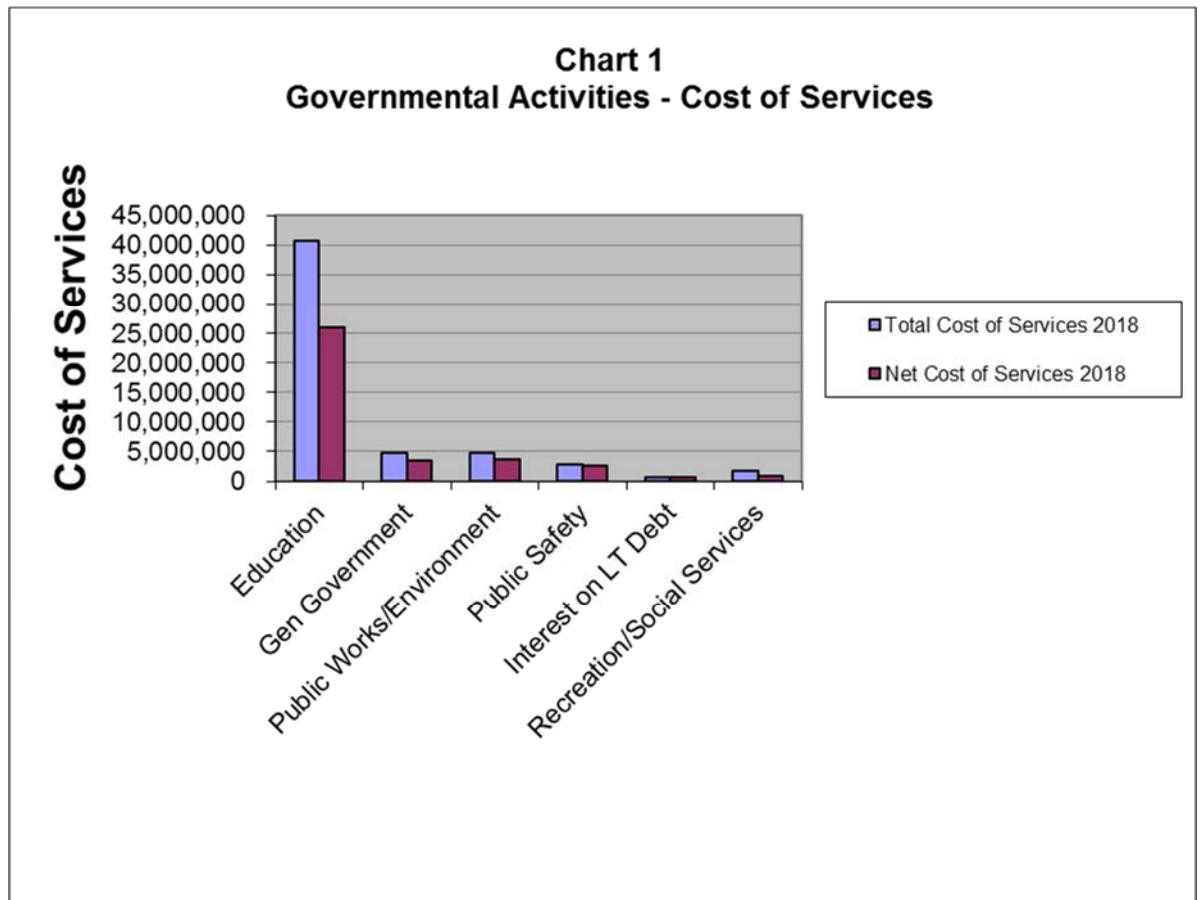
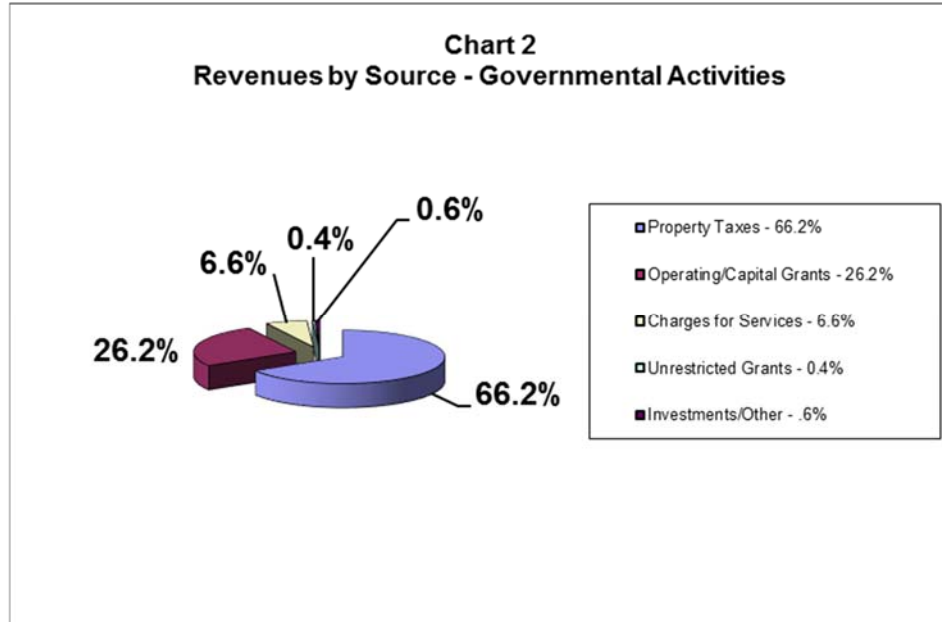


Chart 2 following indicates the sources of all Town revenues and the percentage of total Town revenue these individual revenues represent.



Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$10,383,501, an increase of \$481,164 in comparison with the prior year. Unrestricted fund balance (committed, assigned, and unassigned), which is available for spending at the government's discretion, amounts to \$8,723,045. The General Fund, the Capital Projects Fund, and the Other Governmental Funds all posted positive fund balances for the year. Nonspendable fund balance in the amount of \$17,555 is not available for new spending because it represents amounts that cannot be spent due to form (e.g., inventories and prepaid amounts) and restricted fund balance of \$1,642,901 represents amounts constrained for a specific purpose by external parties, such as grantors, creditors, contributors, or laws and regulations of their governments, specifically, \$204,921 for debt service and \$1,437,980 for grants.

The general fund is the chief operating fund of the Town of Granby. At the end of the current fiscal year, the unrestricted fund balance of the general fund was \$5,265,822. As a measure of the general fund's liquidity, it may be useful to compare both unrestricted fund balance and total fund balance to total fund expenditures. Unrestricted fund balance (and total fund balance) represents 10.50% of total general fund revenues of \$50,132,608.

The fund balance of the Town's general fund increased by \$454,051 during the current fiscal year. We completed the year with an operating surplus of \$1,691,305, but with net transfers out of \$1,237,254 to our capital projects fund and a variety of nonmajor special revenue funds for budgeted expenditures, we still improved our total general fund balance to a closing \$5,265,822.

The capital projects fund balance fell by \$88,854 to \$989,166 reflecting \$2,618,636 of capital expenditures for purchase of technology equipment for the board of education, and town vehicles, BOE buses, and equipment. These expenditures were funded by \$122,334 of grants and other revenue, \$1,730,000 of transfers in, and \$914,448 in new capital leases. Transfers out of \$237,000 produced a net other financing sources of \$2,407,448 resulting in the \$88,854 drawdown of the fund balance already noted.

The small cities fund consists of a revolving loan fund and two grant funded capital accounts and is used for a housing rehabilitation program, Salmon Brook Elderly Housing, and the Stony Hill Village elderly housing. The fund realized \$279,261 in revenues from grants and homeowners repaying their loans and a general government outlay of \$244,952 for an operating gain of \$34,309 and a closing fund balance of \$68,452.

Proprietary fund. The Town of Granby's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail. As indicated earlier, we use an internal service fund to account for employee health benefits.

Net position of the internal service fund at the end of the 2018 year amounted to \$595,921, down \$911,392 from FY 2017, all of which is unrestricted. The total decrease in net position for the fund arose due to health insurance claims and administrative costs of \$6,868,932 exceeding interest earned, employee premiums, and Town and Board of Education contributions of \$5,947,540.

General Fund Budgetary Highlights

The original revenue budget of \$42,975,692 and the final revenue budget remained unchanged. The original expenditure budget of \$44,025,692 was adjusted up by \$28,641 to reflect payment for a senior activity fund van driver.

During the year, actual revenues exceeded budgeted revenues by \$1,307,650 and actual expenditures were \$301,696 under budget, providing an overall positive budget variance of \$1,609,346. Property taxes, interest, and lien fees collected contributed \$971,236 more than expected and local revenues exceeded budget expectations by \$205,443. A \$829,159 additional education equalization grant was offset by the loss of \$352,440 Municipal Revenue Sharing - sales tax and \$345,234 loss of Municipal Revenue sharing – motor vehicle. We also received \$325,720 less from the state in Special Education money which was later partially included in the revised ECS grant. Our budget was based on the governor's budget which was late amended and changed by the legislature.

Every expenditure category contributed to the positive budgetary outcome in varying amounts. For additional information, please see Exhibit RSI-1 and RSI-2 under Required Supplementary Information contained in this report.

Capital Asset and Debt Administration

Capital Assets. The Town of Granby's investment in capital assets for its governmental assets includes land, buildings and system improvements, machinery and equipment, park facilities, roads, highways, and bridges. The total net decrease (after dispositions and depreciation) in the Town's net investment in capital assets for the current fiscal year was \$1,982,549.

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

- We leased a large dump truck with plow for \$203,176
- We leased three school buses for \$285,000 for the Board of Education;
- We purchased a generator for the middle school using a state grant of \$201,430;
- We applied \$100,000 of a \$500,000 state grant to improving the sidewalk from the center of Town down to the Salmon Brook Park.

A summary of our capital assets is as follows:

Table 3. Capital Assets at Year-end (Net of Depreciation)

	Governmental Activities	
	2018	2017
Land (not depreciated)	\$ 8,461,829	\$ 8,461,829
Construction in progress (not depreciated)	151,903	254,552
Buildings and improvements	39,531,201	41,161,329
Vehicles and equipment	2,844,371	2,644,665
Infrastructure	16,810,585	17,260,063
Total	<u>\$ 67,799,889</u>	<u>\$ 69,782,438</u>

Additional information on the Town of Granby's capital assets can be found in Note 5, Capital Assets of this report.

Long-term debt. At the end of the 2018 fiscal year, the Town of Granby had \$15,305,000 of long-term bonded debt and no short-term debt. We paid off \$2,820,000 of bond principal and \$698,634 of interest. One hundred percent of Granby's indebtedness is general obligation debt secured by the full faith and credit of the Town.

Table 4. Long-Term Debt

Date	Purpose	Rate	Original	Debt	Fiscal Year Maturity
3/24/2005	Public Improvement, Refunding	3.90	\$ 9,750,000	\$ 1,880,000	2020
2/15/2006	Public Improvement	3.8-5.00	10,000,000	4,335,000	2026
8/15/2006	School	4.0-5.00	7,800,000	1,800,000	2021
2/15/2013	Public Improvement	2.0-4.0	8,700,000	7,290,000	2033
			<u>\$ 36,250,000</u>	<u>\$ 15,305,000</u>	

We issued no new debt this fiscal year.

State statutes limit the amount of general obligation debt a governmental entity may issue to seven times its tax collections plus interest and lien fees. For June 30, 2018, the maximum amount of borrowing permitted under the formula would be \$253,000,860. In computing the statutory debt limit, \$1,539,277 of debt authorized but unissued is included. With total borrowings of \$16,844,277, the Town's outstanding general obligation debt is \$236,156,583 below the maximum debt limitation (See Note 7. Long-Term Debt, of this report and Table 10 – Statement of Debt Limitation).

Standard & Poor's Corporation (S&P), one of the three nationally recognized municipal credit rating agencies, rates our outstanding bonded debt "AA+".

The Town has entered into a number of capital leases which are treated as a long-term liability on the balance sheet. These leases vary in duration through June 21, 2023 and bear interest rates from 2.20% to 2.92%. As of June 30, 2018, we had combined capital lease obligations outstanding in the amount of \$2,137,059 the proceeds of which were used for the purchase of vehicles, equipment, and technology. a heavy duty dump truck with plow, and three school buses. (Also see Note 8. Leases, of this report).

Economic Factors and Next Year's Budget

- The unemployment rate for the Town of Granby was 3.4% as of June 30, 2018, which is a 0.3% decrease from a rate of 3.7% from a year ago. This compares favorably to the state's average unemployment rate of 4.5% and the national average rate of 4.2% (not seasonally adjusted).
- Inflationary trends in the region compare favorably to the national indices.
- The FY 2019 budget was approved in accordance with the Town charter on April 23, 2018.

The FY 2018 - 19 budget incorporates several goals and objectives:

- Continue to *maintain or increase the effectiveness and the efficiency of town services* by the use of new technology and best practice methods.
- Attempt to *hold the line with the number of full-time and part-time employees*. This has been accomplished by regularly evaluating services and by examining alternative methods of service delivery without sacrificing quality of service.
- *Payments for debt service* requirements to be met by budgeting from the town's capital reserve set-aside fund. This so-called set-aside fund is designed to meet future capital project costs. A sufficient fund balance is also necessary to be in place to meet unanticipated needs, such as storm damage and clean up, and to maintain a high degree of flexibility in the event of economic shifts.
- *Pay by cash for some capital expenditures, when deemed appropriate*, or a phase in to combine the impact of some capital projects over two or more fiscal years is considered. Equipment lease purchases designed to soften shifts in tax increases are also reviewed during the budget process.
- Continue to *update the town's long-range operating and capital forecast models* in order to meet an endorsed "Statement of Commitment" and to better predict the mill rate impact of larger capital budget requirements.
- *Budget revenue sources reasonably and put in place competitive user fees* to fund certain essential and non-essential, but desirable, programs for all non-mandatory services.

For FY 2018 - 2019, Granby's budget rose \$1,228,896 (2.79%) from \$44,025,692 to \$45,254,588.

Revenues

The local real estate, personal property, and motor vehicle tax levy on the grand list of October 1, 2017 rose \$1,737,670, or 0.75 mills relative to last year, from 37.94 mills to 38.69 mills, a 1.98% raise. Other property tax revenues remained relatively flat at \$620,000. Intergovernmental grants from the state and federal government were set at \$6,135,620 which is \$305,613 less than last year to reflect a lower ECS grant and funding for MRSA activity relating to the motor vehicle and sales tax. We budgeted a \$108,161 decrease in local revenues and transfers from fiscal year 2018's \$722,761 to \$614,600 as we did not transfer money from CNEF but did budget \$66,500 from other funds. Budgeted use of general fund balance to offset further tax increases amounted to \$950,000, down \$100,000 from the prior year.


General government expenditures of \$10,788,851 (before capital expenditures and debt service) are \$313,851 over last year and represent 23.84% of the total budget while the Board of Education's \$29,654,842 (up \$998,690 from last year) share amounted to 65.09% of the \$45,254,588 budget. There was no budgeted CNEF capital outlays, but the general government operating budget provided for \$1,375,000 of capital expenditures. The remainder of the budget is devoted to debt service (\$3,435,895 – 7.59%). Debt service, almost all of which is education related, decreased by \$108,645 reflecting decreased interest expense as outstanding principal is amortized.

All of these factors were considered in preparing the Town of Granby's budget for the 2019 fiscal year.

At the close of the June 30, 2018 fiscal year, unrestricted fund balance in the general fund was reported at \$5,265,822. The Town has appropriated \$950,000 of this amount for spending in the 2019 fiscal year budget.

Requests for Information

This financial report is designed to provide a general overview of the Town of Granby's finances for all those with an interest in the government's operations. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Town Manager or to the Administration Finance Officer, Town of Granby, 15 North Granby Road, Granby, CT 06035-2125.



Basic Financial Statements

TOWN OF GRANBY, CONNECTICUT
STATEMENT OF NET POSITION
JUNE 30, 2018

	Governmental Activities
Assets:	
Cash and cash equivalents	\$ 6,553,801
Investments	6,167,567
Receivables, net	2,155,029
Capital assets not being depreciated	8,613,732
Capital assets being depreciated, net	59,186,157
Total assets	<u>82,676,286</u>
Deferred Outflows of Resources:	
Deferred outflows related to pensions	444,043
Deferred outflows related to OPEB	1,006,819
Deferred charge on refunding	17,374
Total deferred outflows of resources	<u>1,468,236</u>
Liabilities:	
Accounts and other payables	1,468,311
Accrued interest	243,842
Unearned revenue	1,635,400
Claims payable	450,000
Noncurrent liabilities:	
Due within one year	4,189,485
Due in more than one year	24,357,192
Total liabilities	<u>32,344,230</u>
Deferred Inflows of Resources:	
Deferred inflows related to pensions	458,140
Advance property tax collections	8,770
Total deferred inflows of resources	<u>466,910</u>
Net Position:	
Net investment in capital assets	49,697,799
Restricted for:	
Debt service	204,921
Trust purposes:	
Nonexpendable	17,555
Unrestricted	<u>1,413,107</u>
Total Net Position	\$ <u>51,333,382</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF GRANBY, CONNECTICUT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
General government	\$ 4,830,162	\$ 993,480	\$ 259,801	\$ 105,954	\$ (3,470,927)
Public safety	2,927,337	210,669	5,267		(2,711,401)
Public works and environment	4,669,781	630,402	339,645	34,200	(3,665,534)
Recreation and social services	1,638,304	580,022	107,337		(950,945)
Education	40,844,389	1,212,154	13,610,099		(26,022,136)
Interest on long-term debt	698,634				(698,634)
Total	<u>\$ 55,608,607</u>	<u>\$ 3,626,727</u>	<u>\$ 14,322,149</u>	<u>\$ 140,154</u>	<u>(37,519,577)</u>
General revenues:					
Property taxes					36,595,870
Grants and contributions not restricted to specific programs					225,875
Unrestricted investment earnings					183,774
Miscellaneous					174,962
Total general revenues					<u>37,180,481</u>
Change in net position					(339,096)
Net Position at Beginning of Year, as Restated					<u>51,672,478</u>
Net Position at End of Year					<u>\$ 51,333,382</u>

The accompanying notes are an integral part of the financial statements

TOWN OF GRANBY, CONNECTICUT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2018

	<u>General</u>	<u>Capital Projects</u>	<u>Small Cities</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and cash equivalents	\$ 5,858,898	\$	\$ 68,452	\$ 265,751	\$ 6,193,101
Investments	6,167,567				6,167,567
Receivables, net	819,948		1,203,277	131,804	2,155,029
Due from other funds	<u>13,440</u>	<u>1,401,777</u>		<u>3,990,627</u>	<u>5,405,844</u>
Total Assets	<u>\$ 12,859,853</u>	<u>\$ 1,401,777</u>	<u>\$ 1,271,729</u>	<u>\$ 4,388,182</u>	<u>\$ 19,921,541</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable and accrued liabilities	\$ 1,211,666	\$ 17,855	\$	\$ 228,113	\$ 1,457,634
Due to other funds	6,039,101			62,641	6,101,742
Unearned revenue		394,756	1,203,277	37,367	1,635,400
Total liabilities	<u>7,250,767</u>	<u>412,611</u>	<u>1,203,277</u>	<u>328,121</u>	<u>9,194,776</u>
Deferred Inflows of Resources:					
Unavailable revenues - property taxes	334,494				334,494
Advance tax collections	<u>8,770</u>				<u>8,770</u>
Total deferred inflows of resources	<u>343,264</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>343,264</u>
Fund Balances:					
Nonspendable				17,555	17,555
Restricted			68,452	1,574,449	1,642,901
Committed	50,131	989,166		2,507,819	3,547,116
Assigned	1,094,240				1,094,240
Unassigned	<u>4,121,451</u>			<u>(39,762)</u>	<u>4,081,689</u>
Total fund balances	<u>5,265,822</u>	<u>989,166</u>	<u>68,452</u>	<u>4,060,061</u>	<u>10,383,501</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 12,859,853</u>	<u>\$ 1,401,777</u>	<u>\$ 1,271,729</u>	<u>\$ 4,388,182</u>	<u>\$ 19,921,541</u>

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TOWN OF GRANBY, CONNECTICUT
BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2018

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

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

Fund balances - total governmental funds (Exhibit III)	\$ 10,383,501
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Governmental capital assets	\$ 121,359,733	
Less accumulated depreciation	<u>(53,559,844)</u>	
Net capital assets		67,799,889

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

Property tax receivables greater than 60 days	222,775
Interest receivable on property taxes	111,719
Deferred outflows of resources related to pensions	444,043
Deferred inflows of resources related to OPEB	1,006,819
Deferred charges on refunding	17,374

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

595,921

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

Net pension liability	(2,788,483)
Bonds and notes payable	(15,305,000)
Interest payable on bonds and notes	(243,842)
Compensated absences	(953,829)
Claims and judgments	(29,968)
Capital lease	(2,137,059)
Unamortized bond premium	(677,405)
Net OPEB liability	(6,654,933)
Deferred inflows of resources related to pensions	<u>(458,140)</u>

Net Position of Governmental Activities (Exhibit I)	<u>\$ 51,333,382</u>
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The accompanying notes are an integral part of the financial statements

TOWN OF GRANBY, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	<u>General</u>	<u>Capital Projects</u>	<u>Small Cities</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:					
Property taxes	\$ 36,782,934	\$	\$	\$	\$ 36,782,934
Intergovernmental	12,368,050	105,954	246,619	1,741,054	14,461,677
Licenses, fees and charges for services	533,843			1,733,980	2,267,823
Investment income	157,430	7,411	35	9,049	173,925
Other revenues	290,351	8,969	32,607	358,111	690,038
Total revenues	<u>50,132,608</u>	<u>122,334</u>	<u>279,261</u>	<u>3,842,194</u>	<u>54,376,397</u>
Expenditures:					
Current:					
General government	3,867,686		244,952	7,999	4,120,637
Public safety	2,579,110			24,015	2,603,125
Public works and environmental	2,912,969			555,533	3,468,502
Recreation and social services	824,048			738,730	1,562,778
Education	34,722,599			2,353,513	37,076,112
Capital outlay		2,618,636			2,618,636
Debt service	3,534,891				3,534,891
Total expenditures	<u>48,441,303</u>	<u>2,618,636</u>	<u>244,952</u>	<u>3,679,790</u>	<u>54,984,681</u>
Excess (Deficiency) of Revenues over Expenditures	<u>1,691,305</u>	<u>(2,496,302)</u>	<u>34,309</u>	<u>162,404</u>	<u>(608,284)</u>
Other Financing Sources (Uses):					
Transfers in	237,045	1,730,000		124,299	2,091,344
Transfers out	(1,474,299)	(237,000)		(380,045)	(2,091,344)
Capital lease issuance		914,448		175,000	1,089,448
Total other financing sources (uses)	<u>(1,237,254)</u>	<u>2,407,448</u>	<u>-</u>	<u>(80,746)</u>	<u>1,089,448</u>
Net Change in Fund Balances	454,051	(88,854)	34,309	81,658	481,164
Fund Balances at Beginning of Year	<u>4,811,771</u>	<u>1,078,020</u>	<u>34,143</u>	<u>3,978,403</u>	<u>9,902,337</u>
Fund Balances at End of Year	<u>\$ 5,265,822</u>	<u>\$ 989,166</u>	<u>\$ 68,452</u>	<u>\$ 4,060,061</u>	<u>\$ 10,383,501</u>

(Continued on next page)

TOWN OF GRANBY, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018

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

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

Net change in fund balances - total governmental funds (Exhibit IV)	\$ 481,164
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Governmental funds report capital outlays as expenditures. In the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

Capital outlay	1,119,447
Depreciation expense	(3,042,018)

The statement of activities reports losses arising from the trade-in of existing capital assets to acquire new capital assets. Conversely, governmental funds do not report any gain or loss on a trade-in of capital assets.	(59,978)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, and revenues recognized in the funds are not reported in the statement of activities:

Property tax receivable - accrual basis change	(184,050)
Property tax interest and lien revenue - accrual basis change	(3,014)
Change in deferred outflows amounts related to pensions	83,625
Change in deferred outflows amounts related to OPEB	1,006,819

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

Bond principal payments	2,820,000
Capital lease payments	889,783
Capital lease financing	(1,089,448)

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 the governmental funds:

Compensated absences	36,050
Claims and judgments	29,966
Accrued interest	44,966
Amortization of deferred charge on refunding	(21,018)
Amortization of bond premiums	48,021
Net OPEB expense	(1,249,288)
Pension obligation	406,983

Internal service funds are used by management to charge costs to individual funds. The net revenue of certain activities of internal services funds is reported with governmental activities.	<u>(911,392)</u>
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Change in Net Position of Governmental Activities (Exhibit II)	<u>\$ (339,096)</u>
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The accompanying notes are an integral part of the financial statements

**TOWN OF GRANBY, CONNECTICUT
 PROPRIETARY FUND
 STATEMENT OF NET POSITION
 JUNE 30, 2018**

	Governmental Activities
	Internal Service Fund
Assets:	
Current:	
Cash and cash equivalents	\$ 360,700
Due from other funds	<u>695,898</u>
Total assets	<u>1,056,598</u>
Liabilities:	
Current:	
Accounts and other payables	10,677
Risk management claims	<u>450,000</u>
Total liabilities	<u>460,677</u>
Net Position:	
Unrestricted	\$ <u><u>595,921</u></u>

The accompanying notes are an integral part of the financial statements

**TOWN OF GRANBY, CONNECTICUT
 PROPRIETARY FUND
 STATEMENT OF REVENUES, EXPENSES
 AND CHANGES IN FUND NET POSITION
 FOR THE YEAR ENDED JUNE 30, 2018**

	Governmental Activities Internal Service Fund
Operating Revenues:	
Contributions	\$ 4,010,166
Employee contributions	1,451,036
Other	486,489
Total operating revenues	<u>5,947,691</u>
Operating Expenses:	
Health insurance claims	6,274,823
Administrative and management fees	594,109
Total operating expenses	<u>6,868,932</u>
Operating Loss	(921,241)
Nonoperating Revenue:	
Revenues from use of money	<u>9,849</u>
Change in Net Position	(911,392)
Net Position at Beginning of Year	<u>1,507,313</u>
Net Position at End of Year	\$ <u><u>595,921</u></u>

The accompanying notes are an integral part of the financial statements

TOWN OF GRANBY, CONNECTICUT
PROPRIETARY FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2018

	Governmental Activities Internal Service Fund
Cash Flows from Operating Activities:	
Cash received from charges for services and contributions	\$ 6,908,592
Cash paid for claims, premiums and fees	<u>(6,836,471)</u>
Net cash provided by (used in) operating activities	72,121
Cash Flows from Investing Activities:	
Income on investments	<u>9,849</u>
Net Increase (Decrease) in Cash and Cash Equivalents	81,970
Cash and Cash Equivalents at Beginning of Year	<u>278,730</u>
Cash and Cash Equivalents at End of Year	\$ <u><u>360,700</u></u>
Reconciliation of Operating Income (Loss) to Net Cash	
Provided by (Used in) Operating Activities:	
Operating income (loss)	\$ <u>(921,241)</u>
Adjustments to reconcile operating income (loss) to net cash	
provided by (used in) operating activities:	
(Increase) decrease in due from other funds	960,901
Increase (decrease) in accounts payable	854
Increase (decrease) in risk management claims	<u>31,607</u>
Total adjustments	<u>993,362</u>
Net Cash Provided by (Used in) Operating Activities	\$ <u><u>72,121</u></u>

The accompanying notes are an integral part of the financial statements

TOWN OF GRANBY, CONNECTICUT
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2018

	Pension and Other Employee Benefit Trust Funds	Agency Funds
Assets:		
Cash and cash equivalents	\$ 170,716	\$ 327,794
Investments - mutual funds	19,579,403	
Accounts receivable	<u>6,002</u>	<u>58,417</u>
Total assets	19,756,121	<u><u>\$ 386,211</u></u>
Liabilities:		
Due to employees and others	<u>-</u>	<u><u>\$ 386,211</u></u>
Net Position:		
Restricted for Pension Benefits and Other Post Employment Benefits	<u><u>\$ 19,756,121</u></u>	

The accompanying notes are an integral part of the financial statements

TOWN OF GRANBY, CONNECTICUT
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2018

	Pension and Other Post Employment Benefits Trust Funds
Additions:	
Contributions:	
Employer	\$ 1,036,129
Employee	158,979
Total contributions	<u>1,195,108</u>
Investment income (loss):	
Net change in fair value of investments	1,529,902
Interest and dividends	332,435
Total investment gain (loss)	<u>1,862,337</u>
Less investment expenses:	
Investment management fees	35,315
Net investment income (loss)	<u>1,827,022</u>
Total additions	<u>3,022,130</u>
Deductions:	
Benefits	1,674,353
Administrative expenses	12,122
Total deductions	<u>1,686,475</u>
Change in Net Position	1,335,655
Net Position at Beginning of Year	<u>18,420,466</u>
Net Position at End of Year	<u><u>\$ 19,756,121</u></u>

The accompanying notes are an integral part of the financial statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The Town operates under a Charter as revised in November 2012. The form of government includes an elected Board of Selectmen, consisting of a First Selectman and four other members, an elected seven-member Board of Education, and an elected six-member Board of Finance.

Generally, the legislative power of the Town is vested with the Board of Selectmen. The Board of Selectmen may enact, amend or repeal ordinances and resolutions. The administration of Town offices and agencies, with the exception of the Board of Education, is the responsibility of the Town Manager who is appointed by the Board of Selectmen.

The Board of Finance is responsible for financial and taxation matters as prescribed by Town Charter and Connecticut General Statutes, and is responsible for presenting fiscal operating budgets for Town Meeting approval. The Town has the power to incur indebtedness by issuing bonds or notes as provided by Town Charter and Connecticut General Statutes.

B. 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. For the most part, the effect of interfund activity has been removed from these statements.

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

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

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

**TOWN OF GRANBY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, charges for services, licenses 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.

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 Town, except those required to be accounted for in another fund.

The Capital Projects Fund accounts for financial resources to be used for capital expenditures or for the acquisition or construction of capital facilities, improvements and/or equipment. Capital projects of greater than one year's duration have been accounted for in the Capital Projects Fund. Most of the capital outlays are financed by the issuance of general obligation bonds. Other sources include capital grants and interest income.

The Small Cities Fund accounts for federal grants to be used for the rehabilitation of private residential structures.

Additionally, the Town reports the following fund types:

The Internal Service Fund accounts for risk management activities of the Town.

The Pension and Other Employee Benefit Trust Funds account for the activities of the Town's Pension Plan and the Town Post Employment Benefit plan, which accumulates resources for pension benefit payments and healthcare payments to qualified Town employees.

The Agency Funds are custodial in nature (assets equal liabilities) and so do not involve measurement of results of operation. The High School Activity, Middle School Activity, Kearns School Activity, Wells Road School Activity and Contract Security Fund are the Town's agency funds.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes and other charges between certain Town's functions because the 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 property taxes.

**TOWN OF GRANBY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

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

D. Deposits and Investments

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

State statutes authorize the Town to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements and certain other investments as described in Note 3.

Investments for the Town are reported at fair value.

E. Receivables and Payables

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

Based upon the annual budget as adopted, the Board of Finance establishes the tax rate to be levied on the taxable property for the ensuing year.

Property taxes are levied in June on all assessed property on the grand list of October 1 prior to the beginning of the fiscal year. Real and personal property tax bills in excess of \$100 are payable in two installments, July 1 and January 1, and motor vehicle taxes are payable in one installment on July 1. Taxes become delinquent 30 days after the installment is due. Delinquent taxes are billed at least twice a year, with interest at the rate of 1.5% per month. In accordance with state law, the oldest outstanding tax is collected first. Outstanding real estate tax accounts are normally lien-ed each year prior to June 30 with legal demands and alias warrants used in the collection of personal property and motor vehicle tax bills. Additional property taxes are assessed for motor vehicles registered subsequent to the grand list date through July 31 and are payable in one installment, which is due January 1.

Property tax revenues are recorded as receivable on the due date and are recognized as revenues to the extent collected during the fiscal year or collected soon enough thereafter (within 60 days) to be used to pay liabilities of the current period. Property taxes receivable not expected to be collected during the available period are reflected as deferred revenue in the fund financial statements. Property taxes receivable at June 30, 2018 is stated net of allowance for estimated uncollectible amounts of \$48,480.

The Town levies special assessments for the purpose of financing the construction of sanitary sewers. Such assessments are collectible in installments as provided by the Connecticut General Statutes. Assessment revenues are recognized when they are collected.

F. Inventories and Prepaid Items

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

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

G. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life 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 estimated acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant and equipment of the primary government is depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	40-50
Building improvements	15-25
Public domain infrastructure	30-60
Vehicles	3-15
Office equipment	5-10
Computer equipment	5-10

H. Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period or periods and so will not be recognized as an inflow of resources (revenue) until that time. The Town reports advance property tax collections and deferred inflows of resources related to pension in the government-wide statement of net position. Advance property tax collections represent taxes inherently associated with a future period. This amount is recognized during the period in which the revenue is associated. A deferred inflow of resources related to pension resulted from differences between expected and actual experience. These amounts are deferred and included in pension expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees). For governmental funds, in addition to advance tax collections, the Town reports unavailable revenue, which arises only under the modified accrual basis of accounting. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources (revenue) in the period in which the amounts become available.

I. Compensated Absences

A limited amount of vacation time earned may be accumulated by employees until termination of their employment. Vacation leave is valued using current salary costs, as well as any salary related payments that are directly and incrementally connected with leave payments to employees. Sick leave accruals are also based on current salary costs as well as salary-related payments.

J. Net Pension Liability

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

K. Net OPEB Liability

The net OPEB liability is measured as the portion of the present value of projected benefit payments to be provided to current active and inactive employees that is attributed to those employees' past periods of service (total OPEB liability), less the amount of the OPEB plan's fiduciary net position. The OPEB plan's fiduciary net position is determined using the same valuation methods that are used by the OPEB plan for purposes of preparing its statement of fiduciary net position. The net OPEB liability is measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year, consistently applied from period to period.

L. Long-Term Obligations

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

**TOWN OF GRANBY, CONNECTICUT
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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.

M. Fund Equity

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

Net Investment in Capital Assets

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

Restricted Net Position

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

Unrestricted Net Position

This component consists of net position that does not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

The equity of the fund financial statements is defined as “fund balance” and is classified in the following categories:

Nonspendable Fund Balance

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

Restricted Fund Balance

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

Committed Fund Balance

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

Assigned Fund Balance

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

Unassigned Fund Balance

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

N. Fund Balance Flow Assumptions

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

O. Use of Accounting Estimates

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

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

For purposes of preparing the annual budget, the Town Manager compiles preliminary estimates of all departments and agencies, with the exception of the Board of Education, for presentation to the Board of Selectmen. After making such alterations or changes as it deems necessary, the Board of Selectmen presents the compiled budget to the Board of Finance. The Board of Education submits its estimates directly to the Board of Finance.

The Board of Finance may make such revisions to the Selectmen's and Education budget estimates as it deems desirable, and then holds a public hearing and presents a proposed budget on the second Monday in April. A machine vote on the budget is taken on the fourth Monday in April. If the budget does not pass, a hearing shall be held on the succeeding Monday for informational purposes with a machine vote on the following Monday. The process shall continue in this manner until a budget is adopted. The Board of Finance may make revisions between machine votes. Summaries of the revisions are then made available to the public.

Subject to certain restrictions, additional appropriations may be approved by the Board of Finance upon recommendation of the Board of Selectmen and certification on availability of the funds by the Town Manager. In this function, department budget accounts serve as the legal level of control. As a result of additional appropriations during fiscal year 2018, the original General Fund operating budget was increased by \$28,641.

Unencumbered appropriations lapse at the end of the fiscal year except for those in the capital projects and special revenue funds. Appropriations for these funds are continued until completion of the applicable projects, which often last more than one fiscal year.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year end are included in either restricted, committed or assigned fund balance depending on the level of restriction and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

**TOWN OF GRANBY, CONNECTICUT
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Budgets for Special Revenue Funds that are utilized to account for specific grant programs are established in accordance with the requirements of the grantor agencies. In some instances, such budgets comprehend more than one fiscal year or a fiscal period that does not coincide with the Town's fiscal year.

Legal authorization for Capital Projects is provided by the related bond ordinances and/or intergovernmental grant agreements. Capital appropriations do not lapse until the purpose for which they are designated is completed.

Expenditures that will exceed the adopted budgets can be made only upon the authority of a supplemental appropriation or an approved budgetary transfer.

B. Fund Deficits

At June 30, 2018, the Town reported deficit fund balance for the following fund:

Nonmajor Governmental Funds:	
Ambulance Association	\$ 39,762

The Town plans to address these deficits in subsequent years.

3. CASH, CASH EQUIVALENTS AND INVESTMENTS

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

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

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

TOWN OF GRANBY, CONNECTICUT
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Deposits

Deposit Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the Town's deposit will not be returned. The Town does not have a deposit policy for custodial credit risk. The deposit of public funds is controlled by the Connecticut General Statutes. Deposits may be placed with any qualified public depository that has its main place of business in the State of Connecticut. Connecticut General Statutes require that each depository maintain segregated collateral (not required to be based on a security agreement between the depository and the municipality and, therefore, not perfected in accordance with federal law) in an amount equal to a defined percentage of its public deposits based upon the depository's risk-based capital ratio.

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$11,361,297 of the Town's bank balance of \$13,600,284 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 10,075,167
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name	<u>1,286,130</u>
Total Amount Subject to Custodial Credit Risk	<u>\$ 11,361,297</u>

Cash Equivalents

At June 30, 2018, the Town's cash equivalents amounted to \$223,729. The following table provides a summary of the Town's cash equivalents (excluding U.S. government guaranteed obligations) as rated by nationally recognized statistical rating organizations. The pools all have maturities of less than one year.

	<u>Standard & Poor's</u>
State Short-Term Investment Fund (STIF)	AAAm

TOWN OF GRANBY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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Investments

As of June 30, 2018, the Town had the following investments:

<u>Investment Type</u>	<u>Credit Rating</u>	<u>Fair Value</u>	<u>Investment Maturities (Years)</u>		
			<u>Less Than 1</u>	<u>1 - 10</u>	<u>More Than 10</u>
Interest-bearing investments:					
Certificates of deposit	*	\$ 6,167,567	\$ <u>6,167,567</u>	\$ <u>-</u>	\$ <u>-</u>
Other investments:					
Mutual funds		<u>19,579,403</u>			
Total Investments		\$ <u>25,746,970</u>			

*Subject to coverage by Federal Depository Insurance and collateralization.

Interest Rate Risk

The Town limits their maximum final stated maturities to 15 years, unless specific authority is given to exceed. To the extent possible, the Town will attempt to match its investments with anticipated cash flow requirements.

Credit Risk - Investments

As indicated above, State Statutes limit the investment options of cities and towns. The Town has an investment policy that allows the same type of investments as State Statutes.

Concentration of Credit Risk

The Town has no policy limiting an investment in any one issuer that is in excess of 5% of the Town's total investments.

Custodial Credit Risk

Custodial credit risk for an investment is the risk that, in the event of the failure of the counterparty (the institution that pledges collateral or repurchase agreement securities to the Town or that sells investments to or buys them for the Town), the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town does not have a policy for custodial credit risk. At June 30, 2018, the Town did not have any uninsured and unregistered securities held by the counterparty, or by its trust department or agent that were not in the Town's name.

TOWN OF GRANBY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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Fair Value Disclosure

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements); followed by quoted prices in inactive markets or for similar assets or with observable inputs (Level 2 measurements); and the lowest priority to unobservable inputs (Level 3 measurements). The Town has the following recurring fair value measurements as of June 30, 2018:

<u>Investments by Fair Value Level</u>	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Mutual Funds	\$ 19,579,403	\$ <u>19,579,403</u>	\$ <u>-</u>	\$ <u>-</u>
Investments not included above:				
Certificates of deposit	<u>6,167,567</u>			
Total Investments	\$ <u>25,746,970</u>			

Mutual funds classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities.

4. RECEIVABLES

Receivables as of year end for the Town's individual major funds and nonmajor and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Small Cities</u>	<u>Nonmajor and Other Funds</u>	<u>Total</u>
Receivables:				
Interest	\$ 111,719	\$	\$	\$ 111,719
Taxes	458,723			458,723
Intergovernmental			131,804	131,804
Loans		1,203,277		1,203,277
Other	<u>297,986</u>		<u>64,419</u>	<u>362,405</u>
Gross receivables	868,428	1,203,277	196,223	2,267,928
Less allowance for uncollectibles	<u>(48,480)</u>			<u>(48,480)</u>
Net Total Receivables	\$ <u>819,948</u>	\$ <u>1,203,277</u>	\$ <u>196,223</u>	\$ <u>2,219,448</u>

**TOWN OF GRANBY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2018 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 8,461,829	\$	\$	\$ 8,461,829
Construction in progress	254,552	106,878	(209,527)	151,903
Total capital assets not being depreciated	<u>8,716,381</u>	<u>106,878</u>	<u>(209,527)</u>	<u>8,613,732</u>
Capital assets being depreciated:				
Buildings and improvements	69,813,579	279,264	(218,590)	69,874,253
Vehicles and equipment	8,394,221	707,202	(149,757)	8,951,666
Infrastructure	33,684,452	235,630		33,920,082
Total capital assets being depreciated	<u>111,892,252</u>	<u>1,222,096</u>	<u>(368,347)</u>	<u>112,746,001</u>
Less accumulated depreciation for:				
Buildings and improvements	(28,652,250)	(1,876,853)	186,051	(30,343,052)
Vehicles and equipment	(5,749,556)	(480,057)	122,318	(6,107,295)
Infrastructure	(16,424,389)	(685,108)		(17,109,497)
Total accumulated depreciation	<u>(50,826,195)</u>	<u>(3,042,018)</u>	<u>308,369</u>	<u>(53,559,844)</u>
Total capital assets being depreciated, net	<u>61,066,057</u>	<u>(1,819,922)</u>	<u>(59,978)</u>	<u>59,186,157</u>
Governmental Activities Capital Assets, Net	<u>\$ 69,782,438</u>	<u>\$ (1,713,044)</u>	<u>\$ (269,505)</u>	<u>\$ 67,799,889</u>

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

Governmental activities:	
General government	\$ 78,020
Public safety	84,994
Public works and environment	96,143
Recreation and social services	762,625
Education	<u>2,020,236</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 3,042,018</u>

Construction Commitments

The Town has active construction projects as of June 30, 2018. At year end the Town's commitments with contractors are as follows:

	<u>Appropriation</u>	<u>Expenditures and Encumbrances</u>	<u>Unexpended Balance</u>
Streetscape Improvements	\$ 510,000	\$ 471,431	\$ 38,569

The commitments are being financed through General Fund appropriations, State and Federal grants, and the issuance of general obligation bonds.

**TOWN OF GRANBY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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6. INTERFUND RECEIVABLE AND PAYABLE BALANCES

During the course of operations, transactions are processed through a fund on behalf of another fund. Additionally, revenues received in one fund are transferred to another fund. A summary of interfund balances as of June 30, 2018 is presented below:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 13,440
Capital Projects Fund	Nonmajor Governmental Funds	49,201
Capital Projects Fund	General Fund	1,352,576
Nonmajor Governmental Funds	General Fund	3,990,627
Internal Service Fund	General Fund	<u>695,898</u>
Total		<u>\$ 6,101,742</u>

The outstanding balances between funds result mainly from the timing between the dates that interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system and payments between funds are made.

Interfund transfers:

	<u>General</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental</u>	<u>Total Transfers Out</u>
General Fund	\$	\$ 1,350,000	\$ 124,299	\$ 1,474,299
Capital Projects	237,000			237,000
Nonmajor Governmental Funds	<u>45</u>	<u>380,000</u>		<u>380,045</u>
Total Transfers In	<u>\$ 237,045</u>	<u>\$ 1,730,000</u>	<u>\$ 124,299</u>	<u>\$ 2,091,344</u>

Transfers are used to move General Fund revenues to finance various capital projects in accordance with budgetary authorizations, as well as to transfer amounts provided as subsidies or matching funds for various grant programs.

TOWN OF GRANBY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

7. LONG-TERM DEBT

Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2018 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds payable:					
General obligation bonds	\$ 18,125,000	\$	\$ 2,820,000	\$ 15,305,000	\$ 2,825,000
Issuance premium on bonds	<u>725,426</u>		<u>48,021</u>	<u>677,405</u>	<u>48,021</u>
Total bonds payable	18,850,426	-	2,868,021	15,982,405	2,873,021
Capital leases	1,937,394	1,089,448	889,783	2,137,059	826,479
Claims and judgments	59,934		29,966	29,968	29,968
Compensated absences	989,879	423,967	460,017	953,829	460,017
Net OPEB liability	5,405,645	1,249,288		6,654,933	
Net pension liability	<u>3,195,466</u>		<u>406,983</u>	<u>2,788,483</u>	
Total Governmental Activities Long-Term Liabilities	<u>\$ 30,438,744</u>	<u>\$ 2,762,703</u>	<u>\$ 4,654,770</u>	<u>\$ 28,546,677</u>	<u>\$ 4,189,485</u>

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

General Obligation Bonds

The Town issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the Town. General obligation bonds currently outstanding, their purpose and interest rate are as follows:

<u>Description</u>	
\$9,750,000 - General obligation refunding bonds issued March 24, 2005 and maturing on February 1, 2020; interest rate 3.9%	\$ 1,880,000
\$10,000,000 - General obligation bonds issued February 15, 2006 and maturing on February 15, 2026; interest rate from 3.8% to 5.0%	4,335,000
\$7,800,000 - General obligation bonds issued August 15, 2006 and maturing August 15, 2020; interest rate from 4.0% to 5.0%	1,800,000
\$8,700,000 - General obligation bonds issued February 13, 2013 and maturing February 1, 2033; interest rate from 2.0% to 4.0%	<u>7,290,000</u>
Total Bond Indebtedness	<u>\$ 15,305,000</u>

TOWN OF GRANBY, CONNECTICUT
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The following is a schedule of future debt service requirements as of June 30, 2018:

Fiscal Year Ending June 30,	Principal	Interest	Total
2019	\$ 2,825,000	\$ 600,895	\$ 3,425,895
2020	2,285,000	482,355	2,767,355
2021	1,645,000	384,875	2,029,875
2022	1,040,000	327,625	1,367,625
2023	1,040,000	285,625	1,325,625
2024-2028	4,120,000	787,625	4,907,625
2029-2033	<u>2,350,000</u>	<u>229,125</u>	<u>2,579,125</u>
Total	<u>\$ 15,305,000</u>	<u>\$ 3,098,125</u>	<u>\$ 18,403,125</u>

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

Category	Debt Limit	Net Indebtedness	Balance
General purpose	\$ 81,321,705	\$ 5,736,350	\$ 75,585,355
Schools	162,643,410	11,107,927	151,535,483
Sewers	135,536,175		135,536,175
Urban renewal	117,464,685		117,464,685
Pension deficit	108,428,940		108,428,940

The definition of indebtedness includes bonds outstanding in addition to the amount of bonds authorized and unissued against which debt is issued and outstanding. The Town has \$1,539,277 of authorized and unissued bonds at June 30, 2018.

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation (\$253,000,860).

TOWN OF GRANBY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

8. LEASES

Capital Leases

The Town leases various vehicles, equipment and technology under capital lease arrangements. These leases vary in duration through March 8, 2023 and interest rates from 2.2% to 2.92%.

The Town has entered into capital lease agreements for the purchase of several vehicles and technology equipment.

	<u>Amount</u>
Assets:	
Vehicles and equipment	\$ 5,073,725
Less accumulated depreciation	<u>1,979,025</u>
Total	<u><u>\$ 3,094,700</u></u>

A summary of future minimum lease payments required by the lease agreements together with the present value of the net minimum lease payments as of June 30, 2018 is as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2019	\$ 826,479
2020	620,018
2021	430,133
2022	289,336
2023	<u>99,138</u>
Total	2,265,104
Less amount representing interest	<u>128,045</u>
Total	<u><u>\$ 2,137,059</u></u>

TOWN OF GRANBY, CONNECTICUT
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9. FUND BALANCE

The components of fund balance for the governmental funds at June 30, 2018 are as follows:

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Small Cities Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Fund balances:					
Nonspendable:					
Trust purposes	\$	\$	\$	17,555	\$ 17,555
Restricted for:					
Debt service				204,921	204,921
Grants			68,452	1,369,528	1,437,980
Committed to:					
Revaluation	50,131				50,131
Capital projects		85,438			85,438
Capital equipment		530,260			530,260
Bridge program		48,535			48,535
Various capital improvements		264,677			264,677
Capital and nonrecurring expenditures		60,256			60,256
General government				275,222	275,222
Public safety				43,647	43,647
Public works				1,292,519	1,292,519
Culture and recreation				654,292	654,292
Education				242,139	242,139
Assigned to:					
Subsequent year's budget	950,000				950,000
General government - encumbrances	11,146				11,146
Public safety - encumbrances	24,293				24,293
Public works - encumbrances	52,290				52,290
Culture and recreation - encumbrances	13,679				13,679
Education - encumbrances	42,832				42,832
Unassigned	<u>4,121,451</u>			<u>(39,762)</u>	<u>4,081,689</u>
Total Fund Balances	<u>\$ 5,265,822</u>	<u>\$ 989,166</u>	<u>\$ 68,452</u>	<u>\$ 4,060,061</u>	<u>\$ 10,383,501</u>

Encumbrances of \$144,240 are included in the general fund assigned category. Encumbrances of \$225,913 are included in the committed fund balance category for the capital projects fund.

10. RISK MANAGEMENT

The Town is exposed to various risks of loss including torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town generally obtains commercial insurance for these risks, but has chosen to retain the risks for employee insurance coverage. There has been no significant reduction in insurance coverage from the prior year for the categories risk insured commercially. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

The Town retains the risk associated with employee health insurance (medical claims plus prescription drugs) up to a maximum of \$125,000 per individual claim with an aggregate stop loss estimated at \$3,100,000. As of June 30, 2018, the Town has established a liability of \$450,000 to cover health insurance claims incurred but unreported. This claim liability is based on the requirements of GASB Statement No. 10, which requires that a liability claim be reported if information prior to the issuance of the financial statements indicates it is probable a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

**TOWN OF GRANBY, CONNECTICUT
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Changes in the claims liability were as follows:

	<u>Liability July 1,</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Liability June 30,</u>
2016-2017	\$ 419,321	\$ 6,019,965	\$ 6,020,893	\$ 418,393
2017-2018	418,393	6,274,823	6,243,216	450,000

11. CONTINGENT LIABILITIES

The Town is a defendant in a number of lawsuits. It is the opinion of management that such pending litigation will not be finally determined so as to result in a judgment or judgments against the Town that would materially affect its financial position.

12. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS

A. Pension Trust Fund

The Town is the administrator of a single-employer Public Employee Retirement System (PERS) established and administered by the Town to provide pension benefits for its employees. The PERS is considered to be a part of the Town's financial reporting entity and is included in the Town's financial reports as a Pension Trust Fund. The Plan does not issue a separate stand-alone financial report.

Management of the Plan rests with the Pension Committee, which consists of four members. The four members are the First Selectman, Board of Education Chairman, Town Manager and an individual appointed by the Board of Selectmen. The Pension Committee delegates the power to administer the Plan to the Town Manager.

Plan Description and Benefits Provided

The Town provides retirement benefits through a single-employer, contributory, defined benefit plan. All employees of the Town hired prior to age 25 may elect to participate on their date of hire. Bargaining unit employees hired on or after October 1, 2000 may elect to participate after one year of continuous service. Under the plan, for regular certified officers of the police department, the retirement benefit is calculated at 2.5% of the average of the annual salaries, including overtime of the 5 calendar years with the highest average multiplied by up to 20 years of service plus 1.5% of the average of the annual salaries, including overtime, of the 5 calendar years with the highest average multiplied by in excess of 20 years maximum 10 years of service. For nonunion members other than regular certified officers of the police department, the retirement benefit is calculated at 2% of the average of the annual salaries of the last five years immediately prior to retirement multiplied by years of service. Effective June 1, 2000, for bargaining unit members the retirement benefit is calculated at 2% of the average of the annual salaries of any five years period producing the highest average prior to retirement multiplied by years of service. Participants are 100% vested after five years of service. If an employee leaves

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covered employment before five years of service, accumulated employee contributions and related investment earnings are refunded. Benefits and contributions are established by Town ordinance and may be amended. The major features of the plan are as follows:

Normal Retirement Age

Age 62 with 35 years of continuous service (effective July 1, 1994, age 62 and 25 years for a certified police officer), rule of 80 (age plus years of service) or age 65 regardless of service.

Credited Service

All service from date of participation in the plan until Normal Retirement Date, including all full months of Continuous Service.

Early Retirement

May be elected with the consent of the Board of Selectmen or Education upon completion of at least 15 years of Continuous Service and age 55.

Late Retirement

With consent of Boards of Selectmen/Education. Benefit accrues until actual Retirement Date.

Disability Retirement

Available on total and permanent disability after 15 years of continuous service and age 50. Benefit is the same as for early retirement.

Death

Before retirement, refund of participant's contributions plus interest. After retirement, refund of excess, if any, of participant's accumulated contributions as of his or her retirement date over total of benefits paid.

At July 1, 2017, PERS membership consisted of:

Retirees and beneficiaries currently receiving benefits	53
Terminated employees entitled to benefits but not yet receiving them	13
Active employees	<u>52</u>
Total	<u><u>118</u></u>

At July 1, 2017, there was 15 years remaining in the amortization period.

Summary of Significant Accounting Policies

Basis of Accounting

The PERS financial statements are prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenues in the period in which employee services are performed. Benefit payments and refunds are payable when due and payable in accordance with the terms of the PERS.

Method Used to Value Investments

Investments are reported at fair value. Investment income is recognized as earned. Gains and losses on sales and exchange of investments are recognized on the transaction date. There are no investments in any organization, other than U.S. Government notes and bonds that represent 5% or more of net position available for benefits.

TOWN OF GRANBY, CONNECTICUT
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Funding Status and Progress

Certified police officers are required to contribute 6.0% of their salary, including overtime, educational incentive pay and longevity pay to the PERS. All other members contribute 5.0% of their gross salary, including overtime and any other form of additional compensation. The Town is required to contribute the remaining amounts necessary to finance coverage. Benefits and employee contributions may be amended by the Board of Selectmen through ordinance. Administrative costs are financed by the plan.

Investments

Investment Policy

The pension plan's policy in regard to the allocation of invested assets is carried out by the Plan Administrator through advice from an investment advisor. The Plan Administrator meets with the investment advisor on a regular basis in order to review an investment strategy to reduce risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the Board's adopted asset allocation policy as of June 30, 2018:

<u>Asset Class</u>	<u>Target Allocation</u>
Core Fixed Income	26 %
U.S. Equities	49
Developed Foreign Equities	<u>25</u>
Total	<u><u>100 %</u></u>

Rate of Return

For the year ended June 30, 2018, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 10.53%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability

The components of the net pension liability of the Town at June 30, 2018 were as follows:

Total pension liability	\$ 20,706,225
Plan fiduciary net position	<u>17,917,742</u>
Net Pension Liability	<u><u>\$ 2,788,483</u></u>
Plan fiduciary net position as a percentage of the total pension liability	86.53%

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Actuarial Assumptions

The total pension liability, measured at June 30, 2018, was determined by an actuarial valuation as of July 1, 2017, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increases	3.5%
Investment rate of return	7.125%
Actuarial cost method	Entry Age Normal

Mortality rates were based on the RP-2000 Mortality Tables for Employees, Healthy Annuitants, and Disabled Annuitants with generational projection for non-disabled per Scale AA.

The plan has not had a formal actuarial experience study performed.

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 as of June 30, 2018 (see the discussion of the pension plan's investment policy) are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return	
Core Fixed Income	2.65	%
U.S. Equities	4.86	
Developed Foreign Equities	5.79	

Discount Rate

The discount rate used to measure the total pension liability was 7.125% a decrease from 7.25% for the year ended June 30, 2017. 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 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.

TOWN OF GRANBY, CONNECTICUT
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Changes in Net Pension Liability

	Employees' Pension Plan		
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balances as of July 1, 2017	\$ 19,880,728	\$ 16,685,262	\$ 3,195,466
Changes for the year:			
Service cost	422,365		422,365
Interest on total pension liability	1,430,800		1,430,800
Effect of economic/demographic gains or losses	(112,857)		(112,857)
Effect of assumptions changes or inputs	241,263		241,263
Benefit payments	(1,156,074)	(1,156,074)	-
Employer contributions		517,850	(517,850)
Member contributions		158,979	(158,979)
Net investment income		1,723,847	(1,723,847)
Administrative expenses		(12,122)	12,122
Net changes	825,497	1,232,480	(406,983)
Balances as of June 30, 2018	\$ 20,706,225	\$ 17,917,742	\$ 2,788,483

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

The following presents the net pension liability of the Town, calculated using the discount rate of 7.125%, 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 (6.125%) or 1 percentage point higher (8.125%) than the current rate:

	1% Decrease (6.125%)	Current Discount Rate (7.125%)	1% Increase (8.125%)
Total Net Pension Liability	\$ 4,730,308	\$ 2,788,483	\$ 814,860

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

For the year ended June 30, 2018, the Town recognized pension expense of \$772,956. At June 30, 2018, the Town reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 53,029	\$ 121,614
Assumption changes or inputs	391,014	
Net difference between projected and actual earning on pension plan investments		336,526
Total	\$ 444,043	\$ 458,140

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

Year Ending June 30,

2019	\$ 258,056
2020	70,061
2021	(249,991)
2022	<u>(92,223)</u>
	<u>\$ (14,097)</u>

B. Teachers Retirement Pension

Plan Description

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

Benefit Provisions

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

Normal Retirement

Retirement benefits for employees are calculated as 2% of the average annual salary times the years of credited service (maximum benefit is 75% of average annual salary during the 3 years of highest salary).

Early Retirement

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

Disability Retirement

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

Contributions

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

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Employer (School Districts)

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

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

Employees

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

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

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

At June 30, 2018, the Town reports no amounts for its proportionate share of the net pension liability, and related deferred outflows and inflows, due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the Town were as follows:

Town's proportionate share of the net pension liability	\$ -
State's proportionate share of the net pension liability associated with the Town	<u>47,535,197</u>
Total	\$ <u>47,535,197</u>

The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. At June 30, 2018, the Town has no proportionate share of the net pension liability.

For the year ended June 30, 2018, the Town recognized pension expense and revenue of \$5,498,434 in Exhibit II for on-behalf amounts for the benefits provided by the State.

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2016, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increase	3.25-6.50%, including inflation
Investment rate of return	8.00%, net of pension plan investment expense, including inflation

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Mortality rates were based on the RPH-20 14 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 the period after service retirement and for dependent beneficiaries as well as for active members. The RPH-2014 Disabled Mortality Table projected to 2017 with Scale BB is used for the period after disability retirement.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2010 - June 30, 2015.

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

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

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Large Cap U.S. equities	21.0%	5.8%
Developed non-U.S. equities	18.0%	6.6%
Emerging markets (non-U.S.)	9.0%	8.3%
Real estate	7.0%	5.1%
Private equity	11.0%	7.6%
Alternative investments	8.0%	4.1%
Core fixed income	7.0%	1.3%
High yield bonds	5.0%	3.9%
Emerging market bond	5.0%	3.7%
Inflation linked bond fund	3.0%	1.0%
Cash	6.0%	0.4%
Total	100.0%	

Discount Rate

The discount rate used to measure the total pension liability was 8.00%. 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 State contributions will be made at the actuarially determined contribution rates in the future years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

Pension Plan Fiduciary Net Position

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

Other Information

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

13. OTHER POST EMPLOYMENT BENEFITS - RETIREE HEALTH CARE PLAN

A. Town Postretirement Health Care Plan

Plan Description

The Town and Board of Education provide postretirement health care benefits, in accordance with various labor and personnel contracts, to employees meeting specific service and age requirements. The postretirement health care benefits program is considered to be part of the Town's financial reporting entity and is included in the Town's financial report as the Other Post Employment Benefits Trust Fund. The postretirement health care plan is a single-employer defined benefit plan administered by the Town. The Town does not issue stand-alone financial statements for this program.

Management of the program for Other Post Employment Benefits rests with the Employee Health Benefits Fund Advisory Committee, which consists of five members. The five members are the First Selectman, Board of Education Chairman, Town Manager, Supt. of Schools, and a town resident appointed by the Board of Selectmen. The Employee Health Benefits Fund Advisory Committee delegates the power to administer the program to the Town Manager.

At July 1, 2017, plan membership consisted of the following:

Active plan members	282
Retired members	<u>51</u>
Total Participants	<u><u>333</u></u>

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Funding Policy

The Town's funding and payment of post-employment benefits for the year ended June 30, 2018 are accounted for in the Other Post Employment Benefits Trust Fund. The contribution requirements of plan members and the Town are also negotiated with the various unions representing the employees.

Investments

Investment Policy

The Other Post Employment Benefits program policy in regard to the allocation of invested assets is carried out by the Town Manager through advice from an investment advisor. The Town Manager meets with the investment advisor in order to review an investment strategy to reduce risk through the prudent diversification of the portfolio across a selection of distinct asset classes. The program refrains from dramatically shifting asset class allocations over short time spans. The following was the administrator's asset allocation as of June 30, 2018.

<u>Asset Class</u>	<u>Target Allocation</u>
U.S. Core Fixed Income	50%
U.S. Large Caps	50%

Rate of Return

For the year ended June 30, 2018, the annual money-weighted rate of return on investments, net of investment expense, was 5.95%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net OPEB Liability of the Town

The Town's net OPEB liability was measured as of June 30, 2018. The components of the net OPEB liability of the Town at June 30, 2018, were as follows:

Total OPEB liability	\$	8,493,312
Plan fiduciary net position		<u>1,838,379</u>
Net OPEB Liability	\$	<u><u>6,654,933</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability		21.65%

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of July 1, 2017, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.75%
Salary increases	Graded salary scale for BOE; 3.5% for others
Investment rate of return	6.00%, net of pension plan investment expense, including inflation
Healthcare cost trend rates	7.01% - 5.40% over 65 years

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Mortality rates for Teachers and Administrators were based on RP-2000 Combined Healthy Mortality Table for males and females projected forward 19 years using Scale AA, with a two-year age setback.

Mortality rates for all others were based on RP-2000 Healthy Mortality Table for males and females, and separate tables for active employees and annuitants with generational projection per Scale AA.

The actuarial assumptions used in the July 1, 2017 valuation were based on industry standard published tables and data, the particular characteristics of the plan, relevant information from the plan sponsor or other sources about future expectations, and the actuary's professional judgment regarding future plan experience. A full actuarial experience study has not been completed.

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 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 allocation and best estimates of arithmetic real rates of return for each major asset as of June 30, 2018 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Core Fixed Income	50 %	2.65 %
U.S. Large Caps	50	4.57
Total	100 %	

Discount Rate

The discount rate used to measure the total OPEB liability was 6.0%, a decrease from 7.0% for the year ended June 30, 2017. The projection of cash flows used to determine the discount rate assumed that Town contributions will be made at rates equal to the actuarially determined contribution rates. 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.

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Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Balances as of July 1, 2017	\$ 7,140,849	\$ 1,735,204	\$ 5,405,645
Changes for the year:			
Service cost	260,128		260,128
Interest on total OPEB liability	500,235		500,235
Effect of economic/demographic gains or losses	726,403		726,403
Effect of assumptions changes or inputs	383,976		383,976
Benefit payments	(518,279)	(518,279)	-
Employer contributions		518,279	(518,279)
Net investment income		103,175	(103,175)
Net changes	1,352,463	103,175	1,249,288
Balances as of June 30, 2018	\$ 8,493,312	\$ 1,838,379	\$ 6,654,933

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

The following presents the net OPEB liability of the Town, as well as what the Town's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.0%) or 1 percentage point higher (7.0%) than the current discount rate:

	1% Decrease (5.0%)	Current Discount Rate (6.0%)	1% Increase (7.0%)
Net OPEB Liability	\$ 7,530,554	\$ 6,654,933	\$ 5,901,468

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

The following presents the net OPEB liability of the Town, as well as what the Town's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (6.01% decreasing to 4.40%) or 1 percentage point higher (8.01% decreasing to 6.40%) than the current healthcare cost trend rates:

	Healthcare Cost		
	1% Decrease	Trend Rates	1% Increase
	(6.01% Decreasing	(7.01% Decreasing	(8.01% Decreasing
	to 4.40%)	to 5.40%)	to 6.40%)
Net OPEB Liability	\$ 5,713,707	\$ 6,654,933	\$ 7,772,807

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

For the year ended June 30, 2018, the Town recognized OPEB expense of \$760,748. At June 30, 2018, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred	Deferred
	Outflows of	Inflows of
	Resources	Resources
Differences between expected and actual experience	\$ 649,126	\$
Assumption changes or inputs	343,127	
Net difference between projected and actual earning on pension plan investments	14,566	
Total	\$ 1,006,819	\$ -

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

Year Ending June 30,

2019	\$ 121,767
2020	121,767
2021	121,767
2022	121,769
2023	118,123
Thereafter	401,626
	<u>\$ 1,006,819</u>

B. State Teachers Retirement Plan

Plan Description

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

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

Benefit Provisions

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

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

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

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). There are three choices for coverage under the CTRB Sponsored Medicare Supplemental Plans. The choices and 2017 calendar year premiums charged for each choice are shown in the table below:

• Medicare Supplement with Prescriptions	\$ 92
• Medicare Supplement with Prescriptions and Dental	136
• Medicare Supplement with Prescriptions, Dental, Vision & Hearing	141

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.

Eligibility

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

Credited Service

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

Normal Retirement

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

Early Retirement

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

Proratable Retirement

Age 60 with 10 years of Credited Service.

Disability Retirement

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

Termination of Employment

Ten or more years of Credited Service.

Contributions

State of Connecticut

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

**TOWN OF GRANBY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

Employees

Each member is required to contribute 1.25% of their annual salary up to \$500,000. Contributions in excess of \$500,000 will be credited to the Retiree Health Insurance Plan.

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

At June 30, 2018, the Town reports no amounts for its proportionate share of the net OPEB liability, and related deferred outflows and inflows, due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net OPEB liability, the related State support and the total portion of the net OPEB liability that was associated with the Town was as follows:

Town's proportionate share of the net OPEB liability	\$ -
State's proportionate share of the net OPEB liability associated with the Town	<u>12,235,018</u>
Total	\$ <u>12,235,018</u>

The net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as June 30, 2016. At June 30, 2018, the Town has no proportionate share of the net OPEB liability.

For the year ended June 30, 2018, the Town recognized OPEB expense and revenue of \$567,033 in Exhibit II for on-behalf amounts for the benefits provided by the State.

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2016, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Health care costs trend rate	7.25% decreasing to 5.00% by 2022
Salary increases	3.25-6.50%, including inflation
Investment rate of return	3.56%, net of OPEB plan investment expense, including inflation
Year fund net position will be depleted	2018

Mortality rates were based on the RPH-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) over age 80. For disabled retirees, mortality rates were based on the RPH-2014 Disabled Mortality Table projected to 2017 using the BB improvement scale.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2010 - June 30, 2015.

**TOWN OF GRANBY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

The long-term expected rate of return on plan assets is reviewed as part of the GASB 74 valuation process. Several factors are considered in evaluating the long-term rate of return assumption, including the plan's current asset allocations and a log-normal distribution analysis using the best-estimate ranges of expected future real rates of return (expected return, net investment expense and inflation) for each major asset class. The long-term expected rate of return was determined by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years. The plan is 100% invested in U.S. Treasuries (Cash Equivalents) for which the expected 10-Year Geometric Real Rate of Return is (0.04%).

Discount Rate

The discount rate used to measure the total OPEB liability was 3.56%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current member contribution rate and that contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members. No future State contributions were assumed to be made. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be depleted in 2018 and, as a result, the Municipal Bond Index Rate was used in the determination.

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

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

Other Information

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

TOWN OF GRANBY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

14. COMBINING TRUST FUNDS

A. Combining Balance Sheet

	Pension Trust Fund	OPEB Trust Fund	Total
Assets:			
Cash and cash equivalents	\$ 170,716	\$	\$ 170,716
Investments - mutual funds	17,741,024	1,838,379	19,579,403
Accounts receivable	6,002		6,002
Total assets	<u>17,917,742</u>	<u>1,838,379</u>	<u>19,756,121</u>
Net Position:			
Restricted for Pension Benefits and Other Post Employment Benefits	\$ <u>17,917,742</u>	\$ <u>1,838,379</u>	\$ <u>19,756,121</u>

B. Combining Statement of Revenues, Expenditures and Changes in Net Position

	Pension Trust Fund	OPEB Trust Fund	Total
Additions:			
Contributions			
Employer	\$ 517,850	\$ 518,279	\$ 1,036,129
Employee	158,979		158,979
Total	<u>676,829</u>	<u>518,279</u>	<u>1,195,108</u>
Investment income:			
Net appreciation in fair value of investments	1,426,727	103,175	1,529,902
Interest and dividends	332,435		332,435
Total investment gain	<u>1,759,162</u>	<u>103,175</u>	<u>1,862,337</u>
Less investment expenses:			
Investment management fees	35,315		35,315
Net investment income	<u>1,723,847</u>	<u>103,175</u>	<u>1,827,022</u>
Total additions	<u>2,400,676</u>	<u>621,454</u>	<u>3,022,130</u>
Deductions:			
Benefits	1,156,074	518,279	1,674,353
Administrative expenses	12,122		12,122
Total deductions	<u>1,168,196</u>	<u>518,279</u>	<u>1,686,475</u>
Net Change	1,232,480	103,175	1,335,655
Net Position at Beginning of Year	<u>16,685,262</u>	<u>1,735,204</u>	<u>18,420,466</u>
Net Position at End of Year	\$ <u>17,917,742</u>	\$ <u>1,838,379</u>	\$ <u>19,756,121</u>

15. PRIOR PERIOD ADJUSTMENT AND RESTATEMENT

The following restatements were recorded to the beginning net position of the governmental activities as a result of implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*:

Governmental Activities:

Net position at July 1, 2017, as previously reported	\$	56,718,740
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Adjustments:

Eliminate net OPEB obligation reported per GASB No. 45		359,383
Record total net OPEB liability per GASB No. 75		<u>(5,405,645)</u>

Net Position at July 1, 2017, as Restated	\$	<u><u>51,672,478</u></u>
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Required Supplementary Information

TOWN OF GRANBY, CONNECTICUT
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2018

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Property taxes:				
Current year taxes	\$ 35,196,698	\$ 35,196,698	\$ 35,956,081	\$ 759,383
Prior year's taxes	230,000	230,000	288,591	58,591
Supplemental motor vehicle	255,000	255,000	376,164	121,164
Total	35,681,698	35,681,698	36,620,836	939,138
Interest and lien fees	130,000	130,000	162,098	32,098
Total property taxes	35,811,698	35,811,698	36,782,934	971,236
Intergovernmental revenues:				
Reimbursement of local tax disability exemption	1,000	1,000	1,375	375
Elderly tax relief	65,000	65,000		(65,000)
Education Equalization Grant	3,983,851	3,983,851	4,813,010	829,159
Excess Grant - Special Education	850,412	850,412	524,692	(325,720)
State owned property	8,142	8,142	46	(8,096)
Veterans Exempt Grant	3,000	3,000	3,791	791
Telephone Grant	18,000	18,000	15,684	(2,316)
E911 PSAP Grant	45,000	45,000	46,540	1,540
Tuition other towns	705,111	705,111	739,006	33,895
Pequot Indian Fund	24,043	24,043	23,972	(71)
Municipal Revenue Sharing - Sales Tax	352,440	352,440		(352,440)
Municipal Revenue Sharing - Motor Vehicle	345,234	345,234		(345,234)
Other	40,000	40,000	134,467	94,467
Total intergovernmental revenues	6,441,233	6,441,233	6,302,583	(138,650)
Investment income	35,000	35,000	156,801	121,801
Local revenues:				
Town Clerk fees	200,000	200,000	272,698	72,698
Planning and Zoning	5,000	5,000	5,789	789
Zoning Board of Appeals	1,000	1,000	1,387	387
Building permits and licenses	120,000	120,000	252,704	132,704
Inland wetlands	2,000	2,000	712	(1,288)
Sale of maps and ordinances	100	100	323	223
Driveway permits	300	300	230	(70)
Total local revenues	328,400	328,400	533,843	205,443

(Continued on next page)

TOWN OF GRANBY, CONNECTICUT**GENERAL FUND****SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES****BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)****FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Other revenues:				
Snow plowing and grading	\$ 4,000	\$ 4,000	\$ 7,104	\$ 3,104
Photocopying	1,500	1,500	734	(766)
Rents	16,950	16,950	27,438	10,488
Contracted building inspection	10,100	10,100	10,100	-
Police dispatch services	28,600	28,600	28,600	-
Police photos and records	8,000	8,000	9,001	1,001
Library operations	22,236	22,236	10,505	(11,731)
Miscellaneous	30,000	30,000	125,352	95,352
Returned checks fee	350	350	105	(245)
Pay for participation	43,615	43,615	58,462	14,847
Open farm day	2,000	2,000	1,850	(150)
Holcomb Farm & haying	10,000	10,000	11,100	1,100
Prior year unliquidated encumbrances			34,785	34,785
Total other revenues	<u>177,351</u>	<u>177,351</u>	<u>325,136</u>	<u>147,785</u>
Other financing sources:				
Transfers from other funds:				
Capital Projects Fund	182,000	182,000	182,000	-
Cossitt Library	10	10	45	35
Total other financing sources	<u>182,010</u>	<u>182,010</u>	<u>182,045</u>	<u>35</u>
Total	<u>\$ 42,975,692</u>	<u>\$ 42,975,692</u>	44,283,342	<u>\$ 1,307,650</u>
Budgetary revenues are different than GAAP revenues because:				
State of Connecticut on-behalf contributions to the Connecticut State Teachers' Retirement Pension System for Town teachers are not budgeted			5,498,434	
State of Connecticut on-behalf contributions to the Connecticut State Teachers' Retirement OPEB System for Town teachers are not budgeted			567,033	
Cancellation of prior year encumbrances is recognized as budgetary revenue			(34,785)	
Revaluation Fund Revenues not budgeted			629	
Total Revenues and Other Financing Sources as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds - Exhibit IV			<u>\$ 50,369,653</u>	

**TOWN OF GRANBY, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
General government:				
General administration	\$ 403,606	\$ 403,606	\$ 400,609	\$ 2,997
Legal fees	24,000	24,000	23,900	100
Fringe benefits	2,116,996	2,116,996	2,100,645	16,351
Town Clerk operations	153,109	153,109	150,500	2,609
Probate	3,770	3,770	3,766	4
Contingency	72,282	60,282	42,434	17,848
Election services	39,018	39,018	29,275	9,743
Boards and commissions	65,657	65,657	65,371	286
Revenue collections	123,062	123,062	121,669	1,393
Property assessments	193,928	193,928	190,240	3,688
Fiscal management	335,933	335,933	322,779	13,154
Insurance	334,949	334,949	333,194	1,755
Total general government	<u>3,866,310</u>	<u>3,854,310</u>	<u>3,784,382</u>	<u>69,928</u>
Public safety:				
Building inspection	153,189	153,189	150,181	3,008
Fire prevention	324,475	324,475	305,180	19,295
Emergency management	800	800	148	652
Health services	129,365	129,365	129,362	3
Police department administration	339,687	339,687	315,312	24,375
Police operations and services	1,728,451	1,740,451	1,674,281	66,170
Total public safety	<u>2,675,967</u>	<u>2,687,967</u>	<u>2,574,464</u>	<u>113,503</u>
Public works and environment:				
Public Works administration	187,004	187,004	186,530	474
General maintenance	1,323,063	1,323,063	1,306,419	16,644
Solid waste and recycling	770,490	770,490	763,554	6,936
Planning and engineering services	34,400	34,400	27,899	6,501
Building maintenance and Town grounds	644,941	644,941	622,431	22,510
Total public works and environment	<u>2,959,898</u>	<u>2,959,898</u>	<u>2,906,833</u>	<u>53,065</u>
Recreation and social services:				
Library	538,105	538,105	527,063	11,042
Social services	234,707	234,707	196,878	37,829
Recreation administration	101,355	101,355	99,274	2,081
Community support	3,000	3,000	2,940	60
Total recreation and social services	<u>877,167</u>	<u>877,167</u>	<u>826,155</u>	<u>51,012</u>
Debt service	<u>3,544,540</u>	<u>3,544,540</u>	<u>3,534,892</u>	<u>9,648</u>
Education	<u>28,656,152</u>	<u>28,656,152</u>	<u>28,651,613</u>	<u>4,539</u>
Total budgeted expenditures	<u>42,580,034</u>	<u>42,580,034</u>	<u>42,278,339</u>	<u>301,695</u>

(Continued on next page)

**TOWN OF GRANBY, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Other financing uses:				
Transfers out:				
Capital equipment	\$ 1,350,000	\$ 1,350,000	\$ 1,350,000	\$ -
Senior activity	10,156	38,797	38,797	-
Emergency management	6,000	6,000	6,000	-
Dog fund	5,000	5,000	5,000	-
Youth service fund	74,502	74,502	74,502	-
Total other financing uses	<u>1,445,658</u>	<u>1,474,299</u>	<u>1,474,299</u>	<u>-</u>
Total Budgeted Operations	<u>\$ 44,025,692</u>	<u>\$ 44,054,333</u>	43,752,638	<u>\$ 301,695</u>
Budgetary expenditures are different than GAAP expenditures because:				
State of Connecticut on-behalf payments to the Connecticut State Teachers' Retirement Pension System for Town teachers are not budgeted			5,498,434	
State of Connecticut on-behalf payments to the Connecticut State Teachers' Retirement OPEB System for Town teachers are not budgeted			567,033	
Encumbrances for purchases and commitments ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year received for financial reporting purposes			185,175	
Encumbrances for purchases and commitments ordered in the previous year, that were received and liquidated in the current year, are reported for financial statement reporting purposes			(144,240)	
Revaluation Fund expenditures not budgeted			<u>56,562</u>	
Total Expenditures and Other Financing Uses as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds - Exhibit IV			<u>\$ 49,915,602</u>	

TOWN OF GRANBY, CONNECTICUT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
PENSION TRUST FUND
LAST FIVE FISCAL YEARS *

	2018	2017	2016	2015	2014
Total pension liability:					
Service cost	\$ 422,365	\$ 405,744	\$ 434,343	\$ 404,587	\$ 330,806
Interest	1,430,800	1,383,802	1,331,406	1,278,028	1,213,513
Differences between expected and actual experience	(112,857)	27,407	(76,130)	124,206	128,096
Changes of assumptions	241,263	236,519	147,140		
Benefit payments, including refunds of member contributions	(1,156,074)	(1,042,283)	(1,011,654)	(862,760)	(827,874)
Net change in total pension liability	825,497	1,011,189	825,105	944,061	844,541
Total pension liability - beginning	19,880,728	18,869,539	18,044,434	17,100,373	16,255,832
Total pension liability - ending	20,706,225	19,880,728	18,869,539	18,044,434	17,100,373
Plan fiduciary net position:					
Contributions - employer	517,850	487,591	470,130	456,702	448,025
Contributions - member	158,979	161,662	173,639	167,897	156,889
Net investment income (loss)	1,723,847	2,189,923	(296,148)	246,040	2,506,894
Benefit payments, including refunds of member contributions	(1,156,074)	(1,042,283)	(1,011,654)	(862,760)	(827,874)
Administrative expense	(12,122)				(1,966)
Net change in plan fiduciary net position	1,232,480	1,796,893	(664,033)	7,879	2,281,968
Plan fiduciary net position - beginning	16,685,262	14,888,369	15,552,402	15,544,523	13,262,555
Plan fiduciary net position - ending	17,917,742	16,685,262	14,888,369	15,552,402	15,544,523
Net Pension Liability - Ending	\$ 2,788,483	\$ 3,195,466	\$ 3,981,170	\$ 2,492,032	\$ 1,555,850
Plan fiduciary net position as a percentage of the total pension liability	86.53%	83.93%	78.90%	86.19%	90.90%
Covered payroll	\$ 3,778,774	\$ 4,086,754	\$ 3,913,965	\$ 3,311,245	\$ 3,409,422
Net pension liability as a percentage of covered payroll	73.79%	78.19%	101.72%	75.26%	45.63%

*Note: This schedule is intended to be for ten years. Additional information will be added as it becomes available.

TOWN OF GRANBY, CONNECTICUT
SCHEDULE OF EMPLOYER CONTRIBUTIONS
PENSION TRUST FUND
LAST TEN FISCAL YEARS

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Actuarially determined contribution	\$ 517,850	\$ 487,591	\$ 470,130	\$ 456,702	\$ 448,025	\$ 361,909	\$ 359,226	\$ 286,664	\$ 275,958	\$ 291,266
Contributions in relation to the actuarial determined contribution	<u>517,850</u>	<u>487,591</u>	<u>470,130</u>	<u>456,702</u>	<u>448,025</u>	<u>361,909</u>	<u>359,226</u>	<u>286,664</u>	<u>275,958</u>	<u>291,266</u>
Contribution Deficiency (Excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Covered payroll	\$ 3,778,774	\$ 4,086,754	\$ 3,913,965	\$ 3,311,245	\$ 3,409,422	\$ 3,637,892	\$ 3,402,929	\$ 3,735,252	\$ 3,619,257	\$ 3,680,749
Contributions as a percentage of covered payroll	13.70%	11.93%	12.01%	13.79%	13.14%	9.95%	10.56%	7.67%	7.62%	7.91%

Notes to Schedule

Valuation Date: July 1, 2017
Measurement Date: June 30, 2018
Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of salary - closed
Remaining amortization period	15 years
Asset valuation method	Market value
Inflation	2.75%
Salary increases	3.50%
Investment rate of return	7.125%
Retirement age	Age related rates
Mortality	RP-2000 Mortality Tables for Employees, Healthy Annuitants, and Disabled Annuitants with generational projection for non-disabled per Scale AA.

**TOWN OF GRANBY, CONNECTICUT
SCHEDULE OF INVESTMENT RETURNS
PENSION TRUST FUND
LAST FIVE FISCAL YEARS ***

	2018	2017	2016	2015	2014
Annual money-weighted rate of return, net of investment expense	10.35%	14.69%	(1.9%)	1.57%	18.78%

*Note: This schedule is intended to be for ten years. Additional information will be added as it becomes available.

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Town's proportion of the net pension liability	0.00%	0.00%	0.00%	0.00%
Town's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the Town	<u>47,535,197</u>	<u>50,149,997</u>	<u>38,644,363</u>	<u>35,718,969</u>
Total	<u>\$ 47,535,197</u>	<u>\$ 50,149,997</u>	<u>\$ 38,644,363</u>	<u>\$ 35,718,969</u>
Town's covered payroll	\$ 1,099,545	\$ 996,600	\$ 1,000,967	\$ 983,322
Town's proportionate share of the net pension liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	55.93%	52.26%	59.50%	61.51%

Notes to Schedule

Changes in benefit terms	None
Changes of assumptions	During 2016, rates of withdrawal, disability, retirement, mortality and assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience. These assumptions were recommended as part of the Experience Study for the System for the five-year period ended June 30, 2015.
	During 2011, rates of withdrawal, retirement and assumed rates of salary increases were adjusted to reflect actual and anticipated experience. These assumptions were recommended as part of the Experience Study for the System for the five-year period ended June 30, 2010.
Actuarial cost method	Entry age
Amortization method	Level percent of salary, closed
Remaining amortization period	20.4 years
Asset valuation method	4-year smoothed market
Investment rate of return	8.50%, net of investment related expense

*Note: This schedule is intended to be for ten years. Additional information will be added as it becomes available.

TOWN OF GRANBY, CONNECTICUT
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
OPEB PLAN
LAST TWO FISCAL YEARS*
(In Thousands)

	<u>2018</u>	<u>2017</u>
Total OPEB liability:		
Service cost	\$ 260,128	\$ 236,276
Interest	500,235	482,944
Differences between expected and actual experience	726,403	
Changes of assumptions	383,976	
Benefit payments	<u>(518,279)</u>	<u>(474,546)</u>
Net change in total OPEB liability	1,352,463	244,674
Total OPEB liability - beginning	<u>7,140,849</u>	<u>6,896,175</u>
Total OPEB liability - ending	<u>8,493,312</u>	<u>7,140,849</u>
Plan fiduciary net position:		
Contributions - employer	518,279	707,589
Net investment income	103,175	136,681
Benefit payments	<u>(518,279)</u>	<u>(474,546)</u>
Net change in plan fiduciary net position	103,175	369,724
Plan fiduciary net position - beginning	<u>1,735,204</u>	<u>1,365,480</u>
Plan fiduciary net position - ending	<u>1,838,379</u>	<u>1,735,204</u>
Net OPEB Liability - Ending	<u>\$ 6,654,933</u>	<u>\$ 5,405,645</u>
Plan fiduciary net position as a percentage of the total OPEB liability	21.65%	24.30%
Covered payroll	\$ 20,207,961	\$ 20,391,068
Net OPEB liability as a percentage of covered payroll	32.93%	26.51%

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

TOWN OF GRANBY, CONNECTICUT
SCHEDULE OF EMPLOYER CONTRIBUTIONS
OPEB PLAN
LAST TEN FISCAL YEARS
(In Thousands)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Actuarially determined contribution (1)	\$ 610,945	\$ 568,962	\$ 551,457	\$ 526,242	\$ 524,000	\$ 500,000	\$ 686,000	\$ 651,000	\$ 688,000	\$ 973,000
Contributions in relation to the actuarially determined contribution	518,279	707,589	412,830	661,242	389,000	780,000	406,000	893,000	604,000	497,000
Contribution Deficiency (Excess)	\$ <u>92,666</u>	\$ <u>(138,627)</u>	\$ <u>138,627</u>	\$ <u>(135,000)</u>	\$ <u>135,000</u>	\$ <u>(280,000)</u>	\$ <u>280,000</u>	\$ <u>(242,000)</u>	\$ <u>84,000</u>	\$ <u>476,000</u>
Covered payroll	\$ 20,207,961	\$ 20,391,068	\$ 19,763,521	\$ 19,763,521	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A
Contributions as a percentage of covered payroll	2.56%	3.47%	2.09%	3.35%	N/A	N/A	N/A	N/A	N/A	N/A

(1) Actuarially Determined Contributions prior to fiscal year ending June 30, 2017 is based on the Annual Required Contribution (ARC) calculated in accordance with GASB No. 45

Notes to Schedule

Valuation date: July 1, 2017

Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of payroll, closed
Amortization period	22 years
Asset valuation method	Market Value
Inflation	2.75%
Healthcare cost trend rates	7.01% - 5.40% over 60 years
Salary increases	Graded salary scale for BOE; 3.5% for others
Investment rate of return	6.00%, net of pension plan investment expense, including inflation
Retirement age	Varies based on age, eligibility for pension benefits, and gender
Mortality	Teachers and Administrators: RP-2000 Combined Healthy Mortality Table for males and females projected forward 19 years using Scale AA, with a two-year age setback. All Others: RP-2000 Healthy Mortality Table for males and females, and separate tables for active employees and annuitants with generational projection per Scale AA.

**TOWN OF GRANBY, CONNECTICUT
SCHEDULE OF INVESTMENT RETURNS
OPEB PLAN
LAST TWO FISCAL YEARS***

	2018	2017
Annual money-weighted rate of return, net of investment expense	5.95%	10.01%

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

TOWN OF GRANBY, CONNECTICUT
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
TEACHERS RETIREMENT PLAN
LAST FISCAL YEAR*

	2018
Town's proportion of the net OPEB liability	0.00%
Town's proportionate share of the net OPEB liability	\$ -
State's proportionate share of the net OPEB liability associated with the Town	<u>12,235,018</u>
Total	<u>\$ 12,235,018</u>
Town's covered payroll	\$ 1,099,545
Town's proportionate share of the net OPEB liability as a percentage of its covered payroll	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	1.79%

Notes to Schedule

Changes in benefit terms	None
Changes of assumptions	<p>The discount rate was increased from 3.01% to 3.56% to reflect the change in the Municipal Bond Index Rate.</p> <p>Changes were made to the assumed initial per capita health care costs, rates of health care inflation used to project the per capita costs, and the rates of Plan participation based upon recent experience and current expectations.</p> <p>As a result of the experience study for the five-year period ended June 30, 2015, the payroll growth rate assumption was decreased from 3.75% to 3.25% to reflect the decrease in the rate of inflation and the decrease in the rate of real wage increase. Last, the salary growth assumption, the payroll growth rate, the rates of withdrawal, the rates of retirement, the rates of mortality, and the rates of disability incidence were adjusted based upon the experience study's findings and their adoption by the Board.</p>
Actuarial cost method	Entry age
Amortization method	Level percent of payroll
Remaining amortization period	30 years, open
Asset valuation method	Market value of assets
Investment rate of return	4.25%, net of investment related expense including price inflation

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



Combining and Individual Fund Statements and Schedules



General Fund

GENERAL FUND

The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund budget is legally adopted at the Annual Town Meeting. The General Fund utilizes the modified accrual basis of accounting.

There are also funds that do not meet the definition of a special revenue fund in accordance with GASB No. 54, which are combined with the General Fund.

Revaluation Fund - To accumulate resources for future mandated assessment valuations.

TOWN OF GRANBY, CONNECTICUT
GENERAL FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
ASSETS		
Cash and cash equivalents	\$ 5,858,898	\$ 5,233,361
Investments	6,167,567	6,102,254
Property taxes receivable, net of allowance for uncollectibles of \$48,480 in 2018 and 2017	410,243	480,036
Interest receivable	111,719	114,733
Other receivables	297,986	486,388
Due from other funds	<u>13,440</u>	<u>608,388</u>
Total Assets	\$ <u>12,859,853</u>	\$ <u>13,025,160</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE		
Liabilities:		
Accounts payable and accrued liabilities	\$ 1,211,666	\$ 927,759
Due to other funds	<u>6,039,101</u>	<u>6,730,393</u>
Total liabilities	<u>7,250,767</u>	<u>7,658,152</u>
Deferred Inflows of Resources:		
Unavailable revenues - property taxes	334,494	521,558
Advance tax collections	<u>8,770</u>	<u>33,679</u>
Total deferred inflows of resources	<u>343,264</u>	<u>555,237</u>
Fund equity:		
Fund balance:		
Committed	50,131	51,064
Assigned for:		
Subsequent year's budget	950,000	1,050,000
Encumbrances	144,240	219,960
Unassigned	<u>4,121,451</u>	<u>3,490,747</u>
Total fund balance	<u>5,265,822</u>	<u>4,811,771</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ <u>12,859,853</u>	\$ <u>13,025,160</u>

**TOWN OF GRANBY, CONNECTICUT
GENERAL FUND
COMBINING BALANCE SHEET SCHEDULE
JUNE 30, 2018**

	<u>General</u>	<u>Revaluation Fund</u>	<u>Eliminations</u>	<u>Total</u>
ASSETS				
Cash and cash equivalents	\$ 5,858,898	\$	\$	\$ 5,858,898
Investments	6,167,567			6,167,567
Property taxes receivable, net of allowance for uncollectibles of \$48,480	410,243			410,243
Interest receivable	111,719			111,719
Other receivables	297,986			297,986
Due from other funds	<u>13,440</u>	<u>50,131</u>	<u>(50,131)</u>	<u>13,440</u>
Total Assets	<u>\$ 12,859,853</u>	<u>\$ 50,131</u>	<u>\$ (50,131)</u>	<u>\$ 12,859,853</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE				
Liabilities:				
Accounts payable and accrued liabilities	\$ 1,211,666	\$	\$	\$ 1,211,666
Due to other funds	<u>6,089,232</u>		<u>(50,131)</u>	<u>6,039,101</u>
Total liabilities	<u>7,300,898</u>	<u>-</u>	<u>(50,131)</u>	<u>7,250,767</u>
Deferred Inflows of Resources:				
Unavailable revenues - property taxes	334,494			334,494
Advance tax collections	<u>8,770</u>			<u>8,770</u>
Total deferred inflows of resources	<u>343,264</u>	<u>-</u>	<u>-</u>	<u>343,264</u>
Fund Equity:				
Fund balance:				
Committed		50,131		50,131
Assigned for:				
Subsequent year's budget	950,000			950,000
Encumbrances	144,240			144,240
Unassigned	<u>4,121,451</u>			<u>4,121,451</u>
Total fund balance	<u>5,215,691</u>	<u>50,131</u>	<u>-</u>	<u>5,265,822</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 12,859,853</u>	<u>\$ 50,131</u>	<u>\$ (50,131)</u>	<u>\$ 12,859,853</u>

TOWN OF GRANBY, CONNECTICUT**GENERAL FUND****COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>General</u>	<u>Revaluation Fund</u>	<u>Total</u>
Revenues:			
Property taxes	\$ 36,782,934	\$	\$ 36,782,934
Intergovernmental	12,368,050		12,368,050
Licenses, fees and charges for services	533,843		533,843
Investment income	156,801	629	157,430
Other revenues	290,351		290,351
Total revenues	<u>50,131,979</u>	<u>629</u>	<u>50,132,608</u>
Expenditures:			
Current:			
General government	3,811,124	56,562	3,867,686
Public safety	2,579,110		2,579,110
Public works and environmental	2,912,969		2,912,969
Recreation and social services	824,048		824,048
Education	34,722,599		34,722,599
Debt service	3,534,891		3,534,891
Total expenditures	<u>48,384,741</u>	<u>56,562</u>	<u>48,441,303</u>
Excess (Deficiency) of Revenues over Expenditures	<u>1,747,238</u>	<u>(55,933)</u>	<u>1,691,305</u>
Other Financing Sources (Uses):			
Transfers in	182,045	55,000	237,045
Transfers out	(1,474,299)		(1,474,299)
Total other financing sources (uses)	<u>(1,292,254)</u>	<u>55,000</u>	<u>(1,237,254)</u>
Net Change in Fund Balances	454,984	(933)	454,051
Fund Balances at Beginning of Year	<u>4,760,707</u>	<u>51,064</u>	<u>4,811,771</u>
Fund Balances at End of Year	<u>\$ 5,215,691</u>	<u>\$ 50,131</u>	<u>\$ 5,265,822</u>

**TOWN OF GRANBY, CONNECTICUT
GENERAL FUND
REPORT OF TAX COLLECTOR
FOR THE YEAR ENDED JUNE 30, 2018**

Grand List	Current Levy	Uncollected Taxes July 1, 2017	Lawful Corrections		Transfers To Suspense	Adjusted Taxes Collectible	Collections	Refunds	Uncollected Taxes June 30, 2018
			Additions	Deductions					
2016	\$ 36,537,000	\$	\$ 68,684	\$ 142,316	\$	\$ 36,463,368	\$ 36,243,798	\$ 25,728	\$ 245,298
2015		329,444	3,224	11,013		321,655	212,604	8,294	117,345
2014		110,258	425	3,141	3,710	103,832	47,494	2,226	58,564
2013		49,470			4,478	44,992	23,048		21,944
2012		20,933			4,005	16,928	6,849		10,079
2011		12,331			2,709	9,622	4,223		5,399
2010		6,080			5,986	94			94
2009						-			-
2008						-			-
2007						-			-
Total	\$ <u>36,537,000</u>	\$ <u>528,516</u>	\$ <u>72,333</u>	\$ <u>156,470</u>	\$ <u>20,888</u>	\$ <u>36,960,491</u>	36,538,016	\$ <u>36,248</u>	\$ <u>458,723</u>
Interest, liens, fees and suspension collections							130,661		
Total collections							36,668,677		
Property taxes receivable considered available:									
June 30, 2017							(73,211)		
June 30, 2018							187,468		
Total Property Tax Revenue							\$ 36,782,934		



Nonmajor Governmental Funds

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are restricted to expenditures for specified purposes. The Special Revenue Funds utilize the modified accrual basis of accounting.

Fund	Funding Source	Function
Dog	License fees and State grants	Animal population control
Town Aid Road	State and Federal grant	Construction and maintenance of roads
Senior Activity	User fees grants and donations	Fund various senior activities
LOCIP	State grant	Capital Improvement Fund
Solid Waste Sanitation	Licenses, fees and investment income	Operation of Town's solid waste disposal program
Sidewalk and Beautification Improvement	Donations and investment income	Improve sidewalks and other Town property
Local Assistance	Donations	Provide support for low income individuals
Open Space	Sale of land and investment income	Preserve undeveloped land
Police Community Education	Donations	Public safety education
Public Schools	Various funding sources	Various educational support programs
Police Forfeited Property	Assets seized by police in drug enforcement activities	Police enforcement
Youth Services Grant	State grant	Youth and community activities
Cafeteria	Federal, State and local	School lunch programs
Ambulance Association	Fees	Administer salaries and benefits for ambulance employees
Federal and State Educational Grants	State and Federal grants	Education programs
Sewer Utility	User fees	Operation of sewer system
Communications	Fees from cell phone companies	Maintenance of cell towers
Police Grants	State and Federal grants	Various police support programs
Education Quality and Diversity	State and Federal grants	Educational support programs
Board of Education Severance	Contributions	Account for severance payments to retired board employees
Contractor Payment	Licenses, fees and charges	Account for police and engineering contract fees
Granby Public Library	State grants and contributions	Support of Town library
Parks and Recreation	Licenses, fees and charges	Administration of recreational services
Dog Park	Donations	Construct and maintain Town dog parks
Historic Documents	State grant	Preservation of Town's records
Emergency Management	Local, State and Federal grants	Manage and coordinate large scale emergency operations

Debt Service Fund is used to account for the accumulation of resources for debt payments.

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 reporting government's programs.

Fund	Funding Source	Function
Universal Cemetery	Investment income	Maintain Town's cemeteries
Cossitt Library	Investment income	Maintain Cossitt Library

**TOWN OF GRANBY, CONNECTICUT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018**

	Special Revenue Funds								
	Dog	Town Aid Road	Senior Activity	LOCIP	Solid Waste Sanitation	Sidewalk and Beautification Improvement	Local Assistance	Open Space	Police Community Education
ASSETS									
Cash and cash equivalents	\$	\$	\$	\$	\$	\$	\$	\$	\$
Due from other governments									
Due from other funds	5,761	229,962	125,802		325,452	99,626	27,080	42,352	22,874
Receivables									
Total Assets	\$ 5,761	\$ 229,962	\$ 125,802	\$ -	\$ 325,452	\$ 99,626	\$ 27,080	\$ 42,352	\$ 22,874
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable and accrued liabilities	\$	\$	\$	\$	\$	\$	\$	\$	\$
Due to other funds									
Unearned revenue									
Total liabilities	-	-	-	-	-	-	-	-	-
Fund Balances:									
Nonspendable									
Restricted		229,962							
Committed	5,761		125,802		325,452	99,626	27,080	42,352	22,874
Unassigned									
Total fund balances	5,761	229,962	125,802	-	325,452	99,626	27,080	42,352	22,874
Total Liabilities and Fund Balances	\$ 5,761	\$ 229,962	\$ 125,802	\$ -	\$ 325,452	\$ 99,626	\$ 27,080	\$ 42,352	\$ 22,874

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**TOWN OF GRANBY, CONNECTICUT
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018**

	Special Revenue Funds							
	Public Schools	Police Forfeited Property	Youth Services Grant	Cafeteria	Ambulance Association	Federal and State Educational Grants	Sewer Utility	Communications
ASSETS								
Cash and cash equivalents	\$ 187,393	\$	\$	\$ 70,917	\$	\$ 7,441	\$	\$
Due from other governments				25,406		19,559		
Due from other funds		142	265,300				801,765	175,596
Receivables	15,140			61,621				
Total Assets	\$ 202,533	\$ 142	\$ 265,300	\$ 157,944	\$ -	\$ 27,000	\$ 801,765	\$ 175,596
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable and accrued liabilities	\$ 96,004	\$	\$	\$ 125,707	\$	\$ 6,402	\$	\$
Due to other funds					39,762	13,440		
Unearned revenue	19,719			17,648				
Total liabilities	115,723	-	-	143,355	39,762	19,842	-	-
Fund Balances:								
Nonspendable								
Restricted			265,300			7,158		
Committed	86,810	142		14,589			801,765	175,596
Unassigned					(39,762)			
Total fund balances	86,810	142	265,300	14,589	(39,762)	7,158	801,765	175,596
Total Liabilities and Fund Balances	\$ 202,533	\$ 142	\$ 265,300	\$ 157,944	\$ -	\$ 27,000	\$ 801,765	\$ 175,596

(Continued on next page)

**TOWN OF GRANBY, CONNECTICUT
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018**

	Special Revenue Funds							
	Police Grants	Education Quality and Diversity	Board of Education Severance	Contractor Payment	Granby Public Library	Parks and Recreation	Dog Park	Historic Documents
ASSETS								
Cash and cash equivalents	\$	\$	\$	\$	\$	\$	\$	\$
Due from other governments								
Due from other funds	6,952	811,966	140,740	122,950	18,323	501,410	14,870	29,228
Receivables								
Total Assets	<u>\$ 6,952</u>	<u>\$ 811,966</u>	<u>\$ 140,740</u>	<u>\$ 122,950</u>	<u>\$ 18,323</u>	<u>\$ 501,410</u>	<u>\$ 14,870</u>	<u>\$ 29,228</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable and accrued liabilities	\$	\$	\$	\$	\$	\$	\$	\$
Due to other funds								
Unearned revenue								
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:								
Nonspendable								
Restricted	6,952	811,966			18,323			29,228
Committed			140,740	122,950		501,410	14,870	
Unassigned								
Total fund balances	<u>6,952</u>	<u>811,966</u>	<u>140,740</u>	<u>122,950</u>	<u>18,323</u>	<u>501,410</u>	<u>14,870</u>	<u>29,228</u>
Total Liabilities and Fund Balances	<u>\$ 6,952</u>	<u>\$ 811,966</u>	<u>\$ 140,740</u>	<u>\$ 122,950</u>	<u>\$ 18,323</u>	<u>\$ 501,410</u>	<u>\$ 14,870</u>	<u>\$ 29,228</u>

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**TOWN OF GRANBY, CONNECTICUT
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018**

	<u>Special Revenue Funds</u>			<u>Permanent Funds</u>				Total Nonmajor Governmental Funds
	<u>Emergency Management</u>	<u>Total</u>	<u>Debt Service</u>	<u>Universal Cemetery</u>	<u>Cossitt Library</u>	<u>Total</u>	<u>Interfund Eliminations</u>	
ASSETS								
Cash and cash equivalents	\$	\$ 265,751	\$	\$	\$	\$ -	\$	\$ 265,751
Due from other governments		44,965				-		44,965
Due from other funds		3,768,151	204,921	13,332	4,223	17,555		3,990,627
Receivables	10,078	86,839				-		86,839
Total Assets	<u>\$ 10,078</u>	<u>\$ 4,165,706</u>	<u>\$ 204,921</u>	<u>\$ 13,332</u>	<u>\$ 4,223</u>	<u>\$ 17,555</u>	<u>\$ -</u>	<u>\$ 4,388,182</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable and accrued liabilities	\$	\$ 228,113	\$	\$	\$	\$ -		\$ 228,113
Due to other funds	9,439	62,641				-		62,641
Unearned revenue		37,367				-		37,367
Total liabilities	<u>9,439</u>	<u>328,121</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>328,121</u>
Fund Balances:								
Nonspendable		-		13,332	4,223	17,555		17,555
Restricted	639	1,369,528	204,921			-		1,574,449
Committed		2,507,819				-		2,507,819
Unassigned		(39,762)				-		(39,762)
Total fund balances	<u>639</u>	<u>3,837,585</u>	<u>204,921</u>	<u>13,332</u>	<u>4,223</u>	<u>17,555</u>	<u>-</u>	<u>4,060,061</u>
Total Liabilities and Fund Balances	<u>\$ 10,078</u>	<u>\$ 4,165,706</u>	<u>\$ 204,921</u>	<u>\$ 13,332</u>	<u>\$ 4,223</u>	<u>\$ 17,555</u>	<u>\$ -</u>	<u>\$ 4,388,182</u>

TOWN OF GRANBY, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	Special Revenue Funds								
	Dog	Town Aid Road	Senior Activity	LOCIP	Solid Waste Sanitation	Sidewalk and Beautification Improvement	Local Assistance	Open Space	Police Community Education
Revenues:									
Intergovernmental	\$	\$ 259,645	\$	\$ 80,000	\$	\$	\$	\$	\$
Investment income					3,304	1,048		465	
Contributions			8,259				20,105		
Licenses, fees and charges for goods and services	13,299		62,632		132,774				
Other			2,431					2,180	
Total revenues	<u>13,299</u>	<u>259,645</u>	<u>73,322</u>	<u>80,000</u>	<u>136,078</u>	<u>1,048</u>	<u>20,105</u>	<u>2,645</u>	<u>-</u>
Expenditures:									
Current:									
General government								3,999	
Public safety	15,675								
Public works and environment					94,149				
Recreation and social services			118,166				18,074		
Education									
Total expenditures	<u>15,675</u>	<u>-</u>	<u>118,166</u>	<u>-</u>	<u>94,149</u>	<u>-</u>	<u>18,074</u>	<u>3,999</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(2,376)</u>	<u>259,645</u>	<u>(44,844)</u>	<u>80,000</u>	<u>41,929</u>	<u>1,048</u>	<u>2,031</u>	<u>(1,354)</u>	<u>-</u>
Other financing sources (uses):									
Capital lease issuance									
Transfers in	5,000		38,797						
Transfers out		(250,000)		(80,000)	-				
Total other financing sources (uses)	<u>5,000</u>	<u>(250,000)</u>	<u>38,797</u>	<u>(80,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	2,624	9,645	(6,047)	-	41,929	1,048	2,031	(1,354)	-
Fund Balance at Beginning of Year	<u>3,137</u>	<u>220,317</u>	<u>131,849</u>	<u>-</u>	<u>283,523</u>	<u>98,578</u>	<u>25,049</u>	<u>43,706</u>	<u>22,874</u>
Fund Balance at End of Year	\$ <u>5,761</u>	\$ <u>229,962</u>	\$ <u>125,802</u>	\$ <u>-</u>	\$ <u>325,452</u>	\$ <u>99,626</u>	\$ <u>27,080</u>	\$ <u>42,352</u>	\$ <u>22,874</u>

(Continued on next page)

TOWN OF GRANBY, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	Special Revenue Funds							
	Public Schools	Police Forfeited Property	Youth Services Grant	Cafeteria	Ambulance Association	Federal and State Educational Grants	Sewer Utility	Communications
Revenues:								
Intergovernmental	\$	\$	\$ 26,659	\$ 168,741	\$	\$ 550,204	\$	
Investment income		2						2,096
Contributions			36,594					
Licenses, fees and charges for goods and services	107,860		3,710	441,951			222,571	50,870
Other			1,042	1,494			6,167	
Total revenues	<u>107,860</u>	<u>2</u>	<u>68,005</u>	<u>612,186</u>	<u>-</u>	<u>550,204</u>	<u>228,738</u>	<u>52,966</u>
Expenditures:								
Current:								
General government								
Public safety								
Public works and environment							243,758	
Recreation and social services			101,753					
Education	68,965			631,647		545,173		
Total expenditures	<u>68,965</u>	<u>-</u>	<u>101,753</u>	<u>631,647</u>	<u>-</u>	<u>545,173</u>	<u>243,758</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>38,895</u>	<u>2</u>	<u>(33,748)</u>	<u>(19,461)</u>	<u>-</u>	<u>5,031</u>	<u>(15,020)</u>	<u>52,966</u>
Other financing sources (uses):								
Capital lease issuance								
Transfers in			74,502					
Transfers out						-		(50,000)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>74,502</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(50,000)</u>
Net change in fund balance	38,895	2	40,754	(19,461)	-	5,031	(15,020)	2,966
Fund Balance at Beginning of Year	<u>47,915</u>	<u>140</u>	<u>224,546</u>	<u>34,050</u>	<u>(39,762)</u>	<u>2,127</u>	<u>816,785</u>	<u>172,630</u>
Fund Balance at End of Year	<u>\$ 86,810</u>	<u>\$ 142</u>	<u>\$ 265,300</u>	<u>\$ 14,589</u>	<u>\$ (39,762)</u>	<u>\$ 7,158</u>	<u>\$ 801,765</u>	<u>\$ 175,596</u>

(Continued on next page)

TOWN OF GRANBY, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	Special Revenue Funds							
	Police Grants	Education Quality and Diversity	Board of Education Severance	Contractor Payment	Granby Public Library	Parks and Recreation	Dog Park	Historic Documents
Revenues:								
Intergovernmental	\$	\$ 647,388	\$	\$	\$	\$	\$	\$ 4,000
Investment income								
Contributions					9,182		6,275	
Licenses, fees and charges for goods and services		40,500		134,688		523,125		
Other		100,097		8,904	3,455	22,056		2,304
Total revenues	-	787,985	-	143,592	12,637	545,181	6,275	6,304
Expenditures:								
Current:								
General government								4,000
Public safety								
Public works and environment				117,353				
Recreation and social services					2,125	492,424	6,188	
Education		1,107,728						
Total expenditures	-	1,107,728	-	117,353	2,125	492,424	6,188	4,000
Excess (deficiency) of revenues over expenditures	-	(319,743)	-	26,239	10,512	52,757	87	2,304
Other financing sources (uses):								
Capital lease issuance		175,000						
Transfers in								
Transfers out								
Total other financing sources (uses)	-	175,000	-	-	-	-	-	-
Net change in fund balance	-	(144,743)	-	26,239	10,512	52,757	87	2,304
Fund Balance at Beginning of Year	6,952	956,709	140,740	96,711	7,811	448,653	\$ 14,783	26,924
Fund Balance at End of Year	\$ 6,952	\$ 811,966	\$ 140,740	\$ 122,950	\$ 18,323	\$ 501,410	\$ 14,870	\$ 29,228

(Continued on next page)

TOWN OF GRANBY, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Special Revenue Funds</u>			<u>Permanent Funds</u>				<u>Total Nonmajor Governmental Funds</u>
	<u>Emergency Management</u>	<u>Total</u>	<u>Debt Service</u>	<u>Universal Cemetery</u>	<u>Cossitt Library</u>	<u>Total</u>	<u>Interfund Eliminations</u>	
Revenues:								
Intergovernmental	\$ 4,417	\$ 1,741,054	\$	\$	\$	\$ -	\$	\$ 1,741,054
Investment income		6,915	1,948	141	45	186		9,049
Contributions		80,415				-		80,415
Licenses, fees and charges for goods and services		1,733,980				-		1,733,980
Other	468	150,598	127,098			-		277,696
Total revenues	<u>4,885</u>	<u>3,712,962</u>	<u>129,046</u>	<u>141</u>	<u>45</u>	<u>186</u>	<u>-</u>	<u>3,842,194</u>
Expenditures:								
Current:								
General government		7,999				-		7,999
Public safety	8,340	24,015				-		24,015
Public works and environment		455,260	100,273			-		555,533
Recreation and social services		738,730				-		738,730
Education		2,353,513				-		2,353,513
Total expenditures	<u>8,340</u>	<u>3,579,517</u>	<u>100,273</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,679,790</u>
Excess (deficiency) of revenues over expenditures	<u>(3,455)</u>	<u>133,445</u>	<u>28,773</u>	<u>141</u>	<u>45</u>	<u>186</u>	<u>-</u>	<u>162,404</u>
Other financing sources (uses):								
Capital lease issuance		175,000				-		175,000
Transfers in	6,000	124,299				-		124,299
Transfers out		(380,000)			(45)	(45)		(380,045)
Total other financing sources (uses)	<u>6,000</u>	<u>(80,701)</u>	<u>-</u>	<u>-</u>	<u>(45)</u>	<u>(45)</u>	<u>-</u>	<u>(80,746)</u>
Net change in fund balance	2,545	52,744	28,773	141	-	141	-	81,658
Fund Balance at Beginning of Year	<u>(1,906)</u>	<u>3,784,841</u>	<u>176,148</u>	<u>13,191</u>	<u>4,223</u>	<u>17,414</u>	<u>-</u>	<u>3,978,403</u>
Fund Balance at End of Year	<u>\$ 639</u>	<u>\$ 3,837,585</u>	<u>\$ 204,921</u>	<u>\$ 13,332</u>	<u>\$ 4,223</u>	<u>\$ 17,555</u>	<u>\$ -</u>	<u>\$ 4,060,061</u>



Fiduciary Funds

AGENCY FUNDS

Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Agency Funds are as follows:

Student Activity Funds - to account for the collection and payment of expenses for education extra - curricular activities at the high school, middle schools and grammar schools.

Contractor Security Fund - to account for all bonds collected from contractors - these bonds will be returned to payee upon successful completion of related construction projects.

Flexible Spending Fund - to account for the employees' tax savings plan for health and welfare costs.

TOWN OF GRANBY, CONNECTICUT
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Balance</u> <u>July 1, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2018</u>
High School Activity Fund				
Assets:				
Cash and cash equivalents	\$ <u>230,545</u>	\$ <u>283,089</u>	\$ <u>298,773</u>	\$ <u>214,861</u>
Liabilities:				
Due to student groups and others	\$ <u>230,545</u>	\$ <u>283,089</u>	\$ <u>298,773</u>	\$ <u>214,861</u>
Middle School Activity Fund				
Assets:				
Cash and cash equivalents	\$ <u>57,831</u>	\$ <u>265,966</u>	\$ <u>254,329</u>	\$ <u>69,468</u>
Liabilities:				
Due to student groups and others	\$ <u>57,831</u>	\$ <u>265,966</u>	\$ <u>254,329</u>	\$ <u>69,468</u>
Kearns School Activity Fund				
Assets:				
Cash and cash equivalents	\$ <u>10,849</u>	\$ <u>7,798</u>	\$ <u>15,015</u>	\$ <u>3,632</u>
Liabilities:				
Due to student groups and others	\$ <u>10,849</u>	\$ <u>7,798</u>	\$ <u>15,015</u>	\$ <u>3,632</u>
Wells Road School Activity Fund				
Assets:				
Cash and cash equivalents	\$ <u>30,070</u>	\$ <u>54,176</u>	\$ <u>67,474</u>	\$ <u>16,772</u>
Liabilities:				
Due to student groups and others	\$ <u>30,070</u>	\$ <u>54,176</u>	\$ <u>67,474</u>	\$ <u>16,772</u>

(Continued on next page)

TOWN OF GRANBY, CONNECTICUT

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2018

	<u>Balance</u> <u>July 1, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2018</u>
Contract Security				
Assets:				
Accounts receivable	\$ <u>76,130</u>	\$ <u>50,000</u>	\$ <u>67,713</u>	\$ <u>58,417</u>
Liabilities:				
Due to contractors	\$ <u>76,130</u>	\$ <u>50,000</u>	\$ <u>67,713</u>	\$ <u>58,417</u>
Flexible Spending				
Assets:				
Cash and cash equivalents	\$ <u>26,311</u>	\$ <u>59,879</u>	\$ <u>63,129</u>	\$ <u>23,061</u>
Liabilities:				
Due to employees	\$ <u>26,311</u>	\$ <u>59,879</u>	\$ <u>63,129</u>	\$ <u>23,061</u>
Total All Funds				
Assets:				
Cash and cash equivalents	\$ 355,606	\$ 670,908	\$ 698,720	\$ 327,794
Accounts receivable	<u>76,130</u>	<u>50,000</u>	<u>67,713</u>	<u>58,417</u>
Total	\$ <u>431,736</u>	\$ <u>720,908</u>	\$ <u>766,433</u>	\$ <u>386,211</u>
Liabilities:				
Due to student groups and others	\$ 329,295	\$ 611,029	\$ 635,591	\$ 304,733
Due to contractors	<u>76,130</u>	<u>50,000</u>	<u>67,713</u>	<u>58,417</u>
Due to employees	<u>26,311</u>	<u>59,879</u>	<u>63,129</u>	<u>23,061</u>
Total	\$ <u>431,736</u>	\$ <u>720,908</u>	\$ <u>766,433</u>	\$ <u>386,211</u>



Statistical Section

Statistical Section Information

The objectives of statistical section information are to provide financial statement users with additional historical perspective, context and detail to assist in using the information in the financial statements, notes to financial statements and required supplementary information to understand and assess economic condition.

Statistical section information is presented in the following categories:

- *Financial trends information* is intended to assist users in understanding and assessing how financial position has changed over time.
- *Revenue capacity information* is intended to assist users in understanding and assessing the factors affecting the ability to generate *own-source revenues* (property taxes, charges for services, etc.).
- *Debt capacity information* is intended to assist users in understanding and assessing debt burden and the ability to issue additional debt.
- *Demographic and economic information* is intended 1) to assist users in understanding the socioeconomic environment and 2) to provide information that facilitates comparisons of financial statement information over time and among governments.
- *Operating information* is intended to provide contextual information about operations and resources to assist readers in using financial statement information to understand and assess economic condition.

The accompanying tables are presented in the above order. Refer to the Table of Contents for applicable page number locations.

Sources: Unless otherwise noted, the information in the tables is derived from the comprehensive annual financial reports for the relevant year.

TABLE 1

TOWN OF GRANBY, CONNECTICUT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(In Thousands)

	FISCAL YEAR									
	2018	2017**	2016	2015	2014*	2013	2012	2011	2010	2009
Governmental Activities:										
Net investment in capital assets	\$ 49,698	\$ 49,033	\$ 48,091	\$ 47,125	\$ 46,045	\$ 44,113	\$ 46,714	\$ 47,290	\$ 46,214	\$ 45,963
Restricted	222	194	254	312	383	446	517	580	791	1,145
Unrestricted	<u>1,413</u>	<u>2,446</u>	<u>9,500</u>	<u>11,021</u>	<u>11,723</u>	<u>13,808</u>	<u>9,103</u>	<u>9,159</u>	<u>9,320</u>	<u>10,519</u>
Total Governmental Activities Net Position	<u>\$ 51,333</u>	<u>\$ 51,673</u>	<u>\$ 57,845</u>	<u>\$ 58,458</u>	<u>\$ 58,151</u>	<u>\$ 58,367</u>	<u>\$ 56,334</u>	<u>\$ 57,029</u>	<u>\$ 56,325</u>	<u>\$ 57,627</u>

NOTES:

(1) Schedule prepared on the accrual basis of accounting

* Amounts were restated to reflect implementation of GASB Statement No. 68

** Amounts were restated to reflect implementation of GASB Statement No. 75

TABLE 2

TOWN OF GRANBY, CONNECTICUT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(In Thousands)

	FISCAL YEAR									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Expenses:										
General government	\$ 4,830	\$ 5,119	\$ 4,330	\$ 3,728	\$ 3,210	\$ 3,264	\$ 3,410	\$ 2,999	\$ 2,995	\$ 3,180
Public safety	2,927	3,500	3,294	3,161	2,977	2,867	4,479	2,591	2,461	2,626
Public works and environment	4,670	4,676	4,327	3,956	4,264	4,156	4,190	4,392	4,386	4,578
Recreation and social services	1,638	1,776	1,623	1,494	1,428	1,354	1,347	1,325	1,280	1,307
Education	40,844	39,795	37,830	36,600	35,624	34,363	35,371	32,901	34,408	31,206
Interest on long-term debt	699	814	941	1,046	1,141	1,093	1,157	1,274	1,405	1,543
Total governmental activities expenses	<u>55,608</u>	<u>55,680</u>	<u>52,345</u>	<u>49,985</u>	<u>48,644</u>	<u>47,097</u>	<u>49,954</u>	<u>45,482</u>	<u>46,935</u>	<u>44,440</u>
Program Revenues:										
Governmental activities:										
Charges for services:										
General government	993	696	712	606	689	500	525	543	553	533
Education	1,212	813	1,378	1,287	1,332	1,518	2,669	2,194	2,257	2,304
Other	1,421	1,911	1,879	1,620	1,543	1,286	1,217	1,221	1,079	1,009
Operating grants and contributions	14,322	14,431	11,870	11,732	12,225	12,228	12,712	10,374	10,306	9,160
Capital grants and contributions	140		328	417		313	5	3	146	420
Total governmental activities program revenues	<u>18,088</u>	<u>17,851</u>	<u>16,167</u>	<u>15,662</u>	<u>15,789</u>	<u>15,845</u>	<u>17,128</u>	<u>14,335</u>	<u>14,341</u>	<u>13,426</u>
Net (expense) revenue:										
Governmental activities	<u>(37,520)</u>	<u>(37,829)</u>	<u>(36,178)</u>	<u>(34,323)</u>	<u>(32,855)</u>	<u>(31,252)</u>	<u>(32,826)</u>	<u>(31,147)</u>	<u>(32,594)</u>	<u>(31,014)</u>
General revenues and other changes in net position:										
Governmental activities:										
Property taxes	36,596	35,962	34,988	34,124	33,215	32,699	31,780	31,186	30,634	30,643
Grants and contributions not restricted to specific purposes	226	486	417	256	805	452	244	310	360	872
Unrestricted investment earnings	184	98	90	76	45	42	51	130	230	522
Other general revenues	175	157	70	174	38	93	57	225	67	403
Total governmental activities	<u>37,181</u>	<u>36,703</u>	<u>35,565</u>	<u>34,630</u>	<u>34,103</u>	<u>33,286</u>	<u>32,132</u>	<u>31,851</u>	<u>31,291</u>	<u>32,440</u>
Changes in net position:										
Governmental Activities	<u>\$ (339)</u>	<u>\$ (1,126)</u>	<u>\$ (613)</u>	<u>\$ 307</u>	<u>\$ 1,248</u>	<u>\$ 2,034</u>	<u>\$ (694)</u>	<u>\$ 704</u>	<u>\$ (1,303)</u>	<u>\$ 1,426</u>

Notes:

(1) Schedule prepared on the accrual basis of accounting

TABLE 3

TOWN OF GRANBY, CONNECTICUT
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(In Thousands)

	FISCAL YEAR									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General Fund:										
Reserved	\$	\$	\$	\$	\$	\$	\$	\$	\$ 347	\$ 368
Unreserved									4,089	5,319
Committed	50	51	8	8	16	16	11	5		
Assigned	1,094	1,270	1,662	1,676	1,715	1,819	1,785	2,082		
Unassigned	4,122	3,491	3,012	2,586	2,871	2,227	1,742	2,372		
Total General Fund	\$ <u>5,266</u>	\$ <u>4,812</u>	\$ <u>4,682</u>	\$ <u>4,270</u>	\$ <u>4,602</u>	\$ <u>4,062</u>	\$ <u>3,538</u>	\$ <u>4,459</u>	\$ <u>4,436</u>	\$ <u>5,687</u>
All other governmental funds:										
Reserved	\$	\$	\$	\$	\$	\$	\$	\$	\$ 1,143	\$ 1,148
Unreserved, reported in:										
Special revenue funds									2,791	3,000
Capital projects funds									970	1,430
Nonspendable	18	17	19	19	19	19	19	19		
Restricted	1,643	1,656	1,805	1,732	1,808	1,496	1,567	1,288		
Committed	3,497	3,459	3,921	4,320	4,752	6,452	2,596	2,848		
Unassigned	(40)	(42)			(91)	(12)	(294)	(2)		
Total All Other Governmental Funds	\$ <u>5,118</u>	\$ <u>5,090</u>	\$ <u>5,745</u>	\$ <u>6,071</u>	\$ <u>6,488</u>	\$ <u>7,955</u>	\$ <u>3,888</u>	\$ <u>4,153</u>	\$ <u>4,904</u>	\$ <u>5,578</u>

Notes:

1. Schedule prepared on the modified accrual basis of accounting
2. Fund balance presentation was changed in Fiscal Year 2011 when GASB Statement No. 54 was implemented

TABLE 4

TOWN OF GRANBY, CONNECTICUT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(In Thousands)

	FISCAL YEAR									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Revenues:										
Property taxes	\$ 36,783	\$ 36,068	\$ 34,955	\$ 34,052	\$ 33,236	\$ 32,684	\$ 31,684	\$ 31,121	\$ 30,667	\$ 30,603
Intergovernmental	14,462	14,817	12,375	12,206	12,948	12,594	13,743	11,714	11,937	11,458
Licenses, fees and charges for services	2,268	2,611	3,164	3,104	3,011	2,914	3,087	2,684	2,702	2,754
Investments income	174	88	78	66	38	36	43	117	212	488
Other	690	580	499	754	673	586	815	656	539	913
Total revenues	<u>54,377</u>	<u>54,164</u>	<u>51,071</u>	<u>50,182</u>	<u>49,906</u>	<u>48,814</u>	<u>49,372</u>	<u>46,292</u>	<u>46,057</u>	<u>46,216</u>
Expenditures:										
General government	4,121	4,381	3,606	3,573	3,403	3,397	3,400	3,008	3,040	2,969
Public safety	2,603	3,286	3,131	2,989	2,871	2,660	4,424	2,510	2,397	2,588
Public works and environment	3,469	3,420	3,169	3,235	3,164	3,056	3,011	3,236	3,447	3,649
Recreation and social services	1,563	1,632	1,554	1,415	1,352	1,296	1,310	1,255	1,211	1,262
Education	37,076	36,150	33,997	33,736	33,390	32,309	33,019	31,753	32,309	30,127
Capital outlay	2,619	3,152	2,578	3,401	3,868	8,385	2,540	1,788	1,940	2,116
Debt service:										
Principal	2,820	2,815	2,810	2,335	2,335	2,325	2,358	2,828	2,968	2,713
Interest	714	829	946	1,042	1,122	970	1,072	1,199	1,335	1,467
Total expenditures	<u>54,985</u>	<u>55,665</u>	<u>51,791</u>	<u>51,726</u>	<u>51,505</u>	<u>54,398</u>	<u>51,134</u>	<u>47,577</u>	<u>48,647</u>	<u>46,891</u>
Excess of Revenue Over (Under) Expenditures	<u>(608)</u>	<u>(1,501)</u>	<u>(720)</u>	<u>(1,544)</u>	<u>(1,599)</u>	<u>(5,584)</u>	<u>(1,762)</u>	<u>(1,285)</u>	<u>(2,590)</u>	<u>(675)</u>
Other Financing Sources (Uses):										
Transfers in	2,091	2,013	3,473	2,457	1,925	1,895	1,807	2,206	1,414	1,696
Transfers out	(2,091)	(2,013)	(3,473)	(2,457)	(1,925)	(1,895)	(1,807)	(2,206)	(1,414)	(1,696)
Premium on bond						671				
Proceeds from capital leases	1,089	976	807	795	673	804	577	557	664	411
Proceeds from sale of bonds						8,700				
Total other financing sources	<u>1,089</u>	<u>976</u>	<u>807</u>	<u>795</u>	<u>673</u>	<u>10,175</u>	<u>577</u>	<u>557</u>	<u>664</u>	<u>411</u>
Net Change in Fund Balances	<u>\$ 481</u>	<u>\$ (525)</u>	<u>\$ 87</u>	<u>\$ (749)</u>	<u>\$ (926)</u>	<u>\$ 4,591</u>	<u>\$ (1,185)</u>	<u>\$ (728)</u>	<u>\$ (1,926)</u>	<u>\$ (264)</u>
Debt Service as a Percentage of Noncapital Expenditures	<u>6.56%</u>	<u>6.71%</u>	<u>7.42%</u>	<u>6.74%</u>	<u>7.06%</u>	<u>6.91%</u>	<u>6.90%</u>	<u>8.70%</u>	<u>8.98%</u>	<u>9.24%</u>

NOTE: Schedule prepared on the modified accrual basis of accounting

TABLE 5

**TOWN OF GRANBY, CONNECTICUT
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS**

Fiscal Year	Real Property			Personal Property	Motor Vehicle	Total Taxable Assessed Value	Total Direct Tax Rate	Taxable Estimated Actual Taxable Value	Assessed Value As a Percentage of Actual Taxable Value
	Residential	Commercial	Industrial						
2018	\$ 810,972,620	\$ 47,655,390	\$ 5,613,440	\$ 22,939,100	\$ 90,106,350	\$ 977,286,900	37.94	\$ 1,396,124,140	70
2017	808,469,860	46,132,140	5,610,780	22,447,050	88,711,390	971,371,220	36.94	1,387,673,170	70
2016	804,827,730	46,197,090	5,517,260	21,117,660	88,087,910	965,747,650	36.22	1,379,639,500	70
2015	800,597,960	46,174,200	5,517,260	19,993,660	87,870,220	960,153,300	35.52	1,371,647,571	70
2014	797,228,500	46,311,350	5,517,260	19,489,890	85,595,310	954,142,310	34.83	1,363,060,443	70
2013	904,887,630	51,293,580	6,204,730	18,547,720	86,066,740	1,067,000,400	30.69	1,524,286,286	70
2012	901,273,420	50,860,910	6,204,730	17,415,490	81,355,570	1,057,110,120	30.10	1,510,157,314	70
2011	898,043,590	50,849,210	6,204,730	17,484,120	76,809,940	1,049,391,590	29.79	1,499,130,843	70
2010	893,744,090	50,839,760	6,204,730	17,304,720	74,359,520	1,042,452,820	29.46	1,489,218,314	70
2009	892,786,680	50,296,370	6,050,380	17,366,340	79,545,660	1,046,045,430	29.35	1,494,350,614	70

Source: Town of Granby Office of Tax Assessor

TABLE 6

**TOWN OF GRANBY
PROPERTY TAX RATES
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30,	Town Direct Rates			
	General Town Government Rate	Board of Education Rate	Debt Service Rate	Total Direct Rate
2018	10.19	24.7	3.05	37.94
2017	9.86	23.98	3.1	36.94
2016	9.42	23.69	3.11	36.22
2015	9.24	23.45	2.83	35.52
2014 (a)	8.91	23.02	2.90	34.83
2013	7.79	20.41	2.49	30.69
2012	7.48	20.06	2.56	30.10
2011	7.2	19.62	2.97	29.79
2010	6.94	19.39	3.13	29.46
2009 (a)	7.06	19.22	3.07	29.35

Note: The Town has no overlapping debt.

(a) - Revaluation year

Source: Town of Granby Finance Department

TABLE 7

**TOWN OF GRANBY, CONNECTICUT
PRINCIPAL PROPERTY TAX PAYERS
FISCAL YEARS 2018 AND 2009**

Grand List Year 10/1/2016				Grand List Year 10/1/2007			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Town Taxable Assessed Value	Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Town Taxable Assessed Value
Connecticut Light & Power	\$ 10,559,910	1	1.08	Connecticut Light & Power	\$ 6,042,230	1	0.58
Granby Developers	4,337,340	2	0.44	Granby Developers	5,090,470	2	0.49
Arrow Concrete Products	3,738,590	3	0.38	Baygrape Associates	3,599,440	3	0.34
Granby Holdings, LLC	3,356,570	4	0.34	Granby Holdings, LLC	3,407,950	4	0.33
Baygrape Associates	3,267,390	5	0.33	Arrow Concrete Products	3,057,560	5	0.29
Halmar, Inc.	2,845,850	6	0.29	Halmar Inc	2,986,900	6	0.28
Pierce Enterprise / Builders	2,188,870	7	0.23	Pierce Enterprises, LLC	2,694,130	7	0.26
Granby Center Associates	1,895,950	8	0.20	Guarco, Michael B. & David A.	2,455,630	8	0.23
Reesg Properties, LLC	1,531,740	9	0.16	Granby Center Associates	2,332,330	9	0.22
Riverbend Associates, Inc	1,489,920	10	0.15	Riverbend Associates, Inc	2,159,680	10	0.21
Total	\$ 35,212,130		3.60		\$ 33,826,320		3.23

Source: Town of Granby, Office of Tax Assessor

TABLE 8

**TOWN OF GRANBY, CONNECTICUT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30,	Tax Rate In Mills	Taxes Levied For The Fiscal Year	Collected Within The Fiscal Year of Levy		Collections In Subsequent Years	Total Collections to Date		
			Amount	Percentage of Levy		Amount	Percentage of Levy	
2018	37.94	\$ 36,537,000	\$ 36,243,798	99.19%	N/A	\$ 36,243,798	99.19	%
2017	36.94	35,878,035	35,796,114	98.94	N/A	35,796,114	98.94	
2016	36.22	35,293,299	34,570,307	97.95	N/A	34,570,307	97.95	
2015	35.52	34,396,661	33,651,746	97.84	N/A	33,651,746	97.84	
2014	34.83	33,586,134	32,796,233	97.65	N/A	32,796,233	97.65	
2013	30.69	33,046,915	32,262,602	97.63	N/A	32,262,602	97.63	
2012	30.1	32,068,276	31,303,545	97.62	N/A	31,303,545	97.62	
2011	29.79	31,248,771	30,768,115	98.50	N/A	30,768,115	98.50	
2010	29.46	30,889,640	30,242,388	97.90	N/A	30,242,388	97.90	
2009	29.35	30,978,015	30,222,246	97.56	N/A	30,222,246	97.56	

TABLE 9

TOWN OF GRANBY, CONNECTICUT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(In Thousands)

Fiscal Year	General Bonded Debt Bonds General Obligation Bonds	Accumulated Resources Restricted for Debt Repayment	Net Bonded Debt	Ratio of Net General Bonded Debt to Estimated Actual Taxable Value	Bonded Debt Per Capita (not rounded)	Other Debt Capital Leases	Total Debt	Debt Per Capita (not rounded)	Percentage of Debt to Personal Income
2018	\$ 15,982	\$ 205	\$ 15,777	1.13%	\$ 1,407	\$ 2,137	\$ 18,119	\$ 1,595	2.69%
2017	18,850	176	18,674	1.35%	1,667	1,937	20,787	1,838	3.49%
2016	21,713	237	21,476	1.56%	1,920	1,826	23,539	2,081	3.71%
2015	24,571	294	24,277	1.77%	2,178	1,795	26,366	2,337	4.22%
2014	26,804	366	26,438	1.94%	2,384	1,786	28,590	2,543	4.56%
2013	29,137	429	28,708	1.88%	2,575	1,784	30,921	2,733	5.11%
2012	22,063	499	21,564	1.43%	1,954	1,636	23,699	2,099	3.93%
2011	24,375	563	23,812	1.59%	2,161	1,719	26,094	2,313	4.33%
2010	27,230	774	26,456	1.78%	2,427	1,815	29,045	2,589	5.69%
2009	30,198	1,128	29,070	1.95%	2,692	1,675	31,873	2,841	8.39%

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

TOWN OF GRANBY, CONNECTICUT
STATEMENT OF DEBT LIMITATION
JUNE 30, 2018

Total tax collections (including interest and lien fees) for year ended June 30, 2017					\$ 36,067,912
Reimbursements for revenue loss for the year ended June 30, 2017:					
Tax relief for the elderly					<u>75,068</u>
Base					\$ <u>36,142,980</u>
	General Purpose	Schools	Sewers	Urban Renewal	Pension Deficit
Debt Limitation					
2-1/4 times base	\$ 81,321,705	\$	\$	\$	\$
4-1/2 times base		162,643,410			
3-3/4 times base			135,536,175		
3-1/4 times base				117,464,685	
3 times base					108,428,940
Total debt limitation	<u>81,321,705</u>	<u>162,643,410</u>	<u>135,536,175</u>	<u>117,464,685</u>	<u>108,428,940</u>
Indebtedness:					
Bonds and notes payable	5,686,350	9,618,650			
Bonds authorized and unissued	<u>50,000</u>	<u>1,489,277</u>			
Net indebtedness	<u>5,736,350</u>	<u>11,107,927</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt Limitation in Excess of Outstanding and Authorized Debt	\$ <u>75,585,355</u>	\$ <u>151,535,483</u>	\$ <u>135,536,175</u>	\$ <u>117,464,685</u>	\$ <u>108,428,940</u>

Note: In no case shall total indebtedness exceed \$253,000,860 or seven times annual receipts from taxation

TABLE 11

**TOWN OF GRANBY, CONNECTICUT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(In Thousands)**

	FISCAL YEAR									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Debt limitation	\$ 253,001	\$ 245,196	\$ 238,835	\$ 233,144	\$ 229,251	\$ 222,205	\$ 218,289	\$ 215,058	\$ 214,997	\$ 210,877
Total net debt applicable to limit	<u>16,844</u>	<u>19,664</u>	<u>22,479</u>	<u>25,289</u>	<u>27,624</u>	<u>29,959</u>	<u>32,034</u>	<u>25,892</u>	<u>28,460</u>	<u>31,018</u>
Legal Debt Margin	<u>\$ 236,157</u>	<u>\$ 225,532</u>	<u>\$ 216,356</u>	<u>\$ 207,855</u>	<u>\$ 201,627</u>	<u>\$ 192,246</u>	<u>\$ 186,255</u>	<u>\$ 189,166</u>	<u>\$ 186,537</u>	<u>\$ 179,859</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	<u>6.66%</u>	<u>8.02%</u>	<u>9.41%</u>	<u>10.85%</u>	<u>12.05%</u>	<u>13.48%</u>	<u>14.68%</u>	<u>12.04%</u>	<u>13.24%</u>	<u>14.71%</u>

Source: Comprehensive annual financial report - Schedule of Debt Limitation

Note: See Table 10 for calculation of current year debt limitation

**TOWN OF GRANBY, CONNECTICUT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS**

Calendar Year	Population(1)	Per Capita Income(5)	Median Age(2)	School Enrollment(3)	Unemployment Rate(4)	Total Personal Income(2)
2018	11,357	\$ 52,112	47.2	1,862	3.10%	\$ 59,343
2017	11,310	52,984	47.1	1,826	3.70%	52,648
2016	11,310	56,042	46.7	1,876	3.40%	52,648
2015	11,284	55,309	45.8	1,953	3.50%	52,648
2014	11,243	55,814	44.6	1,959	4.50%	52,648
2013	11,316	53,437	44.6	2,025	6.00%	52,648
2012	11,291	53,437	44.6	2,205	5.80%	52,648
2011	11,282	53,437	44.6	2,152	6.00%	52,648
2010	11,220	45,519	42	2,275	5.90%	52,648
2009	11,219	33,863	42	2,324	5.80%	52,648

(1) Source: Connecticut Department of Health and Census

(2) Source: Census - Based upon most recent info from 2010 census

(3) Source: Annual Budget

(4) Source: Connecticut Department Labor

(5) Source: Comparative Guide to American Suburbs 2009-10

U.S. Census - American Fact Finder

U.S. Census data

Board of Education

Connecticut Department of Labor

U.S. Census data

TABLE 13

**TOWN OF GRANBY, CONNECTICUT
PRINCIPAL EMPLOYERS
2018 AND 2009**

<u>Employer</u>	<u>Nature of Business</u>	<u>2018</u>			<u>2009</u>		
		<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Town Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Town Employment</u>
Town of Granby	Local Municipal Government	429	1	18.3	473	1	19.6
YMCA	Recreation and Social Services	100-249	2	11.2	302	2	12.5
Meadow Brook Nursing Home	Medical Services	100-249	3	7.9	182	4	7.5
Imperial Nursery/Monrovia	Nursery Production	100-249	4	5.0	295	3	12.2
Stop and Shop	Supermarket	100-249	5	4.9	145	6	6.0
Geissler's Supermarket	Retail Sales	100-249	6	3.8	105	7	4.3
Arrow Concrete	Industrial	20-49	7	2.4	37	11	1.5
Salmon Brook Vet Hospital	Veterinary Hospital	50-99	8	2.2	65	8	2.7
TJ Maxx	Retail	20-49	9	2.0			
Stateline Oil	Service/fabrication	50-99	10	1.2	66	9	2.8
High Meadow - Seasonal	Entertainment	50-99			149	5	6.2
CVS	Retail				52	10	2.2
Total		<u>429</u>		<u>58.9</u>	<u>1,871</u>		<u>77.5</u>

Source: Town of Granby, Community Development Office/Assessor
Employees are full and part-time. Total town employment is based on full-time.

TABLE 14

TOWN OF GRANBY, CONNECTICUT
FULL-TIME EQUIVALENT TOWN GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

	FULL-TIME EQUIVALENT TOWN GOVERNMENT EMPLOYEES AS OF JUNE 30,									
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
<u>Function/Program</u>										
General government	11	11	11	11	11	11	11	11	11	11
Police	23	23	23	23	23	22	22	22	22	22
Fire	0	0	0	0	0	0	0	0	0	0
Refuse collection	0	0	0	0	0	0	0	0	0	0
Other public works	16	16	16	16	16	16	16	16	17	17
Parks and recreation	2	2	2	2	2	2	2	2	2	2
Library	4	4	4	4	4	4	4	4	4	4
Education	<u>290.4</u>	<u>295.2</u>	<u>304.2</u>	<u>298.8</u>	<u>299.6</u>	<u>315.2</u>	<u>317.9</u>	<u>323.3</u>	<u>321.4</u>	<u>319.1</u>
Total	<u>346.4</u>	<u>351.2</u>	<u>360.2</u>	<u>354.8</u>	<u>355.6</u>	<u>370.2</u>	<u>372.9</u>	<u>378.3</u>	<u>377.4</u>	<u>375.1</u>

TABLE 15

**TOWN OF GRANBY, CONNECTICUT
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

Function/Program	FISCAL YEAR									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General government:										
Building permits issued	1,155	900	954	993	1,047	889	1025	772	744	751
Building inspections conducted	1,393	1,310	1,325	1,300	1,275	1,120	994	1,101	1,200	1,690
Police:										
Physical arrests	157	129	166	114	206	206	140	118	183	169
Parking violations	2	0	0	15	0	0	0	0	11	6
Traffic violations	610	774	871	1,327	1,241	1,488	1,465	880	2,105	1,868
Fire:										
Emergency responses	209	246	224	212	210	211	281	249	215	241
Fires extinguished	24	40	16	10	21	73	25	30	17	35
Inspections	168	133	151	168	130	92	103	99	70	55
Refuse collection:										
Refuse collected (tons per day)	12.19	11.84	12	12.1	12.2	14.5	14.3	14.7	12.71	13
Recyclables collected (tons per day)	5.113	4.98	5.4	5.44	5.5	4.5	4.1	4	6	3.8
Other public works:										
Street resurfacing (miles)	3.67	3.32	3.74	0	3.5	3.6	1.75	2.15	2.68	3.25
Potholes repaired	162	153	138	162	142	150	145	155	150	150
Parks and recreation:										
Athletic field permits issued	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Community center admissions	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Library:										
Volumes in collection	70,376	70,077	74,696	69,405	70,298	71,270	74,340	76,006	75,199	75,125
Total volumes borrowed	97,157	114,999	112,148	142,701	130,409	132,215	146,424	136,344	165,780	170,124
Water:										
New connections	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Water main breaks	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Average daily consumption (thousands of gallons)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Peak daily consumption (thousands of gallons)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Wastewater:										
Average daily sewage treatment (thousands of gallons)	135,000	139,000	115,000	135,000	120,000	130,000	130,000	160,000	120,000	110,000
Transit:										
Total route miles	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Passengers	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Source: Annual Reports, Budgets, and Department records

TABLE 16

TOWN OF GRANBY, CONNECTICUT
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	FISCAL YEAR									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	11	10	10	10	10	10	9	9	9	9
Fire stations	3	3	3	3	3	3	3	3	3	3
Refuse collection:										
Collection trucks	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Other public works:										
Streets (miles)	95.9	95.9	95.9	95.70	95.70	95.70	95.70	95.70	95.70	95.70
Highways (miles)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Streetlights	152	152	151	151	151	151	151	151	151	151
Traffic signals	6	6	6	6	6	6	6	6	6	6
Parks and recreation:										
Acreage	161.8	161.8	161.8	161.8	161.8	161.8	161.8	161.8	161.8	161.8
Playgrounds	2	2	2	2	2	2	2	2	2	2
Baseball/softball diamonds	6	6	6	6	6	6	6	6	6	6
Soccer/football fields	10	10	10	10	10	10	10	10	10	10
Community centers	1	1	1	1	1	1	1	1	1	1
Water:										
Water mains (miles)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Fire hydrants	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Storage capacity (thousands of gallons)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Wastewater:										
Sanitary sewers (miles)	5.31	5.31	5.31	5.31	5.31	5.31	5.31	5.31	5.31	4.77
Storm sewers (miles)	11.4	11.4	11.4	11.4	11.4	11.4	11.4	11.4	11.4	11.4
Treatment capacity (thousands of gallons)	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000
Transit - mini-buses	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Source: Annual Reports, Budgets and Department records